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**MORFELD:** Morning, everyone. Welcome to the Education Committee. For the safety of our committee members, staff, pages, and the public, we ask those attending our hearings abide by the following procedures. Due to social distancing requirements, seating in the hearing room is limited. We ask that you only enter the hearing room when it is necessary for you to attend the bill hearing in progress. The bills will be taken up in the order posted outside of the hearing room. The list will be updated after each hearing to identify which bill is be-- currently being heard. The committee will pause between each bill to allow time for the public to move in and out of the hearing room. We request that everyone utilize the identified entrance and exit doors to the hearing room, entrance being over there and the exit being over there. We request that you wear a face covering while in the hearing room. Testifiers may remove their face covering during testimony to assist committee members and transcribers in clearly hearing and understanding the testimony. Pages will sanitize the front table and chairs between testifiers. Public hearings for which-- for which attendance reaches seating capacity or near capacity, the entrance door will be monitored by a Sergeant-at-Arms, who will allow people to enter the hearing room based on seating availability. Persons waiting to enter a hearing room are asked to observe social distancing and wear a face mask/covering while waiting in the hallway or outside the building. The Legislature does not have the availability, due to the HVAC project, of an overflow hearing room for hearings which attract several testifiers and observers. For hearings with a large attendance, we request only testifiers enter the hearing room. We ask that you please limit or eliminate handouts. The committee will take up the bills on the posted agenda, which I just said a little bit earlier. I'd like to-- the committee members with us here today, starting on the right, to introduce themselves.

**McKINNEY:** My name is Terrell McKinney. I represent District 11, which is north Omaha.

**MURMAN:** Good morning. I'm Senator Dave Murman from District 38, and it's seven counties to the south, west, and east of Kearney and Hastings.

**LINEHAN:** Good morning. I'm Lou Ann Linehan. I represent District 39, which is Valley, Waterloo, and Elkhorn, Nebraska.

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**SANDERS:** Good morning. Rita Sanders, representing District 45, the Bellevue-Offutt community.

**MORFELD:** And my name's Adam Morfeld. I represent District 46 and I'm the Vice Chair of the committee. Senator Walz is currently introducing another bill, so I'll get it started for her. And then we also just had Senator Patty Pansing Brooks, District 28, just join us. Welcome. And then we also have-- to our immediate right, we have our research analyst, Tom Arnsperger. And then to my right, at the end of the table, is our committee clerk, Kristina. And then we also have our legislative pages, which I think should be Ryan and Brytany. Sometimes they switch it out. There's Ryan and Brytany. Thank you. Please remember that senators may come and go during our hearing because they may have other bills to introduce other committees. I'd like to also remind our committee members to speak directly into the microphones and limit side conversations with making noises and personal devices. We are an electronics-equipped committee and information is provided electronically, as well, in paper form. Therefore, you may see committee members referencing information on their electronic devices. Be assured that your presence here today and your testimony are important to us and crucial to our state government. Lastly, as a reminder, please allow pages to sanitize between testifiers. We're going to begin today's hearings with LB327, and Senator Slama will be introducing. Welcome.

**SLAMA:** Thank you. Good morning, Senator Morfeld and members of the Education Committee. My name is Julie Slama, J-u-l-i-e S-l-a-m-a, and I represent District 1 in southeast Nebraska. I'm here today to introduce LB327, a bill which would require students to take a half credit-hour of a personal finance or financial literacy course in order to graduate high school. Now, more than ever, financial literacy is critically important to our youth. According to the Federal Reserve, student loan debt in the United States is \$1.71 trillion, which is almost double our country's total credit card debt. We've never had this kind of level of personal debt in our country's history, and we're sending 18-, 19-year-olds into the world and out to college in many cases with no idea how to balance a budget and no understanding that the thousands of dollars they're taking out in student loans to pay for college are the only kind of debt that doesn't go away with bankruptcy. Without a requirement that all students have a basic understanding of personal finance, we're risking the financial future of our youth. LB327 would require high school

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students to take a half credit-hours, so one semester, of personal finance or financial literacy course, as outlined by the Nebraska Department of Education. After bringing this bill, I had a few folks reach out to me to express that financial literacy is something that should be taught by parents in the home. While some students are lucky enough for that to be the case, many of our students don't have that kind of support system at home, so by depending solely on the parents to teach this subject, you're perpetuating a system in which financial fundamentals are taught only to the students who have a strong support system at home, creating generational issues with financial literacy. The benefits of financial literacy courses are well documented. In 2016, Ramsay Solutions, a popular financial research group, polled 76,000 students who had recently taken a financial literacy course. These students were asked about their money habits, along with general financial literacy questions. Out of all the respondents, 95 percent of students were confident in their ability to budget; 87 percent of students were confident in their ability to invest; and 94 percent of students were confident in their ability to save money. A research study conducted by the Federal Reserve Board in 2014 focused on default rates and credit scores of recently graduated students that received courses in financial literacy due to statewide mandates. They compared three states where material personal finance high school education mandates were recently enacted with similarly aged individuals in bordering states that did not change their financial literacy education requirements. They found that mandated personal finance courses led to improved credit scores and reduced default rates in young adults, while bordering states had no measurable change in the same time period. Last week even is a great example of the dangers of not having a solid foundation in personal finance, as we saw young people throwing their entire life savings and money from their student loans into obscenely overpriced stocks in hopes that they would get rich quick. Some got lucky and it worked out. But now we're seeing that many of these investors have lost just about everything they have. I'd like to finish with a quote from an article written by the Champlain by Champlain College in Vermont: Financial literacy, just like reading, writing, and arithmetic, builds human capital by empowering individuals with the ability to create personal wealth to buy a home, go to college, have a rainy-day and retirement fund. We would not allow a young person to get in the driver's seat of a car without requiring driver's education, and yet we allow our youth to enter the complex financial world without any related education. An

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uneducated individual armed with a credit card, a student loan, and access to a mortgage can be as dangerous to themselves and their community as a person with no training behind the wheel of a car. I ask that the committee pass LB327 to General File to empower our students with a foundation in financial literacy. Thank you, and I'm happy to answer any questions that you may have.

**MORFELD:** Thank you, Senator Slama. Any questions? OK.

**SLAMA:** All right.

**MORFELD:** Will you stay for closing or--

**SLAMA:** I will.

**MORFELD:** OK, fantastic. Thank you.

**SLAMA:** Thank you.

**MORFELD:** We'll then we begin with proponent testimony. We'll need to disinfect everything first, Treasurer.

**JOHN MURANTE:** OK.

**MORFELD:** We don't want you to get sick.

**JOHN MURANTE:** Oh, yeah. God forbid we not have a Treasurer.

**MORFELD:** We need somebody to sign the checks, so. [LAUGH] Welcome, Treasurer Murante.

**JOHN MURANTE:** Welcome. And I've waited years to say it's an honor to be before you, acting-Chairman Morfeld. Members of--

**MORFELD:** We'll see in a few minutes.

**JOHN MURANTE:** Members of the Education Committee, it's-- it's an honor to be back before you. I'm here to testify in favor of LB2-- LB327. And I want to thank Senator Slama for her interest in financial literacy and for introducing this bill, which I think is very important. I want to start off with a couple of action items that the Treasurer's Office has been performing over the past few years as it relates to financial literacy. First, we've been working with schools and school districts across the state of Nebraska to pro-- to provide

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free financial literacy resources, free of charge to the school districts and to the students who are taking them through the EverFi process. Some of you may have seen that. We've tried to advertise that over the course of the last year with more kids staying home and-- and being taught remotely, providing a free resource that they can-- that they can utilize to learn some financial skills starting in elementary and middle school and going all the way through-- through high school. EverFi has been a great partner and we're-- we're happy to provide that free service to school districts and to the state. In addition, last year, the State Treasurer's Office applied for and was awarded a \$100,000 grant to provide free financial literacy training and education to all state and local public employees in the state of Nebraska. We were proud to partner with University of Nebraska and the Nebraska Council on-- on Economic Education to build a curriculum that will be provided once again free of charge for all state and local government employees to provide basic financial, personal financial training and skills. There are many obvious reasons why financial education is important to be taught at the high school level. I want to go through a couple of items that aren't necessarily at the forefront of when we think about financial literacy and education, first of all, college attainment and addressing the issue of intergenerational poverty. College attainment is so important, whether it be a two- or a four-year degree, whether it be a university, a four-year university or a trade school, vocational school, apprenticeships or-- and so on. But what we found is that kids who have a-- any sort of college savings, more than \$1, less than \$500, which, as you all know, is not really-- \$500 does not go a long way to addressing the costs of going to a four-year university. But kids who have even that minimal amount of money are four times more likely to go to college and five more-- five times more likely to graduate from college. In addition, what we have found is that kids who have any sort of college savings, their parents, the parental expectation of those kids going to college is dramatically improved. And what we have found is that data is clear on this in study after study. One of the leading-- the leading indicator of whether a child is going to go to college is whether or not their parents expect them to go to college, and driving college savings is a very cost-effective way of improving those numbers. In addition, what we've found is that kids who have any sort of college savings, any minimal amount of college savings, we have seen a dramatic improvement in the mother's psychological well-being, which is very important now, as one of the-- one of the

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in-- one of the changes in statistics between millennials and Gen Z--  
and of course the kids who are entering college now are Gen Z.  
Millennials are getting too old, which makes us all probably feel  
pretty old. But one of the-- one of the biggest differences between  
those two generations is that Gen Z has seen a dramatic increase of--  
of incidents of anxiety, depression, self-harm, and suicide. So as  
those Gen Z kids get older, they're now entering college and they  
start having children, seeing psychological well-being improvements  
through college savings can help mitigate those increases between  
those two generations, so we hope to see an improvement on that. Of  
course, student loan debt is saddling Americans across the country and  
many Nebraskans. What we know is that more college savings means less  
student loan debt. The less student loan debt kids have when they  
graduate, the sooner they are to buy a home and to start a family.  
The-- the sooner they buy a home and have a mortgage, the more assets  
they build, the more wealth they build, and the data on the  
improvement in intergenerational poverty once we start addressing  
asset building is again crystal clear. And of course, the better the  
credit, the sooner a person can start a business. And again, we start  
tackling those issues of intergenerational poverty. It is my belief  
that all Nebraska kids should graduate on a level playing field,  
having been taught a basic degree of personal finance. I know a lot of  
school districts are already trying to confront this, but to make it a  
level playing field across the state of Nebraska is, I think, good  
public policy. So I would encourage you to advance LB327 and, again,  
thank Senator Slama for her work on this and the members of this  
committee for your consideration. Thank you.

**MORFELD:** Thank you, Treasurer Murante. Any questions? OK.

**JOHN MURANTE:** Thank you.

**MORFELD:** Thank you. We'll have the next testifier in-- in support.

**RICHARD BAIER:** Morning. Senator Morfeld, members of the committee, for  
the record, my name is Richard Baier. It's R-i-c-h-a-r-d; the last  
name is B-a-i-e-r. I appear before you today representing the Nebraska  
Bankers Association in support of LB327. I also want to thank Senator  
Slama for introducing this legislation. It's been an issue that's been  
talked about extensively in my industry for a number of years.  
Unfortunately, our bankers, as you might imagine, have a front-row  
seat to witnessing the extreme hardships and stress that result from

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bad financial decisions. So our board for years has placed a priority on increasing financial literacy education in the state of Nebraska and integrating it more importantly and more heavily into our educational system. We have made some great strides in recent years, but we have an awful lot of work yet to do. I thought it might be important just to touch on a couple of historical perspectives that you may hear. In 2018, our industry was involved with educational stakeholders to rebuild the standards for the business curriculum in the state of Nebraska. We were part of those meetings and, quite frankly, I don't ever want to have to re-- reread a lot of those standards. They're kind of-- kind of like reading banking deep law at night, which is kind of one of those things might put you to sleep if you're not careful. But it was a great experience. We had really a proactive and positive conversation with educators across the state of Nebraska to rebuild those. Unfortunately, our business standards for business classes are pretty optional and you don't see them offered in a lot of schools. More recently, we worked with education stakeholders again to modernize our social studies standards, which include the topics of financial literacy and economics. And unfortunately, the-- the issues of financial literacy and economics only represent a small portion of the social studies standards, so they kind of get lost in the shuffle, from our perspective. We had a lot of support in the education community, but throughout the process I also witnessed firsthand the re-- the reluctance of some in the education community to enhancing financial and economic expectations. I've got some data quoted in there, but you're going to hear from other speakers who are going to share with you the same information and-- and I don't want to be redundant. I do want to share with you, our banks do an awful lot of work in this area already, and you're going to hear from-- that from some of our testifiers. And you've heard already about EverFi. Our folks provide curriculum, they provide online platforms, they provide classroom presentations, and you're going to hear a bit more about that in a few minutes. I also do want to talk about some of the reasons you're going to hear for not implementing this proposal. And you might hear that folks already including it, and I would hope that's the case since it's built into their social studies standards. However, we would question the integration and commitment of those educational institutions in some districts to this effort. We also will hear about the lack of resources and time and how it might impact-- how it might impact class schedules. I would tell you there are, as Treasurer Murante referenced, a number of schools who already

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provide this training within their school day, so we think it's important that it be taken statewide, and I would point to places like Arthur Public Schools and Millard Public Schools as good examples. I also believe today you're going to hear from some Kimball students who have benefited from this conversation immensely. So I think there is clear evidence out there and there is strong support across the community to support this effort. Just a couple of other things that I think from our perspective is that if we could level the playing field and raise the level of financial understanding, we're very excited about the impact it'd have and on all socioeconomic levels. I think that's very important as we look across the state, and again, you heard reasons for doing that. We would also point to the fact that it's a lifelong skill, and one of the things that we see an awful lot of is things like fraud. Right now we're seeing it in unemployment issues and we're seeing it in long-term care issues. And so, again, those are the kinds of foundational issues that we need to be dealing with, be able to provide folks with a foundation where they can make solid decisions. On behalf of our 168 members and our 15,000 employees across the state, we hope you give this issue serious consideration, and we would be happy to support this effort, as well as you're going to see me in a couple of minutes supporting Senator McKinney's legislation as well. But again, we would do everything we can to help this through-- help you through this process and to work with our education partners to fulfill our moral responsibility for the next generation. So with that, I'm happy to take any questions.

**MORFELD:** Thank you, Mr. Baier. Any questions from the committee? OK.

**RICHARD BAIER:** I don't think I've ever testified here that I didn't get one. That's no fun.

**MORFELD:** Well, welcome to your Education Committee. [LAUGHTER]

**RICHARD BAIER:** Thank you.

**MORFELD:** OK, next testifier in support. Welcome.

**JENNIFER DAVIDSON:** Thank you. Good morning, Committee. I'm Dr. Jennifer Davidson. I am president of the Nebraska Council on Economic Education and I'm an assistant professor of practice and economics at UNL.

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**PANSING BROOKS:** Can she spell her--

**JENNIFER DAVIDSON:** The issue before us today--

**MORFELD:** If you could just speak up just a little bit, yeah.

**JENNIFER DAVIDSON:** Scoot up? Yeah, sorry.

**MORFELD:** Otherwise it's-- yeah, it's tough with all the coverings and  
everything, yeah.

**JENNIFER DAVIDSON:** All right. Is this all right?

**MORFELD:** Yeah.

**JENNIFER DAVIDSON:** OK.

**MORFELD:** That sounds a lot better. Thank you.

**PANSING BROOKS:** Did she spell her name?

**JENNIFER DAVIDSON:** You bet. So Jennifer Davidson, J-e-n-n-i-f-e-r  
D-a-v-i-d-s-o-n. The issue before us today is how to prepare students  
to participate in an ever-more-complex financial world. The fact of  
the matter is that individuals, young and old, are now more  
responsible in the past for making financial decisions that affect  
their future. Gone are the days when you could work for a company for  
30 years and know that after retiring you had a pension plan to rely  
on for your golden years. Couple this changing financial environment  
with the fact that there is a serious lack of financial literacy among  
adults and youth. For example, only 34 percent of adults age 50 years  
or older could correctly answer three basic financial literacy  
questions. Only 27 percent of 23- to 28-year-olds understand basic  
financial concepts such as inflation, interest, and risk  
diversification. LB452 and LB327 are an effort to begin to bridge this  
gap. Both bills discuss a personal finance requirement, and I applaud  
Senators Slama and McKinney for their efforts to ensure all Nebraska  
students receive some personal finance education. My goal today is to  
provide the committee with a high-level overview of the research on  
personal finance mandates. Know that I've included a works cited page  
in my submitted written testimony so you can find and fully review  
these studies if you wish. A personal finance mandate, defined in the  
literature, refers to a dedicated, full-semester length personal

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finance course required for high school graduation. A search of the research literature returns five studies showing positive student outcomes attributed to high school personal finance mandates. First, a 2001 study concluded that personal finance mandates raise both exposure to financial curricula and subsequent asset accumulation. Another 2001 study found positive returns to state mandates is dependent on implementation. Mandates that require a full personal finance course, semester long, as opposed to content being integrated into other courses, are significantly and positively related to student test scores. A 2015 study by FINRA found a statistically significant increase in credit scores of 18- to 22-year-olds beginning two years following the implementation of a mandate. They also found a significant reduction in delinquency rates. A 2016 paper found evidence suggesting that personal finance mandates have positive impacts on debt-related outcomes of 19- to 29-year-olds. They found an increase in the prevalence of credit reports in this age group, which suggests an improved understanding of the value of credit history. They also found a decline in the likelihood of having any outstanding debt and a decline in delinquency rates. A 2018 study shows that personal finance graduation requirements can significantly impact student financial aid behaviors, increasing the likelihood that students apply for aid and the amount of federal aid students receive. This study also shows that mandates decrease private loan amounts and decrease the likelihood of carrying a credit card balance. This suggests that financial education mandates help shift student decision making from high-cost options to lower-cost options, a very meaningful positive given the growing cost of a college education. As you can see, the research literature shows that requiring students to complete a personal finance course in high school improves credit scores, reduces delinquency, and improves student loan borrowing decisions. The committee should also know that Nebraska does have strong economics and personal finance standards, and these standards are required to be taught in Nebraska schools, though the teaching of these standards can be infused into other courses and schools are not required to have a dedicated personal finance or economics course. Lastly, I want to make the committee aware of the survey of Nebraska schools study that I conducted in early 2018 to determine how many of Nebraska's 244 school districts were offering and/or requiring a high school personal finance course. Results show that 95 of Nebraska's 244 school districts require a personal finance course for graduation. These 95 districts encompass 60 percent of Nebraska students and even

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include some of our smallest school districts. Further, 210 of the 244 offer a personal finance course, which leaves just 34 that are not currently offering a full-semester course. So with that, I will conclude and thank the committee for allowing my testimony. Happy to answer any questions, should there be any.

**MORFELD:** Thank you, Dr. Davidson. Any questions for the testifier? OK, thanks so much.

**JENNIFER DAVIDSON:** Thank you.

**MORFELD:** OK, we'll have our next testifier in support. Welcome.

**KRISTI THORNTON:** Thank you and good morning. My name is Kristi Thornton, K-r-i-s-t-i T-h-o-r-n-t-o-n. I am with West Gate Bank and a member of the NBA. I am coming to you-- West Gate Bank has partnered with EverFi the past three years to bring financial education to high school students. EverFi is a digital education program that teaches students how to make wise financial decisions that will prepare-- prepare and promote financial health for their future. This partnership allows teachers and students to access financial resources at any time, in any location, at no cost. This program includes selecting, opening, and managing a checking or savings account, learning how to read a paycheck and understand what determines your net pay, setting up and following a budget to manage spending and saving, checking your credit and maintaining good credit over time. Together, we have impacted almost 3,000 students in six schools with 12,308 hours of learning. Part of that impact included high-need communities. Nearly 1,500 low- to moderate-income students in three schools completed 4,308 hours of learning. I wanted to share a story as a customer impact. Being a banker here in the Omaha area, I have witnessed the negative impact that a lack-- that a lack of basic banking skills and financial literacy has on a customer. For example, Suzy [PHONETIC] came into the bank to set up her first checking account. She needed the account because her employer only offered direct deposit. Together, we set up the account, gave her a debit card, and walked her through online and mobile banking. Suzy got her first paycheck and was excited to go shopping with her debit card. She made a few purchases at retail stores, got gas, and then went out to eat with a friend. Once she got home, she found a few items online that she wanted to purchase, so just to be sure she had enough money, she checked her bank balance on her mobile app. She had enough left

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over to make those online purchases. Suzy did not keep her receipts from her purchases, as she thought her online app would just tally everything for her. She did not understand that some purchases do not show up right away, and oftentimes the merchants will only complete an authorization, but not debit the account for the actual amount purchased. The next day, Suzy tried to use her debit card to buy a soda on the way to work, and her debit card was declined. She thought it was odd since she had made sure she had money in her account the night before. The guy behind her stepped in and gave her a couple bucks to pay for her soda. She decided to check her mobile app when she got back into her car. She couldn't believe it when she saw her account was negative and she had overdraft fees. Why would her bank allow her to make purchases if she didn't have enough money in the bank? Suzy did not understand the basics of banking, the basics of debits and credits. She did not set up a budget before going shopping. She did not know how to balance her receipts against her deposits. Suzy did not know that some merchants can just send an authorization but not debit her account for the full amount. And when her banker talked to her about overdraft fees, she thought that would never happen to her. I also wanted to share a personal story about my own children. So I personally have a son and daughter in high school. They both have taken multiple math classes. However, when it comes to basic banking and financial literacy, this topic is quickly presented and then they move on to the next thing. Compared to other math courses, the time spent does not adequately prepare students to navigate real-life financial decisions. These decisions are critical for every student, regardless of race, gender, or financial status. It's so important to start early, understand clearly, in order to create finan-- sound financial habits. Thank you for the committee for hearing.

**MORFELD:** Thank you very much for coming, Kristi. Any questions or-- I don't think she wants to take any questions.

**KRISTI THORNTON:** Sorry. [LAUGHTER]

**MORFELD:** Any questions? OK, none. Thank you, Ms. Thornton. Next proponent testifier. Welcome.

**DALLAS JONES:** Morning. My name is Dallas Jones, D-a-l-l-a-s J-o-n-e-s. I'm the policy and research coordinator at the Lincoln Independent Business Association. LIBA represents over 1,000 businesses, primarily

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located in Lincoln and Lancaster County, and a significant part of our mission is to communicate the concerns of the business community to elected and appointed officials at all levels of local government. So, Senator Morfeld and members of the Education Committee, thank you for your time and your hearing-- hearing testimony today. I'm here to support LB327. Any economist will tell you how important it is to save money. It protects you during times of emergency. You can prepare for future travels. You can get a head start in retirement, and you can achieve the ultimate goal of financial freedom. Simple arithmetic shows that by investing earlier in life, it will lead to a more financially stable position in the future. Today, however, I also wear the hat of a former student of Lincoln Public Schools and a current senior at Nebraska Wesleyan University. During my junior year of high school, every student was required to take an integrated careers and personal finance course called Take Charge. This course helped students become financially responsible, conscientious members of society, during which we developed an understanding in money management, budgeting, financial goal attainment, use of credit, insurance, investments, and commuter-- consumer rights and responsibilities. We also put together a plan for an effective transition from high school to postsecondary education, the workforce, or military based on knowledge of self, career goals, and financial consideration. This class was immensely beneficial to myself and my classmates, and I've passed out an anecdotal article from the LPS news website. According to the Nebraska Council in Economic Education, about 60 percent of Nebraska students already receive mandatory lessons on managing personal finances. Moreover, the state ranks in the middle of the pack when it comes to financial literacy nationally. Without a state mandate on financial literacy, school districts have taken it upon themselves to create their own curriculum, with many utilizing the free EverFi program offered from the State Treasurer's Office. Mandating a half-credit-hour course statewide wouldn't just help individuals achieve financial freedom, but it would create a more educated workforce, better prepared for future economic volatility. LB327 is proeducation, probusiness, profamily, and especially, pro-Nebraska. All in all, it should be the duty of our secondary education system to show students how to be responsible financial citizens. I urge the Education Committee to pass LB327 out of committee. Thank you for your time today and I'll take any questions on leave of support.

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**MORFELD:** Thank you for your testimony. Any questions for Mr. Jones?  
OK, thank you. We'll have the next proponent testifier. Welcome.

**MICHAEL FERGUSON:** Thank you. Thank you, Vice Chair Morfeld, members of the committee. It's an honor to be here this morning. And, Senator Morfeld, as one of your constituents, is especially an honor to be here, so thank you. My name is Michael Ferguson, M-i-c-h-a-e-l F-e-r-g-u-s-o-n, and I'm here to testify in favor of LB327. It is my opinion that schools are-- in one very important way are failing students today. A strong understanding of basic financial practices is vital to being a functioning adult in today's society. So much of what we do every single day depends on having balanced finances. Now I got lucky. I had two parents who made sure I knew the importance of understanding basic financial practices, but there's only so much they were able to teach me, often because after a long day of school, receiving more lectures from my parents were not always well received. I believe, had there been a class available in school for me to take, I would have been able to learn much more and retain a lot more information. According to a survey produced by the Council for Economic Education, currently, 21 states require high school students to take a financial literacy class in order to graduate. Wyoming and North Dakota are among those on that list. South Dakota requires that a class at least be offered in schools, and Colorado has standardized testing for economic education. This isn't a new concept, and three out of the six neighboring states are doing some portion of this in their schools. A frequent joke I hear from people of my generation is, thank God I learned the quadratic equation in school, because that will come in really handy during quadratic equation season. Now, it's a joke, but I believe there's a lot of truth to this joke. This is where I think schools are failing students. There are things being taught every day in class that unfortunately the moment the student turns in a test over a unit, they never touch that information ever again. I think mathematics is the worst perpetrator of this issue. I like to think that I was a good math student. I loved math. I took four years of math, even though only three were required. My last two years of high school, I took a precalculus-- precalculus and trigonometry class and a college algebra class. I honestly don't think that if I sat down and tried to begin a homework problem from any of those classes, I'd even know where to begin on it. I wasn't able to retain anything I learned in those classes because I have not touched the information since I turned in my semester final for those classes.

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However, I would have used the knowledge from a personal finance class every single day after leaving that class. It could have helped with budgeting, especially in college, understanding how to secure student loans and beginning to pay them back, or any loan for that matter, understanding how to file taxes, understanding what credit is and all the different things that your credit score can impact, how to buy a house and what mortgage is, and financing purchases or any other life moment that personal finance is affected. In fact, just yesterday, while scrolling through TikTok, I came across a video in which a woman was explaining her Roth IRA. It was a simple explanation. When she opened the account just after college, she began contributing just \$50 a month and eventually was able to max out her yearly contributions at around \$5,000 a month-- or \$5,000 a year, excuse me. She explained that her Roth IRA had grown to \$50,000 and if she doesn't touch it for another 30 years, it will grow to \$500,000. This is a huge thing, especially for people of my generation who likely won't be able to depend on Social Security when it comes our time to be able to withdraw from it. It is incredibly sad to me that I had to learn that from a TikTok and not from a school, where I'm supposed to be learning stuff for life. These are all things that would be taught in a personal finance class and this is needed in Nebraska schools. Please pass this bill out of your committee and up to the floor for full debate. Thank you for your service to the state of Nebraska and for your time this morning, and I will now yield to any questions that you might have.

**MORFELD:** Thank you, Mr. Ferguson. Any questions? OK, thank you for testifying.

**MICHAEL FERGUSON:** Thank you.

**MORFELD:** OK, we'll move on to the next proponent testifier. And I'll hand it back over to Chairwoman Walz.

**COREY GARDNER:** Good morning. Chair--

**MORFELD:** Welcome.

**COREY GARDNER:** Thank you, Chairperson Walz and other members of the committee, my name is Corey Gardner, C-o-r-e-y G-a-r-d-n-e-r. I am currently a 17-year-old senior at Kimball High School and a second-year sophomore at Western Nebraska Community College. I

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encourage you to move LB327 forward for many reasons. One of the senior-exclusive classes we have at our high school is career ed that is dual mixed with personal finance. As we were going through chapters on credits and loans, many of my classmates began to struggle with the curriculum. Some of them even had to drop the class so they could continue extracurriculars like basketball. It was very evident how uninformed my grade was about our future financial situations. People couldn't budget. They couldn't do their loans. People with jobs at the manor in town couldn't even fill out their own tax returns or W-4 forms. It dawned upon me that in just a few months, all of us were either going to be going to college or joining the workforce and none of us were prepared. According to the Harvard Kennedy Institute of Politics, seven in ten college students said that the financial circumstances played an important role in their academic decisions. But what if financial circumstances don't have to limit our college choices? Understanding how our financial aid works and all of our options helps loosen restrictions on our education. I have heard time and time again about other members in my class on how they can't afford a four-year university. But what if we could flip that around? Too many students pick the cheapest option because they think it is all they can afford. Giving students a personal finance class shows how schools like the University of Nebraska-Lincoln and Nebraska Wesleyan and other accredited colleges can be affordable for everyone. Every college sends admitted students their financial aid offer. It provides you with how much money you get from scholarships, grants, and other possible loan options. But not many students can read this. They either look at it and sign off without them knowing or they just believe, I think I know what I have here. But what they don't realize is most of the time this is not just one loan, but multiple loans [INAUDIBLE] together into an accumulate. This means that they don't know the difference between a direct subsidized loan, a direct unsubsidized loan, and a direct parent PLUS loan, which even means your parent has to take out a loan for you. Without this knowledge, they might think that they have college fully paid for and not even realize that your parent needs to take out a \$5,000 loan every year and you don't have any acknowledgment of that. Now our financial stability in the future relies on the decisions we make now. When we look at retirement plans for young adults, we realize that what they pay at the start of their jobs contributes to their retirement 40, 30 years in the future. Why should that be different for us now? We need to figure out on how to sort through different loans and

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opportunities, to figure out what has the best interest rate,  
principle, or even just payment plan, to make sure that our first  
decision as young adults is not our first regret. Thank you.

**WALZ:** Thank you so much for coming and for your testimony today. Do we  
have any questions from the committee? I don't see any. Thank you. Do  
we have any other proponents? Good morning.

**IZAACK ROHDE:** Good morning. Committee Chairman Lynne Walz and members  
of the Educational Committee. My name is Izaak Rohde, I-z-a-a-k  
R-o-h-d-e. I'm a senior at Kimball Public Schools in Kimball,  
Nebraska. I'm here to testify in support of LB327. As a student who is  
heading towards grad-- graduation, I feel less than prepared to enter  
the real world. In all of my classes that I have taken throughout the  
years, I have never once been educated about credit scores or credit  
cards. I don't know how to apply for a loan or even what loans I  
should be looking for, and I definitely don't understand how to budget  
a household. However, I can tell you that the mitochondria is the  
powerhouse of the cell and  $A^2 + B^2 = C^2$ . Having a basic-- having basic personal finance skills is one of the  
most important things you can do to live a happy, healthy, and secure  
life. Forbes magazine says that your level of understanding around the  
fundamentals of budgeting, saving, and debt and investing will impact  
every part of your life and can mean the difference between prosperity  
and poverty. Imagine being in your position and not being able to  
understand the basic task of budgeting. How hard would your job be?  
Now imagine you are an 18-year-old, fresh out of high school, living  
on your own for the first time, and having little to no knowledge of  
budgeting, prosperity, or poverty. We joke about college students and  
the ramen noodle life, but the reality is that knowledge of financial  
security would eliminate a majority of our economic problems. Young  
adults with no financial knowledge of money as made and spent can  
place themselves in a deep hole of debt before they are even old  
enough to drink. A 2016 study by the Council of Economic Education  
found that only 17 states require school students to take courses in  
personal finance. That's a pretty scary number when you consider that  
senior year is the last great opportunity to acquire financial  
literacy before entering today's complex and changing world. And  
today, only 37 states require high school seniors to take a financial  
literacy course. Nebraska is quickly falling behind in the-- in this  
important aspect of education. If we do not implement these courses,  
Nebraska students will in the end not be as desirable to colleges,

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universities, and employers as students from other states who do require financial education. One of the arguments against this is that the parents should be teaching their children the ins and outs of the financial world. But the truth is that most adults are not comfortable with the subject themselves. While many adults know how to balance a checkbook, they may not be knowledgeable about loan applications or credit cards. How can we be expected to teach our children about financial literacy when we ourselves are not financially literate? The average Gen Z-er in 2019 had a credit score of 674, which, according to Google, is 176 points lower than the top score. Millennials averaged about 680 and Gen X was 699. As you can see, financial literacy is not something that has gotten better with time. While financial literacy may seem like a commonsense practice to those who have had the education, we as students are asking for help. We, the future of America, future teachers, future plumbers, future business owners and breadwinners and taxpayers, are asking you to give us the skills and knowledge we need to survive. Thank you.

**WALZ:** Thank you, Izaak. Do we have any questions from the committee?

**SANDERS:** Not a question but a comment. I want to thank you for coming all the way out from Kimball to testify and your testimony, it does matter.

**IZAAK ROHDE:** Thank you.

**SANDERS:** Thank you.

**WALZ:** Yeah. Any other questions? Izaak, what are your future plans?

**IZAAK ROHDE:** I plan on being a physical education teacher.

**WALZ:** Awesome. Well, thank you for coming today.

**IZAAK ROHDE:** Thank you.

**WALZ:** We appreciate it. Next proponent. Good morning.

**MELYSSA CASIMIRO:** Good morning. Good morning, Chairperson Lynne Walz and members of the Education Committee. Thank you so much for allowing me the opportunity to speak today. I'm Melyssa Casimiro, M-e-l-y-s-s-a C-a-s-i-m-i-r-o. I recently just turned 17 years old and I'm a senior at Kimball Public Schools. Before I start, I just want to tell you

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that I learned what a W-2 was on Friday night. That should tell you how illiterate-- how illiterate us high school students are in finance. Just like many other seniors across this country, I'm about to make one of the biggest purchases of my life: college. For example, the college I'm going to attend is \$73-- \$73,000, but for scholarships and aids, which means in a total of four years, I would have to pay a total of \$292,000, and that's without my four years of medical school. But how would I possibly pay that all back without being financially literate? How can I comfortably retire in the far future when I'm still paying off student loans? Not so surprisingly, I'm not the only one who asks myself these questions. According to educationdata.org, 44.7 million students are in debt by an average of \$37,582 each. Because of this, most students rarely take out car loans and have a horrible credit score. Not only is this a problem for students, but for the economy as well. The U.S.'s economy runs on people who pay for goods and services. With our consumer-based country, this dampers our profits and reven-- revenues. But not only that, students would be too preoccupied paying off their debt that they wouldn't even think twice about starting a new business, which can lead to a lower rate of available jobs. This bill will not only teach students how to budget, but it can help them pay their debt off as soon as possible. They would be able to live the life they want to without the burden of worrying about debt. They would be able to retire comfortably and travel the world. For this, I urge the committee to support LB327. I'll be more than happy to answer any questions.

**WALZ:** Thank you so much. Do we have questions from the committee?  
Thank you. I missed-- where did you go to school at?

**MELYSSA CASIMIRO:** I go to Kimball Public Schools.

**WALZ:** Well, thank you also for coming down today.

**MELYSSA CASIMIRO:** No problem.

**\*ERIC HALLMAN:** Chairperson Walz and Members of the Education Committee. I am Eric Hallman and I am submitting this testimony in support of Legislative Bill 327 on behalf of the Nebraska Independent Community Bankers. The NICB supports any efforts to continue and expand the financial literacy of Nebraska's students. Legislative Bill 327 focuses this financial educational requirement at the high school level- an especially important time in a young adult's life. As high

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school graduates prepare for life beyond high school, it will be important for graduates to understand personal finance and basic financial concepts. This additional course requirement will better equip our young people to have the skills to make informed decisions about their money. The Nebraska Independent Community Bankers is an association committed to maintaining strong representation for independent banks and the communities we serve. NICB respectfully urges the committee to advance LB327 in order to best prepare Nebraska's graduates for success.

**\*JULIA PLUCKER:** Chairman Walz and Members of the Education Committee, my name is Julia Plucker, spelled J-U-L-I-A P-L-U-C-K-E-R, registered lobbyist for the Nebraska Credit Union League. Our organization represents Nebraska's fifty-nine (59) credit unions and their 540,000 members/consumers. Our association is testifying in support of LB327. I want to thank Senator Slama for introducing this bill. LB 327 requires high school students to have at least one-half credit hour of personal finance or a financial literacy course beginning in school year 2022-2023. Credit unions are not-for-profit, cooperative, member-owned financial institutions that provide banking products and services for the benefit of their member/owners. Credit unions do not have stockholders and therefore all earnings are shared by the credit union's membership. Credit unions unique structure allows them to focus on what's best for the member including providing financial counseling to members who find themselves in financial hardship, who are deciding on one of life's major purchases such as a car or a home, who are seeking college education, and who are preparing for retirement. Credit unions operate in-school branches, go out into the community to provide financial literacy, provide a prize-linked savings program, and have products that help the most vulnerable among us to get a hand up. The National Credit Union Foundation reports that 40% of people struggle to cover a \$400 unexpected expense. One in five of workers don't save any of their annual income and an astounding 78% of us live paycheck to paycheck. Three of four workers are in debt and more than half of them don't believe that they will ever get out of debt. This is a disturbing trend and our credit unions want to do what they can to turn this in the right direction for their members and for all Nebraskans. We believe that financial education is ongoing throughout one's lifetime, but it can have its greatest impact if it is received at an earlier age. This is why we support LB327 because it can ensure that Nebraska's children have some financial literacy

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education before they graduate high school and go on to college or into the workforce. This could be invaluable to so many who might otherwise find themselves making financial choices that will negatively impact them well into their future. Our association, along with local credit unions, have partnered with Omaha Public Schools to provide "Mad City Money" a financial literacy tool to local school students. Credit union volunteers set up a life simulation for the students whereby they receive a career with income, a family, and life expenses. They then must balance their income with their needs and the needs of their family. Many often choose to buy the cool expensive car but find themselves later selling it to pay for other necessities of life that they didn't consider at the time of purchasing the car. This life simulation gives students a dose of reality in a fun and interactive way that can provide them with a teaching moment that could lead them to better financial decisions down the road. In 2011, this Legislature passed LB524 to allow credit unions to offer our savings promotion raffle called "Save to Win". We were the second state to offer this innovative saving program that aims to get Nebraskans, especially those with little to no savings, to save money by incentivizing them with chances to win cash prizes. For every \$25 deposited into their own credit union save to win account, the member receives one chance into the cash prize drawings. We started with several monthly cash prizes followed by a large annual cash prize of \$25,000 but found that to best incentivize savings it was better to have more prizes with smaller dollar amounts. In the end, all members win because they have their accumulated savings, plus interest, and any winnings they might have received. There is no cost for them to participate in this savings program. A survey of participants revealed that 66% indicated they did not have enough savings to cover three months of expenses. This program gives hope to those who seek financial peace for themselves and their family. In November, Nebraskans went to the polls and voted to put a 36% cap on the interest that payday lenders could charge their customers for short term loans. This was very significant because payday lenders could charge upwards of 400% interest and fees on a \$500 loan that had to be paid back in two weeks. The National Credit Union Administration (NCUA), the prudential federal regulator of credit unions, provide the ability of credit unions to offer small short-term loans that would provide an alternative to payday loans for credit union members. Those loans could range from \$200-\$2,000 with no greater than a 28% interest rate and a term of up to one year. Many Nebraska credit unions are

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offering this type of loan product to their members with an interest rate well below the maximum allowed by the NCUA. In conclusion, the Nebraska Credit Union League offers our support to LB327 as well as our willingness to work with Senator Slama, this Committee, and anyone who seeks to improve financial literacy in communities across our Great State. I would respectfully request the Committee's support to advance LB327 to General File. Thank you for your consideration. If there are any questions, please reach out to myself or Brandon Leutkenhaus, Chief Advocacy Officer of the League.

**WALZ:** Next proponent. Do we have any opponents that would like to speak?

**\*JASON HAYES:** Good morning, Senator Walz, and members of the Education Committee. For the record, I am Jason, Director of Government Relations the Nebraska State Education Association. NSEA opposes LB327. The bill requires students to take at least one half-credit hour of the minimum credit hours to graduate high school to be a personal finance or a financial literacy course. The NSEA opposes this bill, for the reason that financial literacy curriculum is already a requirement in the current Nebraska Social Studies Standards. State statute requires the Nebraska State Board of Education to review, update and adopt measurable academic content standards in reading, writing, mathematics, science and social studies every seven years. As part of the standards update process, the NDE selected a geographically diverse team of K-16 educators representing school districts of all sizes and needs. That team has reviewed existing standards and made revisions to the Social Studies Standards adopted by the State Board on November 8, 2019. The NSEA believes that the process of curriculum review and adoption is one of the primary roles of the State Board of Education, and we believe LB327 is not only redundant but also encroaches upon this important function of the Board. The NSEA, on behalf of our 28,000 members across the state, asks you to indefinitely postpone this bill. Thank you.

**\*COLBY COASH:** Chairwoman Walz and members of the Education Committee, My name is Colby Coash, representing the Nebraska Association of School Boards who like to go on record in opposition to LB327. While NASB understands and supports the intent of including financial literacy in its curriculum, we believe this bill is unnecessary. The Nebraska Department of Education has already outlined financial literacy in its social studies standards. These can be found on pages

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55-58 of their document, "Nebraska Social Studies Standards". We believe these standards are sufficient in meeting the intent of LB327 without adding additional credit requirements. We would also note that many districts already require financial literacy as a graduation requirement. Furthermore, we believe curriculum decisions are best vetted through the Department of Education and local school boards as illustrated in our standing position on the issue. We support adoption of curriculum by local school boards and the State Board of Education. We ask that this letter be made part of the public record on LB327. Thank you.

**\*JOHN SKRETTA:** Chair Walz and Members of the Education Committee: Schools Taking Action for Nebraska Children's Education (STANCE) is comprised of 19 mid-sized school districts, free of lobbyists, representing over 25,000 school children. STANCE is unique in the fact we have districts representing the entire state from Chadron to Blair, levies that range from \$1.05 to \$0.60, and enrollments ranging from 863 to 3,928. We are representative of Nebraska education, and deliberate carefully when choosing our position on bills. We submit this testimony in opposition to LB327 which would require financial literacy courses in the amount of at least one half credit at the high school level. We preface our opposition to LB327 by stating that we in fact share Senator Slama's concern for the skill set reflected in the concepts of "financial literacy." However, we object to the proposal on the grounds that the bill reflects legislative overreach. STANCE believes these curricular decisions are best left to our local Boards of Education to make determinations about course offerings and additional graduation requirements. Furthermore, there already exists significant oversight of the K-12 education system through the authority of the State Board and Nebraska Department of Education. We believe the NDE and not the unicameral would be the appropriate oversight body for this specific matter in terms of subject matter and content expectations uniformly applied. As evidence, we point to the fact that the Department of Education just reviewed and revised our Social Studies Standards for K-12 (including financial literacy) after considerable public input and due diligence by our State Board. The prominence of financial literacy is clear in the aforementioned Nebraska Social Studies Standards, where it is overtly mentioned not once or twice but 10 times. As our esteemed Education Committee members likely know, as a condition of accreditation, school districts must annually attest and be prepared to demonstrate that they have

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adopted the State Standards or their own standards which at a local level actually surpass the rigor of said State Standards. Therefore, a validation mechanism is already in place to ensure that the Economics concepts of Financial Literacy emphasized by "Understand personal and business financial management" are adhered to. To impose an additional requirement related to a specific course in this topic, as LB327 would do, usurps the decision making authority of locally elected Boards of Education who are best able to make these determinations in relation to myriad factors, such as course requests, resources available, and prioritization within a system of instruction. In conclusion, we endorse Senator Slama's emphasis on financial literacy as a component of an effective and comprehensive K-12 education program. We point out, however, that it is already featured quite vividly in the current (2019) adopted Nebraska Social Studies State Standards. Therefore, we see this bill as duplicative and not necessary. STANCE opposes LB327.

**WALZ:** Anybody in the neutral that would like to speak? OK, we had-- are these all testifiers? OK, we had, let's see, one, two, three, four, five letters written in lieu of personal testimony, and they were from Eric Hallman, Julia Plucker, John Skretta, Colby Coash, and Jason Hayes.

**PANSING BROOKS:** In opposition or-- opposition or support?

**WALZ:** Two-- oh, let's see, one, two-- two proponents and three opponents.

**SLAMA:** All right.

**WALZ:** Oh, and then we had two position letters, one proponent, one opponent, and one neutral. Now you can close. Thank you.

**SLAMA:** Thank you very much, Chairperson Walz and the Education Committee. As you can tell, especially from the great testimony of Corey-- Corey, Izaak, and Melyssa, this is something that we need to be teaching statewide. And a little bit of back story, these students are blessed to have a really great teacher. They saw this bill, got excited about it, and then decided to drive here all the way from Kimball to come testify on this bill. So it's a really exciting thing to have them be here and to also talk about this subject, because it truly is so important for all of our students across the state that we get this across the finish line. So I am more than willing to work

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with the committee on any concerns that you may have to get this out  
on the floor and across the finish line. Thank you.

**WALZ:** Thank you so much.

**PANSING BROOKS:** I have a question.

**WALZ:** Questions from the committee?

**PANSING BROOKS:** Thank you for bringing this today, Senator Slama. So  
I'm-- I'm just interested. I know there have been-- there were some  
people who did not support and I'm just-- did they reach out to you?

**SLAMA:** I-- absolutely. Just like with the civics bill in 2019, I am  
more than happy to work with the opponents and to talk through any  
potential points of friction, because I think this is just something  
that we can come around together and say as a state, yes, all of our  
high school students need to receive financial literacy education.

**PANSING BROOKS:** I-- I know you'll work with them. I'm just interested  
in what they're-- did they reach out to you and talk to you about what  
their concerns were?

**SLAMA:** I-- I think the one that I have seen was a concern that it  
would be making it a mandate when technically parts of it are already  
required under our social studies standards. So I think the fact that  
they're not here in person and I haven't heard too much from them is  
they'll be willing to work with me.

**PANSING BROOKS:** Yeah, I'm sure they will. It just-- you know, I hear  
it's part of the Department of Education standards, right?

**SLAMA:** But Dr. Davidson made a great point there--

**PANSING BROOKS:** Yeah.

**SLAMA:** --about how sometimes it's falling by the wayside.

**PANSING BROOKS:** And that 34 schools are not-- have not even brought a  
case-- a course on that. So I was just-- since they aren't here, I was  
just trying to find out what-- you know, it makes perfect sense to  
have people have this course. I graduated woefully unprepared and, of  
course, that was quite a while ago. But I-- I do know that like

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Lincoln Public Schools has done a course that Mr. Jones mentioned. And I do think that there are schools that are trying to do this.

**SLAMA:** Yeah.

**PANSING BROOKS:** But it's really important. I don't-- I think we need more of this, not less, so anyway, thank you for bringing this.

**SLAMA:** Well, thank you. And, I mean, just from my personal perspective, too, thankfully, since then, Auburn Public Schools have implemented their own mandate with personal financial literacy, but my mom's a bank teller and all I learned about financial literacy is what I could pick up from her. And I'm a first-generation college student, so my knowledge of student loans going into college because of that was really lacking. So even personally, for me, it's been an issue I care about deeply.

**PANSING BROOKS:** Thank you for bringing this bill.

**SLAMA:** Thank you.

**WALZ:** Thank you, Senator Slama.

**SLAMA:** Thank you.

**WALZ:** And that closes our hearing on LB327, and we will open with LB452 and Senator McKinney.

**McKINNEY:** Good morning, Senator Walz and members of the Education Committee. My name's Terrell McKinney, T-e-r-r-e-l-l M-c-K-i-n-n-e-y. I represent District 11, which is north Omaha. Financial literacy is not an issue unique to any one population. It affects everyone, regardless of sex, gender, race, or socioeconomic background. What we know to be true is that a great deal of young people spend 12 to 16 years in formal education, gaining skills in an effort to place themselves in a position to succeed in life, yet what often happens is we operate under-- under the expectation that financial and economic knowledge will in some way penetrate them through mere osmosis. It is simply unfair and neglectful to expect 17- and 18-year-old high school graduates to thrive economically postgraduation with no prior preparation with the few months pr-- when a few months prior, they had to raise their hand for permission to use the restroom. The economic strength of future generations of Nebraskans depends on our students

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being equipped with information that will help secure their financial well-being in adulthood. Money touches every aspect of our lives, big and small. Many of us didn't begin-- didn't begin to touch the surface level of learning about finances until we-- until we incurred mountains of consumer or student loan debt or made mistakes that were very difficult to rebound from. At minimum, finances can dictate what we eat, the clothing we buy, our propensities for ownership in housing. If the casual connection between money and all of these things were taught early on, how might they have affected the plans we made for ourselves post-high school graduation? For many, it could be a career path decision, the choice to become a lawyer or a mechanic. To this end, it would then turn into an education question: trade school, junior college, community college, a four-year institution? These are high-stakes decisions that we expect young adults to ultimately make while also taking a risk that many don't even understand. While all Nebraskan students were contemplated in-- in this-- in this bill, I would be remiss if I didn't mention specific issues concerning District 11. District 11 has the highest poverty rate in the state, a very-- a very sobering reality that we are reminded of year after year. There is no one easy fix. It is hard truth. However, one clear variable and shift in the tide of poverty is a focus on ensuring that our students possess the knowledge and skills regarding basic budgeting, credit, savings and checking accounts, loans, taxes, stocks and bonds, and insurance. It is not lost upon us, the efforts that the Department of Education and Omaha Public Schools has taken in improving financial literacy-- literacy standards within the social studies curriculum. It is our goal here to have this implementation go beyond just approval and lay out standards for the oversight of these standards to ensure what has been outlined in the curriculum is indeed happening and being effectuated in a way to-- that will benefit students as early in their education as possible. As many of us know from experience, it is very difficult to unlearn habits once they are learned. The same is true for-- for financial habits. In acknowledging Nebraska's administration, I must also acknowledge the hard work of our esteemed educators and their dedication to our students. It is important that I highlight the fact that this bill-- that this bill does not seek to increase the hours or the already-heavy workloads of those involved. The intentions of this bill is to incorporate a subject component that is vital to molding students into thriving citizens. Our students must be prepared for adulthood as best as possible. It is on us to equip them with

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practical life skills to succeed. So many Nebraskans spend a lifetime learning about finances through trial and error or trying to build their boat as they sail. We can help alleviate this by doing more work on the front end. I ask that this-- this bill moves beyond this committee onto General File. Thank you, and I'm happy to answer any questions.

**WALZ:** Thank you. Senator McKinney. Questions from the committee? I-- I do. I just wanted to say thank you for your passion in educating kids and wanted to know, have you had an opportunity to work with the Department of Education on this piece of legislation?

**McKINNEY:** Not directly. They reached out and sent in a letter in-- in the neutral. One thing we do know is they've added, you know, financial literacy to social studies standards, but I believe we should be tracking financial literacy in our schools. And I'm not so sure that it-- it should be within social studies. I think financial literacy should stand alone because it's unique, and I'm happy to work with the department to figure out a better way to get this done, but I think it's very vital.

**WALZ:** Thank you, Senator McKinney.

**McKINNEY:** No problem.

**WALZ:** Do we have any proponents that would like to speak? Hello.

**JOHN MURANTE:** Hello, Chairwoman Walz. Members of the Education Committee, I-- my name is John Murante, J-o-h-n M-u-r-a-n-t-e, and I am your Nebraska State Treasurer, here today to testify in favor of LB452. First of all, thank you, Senator McKinney, for your interest in personal finance-- finance and financial literacy, such an important topic. I'm not going to restate the same statistics that I stated on-- on-- on the-- on the previous bill. I will say that later today I'll send all of you information that's been compiled by the National Association of State Treasurers. State treasurers have really led the way in recent years in providing financial literacy resources to their states. And every year, the National Association of State Treasurers compiles a census of what all states are doing relative to financial literacy and financial education. What I can tell you is that this is a growing field. It is something that is being prioritized more and more across the country in red states and blue states, all across,

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from-- from the East Coast to the West-- to the West Coast. And as you heard in the previous bill, the stakeholders for this subject matter is very, very diverse. The-- the understanding of the need of more financial education at the K-12 level is something that's been accepted around the country. I will say other states are pushing forward on these sorts of initiatives and Nebraska is really falling behind. We're trying to do what we can in-- in the State Treasurer's Office, again, with EverFi and with bringing financial literacy conferences and so forth, but without specific training at the K-12 level harmonized across the state of Nebraska, we're going to continue to fall behind the rest of the country. And-- and we are happy to be a resource to, whether it be the Nebraska Department of Education, this committee or whomever is interested, in-- in promoting financial education more and more across the state of Nebraska. We'll use the resources that we have, as well as the connections that we have across the country for how these ideas have been implemented well across the country. I will say I'm-- I am sympathetic and I understand. As you all know, I served for six years in the Legislature on the Government Committee. The issue of local control and putting state mandates on local governments is something that I dealt with regularly during my time here, and I'm very, very sympathetic for-- to that argument. As Senator McKinney said, this is a subject matter which is so important because if there are-- there are some school districts that have great reputations. And like I-- as we discussed, we provide, free of charge, the software. We just are asking for takers to be willing to teach their kids. And some school districts have great reputations. Lincoln Public Schools, Millard Public Schools have great reputations for being willing to provide this education to their students. But I would submit to you that, as has been discussed in-- by previous testifiers, there are some achievement gaps that-- that simply can't be allowed. We can't allow some kids to be so far ahead on issues of personal finance and be trained to-- to have, as Senator McKinney said in his opening, thorough, vetted conversations with professionals by the time they graduate from-- from high school about what to major in, where to go to college, what do you want to do with your life, what's the cost-benefit analysis of going to Harvard versus the University of Nebraska versus Metro Community College versus a trade and vocational school, and-- and having those conversations about not just where you go to college, but what you're majoring in. I mean, I can recall when I was in-- when I was a senior in high school, I had a conversation with my grandfather about how I was passionate about golf management

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and I really wanted to-- to do a career managing golf. And he suggested to me that in light of the fact that I'm terrible at golf, that that might be a better hobby than a career, and that was probably great advice, but that's something that we ought to be having as a conversation with every kid before they graduate from-- from-- from high school. We just can't allow that level of gap when it's so important and that some kids will start-- start off so far ahead of others if they've received this education versus the kids that have not because, as has been discussed so many times, this is a subject matter that we'll-- that we-- that kids-- that every person who graduates will deal with every day of their lives. And everyone needs to be on an equal playing field, regardless of what zip code they live in or school district they live in or where-- what county in the state they live in. So we think it's important that this be done. And again, I'm here to support LB452 and thank Senator McKinney for your efforts and encourage this committee to advance the bill to the floor. Thank you.

**WALZ:** Thank you so much. Senator Morfeld.

**MORFELD:** Thanks for coming in, Treasurer Murante. One of the-- actually, I think it was my constituent came in and testified that he was learning financial literacy on TikTok. Does the State Treasurer's Office have a TikTok account you can share out that I can check out?

**JOHN MURANTE:** No, we actively avoid TikTok, Senator Morfeld.  
[LAUGHTER]

**MORFELD:** Seems like you're missing a great opportunity, but thank you.

**WALZ:** Other questions from the committee? I do have a question. I'm really interested in the collaboration between the Treasurer's Office and the Education Department regarding your software. So how-- how is that information disseminated out to our public schools that you have that available- available?

**JOHN MURANTE:** Sure, a couple of different ways. First of all, we will work directly with the school districts. I actually provided-- I brought that-- that information. Right now, we have 188 active schools and 13,540 active students who are working with the EverFi system through-- through our office. The Department of Education and Commissioner Blomstedt have also been tremendous resources over the

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summer, as-- especially in the spring, as schools were starting to move exclusively remotely. Commissioner Blomstedt started pushing out information about the remote EverFi financial literacy course that we were providing, as well, which was new. So they're-- they've been a great resource. But-- but for the most part, we're working directly with the school districts, and then within each individual building we'll have partners as well.

**WALZ:** That's good. Any other questions? Thank you--

**JOHN MURANTE:** Thank you.

**WALZ:** --so much for coming in today. Next proponent.

**RICHARD BAIER:** Good morning again--

**WALZ:** Good morning.

**RICHARD BAIER:** --Chairwoman Walz, pleasure to see you. Members of the committee, again, for the record, my name is Richard Baier, R-i-c-h-a-r-d B-a-i-e-r. I represent the Nebraska Bankers Association. And I also want to echo my enthusiasm and appreciation to Senator McKinney for bringing this forward. I also want to thank him for specifying some of the content that should be included-- that was a nice list to see in there-- and also looking at student evaluation as part of his proposal. As you know, I testified a few minutes ago, so I'm not going to read what-- kind of what I submitted before. I did want to share with you a couple of examples of things that we've been hearing as-- as-- as our organization has been involved in the discussion for probably the last 20 or 30 years, and one of them was, why don't kids learn this at home? And-- and many of us did. My parents were pretty adamant. I mean, they kind of sat us down and made us work our way through that process. But as we all know, that-- when I grew up, it was you were at dinner every night at 6:00. If you didn't-- if you weren't there at the table, you didn't get fed. That was part of the deal. So we know that that is not as frequent in today's world. We also know that many times students and kids are learning to sit-- turning to this device while they're having that family dinner, so they may not be as focused as they should be. So we think that that is part of what's driving that process as we look at and talk to people around the country dealing with this issue. The other thing I would share with you is-- is more of a personal example,

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and you heard one of our earlier testifiers. I believe Senator Slama even brought up the GameStop issue. I have two kids in college, one in med school and one that's a junior in college, and interestingly, you don't hear from them very often, if you have college kids. They call when they need something or need money. We all know how that goes. My phone rang twice last week on my drive home. It was both of my kids saying, what the heck does this mean and why is this happening? And so there is a curiosity out there among the next generation. They're passionate about this issue. And quite frankly, you heard it from these students today from Kimball. They want to know more about this topic. So, again, I think we have a moral responsibility as Nebraskans to prepare the next generation to be successful, no matter where that career or life goals might take them. So with that, I'd be happy to take any questions. Thank you again for raising this issue and for having this discussion this year before this committee.

**WALZ:** Thank you. Are there questions from the committee? I see none. Thank you. Next proponent.

**JENNIFER DAVIDSON:** Good morning again. Again, I'm Jennifer Davidson. I am president of the Nebraska Council on Economic Education and I'm an economics professor at UNL, so I, too, have the same testimony as the previous bill, so I just want to reiterate a couple of points. LB452 and LB327 are an effort to bridge the gap between what students know and what they need to know to direct their financial futures, so I'm definitely in support of more and required financial education for every student in Nebraska. And then I just wanted to reiterate that the research literature shows that requiring students to complete a personal finance course in high school improves credit scores, reduces delinquency, and improves student loan borrowing decisions. So with that, I'm going to conclude and thank the committee for allowing my testimony today. I'm happy to answer any questions.

**WALZ:** Thank you. Thanks for coming. Any questions from the committee? Senator Murman.

**MURMAN:** Thank you, Senator Walz, and thank you, Dr. Davidson, for coming in. We heard a little bit about retirement savings, and maybe I could have asked the previous testifier also, but I'm wondering-- with retirement savings, you know, we keep hearing there's a possibility of a wealth tax someday. Is there apprehensions from students or anyone,

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I guess, that you've heard of not keeping these types of savings  
because they could be taxed someday?

**JENNIFER DAVIDSON:** Not that I've heard, definitely not that I've  
heard, and what I would say is it is much more important that they  
even understand that concept, the concept of starting early, high  
school age even, and maybe a piece is going to be taxed. But without  
this education, maybe they're not savings at all. So either way,  
they're better off with starting saving early. Does that make sense?

**MURMAN:** Yes. You know, I'm thinking these-- the money that would go  
into these type of accounts has already been taxed, you know, it--

**JENNIFER DAVIDSON:** Right.

**MURMAN:** And who knows how-- you know, if there is a wealth tax or how  
big or how, you know, big it would be.

**JENNIFER DAVIDSON:** Yeah.

**MURMAN:** So it-- it's something, you know, I've been thinking about.  
I'm just wondering, you know.

**JENNIFER DAVIDSON:** Sure. Absolutely. I would actually-- in these  
courses that we would have students take in high school, we would  
teach them the difference between, say, a traditional Roth, a  
traditional IRA and a Roth IRA, and the tax implications related to  
that. So what an amazing concept it would be for students to graduate  
high school knowing that they have options and they already know the  
tax treatment on those.

**MURMAN:** Thank you.

**WALZ:** Thank you. Other questions from the committee? Thank you for  
being here.

**JENNIFER DAVIDSON:** Thank you.

**WALZ:** Next proponent.

**KRISTI THORNTON:** All right. Thank you for hearing again.

**WALZ:** Good morning.

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**KRISTI THORNTON:** Kristi Thornton with West Gate Bank and a member of the NBA. I do support LB452 into-- along with my previous testimony. But I just wanted to say we as bankers want to partner with schools to help educate these students. Along with EverFi, we're heavily involved in Junior Achievement that teaches basic banking skills to elementary students. We really do have a heart for the kids and helping them create strong financial futures. I think when they win, we win. So thank you very much for hearing my testimony and I-- I appreciate your time.

**WALZ:** Thank you. Questions from the committee? I do want to say thank you for your support and providing resources and having an interest in that. Thank you.

**KRISTI THORNTON:** Absolutely.

**WALZ:** Other proponents? Good morning.

**MIKE SKINNER:** Good morning, Senators. How are we doing this morning? My name is Mike Skinner. I own a company called The Basics. I teach financial literacy for a living.

**WALZ:** Could you spell your name, please.

**MIKE SKINNER:** S-k-i-n-n-e-r, Mike Skinner, S-k-i-n-n-e-r. Some of you have known me for a while-- God help you, Rita and Lou Ann. I've been in this business quite a while and I've actually spent a lot of time teaching financial literacy to people and actually doing this for a living. And the subject of-- of children not having this education is-- is just-- is absolutely vital. They absolutely do not have it and it's not being done correctly. Numerous speakers this morning rattled off statistics. I can rattle them off. You know, 40 percent of people don't have a will; 49 percent of people don't fully participate in a 401(k); 25 percent of people don't participate at all, and I could go on and on; 24 percent of young people-- or young people, young married couples spend 24 percent of their income on debt service. It's-- it's amazing. The question is, how do we get from open, warm, inquisitive children to adults who are scared to death of the marketplace and scared to death to sit in front of a stockbroker, to sit in front of an accountant, to sit in front of a lawyer and do a will? What happens in that space? How do they-- how they transfer from warm, open kids to people who are afraid? Because there's a huge amount of fear that

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prevents people from participating in the marketplace. That's really a huge problem in the marketplace. One of the things is education. The-- the school system has not done a good job traditionally. I've been hawking on this for 20 years for very-- Millard School Board, I've nailed on them 20 years ago about this. I've talked to some of you guys ten years ago. OK? It's really good to see you guys finally getting to get this done. OK? If you want to help the children really understand and really prosper financially and build wealth, you have to get curriculum that helps them deal with the psychology of the marketplace. People-- people are conditioned, oh my God, you'll lose all your money in the stock market. How many times have we all heard that, oh my God, don't invest in the stock market, you'll lose everything? That mentality exists. It's too risky. OK? There's a lot of that. But for those of us who've done it, it's really not as risky as you think it is, OK? And it's really beneficial for the average person to do it and to do it in a way that works for them, where they can accumulate wealth and protect it properly with insurance. Teaching people to do this will solve one of the fear issues that-- that people have. They're still going to have fear issues when they go to deal with someone who knows more than they do, because when you go to see an accountant or an attorney or a stockbroker, you know this person knows more about it, the subject behind them, than you do, right? And you know they probably have something they want to sell you, right? Well, financial literacy education for children, you're going to fix those two problems, but you can give kids the knowledge that they need so when they sit down in front of these people, they can feel comfortable enough to work inside the marketplace, understand it, and use it to prosper. OK? They can also understand the basics well enough to avoid being scammed. OK, that's another huge part of what you need to do in terms of teaching financial literacy to kids. If you teach them the basics of how these things work, they can avoid being scammed because they'll know when things are starting to get off track. They'll be under-- be, oh, that sounds funny, that doesn't sound right, so you'll be able to go and check that. So that's really-- you know, you guys are really-- I really applaud you guys for-- for tackling this subject. And, Senator McKinney, you're doing a good job. The previous legislation was interesting, as well, and I just want to say thank you and keep after it.

**WALZ:** Thank you. Hold on. Let's just see if there's any questions.

**MIKE SKINNER:** Oh, do you have any questions?

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**WALZ:** Are there any questions from the committee? Thank you. I don't see any. Thank you so much for your testimony today.

**MIKE SKINNER:** Welcome.

**\*JULIA PLUCKER:** Chairman Walz and Members of the Education Committee, my name is Julia Plucker, spelled J-U-L-I-A P-L-U-C-K-E-R, registered lobbyist for the Nebraska Credit Union League. Our organization represents Nebraska's fifty-nine (59) credit unions and their 540,000 members/consumers. Our association is testifying in support of LB452. I want to thank Senator McKinney for introducing this bill. LB452 would result in the development of a financial literacy program to be incorporated in the curriculum for K-12 students. Credit unions are not-for-profit, cooperative, member-owned financial institutions that provide banking products and services for the benefit of their member/owners. Credit unions do not have stockholders and therefore all earnings are shared by the credit union's membership. Credit unions unique structure allows them to focus on what's best for the member including providing financial counseling to members who find themselves in financial hardship, who are deciding on one of life's major purchases such as a car or a home, who are seeking college education, and who are preparing for retirement. Credit unions operate in-school branches, go out into the community to provide financial literacy, provide a prize-linked savings program, and have products that help the most vulnerable among us to get a hand up. The National Credit Union Foundation reports that 40% of people struggle to cover a \$400 unexpected expense. One in five of workers don't save any of their annual income and an astounding 78% of us live paycheck to paycheck. Three of four workers are in debt and more than half of them don't believe that they will ever get out of debt. This is a disturbing trend and our credit unions want to do what they can to turn this in the right direction for their members and for all Nebraskans. We believe that financial education is ongoing in life but it can have its greatest impact if it is received at an earlier age. This is why we support LB452 because it can ensure that Nebraska's children have some financial literacy education before they graduate high school and go on to college or into the workforce. This could be invaluable to so many who might otherwise find themselves making financial choices that will negatively impact them well into their future. Our association, along with local credit unions, have partnered with Omaha Public Schools to provide "Mad City Money" a financial literacy tool to local school students. Credit union

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volunteers set up a life simulation for the students whereby they receive a career with income, a family, and life expenses. They then must balance their income with their needs and the needs of their family. Many often choose to buy the cool expensive car but find themselves later selling it to pay for other necessities of life that they didn't consider at the time of purchasing the car. This life simulation gives students a dose of reality in a fun and interactive way that can provide them with a teaching moment that could lead them to better financial decisions down the road. In 2011, this Legislature passed LB524 to allow credit unions to offer our savings promotion raffle called "Save to Win". We were the second state to offer this innovative saving program that aims to get Nebraskans, especially those with little to no savings, to save money by incentivizing them with chances to win cash prizes. For every \$25 deposited into their own credit union save to win account, the member receives one chance into the cash prize drawings. We started with several monthly cash prizes followed by a large annual cash prize of \$25,000 but found that to best incentivize savings it was better to have more prizes with smaller dollar amounts. In the end, all members win because they have their accumulated savings, plus interest, and any winnings they might have received. There is no cost for them to participate in this savings program. A survey of participants revealed that 66% indicated they did not have enough savings to cover three months of expenses. This program gives hope to those who seek financial peace for themselves and their family. In November, Nebraskans went to the polls and voted to put a 36% cap on the interest that payday lenders could charge their customers for short term loans. This was very significant because payday lenders could charge upwards of 400% interest and fees on a \$500 loan that had to be paid back in two weeks. The National Credit Union Administration (NCUA), the prudential federal regulator of credit unions, provide the ability of credit unions to offer small short term loans that would provide an alternative to payday loans for credit union members. Those loans could range from \$200-\$2,000 with no greater than a 28% interest rate and a term of up to one year. Many Nebraska credit unions are offering this type of loan product to their members with an interest rate well below the maximum allowed by the NCUA. In conclusion, the Nebraska Credit Union League offers our support to LB452 as well as our willingness to work with Senator McKinney, this Committee, and anyone who seeks to improve financial literacy in communities across our Great State. I would respectfully request the Committee's support to advance LB452 to General File.

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Thank you for your consideration. If there are any questions, please reach out to myself or Brandon Leutkenhaus, Chief Advocacy Officer for the League.

**\*ERIC HALLMAN:** Chairperson Walz and Members of the Education Committee. I am Eric Hallman and I am submitting this testimony in support of Legislative Bill 452 on behalf of the Nebraska Independent Community Bankers. Senator McKinney's Financial Literacy Act gives students the opportunity to gain an introduction to critical financial literacy fundamentals during early and secondary education. The NICB supports any efforts to expand the financial literacy of Nebraska's students. Legislative Bill 452 recognizes the importance of these lessons at every stage of a student's life. K-12 financial education will better equip our young people to have the skills to make informed decisions about their money. Increasing financial literacy in our students can transform families, our individual communities and our state. The Nebraska Independent Community Bankers is an association committed to maintaining strong representation for independent banks and the communities we serve. NICB respectfully urges the committee to advance LB452 in order to best prepare Nebraska's students for success.

**\*SPIKE EICKHOLT:** Thank you Chairperson Walz and members of the Education Committee. My name is Spike Eickholt and I am a Lobbyist for the ACLU of Nebraska. The ACLU offers its full support of LB452 and we would like to extend our gratitude to Senator McKinney for introducing this legislation. The ACLU works with teachers, parents, students, community members, and legislators to ensure equality and dignity for all students in Nebraska schools. In pursuit of a world free of discrimination and a Nebraska that is true to the state motto of "Equality Before the Law," the ACLU of Nebraska works in coalition with other civil rights groups and advocates in Nebraska to lobby in local and state legislature and support grassroots movements. Through these efforts, we strive to educate and empower the public on a variety of issues, including how race relates to inequality in education. LB452 will incorporate a financial literacy program into the curriculum of our state's public schools. These courses typically provide students with real-life skills of establishing credit, investing in the stock market, filing taxes, and general wealth-building. Historically, only the wealthy, commonly white families, have been privileged to take such lessons. According to the Institute for Policy studies, white families in the U.S. have a median

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net worth of \$116,000 while Black families' net worth is calculated to be \$1,700. Moreover, data from a 2016 National Financial Capability Study assessing financial knowledge of 3,050 adults in the U.S. found that one in every three young adults have "poor financial literacy." The study also demonstrated the racial inequity in financial literacy finding that white males with a college education can better plan and manage their finances than women and people of color. While partaking in a financial literacy program will not directly help students of color and women build wealth, it will equalize financial literacy and knowledge for all public-school students in our state to build wealth in the future and pass it on to future generations. With LB452, the legislature has an opportunity to implement a simple tool in our public education curriculum to directly address racial and socioeconomic inequities in our state and country. We thank Senator McKinney for introducing LB452 and urge the committee to advance the bill to General File.

**WALZ:** Is there anybody else who would like to speak in-- as a proponent? Any opponents? Good morning.

**JERI FERGUSON:** Good morning. Senator Walz, Education Committee, thank you for giving me a chance to speak this morning. I am the teacher of those other three students, and I'm not against this bill. I-- I mean, I'm not against literary [SIC] finance. However, I want-- just wanted to share some of my personal experiences that we have in the 29 years I've been an educator.

**PANSING BROOKS:** [INAUDIBLE] name--

**JERI FERGUSON:** When-- in my civics class--

**WALZ:** Oh, I'm sorry.

**JERI FERGUSON:** Yes.

**WALZ:** Can you-- can you--

**JERI FERGUSON:** Oh, yeah, my name. Oh, sorry. Jeri Ferguson, J-e-r-i F-e-r-g-u-s-o-n.

**WALZ:** Thank you.

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**JERI FERGUSON:** So in my civics class, when we read these bills, we took time and read-- read them out loud and-- and then when I read this bill-- and they really liked the first one I think because it's simpler to understand maybe from their point of view. But when we talked about this bill, some of the things that they said, from my 28 seniors, all of them unanimously said starting this in kindergarten was way too long-- too young. I mean, their-- their remarks were kindergartners are trying to learn their numbers, let alone finances. So I asked them, well, when would you start it? And I had lots of varying answers from fifth to sixth grade to junior high to high school. I do think it definitely needs to be instituted. And as a social studies teacher, I'm feeling very convicted in that I haven't done-- I've-- I do an insurance unit I teach them that I created myself, teaching them about insurance and deductibles and those things. And I have done W-2s, but I'm definitely going to look into some of these other things I've learned today. Unfortunately-- or fortunately, the national news has provided us with lots of conversation and lots of curriculum time developed to that. But I do feel challenged and that I need to do a better job here. A couple of other things that-- that was talked about, and I don't know if you know any elementary educators-- I do-- they feel stressed already as it is to get the reading, writing, science, and math standards covered. I don't know where you'd fit this in. They're only teaching social studies now two times a week because of all the-- trying to cover all the standards and to get all the testing and all the stuff that coincides with the testing. So this bill, starting that young, I'm worried for my friends and colleagues that are elementary teachers. My personal concern in looking this bill over is the fiscal note-- fiscal note that was attached to it, \$108,807 the first year and then up to \$188,000 the second year, and I don't know where that money would come from. In my school district. The-- we are-- somehow over the years, western-- the western end of the state, so the smaller schools, have lost a lot of the state funding. I know the-- the gentleman that testified from the State Treasurer's Office talked about the Omaha and Lincoln schools and what they're doing. And for me, my comment is, of course, they get a lot of state aid, so they have the money to make some differences. We-- we are budgeted thin to thin all the time, trying to stay afloat, so I have a concern with the fiscal part of that. Where's that money going to come from and how are we going to do it? I do know, come Wednesday of this-- we have PD time every Wednesday afternoon. I already know one of the things we're

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discussing this Wednesday is we're starting to create our schedule for next year. And we're looking at-- the principal wants to look at the fin-- this financial literacy part, so we're already going to look at how to even make it better than-- than what we have. The other thing, in my 29 years of teaching, the-- the-- that this should be taught at home, I felt really nice that Michael said-- Michael Ferguson that testified is my youngest son-- that he said his parents taught him well because maybe I'm feeling a little convicted that maybe we did not, but-- and the thing that has changed the most over my 29 years of educating is the family structure. And what these kids-- sometimes it's amazing they get themselves to school from what we see and deal with. So I do think it's very important to get some kind of financial literacy taught to these kids, so I'm in-- in support of getting a bill passed, but this one concerns me a little for those reasons. Yeah, I think that's it. Thank you very much for your time.

**WALZ:** Thank you so much. I just want to clarify before I ask for any other questions. It sounds like you do support this concept, but you came in as an opponent. Would you be an opponent or somebody in the neutral position?

**JERI FERGUSON:** Well, I debated whether to do neutral or opponent. I wasn't sure. This is my first time being here at a live hearing, so I'm as nervous and as giddy as anybody else. It's a dream of mine to be able to come down and do this, so I'm excited about that. So I-- don't know. I guess you guys pick and I'll say yes, because it's either neutral. I just-- there's parts of it I don't like, but I do want-- I really like Senator Slama's because it would be an easy way to start, that half a semester. We could get-- in my school, personally, we could get that take-- we could get that implemented very easy. This one's very much more in depth, which is good also, but I don't know, so.

**WALZ:** OK, it just would sound to me like it's more of a neutral position but that's OK.

**JERI FERGUSON:** Yeah, probably, as I just--

**WALZ:** OK.

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**JERI FERGUSON:** My son teased me when-- last night when we were having supper and I said, I think I'm neutral, and he was like, you know, so I guess he's pressured me to say opponent, but--

**WALZ:** All right, thank you.

**JERI FERGUSON:** Yeah.

**WALZ:** Are there other questions from the committee? Senator Linehan.

**LINEHAN:** I was very impressed with Mr. Ferguson, so I think you've done a pretty good job.

**JERI FERGUSON:** Thank you. Thank you.

**LINEHAN:** You're welcome.

**JERI FERGUSON:** We're pretty impressed with him too.

**WALZ:** Other questions? I do have one more question/comment. First of all, I am so glad that you came here to give us the perspective of a teacher. That is-- is so important to all of us. I'm just curious. It sounds like you are looking for your own curriculum. You're kind of, you know, reaching out and trying to find your own curriculum. Did you-- did-- were you aware of the-- the curriculum that the Treasurer's Office provides?

**JERI FERGUSON:** No, I was not, or the EverFi or the-- there was another one mentioned. I didn't-- I'm a slow writer. I didn't-- didn't get the other one, so, see, that's why I'm feeling challenged. These are probably things I should have known about and I did not and that's-- so I'm going to check into that.

**WALZ:** All right. Well, thank you so much for the work you do. We appreciate it very much.

**JERI FERGUSON:** Thank you for listening to me. I would like to tell you, I would have had at least ten students here to testify if they didn't have to do a makeup basketball game because of wonderful COVID, but there was a lot of interest. So anyway, thank you for your time.

**\*JASON HAYES:** Good morning, Senator Walz, and members of the Education Committee. For the record, I am Jason, Director of Government

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Relations the Nebraska State Education Association. NSEA opposes LB452. The bill requires that each school district, in consultation with the Nebraska Department of Education (NDE), will develop a financial literacy curriculum. NDE will create and distribute the recommended financial literacy curriculum guidelines to all school districts. Each district will create its own financial literacy program based on NDE's recommended guidelines. The NSEA opposes this bill, for the reason that financial literacy curriculum is already a requirement in the current Nebraska Social Studies Standards. State statute requires the Nebraska State Board of Education to review, update and adopt measurable academic content standards in reading, writing, mathematics, science and social studies every seven years. As part of the standards update process, the NDE selected a geographically diverse team of K-16 educators representing school districts of all sizes and needs. That team has reviewed existing standards and made revisions to the Social Studies Standards adopted by the State Board on November 8, 2019. The NSEA believes that the process of curriculum review and adoption is one of the primary roles of the State Board of Education, and we believe LB452 is not only redundant but also encroaches upon this important function of the Board. The NSEA, on behalf of our 28,000 members across the state, asks you to indefinitely postpone this bill. Thank you.

**\*JOHN SKRETTA:** Chair Walz and Members of the Education Committee: Schools Taking Action for Nebraska Children's Education (STANCE) is comprised of 19 mid-sized school districts, free of lobbyists, representing over 25,000 school children. STANCE is unique in the fact we have districts representing the entire state from Chadron to Blair, levies that range from \$1.05 to \$0.60, and enrollments ranging from 863 to 3,928. We are representative of Nebraska education, and deliberate carefully when choosing our position on bills. We submit this testimony in opposition to LB452 which would entail new unfunded mandates for a financial literacy program and reporting requirements for school districts related to this. We preface our opposition to LB452 by stating that we in fact share Senator McKinney's understanding of the curricular importance of "financial literacy." However, we object to the "Financial Literacy Act" proposal on the grounds that the bill reflects legislative overreach in an area where oversight is the appropriate domain of the Department of Education under the State Board. LB452 would legislate curriculum and add redundant reporting requirements and mandate curricular infusion

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across grade levels. STANCE believes these curricular decisions are best left to our local Boards of Education to make determinations about course offerings and curricular integration of subject matter. The bill also goes as far as to threaten accreditation revocation for schools not deemed in compliance with the Act. Yet, sufficient, thorough and detailed accreditation oversight of K-12 public schools already exists in Rule 10 as exercised by the authority of the State Board and Nebraska Department of Education. We believe the NDE would be the appropriate oversight body for this specific matter in terms of subject matter and content expectations uniformly applied. As evidence, we point to the fact that the Department of Education just reviewed and revised our Social Studies Standards for K-12 (including financial literacy) after considerable public input and due diligence by our State Board. The prominence of financial literacy is clear in the aforementioned Nebraska Social Studies Standards, where it is overtly mentioned no fewer than 10 times. School districts must annually attest and be prepared to demonstrate that they have adopted the State Standards or their own standards which at a local level actually surpass the rigor of said State Standards. Therefore, sufficient accountability already exists for "Financial Literacy" and LB452 is an unnecessary mandate. In conclusion, we endorse Senator McKinney's emphasis on financial literacy as a component of an effective and comprehensive K-12 education program. We point out, however, that it is already featured quite overtly in the current (2019) adopted Nebraska Social Studies State Standards. Therefore, we see this bill as duplicative and not necessary. STANCE opposes LB452.

**\*COLBY COASH:** Chairwoman Walz and members of the Education Committee, My name is Colby Coash, representing the Nebraska Association of School Boards who wish to go on record in opposition to LB452. While NASB understands and supports the intent of including financial literacy in its curriculum, we believe this bill is unnecessary. The Nebraska Department of Education has already outlined financial literacy in its social studies standards. These can be found on pages 55-58 of their document, "Nebraska Social Studies Standards". We believe these standards are sufficient in meeting the intent of LB452. Furthermore, we believe curriculum decisions are best vetted through the Department of Education and suggest this is the most appropriate venue for curriculum changes. We ask that this letter be made part of the public record on LB452. Thank you.

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**WALZ:** Thank you. Do we have anybody else that would like to speak in opposition of LB452? Anybody else who would like to speak in a neutral position? Senator McKinney, you're welcome to close. While he's coming up to get ready, I will say that we did have proponent position letters and we also had position letters in the neutral capacity. We had three proponents, written testimony in lieu of personal testimony, from Spike Eickholt, Eric Hallman, and Julia Plucker, and three opponents, Colby Coash, John Skretta, and Jason Hayes. Now you can close.

**McKINNEY:** Well, thank you. Thank you. In close, I think, you know, a lot of what discussed here is highlighting why there is a need for financial literacy education in our schools. On the topic of it being too stressful or kindergartners may not be able to, you know, take in information, this type of education can be grade-specific and it also can be creative. We-- we learn about history in kindergarten and as you grow, it gets more complex. But I think we-- we should start at the beginning instead of waiting until fifth and sixth grade and high school and junior high school, because the earlier we learn, the better we're off in-- in-- in the long run. It's already a requirement and we're just going to monitor the effectiveness of-- of this education in our schools. As far as the fiscal note, it's for the Department of Education to hire a education-- education specialist-- specialist. That-- that was the fiscal note. And just from my personal experience, I was so unprepared leaving high school, going into-- going to UNO, I had to figure out how to apply for FAFSA. I had to agree to accept loans that I didn't even understand and interest rates that I had no--no idea about. I walked on campus and opened a checking account at Wells Fargo and had no idea why I opened the account, but I opened the account. It-- it was just so-- and so many more individuals in our communities make these type of mistakes and were hurt in the long run. Right now, individuals of my generation are not buying homes like they probably should. We have mountains of student loan debt that we may not overcome unless the federal government does something about it. We have to implement this type of education into our schools to better prepare our students for the future. If not, I-- I'm not even sure what-- what it will be for the future of our country in our state if we don't do something. I'm not saying our teachers and our educators aren't trying to do a good job. I think they are. But I think we have to take a more intentional approach in getting this education to our schools because it's needed.

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**WALZ:** Thank you so much, Senator McKinney. Any questions from the committee? I see none. Thank you for coming in today and thank you for introducing this. That closes our hearing on LB452. And now we'll open our hearing on LB675, Senator Linehan. Good morning, Senator Linehan.

**LINEHAN:** Good morning, Senator Walz. And, members of the Education Committee, I am Lou Ann Linehan, L-o-u A-n-n L-i-n-e-h-a-n, and I represent Legislative District 39, Valley, Waterloo, and Elkhorn. I introduced LB675 to bring more transparency to the cost of pre-K-12 public education lobbying to our constituents. We are all aware that the Nebraska Accountability and Disclosure Commission requires all of those who lobby on behalf of their clients to file a Form A-R. However, it is unlikely that most taxpayers have any idea how to access that information. I've got some things for you to hand out too. For instance, the Nebraska Education Collaboration which is-- here we go-- group in total, according to the Nebraska Accountability and Disclosure Commission, which I am providing right now, spends over \$485,000 lobbying the Legislature each year. Schools pay dues to belong to these organizations. I think it's reasonable to expect that some of those dues are paid to each group's lobbyist. Schools also contract with lobbyists and also have school staff that lobby. Let me use Lincoln Public Schools as an example. Lincoln Public Schools belongs to the Nebraska Council of School Administrators, the Association of School Boards, and the Greater Nebraska Schools Association. Each of these groups has one or more paid lobbyist. Lincoln Public Schools also contracts with a contract lobbyist for \$32,400 per year and have an employee who is paid \$21,000 per year to lobby. However, according to the annual-- excuse me, according to Lincoln Public Schools annual financial report, lobbyist fees/expenses were only \$4,056 during 2018-19. And I want to stop right now. I worked on this, this weekend, so I was not able-- I called Bryce [PHONETIC] a couple times, but I didn't talk to anybody at Department of Ed as to why there's such a difference, but the difference is very significant. Omaha Public Schools annual financial report reported spending \$45,000, but according to the Nebraska Accountability and Disclosure, it's much closer-- excuse me, closer to \$100 million-- or \$100,000-- getting my Revenue Committee and Education Committee confused. Millard Public Schools annual financial report reported \$55,000-- \$55,200, but according to Nebraska Accountability and Disclosure, they spent over \$71,000. These figures do not include the share of the Nebraska Education Collaboration group that includes

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Stand For Schools, which pays a contract-- contract lobbyist \$25,000 and has a staff who spends a great deal of time lobbying who earns \$87,000 per year. Nor do any of these numbers reflect OpenSky's efforts, who Nebraska Accountability and Disclosure reports show that they have four registered lobbyists on staff. I'm frankly not in favor of tax dollars being spent on lobbying, to lobby the Legislature, but I'm not so naive to think that that practice is going to go away. I do, however, think the public has a right to know how much tax money is being spent on lobbying, and I feel confident you will agree. Mr. Frank Daley is here and he is going to say that I made a mistake in having this, and I agree with, him having this drafted. It should say-- in the language, it should say "lobby"-- "school" in front of "lobbyist," and he, since he's here, is probably going to recommend it to do that. So with that, I'll answer any questions.

**WALZ:** Thank you, Senator Linehan. Any questions from the committee? I see none.

**PANSING BROOKS:** I have a question.

**WALZ:** Oh, sorry.

**PANSING BROOKS:** Thank you, Senator Linehan, for bringing this bill. I'm just interested. Were there other lobbying groups that affect governmental-- I mean, it seems like there are other lobbying groups that-- that could be included that lobby different governmental organizations.

**LINEHAN:** I would agree. I mean, the counties have lobbyists. The cities have lobbyists. The-- well, almost everybody that comes before us has-- bankers have lobbyists. Private enterprise has lobbyists. I don't know another institution where there's so many, like, crossovers, like-- and there may be and I'm happy to make those public too. I think it's just there's-- there's so many different buckets they're coming from. So you have your own contract lobbyists, then have your staff-- person on staff that's lobbying, then you pay dues to these other associations that are in here lobbying. So it's just-- as you and I both know, working these issues, there's a lot of them and it's hard to keep track, so I just think it would be good if the schools-- and it is concerning that on the AFR, the amounts that they are reporting, there's so much less than what's being reported to the Nebraska Accountability and Disclosure, and I don't know if that's

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because-- and I do feel bad about this. I would have found out, and I will find out. I don't know if that's because the AFR, some of it goes into legal expenses, because their legal expenses are significantly higher, and whether the AFR is just what they pay for their in-house, which kind of seems like that would match closer. But it's-- it's clearly not being reported. I shouldn't say that. It's clear there's some disconnect between the Accountability and Disclosure Office and the annual financial report.

**PANSING BROOKS:** Is that true across the board, do you know, with other lobbying groups?

**LINEHAN:** Well, I'm not sure. I mean, when I-- I don't-- I can't say true across the board. But the counties, for example, and I see this-- a lot of this in the Revenue Committee, they have two lobbyists that come and say they're for NACO, and then the cities have some. I think just Omaha and Lincoln. I have not seen, either on this committee or on the Revenue Committee, quite the expansive number of people working on the same issues. I'm not saying it doesn't exist, but the only thing I could-- the only hearings I can think where there were, like, maybe more equal representation would be when we're talking about big tax changes. Then you get all the bankers and the NFIB and the Chambers of Commerce and all this group, and then you get all the schools' groups coming in.

**PANSING BROOKS:** And, OK, one more question. So then are you talking about-- when you say all those groups for schools, are you saying-- because, I mean, there's Omaha Public Schools' lobbyist, there's NSEA lobbyists, there's NASB lobbyists. Is that what you're talking about is that they're often arguing for the same thing? But generally they do have different-- they represent different groups.

**LINEHAN:** OK, so the way it would work, if you are-- the way I propose it to work, you would have to put on your website of your school district, just like they do for superintendents in their budget, what you're paying for lobby. And it would have to include their in-house lobbyists, their contract lobbyists, and any amount of dues they pay to other groups that lobby for them, so it would be a complete picture.

**PANSING BROOKS:** OK, all right. Thank you.

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**LINEHAN:** You're welcome.

**WALZ:** Any other questions from the committee? Senator Morfeld.

**MORFELD:** Senator Linehan, so I'm reading through the bill for the  
first time as we're looking at it so--

**LINEHAN:** And I can understand that. I read through it this weekend  
[INAUDIBLE]

**MORFELD:** Oh, that's good. So the-- the handout that you handed out to  
us, these are what I would call, well, I guess, ESUs around here. I  
guess my question is, is this only going to apply to school districts  
that make expenditures on any lobbying? Because there's-- there's  
non-school district lobbyists around here that are probably paid by, I  
would assume, foundation or private dollars or something.

**LINEHAN:** And that's a whole nother issue that I wanted to go to, but  
I'm not to-- going to. I--

**MORFELD:** OK.

**LINEHAN:** I don't know enough. There are some groups that are using  
501(c)(3)s. I don't think you're really supposed to lobby with  
501(c)(3) money, but that's--

**MORFELD:** I mean, you can, actually, up to 20 percent of all of your--

**LINEHAN:** OK.

**MORFELD:** Yeah.

**LINEHAN:** OK. It is-- I've got the-- the reason that group was put  
together, the first one in your hand-- I have another one here. Can  
you come--

**MORFELD:** OK.

**LINEHAN:** --is that is the Nebraska Collaboration group. They are a  
group that frequently sends letters to the Revenue Committee and the  
Education Committee.

**MORFELD:** OK.

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**LINEHAN:** They are organized as a group.

**MORFELD:** OK. OK, got it. I'm just trying to understand the scope of  
the bill, so this--

**LINEHAN:** Right. Well, I was-- to-- when that letter came and it was  
like-- and I've worked with that group before trying-- whether it be  
this committee or Revenue Committee, they are clearly all working  
together, which that-- they admit they are.

**MORFELD:** OK.

**LINEHAN:** So it's like, OK, how much are they-- who's paying for it?  
Basically, who's paying for it?

**MORFELD:** OK.

**LINEHAN:** I thought-- frankly, I assumed-- that it would have been paid  
for by people who donate money to their organizations.

**MORFELD:** OK.

**LINEHAN:** That's what I assumed. And then I had somebody who had been  
on a school board told me, no, those schools pay association dues to  
those organizations.

**MORFELD:** OK.

**LINEHAN:** So if each school pays, and I've gone down a ways on some,  
let's just say each association, I think it's a sliding scale, like I  
think if you're Lincoln or Omaha you pay more than probably if you're  
Kimball.

**MORFELD:** Got it.

**LINEHAN:** So I think the bigger dollars probably-- and there are a lot  
of schools that don't have a contract lobbyist. NRCSA schools pride  
themselves on not having a contract lobbyist, but they do have a  
contract lobbyist that works-- wait a minute. I'd have to go back. I  
don't think NRCSA does pay a lobbyist.

**MORFELD:** OK. No, and I-- I need to read the bill still and-- and look  
at it a little bit more after this hearing. But I-- I understand the

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transparency rationale with the public dollars that go to lobbying.  
And if they're not being identified accurately at any NADC level,  
then, you know, but I-- I-- I--

**LINEHAN:** So I brought-- I didn't want to burn up so many trees, but I  
have--

**MORFELD:** Because right now, NADC doesn't currently track any of this.

**LINEHAN:** I'm sorry, say that again?

**MORFELD:** Does NADC track any of this right now, any of this--

**LINEHAN:** No, I think-- so you have to go to their website. It's  
actually a very good website, but you have to know what you're looking  
for.

**MORFELD:** Got it.

**LINEHAN:** So you would have to know to pull up the School  
Administrators Association.

**MORFELD:** Oh, and get the contract under the lobbyist.

**LINEHAN:** Then--

**MORFELD:** I see what you're saying.

**LINEHAN:** Right, you have to go, like you have to know enough--

**MORFELD:** OK.

**LINEHAN:** --to know who to look for.

**MORFELD:** Got it.

**LINEHAN:** And if I have difficulty with that, and I've been doing this  
kind of thing for 30 years, the man on the street is not going to  
understand how to-- nor even know there's an Association of School  
Administrators or Association of School Boards or all the other  
associations. So it's just trying to get a handle on what are we  
actually-- and it was concerning that the AF-- the annual financial  
report does not seem to match at all what the Nebraska Accountability  
and Disclosure have. And I don't think there's anybody trying to hide

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the ball here. I just don't think-- I don't think-- I don't-- I don't  
know what they're required-- it doesn't seem to me maybe they're  
required to match them up, and it seems to me they should match.

**MORFELD:** OK. That helps me understand the scope a little bit more on  
what you're trying to do. Thank you.

**LINEHAN:** And the reason I put Stand For Schools on that list is  
because they were part of that collaboration. I mean, I don't know if  
you'll remember, but it's very-- when we first got here, we got a  
letter from them saying, we're all working together, so I should have  
brought that.

**MORFELD:** OK.

**LINEHAN:** Don't know I have it. I don't think I have a copy of it with  
me, but I can get you one and we can email it to you.

**WALZ:** All right, thank you. Any other questions from the committee?  
Thank you, Senator Linehan. Do we have any proponents that would like  
to speak?

**\*BRUCE REIKER:** Chairman Walz and members of the Committee. My name is  
Bruce Rieker. I am the vice president of government relations for  
Nebraska Farm Bureau. On behalf of our 58,000 members statewide, and  
the Nebraska Soybean Association, I am testifying in support of LB675.  
LB675 creates the Education Lobbyist Pay Transparency Act requiring  
all Educational Service Units (ESU's) and District School Boards to  
approve new and amended contracts with lobbying services at a public  
meeting of their board. The contracts, with a reasonable estimate and  
description of all current and future costs to the district or ESU,  
will be published on the website of the school district or ESU if the  
contract is approved at least three days prior to the scheduled  
meeting to discuss said contract. If the contract is approved, the  
school or ESU board will have two days to publish a copy of the  
contract on their designated website. All approved or amended  
contracts must be submitted to the Nebraska Department of Education  
(NDE) on or before the next succeeding August 1. NDE will then post a  
copy of the contract on their website for public viewing. NDE can  
withhold TEEOSA or Core Services payments and also direct the local  
county treasurer(s) to withhold all money belonging to the district or  
ESU until the ESU or school boards submit the required documents.

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LB675 will improve transparency in lobbying activities and expenditures by state and local entities funded in part or by whole by Nebraska tax dollars. For that reason, we ask the committee to support LB675 and advance it to General File for debate. Thank you.

**WALZ:** Any opponents? Anybody who would like to speak in the neutral position? Good morning.

**FRANK DALEY:** Good morning. Good morning, Chairman Walz. Chairwoman Walz and members of the Education Committee, my name is Frank Daley, D-a-l-e-y. I serve as the executive director of the Nebraska Accountability and Disclosure Commission. I'm here today in a neutral capacity as to LB675. First of all, it appears that the object of LB675 is outside of the jurisdiction of the commission, and it's pretty clear from the language of the bill that it's not enforceable by the commission. However, there's one matter I believe I need to bring to your attention. LB675 includes within it a definition for the term "lobby." The Accountability and Disclosure Act has a definition of the term "lobbying." They are close, but they are not exactly the same. LB675 includes a definition of the term "lobbyist." The Accountability and Disclosure Act includes a definition of the term "lobbyist." They're not the same. And so I think you can see the potential confusion where you have definitions in different acts, potentially applying to the same activity, which are different. So it seems to me a simple fix would be, instead of in LB65 [sic] defining lobbying, we would create something else that we're defining, so it would be education lobbying; instead of defining "lobbyist" in LB675, we would define "education lobbyist," and those modifiers would be used throughout the bill. I've distrib-- distributed to you a copy of what I have in mind. I think the idea is that by def-- describing it somewhat differently, when you're having a conversation with someone as to what applies and what doesn't apply, that there would be less confusion. So, again, the commission is neutral on the bill. However, if the committee is inclined to move forward with LB675, we would appreciate if you would modify it as we've suggested. I do want to thank Senator Linehan for her commitment to transparency. And, members of the committee, thank you very much for the opportunity to testify today.

**WALZ:** Thank you so much for coming today. Any questions from the committee? I do have one for you. I'm going to go back to Senator Patty-- or Pansing Brooks's question regarding all lobbyists. So in

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this case, if we wanted to include agricultural, for example, that would have to be a separate-- would you have to list out all of the-- the groups prior to saying "lobbyist," like you did in education lobbying? Do you have to list out edu-- or agricultural or banking or how would that work?

**FRANK DALEY:** That's a great question. I-- if you are inclined to start adding groups, it would seem to me that you would want to go back to the Accountability and Disclosure Act and define-- maybe redefine "lobbyist," redefine "principal," redefine "lobbying." On the other hand, if you're focusing on groups that are attached with governments, such as counties and cities and school districts and ESUs and the like, then maybe you would want to have some sort of subcategory of lobbyists for governmental entities or political subdivisions or something of that nature, so that those entities might have specific, separate requirements as well. That might be the approach.

**WALZ:** OK.

**FRANK DALEY:** But I don't think we'd want to put too many different categories into the law. I think that would be terribly confusing.

**WALZ:** Senator Pansing Brooks.

**PANSING BROOKS:** Thank you for coming today, Mr. Daley, and for all the work that you do on behalf of all of us.

**FRANK DALEY:** Thank you.

**PANSING BROOKS:** I guess I'm just interested. If we're picking out the education lobbyists, do you-- how do you feel about that? I mean, it seems to me, again, it should be just a general. If we're-- if there's going to be something like this, it seems like it needs to be a general, any lobbying group that's connected or working with a governmental entity, rather than just saying education and then, as you say, later adding other ones, if we decide to do it.

**FRANK DALEY:** Well, I think I'm uniquely unqualified to respond, and the reason I say that is I've heard mention of the AFR or-- which is apparently some report that schools fill out. I don't know what the requirements are there. I don't know what the definitions they use in the context of those reports. So I just don't have a good sense of what cities and counties and school districts are reporting on reports

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that do not come to the Accountability and Disclosure Commission. I--  
I just don't know.

**PANSING BROOKS:** OK, so Senator Linehan mentioned how wonderful your  
website is, and I'm wondering if there's a way to clarify it so that  
the average common citizen could understand which groups are lobbying  
for the schools. Is there an easy way to do that or is that very  
cumbersome?

**FRANK DALEY:** Well, first of all, I have to avoid taking credit for the  
website because actually it's the Legislature's website rather than  
ours.

**PANSING BROOKS:** OK.

**FRANK DALEY:** So certainly there's a possibility that some sort of  
modification to the website or cross-references are possible.

**PANSING BROOKS:** So that people could see which groups are really all--

**FRANK DALEY:** Correct. Correct.

**PANSING BROOKS:** [INAUDIBLE]

**FRANK DALEY:** And so in developing the website that now displays  
lobbyists and principal reports and things of that nature, we work  
closely with the legislative IT staff so that they knew what had to be  
in there, but they are the ones that kind of set it up so you could do  
the electronic filing. We're the ones that work with them to show what  
needed to be displayed on the website. And so if the Legislature was  
inclined to do more, we would certainly be more than happy to work  
with the legislative IT people again on that.

**PANSING BROOKS:** OK. Well, thank you for your time today, appreciate  
your being here.

**FRANK DALEY:** Thank you.

**WALZ:** Thank you. Any other questions from the committee?

**FRANK DALEY:** Thanks again, committee members. I appreciate it.

**WALZ:** Thank you so much.

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**PANSING BROOKS:** Thank you.

**WALZ:** Anybody else in the neutral position? Senator Linehan, you're welcome to close. While she's coming up, we have one written testimony in lieu of personal testimony, a proponent, Bruce Rieker, and no position letters.

**LINEHAN:** Who-- who-- what did you say? I couldn't hear you. I'm sorry.

**WALZ:** We had one testimony in lieu of personal testimony. It was a proponent, Bruce Rieker-- Reeker? [PHONETICALLY] Riker? [PHONETICALLY]

**PANSING BROOKS:** Reeker.

**LINEHAN:** Bruce, oh, Farm Bureau.

**WALZ:** Sorry.

**LINEHAN:** So thank you very much. This is less painful than I thought. [LAUGH] The difference-- I think I didn't state this clearly enough. This is when tax dollars are being used to pay for a lobbyist, so I wouldn't have any trouble at all including if it's county or city or University of Nebraska. I don't know how many-- I know those. We'd probably have to-- if-- if-- it's just-- there was, when the first year I got here and it didn't go anywhere, a bill to say you could not use tax dollars to pay for a lobbyist. That didn't go anywhere, so I think this is like at least taxpayers should know what they're paying for lobbyists because my instinct is very few taxpayers know that they're paying for lobbyists and I think they have a right to know.

**WALZ:** Any questions from the committee? I'm thinking of one right now, so sorry. Any questions from--

**LINEHAN:** I'm getting-- we're getting out early.

**WALZ:** Yeah, we're going to. I-- I do have one. See you, Adam. So what you're asking in this piece of legislation, and I'm just trying to clarify--

**LINEHAN:** That's OK.

**WALZ:** --is already-- you can find that already on the report that Mr. Daley talked about.

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**LINEHAN:** Right. But the problem-- and-- and again, I'll talk to the Department of Ed and try and figure out what the problem is. But what I found on his reports is that we already clearly have a law that they have to report it on their annual financial report and what's on-- and I didn't check every school district, but what's on the annual financial report clearly does not reflect or does not agree with the Accountability and Disclosure Commission. So there's a-- now, one of them, I'm guessing, is there's no penalty for not being right on your annual financial report because there are-- there's mistakes on them all the time, and not because people are trying to, but just because there's no-- and it's such a compli-- if you've seen them, they're like thick and you've got to go through every line, whereas the penalties are very severe if-- well, I shouldn't say very-- they're quite-- I think it's \$750 if you screw on your-- and then so much a day. I don't know. But there-- there are enough penalties to make you pay attention that you do the accountability and disclosure right. So I-- I'm guessing that's the major difference, and, again, not because people aren't trying. It's just nobody-- I don't know how many Nebraskans look at annual financial reports either. I'm nerdy that way, so [LAUGHTER]-- so-- but it-- it is-- it's like \$1.5 million in the schools, money that they're spending on lobbying. It's a lot. And I think we at least, maybe just for our sakes, we should know what's going on. And right now, unless you want to spend half a Saturday in Lincoln, when you should be home, digging through this stuff, you're not going to know.

**WALZ:** I will leave that up to you.

**LINEHAN:** Thank you.

**WALZ:** Any other questions? Thank you, Senator Linehan.

**LINEHAN:** Thank you.

**WALZ:** That ends our hearing on LB675 and it ends our hearing for this morning.

**WALZ:** [RECORDER MALFUNCTION] get started this afternoon.

**PANSING BROOKS:** Whoops, sorry.

**MURMAN:** Did I do that or did you?

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**PANSING BROOKS:** I did.

**WALZ:** We're going to open up the gubernatorial appointment for Molly O'Holleran. The position is the Coordinating Commission for Postsecondary Education. Welcome, Molly. Before we, we begin, I'm going to have the senators introduce themselves beginning at my far right.

**MURMAN:** I'm Senator Dave Murman from District 38, and that's seven counties to the southwest and east of Kearney and Hastings.

**PANSING BROOKS:** Hi, Molly, welcome. Patty Pansing Brooks, Legislative District 28 right here in the heart of Lincoln.

**LINEHAN:** Oh, excuse me. Lou Ann Linehan, Legislative District 39: Elkhorn, Valley, and Waterloo.

**SANDERS:** Hi, Molly. Rita Sanders, District 45. That's the Bellevue, Offutt community.

**MOLLY O'HOLLERAN:** Wonderful.

**WALZ:** And we do have a couple other senators that will probably be joining us in a little bit. So with that, welcome again.

**MOLLY O'HOLLERAN:** Thank you.

**WALZ:** And you can go ahead and get started anytime.

**MOLLY O'HOLLERAN:** All right. Well, I just wanted to say to all of you, thank you so much, what you're doing for Nebraska. This pandemic has been high chaos with high opportunity. And the Education Committee is the center of the future for Nebraska students and Nebraska citizens. And as a former local school board member in North Platte, Nebraska, that's where I'm from, and eight years on the State Board of Education, I really believe that partnerships with the Legislature are essential between policymakers, between teachers, between students and families. And Nebraska education is better when it is both public and private strength. Thank you so much for providing, providing these opportunities as we transition to post pandemic. Hopefully, in 2021. You may or may not know anything else about me, but I currently am on my noon rotary board. We, we really believe that community service is important and empowering people is essential. And as a member of

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Nebraska Children and Family Foundation, I'm the chairman of the thriving committee. And part of what Nebraska Children does-- I don't know if you remember in 2020 the huge floods, Nebraska Children and Family realized it isn't top down, we're coming in to show you how to fix your community. But in Nebraska Children, we supported local partnerships. And now with a pandemic, as you probably realize, there are many people that are now food insecure, people in a lot of our retail establishments, especially where I am, western Nebraska, are closing. So education right now is more important than ever. And, and visiting with Senator Walz, I was just going to commend you for paying attention to how people are going to remotely access the best in educational offerings. I think remote access has been a challenge for some, not just those that are in the income or ethnic divisions, but also the tech division for people in rural areas and people that would-- are home trying to learn, remote access has been a difficult problem. On the State Board of Education, we really focused a lot about how to improve equity and access for all people. I loved what we did in our private home schooling and, and charter schools now have online resources they can access. And I am hoping that right now during the pandemic, the public schools are having access to the OER and these teaching and learning opportunities. And I know, I have just-- you have so many important things to come, but I just want to say I have a lot to learn. And as a member of the Coordinating Commission for Postsecondary Education, I will be listening and I will be looking for opportunities to promote the whole child. And, and I just must say this now, as one of your citizens, if you don't have a social emotional wellness in your children and your parents and your families, education is not a comfortable thing. So I applaud you for looking at people and academics is not just the true mark of success. We need to have citizens that transition from K-12 to postsecondary, whether it's two- or four-year college or career ladder apprenticeships. But if we want healthy Nebraskans, they need to be people that are civic ready. They know how to listen. They know how to be courteous. And if they need help, if it's mental, social or physical, there is no shame. And we'll have a stronger community because with Legislature such as yourselves. So thank you.

**WALZ:** That was great. Thank you so much. Any questions from the committee? No. OK, I have a, a quick question. What changes, if any, would you recommend in the operation of the, the Commission that you've been appointed to or that you would be appointed to?

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**MOLLY O'HOLLERAN:** Thank you for asking, asking me. I've been appointed by Dr. Frison to be on the, the part that does the fin-- I don't know if she put me in the money group, but if we're talking about making sure that if people in our two- and four-year institutions, postsecondary want to build new structures, that they're not redundant and that the finances that are provided are going to be done in a financially secure way, in a way that will provide more opportunities for career pathways for people in those communities. I notice that Wayne State College is partnering with the local community college. So even if you're in a four-year degree, they are partnering with the community colleges and let them go for free to work a career of vocational pathway in tandem with a professional. I thought that was cool. The second thing I like about this Coordinating Commission is approving academic programs based on criteria. I love the H3. Did you guys develop the whole H3 thing?

**WALZ:** No.

**MOLLY O'HOLLERAN:** High-demand, high-skill, high-need jobs. I love it that these people, they're, they're top ten of these H3 jobs that the Governor talks about and probably approved and it's so cool. Elementary and secondary teachers are two of those. And I was discussing with Senator Walz, the number one. Guess what the number one high-demand job is? Transportation, trucking. A lot of people ordering things in the pandemic. So we're having transportation issues. And I haven't talked yet with Coordinating Commission about that. But I do know that in the first meeting I paid it. I was online after being-- I guess, being appointed is they were talking about diesel mechanics, etcetera. And then the other big jobs you might think of if any of you have children, high-demand jobs are in carpentry, electrician-- electricity, and plumbing. So people are at home and finding they need to do the to-do-it jobs. The last thing of why I'm joining Senator Walz or why I was honored to be appointed is I want to save Nebraska colleges and university more money through improving our nationwide distance learning agreement. I, I do think this remote learning has been difficult. I don't know if you have friends or with young children, but have you ever been on a Zoom call and all of a sudden someone's gone or they're playing a game on their hand, you know, on their phone under the table? I, I do think remote learning needs to be facilitated, accessible, and it'll probably continue as a hybrid model so that's it, that's my answer.

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**WALZ:** Thank you. Any other questions? Well, I just want to tell you how much we appreciate your enthusiasm and thank you.

**MOLLY O'HOLLERAN:** I love education.

**WALZ:** Awesome. We can tell.

**MOLLY O'HOLLERAN:** And if there's ever anything I can do from the western part, I know that I'm just filling someone else's spot this year. And I don't know if they'll want me to continue, but I want you to know if there's anything I can do to work with postsecondary to facilitate your legislation. And I still have friends in K-12. So, you know, please, if you wish to talk to me, that would be fine. Thank you so much.

**WALZ:** All right. Thank you so much. Do we have any proponents that would like to speak? Any opponents? Anybody in the neutral position that would like to speak? Molly, thanks again for coming.

**MOLLY O'HOLLERAN:** Yep.

**WALZ:** That closes our gubernatorial appointment for--

**MOLLY O'HOLLERAN:** And I honor all of you for working so diligently. Thank you.

**WALZ:** Thank you, Molly. OK, before we begin, I'll go over the COVID-19 hearing procedures. For the safety of our committee members, staff, pages, and public, we ask those attending our hearings to abide by the following procedures. Due to social distancing requirements, seating in the hearing room is limited. We ask that you only enter the hearing room when it is necessary for you to attend the bill hearing in progress. The bills will be taken up in the order posted outside the hearing room. The list will be updated after each hearing to identify which bill is currently being heard. The committee will pause between each bill to allow time for the public to move in and out of the hearing room. We request that everyone utilize the identified entrance and exit doors to the hearing room. We request that you wear a face covering while in the hearing room. Testifiers may remove their face covering during testimony to assist committee members and transcribers in hearing-- in clearly hearing and understanding the testimony. Pages will sanitize the front table and chairs between testifiers. Public hearings for which attendance reaches the seating capacity or near

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capacity, the entrance door will be monitored by a Sergeant at Arms who will allow people to enter the hearing room based upon seating available. Persons waiting to enter a hearing room are asked to observe social distancing and wear a face covering while waiting in the hallway or outside the building. The Legislature does not have the availability due to the HVAC project of an overflow hearing room for hearings which attract-- which attracts several testifiers and observers. For hearings with a large attendance we, we request only testifiers enter the hearing room. We ask that you please limit or eliminate handouts. And with that, we welcome you to the Education Committee public hearing. My name is Lynne Walz from Legislative District 15 and I serve as Chair of the committee. The committee will take up the bills in the posted agenda. Our hearing today is your public part of the legislative process. This is your opportunity to express your position on the proposed legislation before us today. To better facilitate today's proceeding, I ask that you abide by the following procedures. Please turn off or silence cell phones and other electronic devices. The order of testimony is introducer, proponents, opponents, neutral, and closing remarks. If you will be testifying, please complete the green testifier sheet and hand to the committee clerk when you come up to testify. If you have written materials that you would like distributed to the committee, please hand them to the page to distribute. We need 12 copies for all committee members and staff. If you need additional copies, please ask the page to make copies for you now. If you would like your position 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. If you are not testifying in person, but would like to submit a written position letter to be included in the official hearing record as an exhibit, the letter must be delivered or emailed to the office of the committee-- chair of the committee conducting the hearing on the bill or LR by 12:00 p.m. on the last work day prior to the public hearing. Additionally, the letter must include your name, address, stated position of for, against, or neutral on the bill or LR in question, and include a request for the letter to be included as part of the public hearing record. Please speak directly into the microphone so our transcribers are able to hear your testimony clearly. And finally, please be concise. Testimony will be limited to five minutes. We will be using the light system. Green means that you have five minutes remaining, yellow is one minute remaining, and then you will wrap up

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your comments when it turns red. The committee members with us today  
will introduce themselves beginning at my far right.

**MURMAN:** Senator Dave Murman from District 38, and that is seven  
counties to the west, south, and east of Kearney and Hastings.

**PANSING BROOKS:** Patty Pansing Brooks, District 28, right here in the  
heart of Lincoln.

**MORFELD:** Adam Morfeld, District 46, northeast Lincoln.

**LINEHAN:** Good afternoon, Lou Ann Linehan, District 39, western Douglas  
County.

**WALZ:** I'd like to introduce the committee staff, to my immediate right  
is research analyst Tom Arnsperger, to the right end of the table is  
committee clerk Kristina Konecko-McGovern. And our pages today are  
Savana and Rebecca. Welcome. Please remember that senators may come  
and go during our hearing as they have bills to introduce in other  
committees. I'd also like to, like to remind our committee members to  
speak directly into the microphone and limit side conversations and  
making noise on personal devices. We are an electronics equipped  
committee and information is provided electronically as well as in  
paper form. Therefore, you may see committee members referencing  
information on their electronic devices. Please be assured that your  
presence here today and your testimony are important and it is crucial  
to our state government. Lastly, a reminder to please allow the pages  
to sanitize between testifiers. And with that, we will open with LB60  
and Senator Kolterman.

**TYLER MAHOOD:** Good afternoon, Chairman-- Chairwoman Walz and members  
of the Education Committee. My name is Tyler Mahood, M-a-h-o-o-d, and  
I am Senator Kolterman's legislative aide. Unfortunately, due to COVID  
protocols, Senator Kolterman is unable to attend this hearing today.  
So I am honored to have the opportunity to introduce this bill on his  
behalf. Senator Kolterman introduced LB60 on behalf of the Nebraska  
Community College Associations-- Association, who seeks to have  
greater flexibility in their budgeting process. LB60 would do away  
with the General Fund and capital fund levy distinction, which  
currently exists, removing the two cent capital levy distinction and  
would allow each community college board to decide how much they will  
need to allocate for both the General Fund operations and capital, the

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capital fund levy. I want to be clear, LB60 does not change the 11  
and-- 11.25 cent maximum levy and does not change any of the budget  
lid requirements. But it is simply removing the distinction between  
the two funds. Testifiers following me will be able to better explain  
how the levy and budget limitations work and why this proposed  
changes-- change would benefit the work of our community colleges. And  
I would respectfully ask that you defer your questions to them as they  
know much more about this issue than I do. Thank you. And that wraps  
up my opening.

**WALZ:** All right, thank you.

**TYLER MAHOOD:** Thank you.

**WALZ:** Do you-- OK, Senator Linehan does have a question for you.

**TYLER MAHOOD:** OK.

**LINEHAN:** Well, just because I think-- and so on page 14, line 1  
through 9, it seems this is rather important language that is struck  
and maybe you don't know this, but find out before closing. For  
instance, it says, "The board shall give at least seven days' notice  
of such public hearing and shall publish such notice once in a  
newspaper of general circulation" which I think is pretty standard  
language. So that's struck out here. Is it somewhere else put in the  
bill?

**TYLER MAHOOD:** I will defer that to a follower-- following testimony.  
But yeah,--

**LINEHAN:** OK.

**TYLER MAHOOD:** --can I defer that?

**LINEHAN:** OK.

**TYLER MAHOOD:** Just because I don't want to get the wrong answer.

**LINEHAN:** OK, that's a very good answer. [INAUDIBLE].

**WALZ:** Are there any other questions from the committee? All right,  
thank you.

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**TYLER MAHOOD:** Thank you.

**WALZ:** Can we have our first proponent, please? Hello.

**RYAN PURDY:** Hello. Good afternoon, Senator Walz and members of the Education Committee. My name is Ryan Purdy, R-y-a-n P-u-r-d-y. I'm the president of Mid-Plains Community College, serving the 18-county service area of southwest and west central Nebraska. I've been at Mid-Plains Community College for nearly 19 years with the last 9 as president. The first 10 years I served as the chief financial officer for Mid-Plains Community College. I want to thank you for your consideration of LB60 to provide levy flexibility for community colleges while maintaining the checks and balances already in place. Community colleges aren't allowed by state statute to request capital appropriations as the other public sectors of higher education in Nebraska can access. Funds raised from private entities in the capital improvement property tax levy are the only funds available for facility renovation, ADA required improvements, abatement of environmental hazards, and capital construction. Revenue-- Revised Statute 85-1517 states: The board may certify to the county board of equalization of each county within the community college area a tax levy not to exceed the difference between eleven and one-quarter cents and the rate of levied for a capital improvement fund not to exceed two cents. The current lowest, the current lowest levy is Mid-Plains Community College at 7.456 cents to a high of Western Nebraska Community College at 10.1768 cents. The range of the other four community colleges is between 9.2 and 9.5 cents. Two exceptions are provided for exceeding the 11.25 cent levy maximum. One exception is for Western Nebraska Community College at an amount required annually to require-- to retire general obligation bonds issued prior to January 1, 1997. And for Central Community College, who has the authority to levy up to three-quarters of one cent each year for funding ADA abatement of environmental hazards of which they've requested just under a half a cent, .4644 cents for 2021. Besides clean up of the outdated language, the only significant change to LB60 provides is the removal of the two cent levy limitation for capital improvement funds within the 11.25 cent levy authority. The following built-in checks and balances remain: the levy limit of 11.25 cents. For lid computation purposes, restricted funds, state and property taxes can increase by 2.5 percent, growth in excess of 2.5 percent, and an additional 1 percent if approved by 75 percent of the governing body. The amount of these restricted funds not used can be carried

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forward. This bill gives the authority of the locally elected Board of Governors to adjust their General Fund and capital fund levies from year to year based on the local needs of the respective community college area within the current allowable 11.25 cents levy and is allowed through the use of any unused restricted funds authority carried forward from previous years. Major capital recommendations must be submitted to the board for approval in accordance with the Nebraska Open Meetings Act. Many projects are presented before the board on multiple occasions during that planning process. Revised Statute 85-1402 states that any single project that is anticipated to exceed \$2 million dollars in tax funds requires a program statement being submitted to the Coordinating Commission for Postsecondary Education for approval to avoid unnecessary duplication and expenditure of tax funds. Statute 13-504 remains unchanged and the cash reserves shall also not exceed 50 percent of the total budget adopted exclusive of capital outlay items. However, capital improvement items can only be excluded from restricted funds once and any unused portion of the exclusions would increase the restricted funds for lid computation and ultimately reduce the unused restricted funds and could require a reduction in property tax requests accordingly. The legislative districts were created nearly 50 years ago. Besides what I can find in statute 85-1501 identifying the community college areas, I can't find an explanation as to why the boundaries were set as they are. An obvious flaw to continuing to base access to capital improvement funds to levy is the difference in valuations between the institutions. For example, Mid-Plains Community College's valuation is 57 percent larger than Western Community College, but only 4 percent larger in enrollment. Central Community College's valuation is 65 percent larger than Northeast Community College, but enrollment is only 17 percent larger. Central's valuation is 14 percent smaller than Southeast, but enrollment is 68 percent smaller. Southeast's valuation is 24 percent smaller than Metro, but enrollment is 56 percent smaller. Because there's no consistency or correlation between community college areas in terms of valuation size, population, enrollment or enrollment and community colleges are not allowed to request special capital appropriations from this body, removing a capital improvement fund restrictions of two cents in levy and allowing the local board to make decisions that best meet the needs of the communities they serve makes logical sense. This gives the board, the locally elected Board of Governors, the authority to use their levies as needed for the respective needs, operate needs for

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operating capital within the restrictions already in place by current  
statutes. So I'd entertain any questions or try to answer any  
questions.

**WALZ:** Thank you so much. Questions from the committee? Senator  
Linehan.

**LINEHAN:** Thank you, Chairman Walz. So can you answer the question as  
to why on page 14-- have you got the bill in front of you?

**RYAN PURDY:** I don't have it in front of me, but based from what I  
heard, I'm not sure why that was struck. I still have to follow the  
Open Meetings law. And so whatever it requires, as far as notice,  
prior notice to a board hearing would-- should stay in place. So I'm  
not aware of why that was struck. And I would obviously support the  
Open Meetings Act and meet that, that requirement.

**LINEHAN:** Then one more question. So right now you are-- you can only  
use two cents--

**RYAN PURDY:** Two cents.

**LINEHAN:** --capital improvement.

**RYAN PURDY:** Correct.

**LINEHAN:** So is there any limit now in this bill? Could you use five  
cents?

**RYAN PURDY:** We, we still have to stay within 11.25 accordingly. So if  
they increase capital from two to five and they don't have room  
between what they have operating in the 11.25, operating will have to  
go down accordingly. So it won't increase the total that they can tax.  
It may create some shifting between operating and capital, but they  
still can't go above that 11.25. But you're right, they could go five  
cents, they could go ten cents in capital, but then General would  
obviously have to be one. And I don't know that any community college  
could operate with one cent General operating levy.

**LINEHAN:** But right now, did you say there's none of them at 11.25?

**RYAN PURDY:** There's not, no, nine point-- well, Western is the highest  
at ten point-- 10.1768. They're about ten cents total so about two

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capital, eight General. And then they have that little exclusion for  
those bonds that were issued prior to January 1 of '97. And it's like  
.13 cents. It's not very much.

**LINEHAN:** So could they bond with this extra money?

**RYAN PURDY:** They could and they can now with the two cent, you can  
pledge part--

**LINEHAN:** Without a vote of the people.

**RYAN PURDY:** --of those proceeds for bonds. Correct.

**LINEHAN:** Without a vote of the people.

**RYAN PURDY:** Without a vote of the people as long as you're within the  
2 percent. Yeah.

**LINEHAN:** But now you would be able to go to 4 percent without a vote  
of the people.

**RYAN PURDY:** You could, yeah. But you, but you can't increase past  
11.25 or, or exhaust all your unrestricted funds. Yeah.

**LINEHAN:** OK, thank you--

**RYAN PURDY:** Yeah, you're welcome.

**LINEHAN:** --very much for being here. Appreciate it.

**RYAN PURDY:** Uh-huh.

**WALZ:** Thank you. Any other questions from the committee?

**RYAN PURDY:** OK.

**WALZ:** I see none.

**RYAN PURDY:** Thank you.

**WALZ:** Thank you.

**RYAN PURDY:** Um-hum.

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**WALZ:** Next proponent.

**NANCY SEIM:** Good afternoon, members of the Education Committee and Chairman Walz. My name is Nancy Seim, N-a-n-c-y S-e-i-m. I'm an elected member of the Southeast Community College Board of Governors, and I was an educator for 40 years before I retired. SCC has 11-member board that is responsible for selecting a college president, setting policy, improving operations and capital budgets annually and providing representation for the employers and residents of the college's 15-county area. I'm here obviously to talk about LB60. LB60 has no fiscal note. It will not cost any money. Right now, as Ryan said, community colleges have the authority to levy up to 11.25 per \$100 valuation. In essence, we have been allotted, allotted money to run our colleges, kind of like an allowance to simplify. However, we cannot spend our money as we may need it. For example, maybe Central needs machinery, Western may need new heating, Metro may need more cafeterias, but we cannot spend our allotted money as each community may need, as the current authority puts restrictions on how we can spend this tax money. LB60 will increase the flexibility of wards to operate within their current tax levy by giving us the ability to use our allowance for operations and capital constructions based on our local needs, our local needs, each community college's specific needs. At SCC for example, we have aging buildings constructed in the '60s, '50s, the '70s. We are, we are constructing new facilities to expand and modernize our learning spaces. But we'll need to continue to provide safe and appropriate learning environments for our over 10,000 students. And I'd be happy to provide a tour for anybody that would like to see our campus. Students need to be trained in safe, accessible buildings. As you are aware, Nebraska community colleges play a crucial role, my goodness, in the state economy by producing skilled, skilled workers and affordable access to higher education. Community colleges have awarded well over 73,000 certificates and degrees over the last 10 years. And I kind of like to say we grow taxpayers as nearly 90 percent of our graduates stay in Nebraska. They stay in Nebraska and become taxpayers. But we're not keeping up with the demand. This COVID pandemic, pandemic has "quitely"-- has clearly shown the continued need for our skilled workers. And we all use these workers for service: repairing, installing our heat, cooling to our homes, car repair, diesel tech to keep our trucks moving. I could go on and on and on. Also, whenever you are in a situation requiring service of a skilled worker, just ask them, where did you get your

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training? I gave blood the other week and I, I always ask and it was a SCC graduate that helped me. I mean, we need our community colleges. As an elected board member, I take my responsibilities very seriously and authorities very seriously. I understand that our authority is to levy up to 11.25. But I believe that we need the local control of this authority to meet our unique and diverse needs of each community college. LB60 doesn't cost any more money. Please consider supporting this bill. I kind of consider it a cleanup bill to allow us to use our allowance as needed. Thank you.

**WALZ:** Thank you so much for coming. Do you have any questions from the committee? I see no questions.

**NANCY SEIM:** Thanks.

**WALZ:** Thank you again for coming.

**\*JASON HAYES:** Good afternoon, Senator Walz, and members of the Education Committee. For the record, I am Jason Hayes, Director of Government Relations for the Nebraska State Education Association. NSEA supports LB60 and thanks Senator Kolterman for introducing the bill. LB60 offers an important adjustment in the tax levy available to community college boards not to exceed eleven and one-quarter cents on each one hundred dollars of taxable valuation on all properties subject to the levy within the community college area. The monies generated are to be used for supporting operating expenditures of the community college, paying off bonds issued by the college and for establishment of any capital improvement or bond sinking fund entered into by the college. LB60 also provides much needed updating while adding clarity to the current law, and brings it in line with the current funding needed for community colleges as they continue to provide outstanding educational opportunities for our young adults and those interested in enhancing their career skills by attending these institutions. The NSEA, on behalf of our 28,000 members across the state, asks you to advance this bill to General File for consideration by the full body. Thank you.

**WALZ:** Next proponent. Do we have anybody who would like to speak as an opponent?

**NICOLE FOX:** Hello. Good afternoon, Chairwoman Walz and members of the Education Committee. Nicole Fox, N-i-c-o-l-e F-o-x, director of

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Government Relations at the Platte Institute, and I'm here today to testify in opposition to LB60. Community colleges are just one of many political subdivisions in the state with property levying authority. Currently, community colleges, as you know, as been pointed out, they can levy a maximum of ten and one-quarter cents for their operating expenses and an additional one cent for paying off bonds and capital improvements. And the intent of LB60 is to eliminate those two levy distinctions. And while this may seem beneficial for the boards, the Platte Institute is concerned about how this change will ultimately affect property taxpayers. And to illustrate our concerns, I'd like to point out 2016 and in that year Southeast Community College put a \$369 million bond proposal on the ballot for facility upgrades. And the bond issue was overwhelmingly rejected by voters. Following the bond's failure in 2017, they decided to increase the property tax levy from 7.52 cents to 9.07 cents per \$100,000 valuation, a 1.55 cent increase, despite the bond not passing, 21 percent tax increase overall. There exists a familiar saying that bonds don't increase your taxes. But we know that really what happens is a lot of times when bonds are being proposed, that the reason why is because there are bonds that are about to be paid off. And so oftentimes they-- more bonding gets proposed to take the place of the old bonds. And so at the end of the day, when you take into consideration valuations rising, the political subdivision will get more money. If the proposed levy distinction, elimination, and likely tax levy increase is used in place of bonding, Platte's question is, will levies be lowered once the capital improvements are complete, or will new construction be proposed and the higher levy remain the same? The 2016 bond issue failed because voters did not want the added tax burden that the bond would impose. Nebraskans are begging for reforms that reduce the burdens to their pocketbooks because their property taxes are already so high. The Platte Institute polled nearly 3,000 Nebraskans and 8 legislative districts in 2019, 62 percent of whom told us that they favored stronger limits on property tax levies and valuations. If LB60 were to pass, community colleges could simply use as much authority as possible to pursue capital construction projects and bypass the voice of the taxpayer. People in Nebraska are hurting. The pandemic has resulted in job loss. It has resulted in business closures. People are already struggling to pay rent, to pay their mortgages, and, and other tax bills, other utility bills. We have the eighth highest average property tax rate on homeowners in the country. And now is not the time to introduce proposals that could potentially impose additional

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burden on taxpayers. And with that, I conclude my testimony and I'm  
happy to take any questions.

**WALZ:** Thank you. Are there questions from the committee? Senator  
Linehan.

**LINEHAN:** Thank you, Chairman Walz. Has the Platte Institute or other  
groups that you're associated with looked at any different ways to pay  
for community college versus property taxes?

**NICOLE FOX:** No, we have not. But we have actually talked about doing  
some research in this area.

**LINEHAN:** OK, thank you. That would be helpful.

**WALZ:** Any other questions from the committee? I see none, thanks so  
much for coming in today.

**NICOLE FOX:** All right, thank you.

**WALZ:** Any other opponents that would like to speak? Hello.

**BUD SYNHORST:** Good afternoon, and thank you for your note here. Every  
committee could benefit from that note. My name is Bud Synhorst, B-u-d  
S-y-n-h-o-r-s-t, and I'm president and CEO of the Lincoln Independent  
Business Association. LIBA represents over 1,000 businesses,  
primarily, primarily located in Lincoln and Lancaster County. And a  
significant part of our mission is to communicate the concerns of the  
business community to elected and appointed officials at all levels of  
government. Chair Walz and members of the Education Committee, thank  
you for your time in allowing me to speak today on LB60. I'm here on  
behalf of LIBA in opposition to LB60, which intends to merge the  
operating budgets with capital budgets for our community colleges.  
Currently in statute, there's a total maximum levy of eleven and a  
quarter cents per \$100 for community colleges. A vast majority of that  
is used for operating expenses. However, statute dictates no more than  
two cent per hundred of that maximum can be used for capital expenses.  
Obviously, this forces community colleges to budget within those  
restrictions. LB60 removes the capital restrictions so that community  
colleges can levy up to a maximum and provide-- the goal is to provide  
flexibility. However, I believe the capital budget restriction is  
beneficial for all taxpayers. By capping the amount of tax levy  
available for capital improvements, this restricts community colleges

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from building large, expensive, and unnecessary additions to their facilities. The goal of Nebraska's community colleges is to provide a quality education. Going for a vote of the people to bond for large capital projects is only fair to the taxpayer. If it is necessary to spend on building or renovating above what is already allowed, then let the voters decide as they did in 2016. In 2016, Southeast Community College sent a \$369 million bond issue to the voters in southeast Nebraska. Its purpose was to improve their campuses in Beatrice, Milford, and Lincoln. The voters overwhelmingly rejected the bond issue by a 35-point margin. It is clear that taxpayers chose not to focus on the beautification of the SCC campuses and hope they could find-- fund smaller improvement projects with the money they already have allocated in statute. By, by passing LB60, the voice of the taxpayer is muted. Moreover, according to the Nebraska Department of Revenue, valuations for the community college subdivisions has increased by almost 70 percent the last 10 years, with an average increase of 5 percent a year. Over the same time frame, taxes levied for community college subdivisions has increased by over 80 percent, with an average increase of 6 percent a year. There is no doubt Nebraska taxpayers continue to be overtaxed. While the bill assumes good intentions by providing budget flexibility, it would only incentivize community colleges to spend even more on campus projects, which voters reject as a priority. I urge the Education Committee to not pass LB60 out of committee. Thank you for your time today and I'd be happy to answer any questions.

**WALZ:** Questions from the committee?

**BUD SYNHORST:** Thank you, all.

**WALZ:** Thank you. Any other opponents?

**\*BRUCE RIEKER:** Chairman Walz and members of the Committee. My name is Bruce Rieker. I am the vice president of government relations for Nebraska Farm Bureau. On behalf of our 58,000 members statewide, I am testifying in opposition to LB60. LB60 amends Neb. Rev. Stat. § 85-1517 to establish a maximum community college levy, beginning in FY 2021-22 and each fiscal year thereafter, of 11.25 cents on each \$100 of taxable valuation of all property subject to the levy for the purposes of supporting operations, paying off bonds, and establishing a capital improvement and bond sinking fund. Current law limits community college levy authority for purposes of paying bonds and

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establishing a capital improvement and bond sinking fund, to two cents per \$100 in valuation, and for the purposes of supporting operations, to the difference between 11.25 cents on each \$100 of taxable valuation and the levy rate established for paying bonds and establishing a capital improvement and bond sinking fund. It is Farm Bureau's position that the current limits are appropriate. Property taxes are already too high in this state. Allowing the change in levy limits proposed by LB60 will only exacerbate the situation when it comes to community colleges seeking more property tax funds. For that reason, we ask the committee to oppose LB60 and to not advance it out of committee. Thank you.

**\*ASHLEY KOHLS:** Good afternoon Senator Walz and members of the Education Committee: My name is Ashley Kohls, and I serve as the Vice President of Government Affairs for Nebraska Cattlemen. I am here today on behalf of the members of Nebraska Cattlemen, Nebraska Farm Bureau, Nebraska Corn Growers Association, Nebraska Pork Producers Association, Nebraska State Dairy Association and Nebraska Soybean Association to testify in opposition to LB60. Thank you for this opportunity and for listening to the concerns of Nebraskans. Nebraska Cattlemen has been before the Revenue Committee many times in the past years with the same message - property taxes have a disproportionate impact on Nebraska's agricultural community. Nebraska Cattlemen's tax reform policy calls for mechanisms that reduce, cap, or limit the amount of property tax dollars that schools can levy for education funding. This policy addresses education funding not only at the K through 12 level, but also for Nebraska's community colleges. With respect to LB60, we can appreciate the intent of giving Nebraska's community colleges greater flexibility. We can also appreciate that LB60 does not alter the existing overall statutory cap of 11.25 cents per \$100 of taxable valuation for Nebraska's community colleges. Our concern with LB60 is grounded in the present need for property tax relief throughout rural Nebraska. LB60 would permit Nebraska community colleges to utilize a larger portion of their existing property tax authority to retire debt and fund capital improvements. Currently, community colleges are limited to 2 cents per \$100 of taxable valuation for those purposes. LB60 would permit community colleges to levy an unspecified amount for those purposes, as long as their total levy does not exceed the 11.25 cent cap. It is the position of Nebraska Cattlemen that Nebraska's community colleges should focus their efforts on reducing overall tax levies, not increasing the

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reasons for which they may utilize the full 11.25 cents they are permitted. Nebraska Cattlemen also questions the impact of LB60 on whether, and when, Nebraska's community colleges would be required to seek the approval of voters for capital improvements. By permitting a larger portion of the overall community college tax levy to be directed toward a capital improvement fund, it is foreseeable that community colleges will be able to fund more and larger capital improvements with only a vote of their respective boards, and not the voters. This is a dynamic that the Revenue Committee should seek to avoid. Thank you for you for listening to our concerns. We ask that this Committee not advance LB60.

**WALZ:** Anybody who would like to speak on this in the neutral position? No closing, we're going to-- OK, well, that will-- oh, sorry, we did have in lieu of personal testimony, we had proponents, they were Bruce Rieker, Ashley Kohls; opponents were Jason Hayes. And we did have position letters in support. Oh, OK. The proponents were Jason Hayes and the opponents were Bruce Rieker and Ashley Kohls. And that concludes our hearing on LB60. And we will open with LB587. Good afternoon.

**TIM PENDRELL:** Good afternoon. Thank you, Chairman Walz and members of the Education Committee for hearing from us today. My name is Tim Pendrell, T-i-m P-e-n-d-r-e-l-l, and I am filling in for Senator Mike McDonnell from Legislative District 5 who could not be here today. I'm reading his opening testimony into the record. Senator McDonnell should be back on Wednesday to answer any of your questions. This bill creates the Career Mentoring Grant Act, which would establish a collaborative career mentoring program for students in a structured environment. The program would provide recruitment, screening, training, and monitoring for career mentors. And it would be administered by a matching partnership that includes at least one school district or educational service unit and at least one nonprofit organization. And that may include one or more for-profit businesses. Currently, Nebraska is facing a workforce crisis. Forty-plus years of the college-for-all movement has had the consequence of saddling an entire generation of students with debt and left the skilled labor workforce in a constant shortage. Many students enter the workforce after graduating high school or graduating from college with little knowledge of what their career interests actually are. Right now, according to Blueprint Nebraska, there are four times as many job postings as there are people looking for work in Nebraska, and a huge

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percentage of the skilled labor workforce is now reaching retirement age. As high schools have gutted their vocational training programs and students have been discouraged from pursuing careers in the trades in favor of high-debt, four-year college degrees, the skills gap is increasing and student debt has become the second highest consumer loan category, trailing only home mortgages. Today, over 44 million people owe over \$1.6 trillion in student loan debt, and many were never given the opportunity to learn of high paying careers in the trades. Many students may have an interest in trades careers and never received the opportunity to discover it. To begin to deal with this shortage of skills in the economy, we need more young people exposed to careers in the trades and to increase their awareness of these high-income, high-benefit careers. The Career Mentoring Grant Act will help Nebraska students explore their career interests and help businesses find suitable workers. Also here to testify in support is Todd Smith from Symphony Workforce Development, who is one of the many organizations in the state who could potentially benefit from the Career Mentoring Grant Act. Symphony as a unique way of identifying the interests of students and matching them to potential career opportunities in the state of Nebraska. Thank you. Senator Mike McDonnell. And he'll be back on Wednesday to talk to you.

**WALZ:** All right, thank you. Thank you. And this is a little late, but could you spell your name? I'm sorry.

**TIM PENDRELL:** Oh, yeah, I did at the beginning.

**WALZ:** Oh, you did. OK.

**TIM PENDRELL:** But it's T-i-m P-e-n-d-r-e-l-l.

**WALZ:** All right. I'm sorry I missed that.

**TIM PENDRELL:** No problem.

**WALZ:** Any questions from the committee? Thank you. Do we have any proponents that would like to speak on LB587? Welcome.

**TODD SMITH:** Hello, how are you?

**WALZ:** Good, how are you?

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**TODD SMITH:** Good. Thank you, Committee and Chairwoman Walz. My name is Todd Smith, T-o-d-d S-m-i-t-h. I'm the CEO of Symphony Workforce and I'm here with my partner, COO John Batcher. I am a kid from St. Paul, Minnesota. I was raised in a divorced home with a mother who is my single and only hero. She started as a teacher and worked her way up to being a superintendent and to being asked to be Secretary of Education. My father ran-- helped run Ramsey County Mental Health in Minnesota. My brother played at Notre Dame and played in, in the NFL for eight years. I grew up in a very alpha household, but I grew up in an urban setting. Right. So I knew that access, whether it be my friends at the time and people and I still know who live in urban settings, is all about authenticity, authenticity of the access to opportunities. Right. I was blessed then to go to University of South Dakota for education and for football. And I got to meet a whole new grouping of folks. Right. I went to towns and I, and I baled hay, I pulled down fences, I knocked on houses, I pulled calves in communities that were 20 people. There were 200 people, or 2,000 people. And they had a similar challenge of access. But it was different. It was the number of things they had access to, which was a massive difference. But yet still the main pressure point was access. And so over the next 20 years, 25 years of leading technology companies and leading education companies globally, and partnering with John, who led startup and turn around, we developed our company called Symphony Workforce, and our platform called Find the Why. Find the Why is a very simple concept. It is, it is scale. It is meeting young people where they live in this thumb-dominated generation that we live in. And so what happens is I want you to take yourself back to your 16-year-old self or think about your children or even your grandkids and say, if I said to them, tell me what you want to be, what's the answer you get? The answer's the same. I don't know. I don't even know what opportunities are out there. According to this past 2020 Youth Survey here in Nebraska, the number one thing that jumped off the page that they cited were kids in Nebraska do not believe the opportunities exist to have a dynamic life here professionally. That's a problem, right, when that's just not the case. And so where our, our platform starts as it says, kids, what problems do you want to solve? Right. Whether you are in north Omaha, you're in south Omaha, you're in Chadron, you're in Battle Creek, what problems do you like to solve? And kids come to us, us in waves and they, and they meet with their team of four on our platform, this gamified fashion to meet industry and vet them. And industry gets to

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vet the children for their future workforce. Right. There's the carrots. Kids come to us because of, hey, there's \$10,000, there's \$5,000 of cash prize. But they stay because of all the other benefits. Right. I can now see myself. I get the right resource at the right time. And our last three challenges, there are seven to eight challenges apiece. We had 362 expert level mentors from a vast number of industries invest in 1,944 times into our young people for Nebraska jobs, for Nebraska companies. All that data that translates, all the [INAUDIBLE] data, all the, the-- we give three assessments to each student each time they're on a platform. All that cultural data goes to the industry to say, hey, by the way, who's the perfect fit for your company? Right. As they're vetting in terms of what do I want to do? What was I built to do? Because the world tells youth all, all the time that they are either circles or they're squares. They're not the beloved, unique puzzle pieces that they actually are. And so we don't do this in ways that helps 10 kids here, 20 kids here. Right. We started, as I said, in 8 counties in Nebraska. We went to 18 counties. We made a hop to 12 states and we made a hop to 36 states across the country of youth working on Nebraska problems from south Los Angeles to Virginia to Texas to Georgia, right, right to here to Nebraska. We have wonderful stories out of Battle Creek and Chadron. If you're going to change the workforce shortage, which we can't get away from, we have 8,000 people every year retiring out of our workforce. We lose 2,000 people, additional people, 25 years old with bachelor's degrees out of our state. And that doesn't mention nonengaging the 18-year-olds or having them leave and never come back. It's a math problem. So our platform allows us to get to people in scale, young people, connect them to businesses, and then do these crazy things called virtual internships. So if I live in Chadron, and I, and I really like living in Chadron, I can take a job and take a virtual internship in Omaha or if I'm in Bellevue and I want to take a job with Case New Holland in Grand Island, I can take that internship and see if that's the place I want to work. And we do that from our platform through these phones.

**WALZ:** All right. Thank you so much.

**TODD SMITH:** Absolutely.

**WALZ:** Do we have questions from the committee?

**TODD SMITH:** Yes, sir.

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**WALZ:** Senator McKinney.

**McKINNEY:** Thank you. Do you provide, do you provide opportunities for the students and the kids that don't want to be a worker, but, but would like to, you know, start their own businesses or become entrepreneurs?

**TODD SMITH:** Absolutely. So that's a great question. So I want-- I'll use the example of Chick-fil-A. Chick-fil-A came to us and said, hey, we have a problem. It is a critical problem because we don't allow theoretical problems. Right. So it's a critical issue. If we don't change our Styrofoam cups, it will kill us in our P&O for the next decade and tank our stock price. So they gave us a challenge that we put out to our kids and kids came back in seven days and iterated on how to change the material of the cup, how you recycle the cup, and started to build their own, not only solutions, but businesses behind it. Right. And as students do that, the first thing that comes back to them is now I want right resource at right time. And our partner, one of our partners is Bellevue University that offers a class in entrepreneurship on the back end. So now if the student at the end of that challenge says, I like this challenge, but the reason I liked it was because the entrepreneurship nature and I think I can go do that, my side hustle can become my real job. They can hit that button and take that class for free from Bellevue around entrepreneurship. So when they make that hop, they do it in a way where they're fully vetted, fully educated, so they have the highest chance for success. But not only that, Chick-fil-A now knows they exist and so Chick-fil-A will come recruit them. Right. So they can gain that capital, which you and I both know that without the capital, it's hard to make the business. Right. So whether they are brown and black kids that look like me and grew up where I grew up or whether they are, they are farm kids from Cozad, where my partner grew up off gravel roads. Every student, every young person needs access to not only the opportunities, but they need access to the right resource at the right time for education. Because if I knock on your door, hand you a fire hose, you will look at me like I am crazy. But if I knock on your door the next day and you happen-- your garage is on fire and I hand you the same fire hose, now it's right resource, right time. And so we bring all those-- we've heard a lot about different bills around postsecondary education. Kids can get not only OneClass scholarships through us, they can get full rides through our platform, but they're given to them at the time that they've proven time and time again that

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they're-- that that's the right fit for them through virtual internships, through OneClass, if you've taking four challenges from Case New Holland. Now Case New Holland says, by the way, if I can get you, you're sticky, you're sticky, you'll stay. I can retain you here in the state. We are going to go out this next year, instead of working in 36 states, we've decided to work 80 percent of our time here in Nebraska. We are going to help Nebraska recruit the 101 HBCUs across the country to bring that talent to Nebraska. We also have partnerships with Girl Scouts to bring those top Girl Scouts back here to Nebraska. But every one of these students comes to us and without fail, they come for the cash prize. They come for the gamesmanship, they come for competing the social media, but they stay because they find out about themselves, where they want to go, not being anchored to where they're from. So I hope that makes some sense. But, yes, we offer that.

**WALZ:** Senator Pansing Brooks.

**PANSING BROOKS:** Thank you. Thank you for coming today,--

**TODD SMITH:** Yes, ma'am.

**PANSING BROOKS:** --Mr. Smith. I'm interested-- is, is, is it-- is your program open to all students, to anybody?

**TODD SMITH:** Yes.

**PANSING BROOKS:** OK.

**TODD SMITH:** So--

**PANSING BROOKS:** Chick-fil-A gave me a little pause there. So I had to make sure.

**TODD SMITH:** No problem. We've, we've worked with-- some of our clients are Goodwill Greater Nebraska, it's, it's Chick-fil-A, its Case New Holland. The, the list is long, right, from all different verticals. Right. We want to make sure we're there. We intentionally thought when we built our platform that this was not going to be tethered to any sort of brick and mortar. It could help force multiply what they were doing, but it wasn't going to be tethered to. So if you're a young person and you have access to a phone and you've played any game, whether it's Candy Crush or whether it's a Fortnite or whatever it may

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be, you can get to those games readily the same way you can get to us. It doesn't have to be part of a school program. But now the beauty is if-- when you are a partner of us, so the state, the state is trying to retain. So we'll give you that data so you understand where your talent is. We are also going to provide that data back to you. Remember, we get 30 points of data every time a student engages us for seven days. We give you that data back so when you go to recruit-- so the space program we just lost, imagine if we had that data to share with them that here's all the talent you would need to have the space program come here. Here it is. And these students self-selected to be here. And lastly, as the Education Committee, I would implore you to know that we will, as a student comes on, they tell us what school they're at and they either tell us a teacher or a counselor, we will share that information back with the counselor so that now they can go, oh, so you've taken six challenges through Find the Why. It looks like you are really into X, Y and Z. Here's what your soft skills show us. Here's, here's what the mentors are saying about you. Here are the virtual internships you've taken. Oh, you've been offered \$10,000 worth of scholarships. Now I know as a counselor how to tell you, you, you what's the best-- right resource at the right time. Because we've all remembered those counselors where they didn't have enough data to give us even their heartfelt best effort of where we should go next. So, yes, every student, no cost to students, no cost to schools, no cost to postsecondary.

**PANSING BROOKS:** Thank you.

**WALZ:** Senator McKinney.

**McKINNEY:** How many students that you are aware of are from north Omaha and how could they access your program?

**TODD SMITH:** So this is where my partner would say I should stop talking, but we're going to go ahead and play this out in real speed. So what I would tell you is we have a, a very good history of attracting kids from urban areas all over the country. We have had a slight struggle pulling kids out of OPS because of connecting through leadership in OPS. We have had little to no problem connecting anywhere else in the state. I would tell you that we have a deep connection in the Bellevue, Bellevue West, Bellevue East in terms of bringing out kids of all different hues, every different crayon in the crayon box. But at some point there will have to be that connection

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with OPS to let us come in and force multiply their, their two-dimensional effort and turn it into a three-dimensional effort where kids have context for why they're in school. Right. If I tell you that you have to change your life and I don't give you a reason to change your life that's right in front of you, you're not going to change your life. But if I can continue to put it right in front of you, just one step farther, one step farther, and you can see the tangible benefit then, yes. So I would tell you, we should, we should be inside of-- we should hit-- we're with Abide, is one of our partners, we should have no less than an 80 percent capture rate-- engagement rate in north Omaha. Nothing-- everything south of that is a miss. Right. And this is student driven, student awareness for them to come to us. But they've also been lied to enough times, misled enough times that you're going to have to have some adults go around them. Right. And I think we can do that. I think we have the, we have the technology to, we have the people to. We've been in their shoes. Right. We care about the person at the individual level, but we understand the system that they live in.

**WALZ:** All right, do we have any other questions? I do have just a quick question. I'm really--

**TODD SMITH:** Yes, ma'am.

**WALZ:** --interested in your program. As we know, there are a lot of kids that have some barriers that they have to overcome, some social, emotional, and mental health barriers, drug abuse.

**TODD SMITH:** Um-hum.

**WALZ:** Are you-- do you have the ability then to connect kids with resources for them-- to help them overcome those barriers so they can, you know, move forward and, and work on their plan?

**TODD SMITH:** So I don't want to seem like I was eavesdropping, but I was-- I overheard your conversation with the gubernatorial selection when she came up in the wing. And you guys had a very long conversation about the mental and emotional health. Another key component of what we do, we bring in one of our partner who-- partners who is a telemedicine group. Because of the relationship that we have, we are able to get the cost down to \$16 a month for students of any family, up to seven dependents, to have unlimited access to PhD level

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therapy and counseling for mental and emotional health. So to answer your question, we all know in the, the times we live in, whether it's political, whether it's health wise, whether it's the structure of family, that there's a lot of demons moving around for people to keep them off of their God given path. And so we brought this partner on and vetted all, vetted all the partners that, that Google and Apple and all the tech companies said that these are the real seven great companies and we partnered with the one that we knew aligned with our core values. And so any student who comes in our platform has ability to now take that cost structure, bring it home and go, hey, for this for all seven of us, we have unlimited access. And that includes for a second opinions on physical health. That includes, hey, by the way, someone is sick, let's get on telehealth. So we bring that as well. We are full individual. Right. So that's across state. So if there's a bill that's about workforce, if it's about postsecondary education, if it's about educating kids and we're serious about that work, we're not looking to replace people, we're looking to add to. So all the great other nonprofits that are out there, we will share our data with them about their kids who take our challenges so they can better help their kids. But that mental health piece, I have a dear, dear friend who I just signed up through us on it, it's changed her life for her and her three daughters. And, and that's a well-to-do family. That's not even a family that's struggling. Right. So we are, we are here on a mission. We are doing well. But I promise you, our next focus is going to be Nebraska-centered for 2021. The only 15 percent of our time that we're not going to put Nebraska is going to be built around the military and that's around Offutt in how many people from military bases globally can we get to know Nebraska as a landing spot for them.

**WALZ:** Well, thank you. Thank you for your thoughtfulness.

**TODD SMITH:** Absolutely.

**WALZ:** And thank you for your program. Any other questions from the committee? We really appreciate you being here today.

**TODD SMITH:** Thank you.

**WALZ:** Thank you. Next proponent. Any opponents? Anybody who would like to speak in a neutral position? All right, that concludes LB587. Thank you. And we'll open with LB641.

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**TOM ARNSPERGER:** Good morning, Chairwoman Walz and members of the Education Committee. I-- my name is Tom Arnsperger and I will be-- that's T-o-m A-r-n-s-p-e-r-g-e-r. And due to COVID restrictions, I will be presenting LB641 on behalf of Senator Day. LB641 fills a gap in statute and reduces uncertainty for educational support staff by insurance-- ensuring stability in pay in the case of school closings due to a pandemic. Due to COVID-19 last spring, many school districts closed entirely for a short period and subsequently all school districts in the state went remote for the remainder of the 2019-2020 school year. During this period, teachers were paid full salaries, full salaries as dictated by state statute. This practice not only ensures continuity of pay for our educators in the unforeseen circumstance of a pandemic, but it provides stability to schools, districts, and for students in terms of maintaining employment with educators and eliminating the need to fill vacancies spot-- vacant spots in teaching staff. However, the continuity of pay during a pandemic is not extended to educational support staff by state statute and is dictated on a district-to-district basis. Educational support professionals are noncertified school employees who are not a part of teachers' bargaining unit, including secretaries, custodians, cafeteria workers, para educators, school security, bus drivers, cooks, sign language and bilingual interpreters, IT staff, and social workers. Many in these positions work hourly rather than on salary or on contract. Nearly half of all school employees fall into the category of educational support professionals. While not in the primary role of teaching, these educational support professionals provide critical services that facilitate the ability of students to receive an education. Without these professionals, schools cannot function properly and students lose out on essential services necessary to the day-to-day operations of the educational system. Additionally, these roles often require licenses and special, special training of their own. So losing these staff members equates to real risks and costs to districts in obtaining replacement staff members. And this is not just an educational issue, it is also an economic one. School districts are often among the largest employers in their community, with nearly half of the school's employees falling into this category of educational support professionals. If we furlough a significant number of these staff without pay, especially in our smaller communities, we're risking damage to the, we're risking damage to the health of our state's local economies when they're already struggling from broader-- from the broader economic risk associated

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with the underlying pandemic. More importantly, protecting these pay-- protecting pay for these educational support professionals comes at no cost to the state, as is reflected in the attached fiscal note. It's important to note that due to the lack of uniform procedure for paying these staff members, schools were forced to create a patchwork of methods to pay educational support workers during the 2020 closures. This resulted in extra cost to the district that would be-- that could be saved by passing LB641, which would implement this uniform procedure and reduce turnover. Finally, I consider this a basic issue of equity and fairness. Educational support professionals are indispensable to the proper functioning of schools and in working during a pandemic are assuming the same risks as other essential frontline workers. We must ensure that in the event of a closure due to a pandemic, these workers' pay is protected just like that of our educators. I encourage your support of LB641. And with that, I'm-- well, I'm open for questions.

**WALZ:** Thank you, Tom. Any questions from the committee? Senator Linehan.

**LINEHAN:** I don't have any problem with this. I understand why it's important to do. But I did wonder when the pandemic happened and people were talking about bus drivers and some of these people would have made more money on the unemployment that was being offered than they made by keeping their own salaries. And didn't anybody look at that, like-- and I, I understand why we need to keep them. I get that. But I was just thinking from their point of view and from the taxpayers point of view and the federal government was offering, what, an extra \$700 a week, plus your unemployment benefits. Wouldn't some of them been paid more unemployed than keeping their job?

**TOM ARNSPERGER:** That's a good question. I can certainly look into that for you. I'd, I'd hesitant-- I'd be hesitant to speak on behalf of Senator Day, though, and--

**LINEHAN:** OK.

**TOM ARNSPERGER:** Yeah.

**LINEHAN:** I just think it's something we need to look at because with all the federal money and people, because I know lots of people who from all our offices help people get on the unemployment, which thank

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goodness the federal government did that. So I'm not against the bill. I just think there needs to be some thought processes. If federal government is handing out money we shouldn't, like, turn away from it. Would be-- so thank you. I would like to see that.

**WALZ:** Other questions from the committee? I see none. Do we have anybody that would like to speak as a proponent for LB641? Good afternoon.

**TRAVIS VO:** Good afternoon, Senator Walz and members of the Education Committee. For the record, I am Travis Vo, T-r-a-v-i-s V-o. I'm an IT specialist with the Westside Community Schools and a member of the Nebraska State Education Association Board of Directors. The NSEA supports LB641, and thanks Senator Day for introducing the bill. Last spring, many of our school employees left for spring break not knowing that COVID-19 would flip their professional lives into turmoil. Across our state, first, school boards and then the Governor and the commissioner determined that our schools needed to move to remote instruction in order to protect public health. With almost no notice, teachers completely rebuilt and redesigned the delivery of instruction. At the same time, school support staff jumped into the void to begin supplying families with food. Nutrition staff regeared their menus to provide thousands of meals for families that could be stored and reheated or enjoyed cold at home. Bus drivers stopped picking up students and instead began delivering meals. School secretaries helped with drive-through food disbursement. Meanwhile, custodial staff deep cleaned and began to study how to provide the safest environment when everyone returned. IT specialists, such as myself, worked to prepare thousands of computers for students and staff, as well as maintain the platforms needed for remote learning. While our teachers were assured that their pay would continue as they taught remotely, many of our education support professionals worried about providing for their families. Many school districts have the ingenuity and forethought to repurpose their support staff, not only allowing for much needed financial stability, but to ensure that their staff didn't find other jobs and leave schools in need when in-person classes resumed. We also know that staff who continue employment as contributing employees will not need to draw unemployment benefits. I'm appreciative that my district at Westside is a district that values all employees and committed to continue to pay its staff. Unfortunately, not all school districts continue to utilize and support their staff. In fact, in some districts, support professionals

\*Indicates written testimony submitted prior to the public hearing per  
our COVID-19 response protocol

were the first positions to be cut. Rather than recognizing we are essential to student success, my colleagues in those districts were treated as disposable excess. LB641 would ensure that all school districts keep their staff on the payroll during a pandemic. Staff would be retained as part of the school community so that schools could reopen swiftly once the danger had passed. Support professionals could be repurposed to meet new needs, such as individual tutoring or food distribution, or districts could repurpose the time to provide in-depth professional development. All school staff have continued to put their health and safety on the line to keep our students learning. We urge this committee to acknowledge the sacrifice of education support professionals, just as teachers are recognized by providing them the economic security needed should such an event occur again. The NSEA offers this testimony on behalf of our 28,000 public school teachers, higher education faculty, and education support professionals across the state. We urge the committee to support LB641, and advance to General File for debate. Thank you.

**WALZ:** Thank you. Questions from the committee? I see none. Thank you so much for being here today.

**TRAVIS VO:** Thank you.

**WALZ:** We did have a proponent position letter for LB641. And I forgot to-- and I know I just lost my little-- we also had, and I don't see it, proponent position letters for LB587 that I forgot to say, so. Proponents. Oh, opponents, sorry. Are there any opponents? When I don't see anybody, it's hard. Anybody in the neutral position that would like to speak? All right with that, we are going to close on LB641. And we'll close the hearing for the day.