

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Revenue Committee February 6, 2025

**von GILLERN:** Good afternoon and welcome to the Revenue Committee. I'm Senator Brad von Gillern from Elkhorn, representing the 4th Legislative District, and I serve as chair of the committee. The committee will take up bills in the order posted. This public hearing is your opportunity to be a part of the legislative process and express your position on the proposed legislation before us. If you're planning to testify today, please fill out one of the green testifier sheets that are on the table at the back of the room. Be sure to print clearly and fill it out completely. When it's your turn to come forward to testify, give the testifying sheet to the page or to the committee clerk. If you do not wish to testify but-- or if you feel also that your position has already been stated but would like to indicate your position on a bill, there are also yellow sign-in sheets back on the table for each bill. These sheets will be included as an exhibit in the official hearing record. When you come up to testify, please speak clearly into the microphone. Tell us your name and spell your first and last name to ensure we get an accurate record. We'll begin each bill hearing today with the introducer's opening statement, followed by proponents, then opponents, and finally, by anyone speaking in the neutral capacity. Then I'm going to go off script here for just a second. We're using today, we're calling it an annotated hearing procedure where-- and again, individuals will be given 3 minutes to present their testimony. We'll do 1 hour of proponent testimony, followed by 1 hour of opponent testimony, followed by time provided for neutral testimony, and then recycling back through. That way, we don't make anybody wait all day long to, to testify, regardless of their position. Seating in the hearing room, we're divided by proponent-- or proponent and opponent testimony on either side. The Sergeant at Arms will serve as an usher to indicate each next testifier. And if we have overflow, they will be in the room, I believe, across the hall. As I said, we'll be using a 3-minute light system for all testifiers. When you begin your testimony, the light on the table will be green. When the yellow light comes on, you'll have 1 minute remaining, and the red light indicates you need to wrap up your final thoughts and stop. Questions from the committee may follow. Also, committee members may come and go during the hearing. This has nothing to do with the importance of the bill being heard. It's just a part of the process. The senators have bills to introduce in other committees. A few final items to facilitate today's hearing. If you have handouts or copies of the testimony-- of your testimony, please bring up at least 12 copies and give them to the page. Please silence or turn off your cell phones. Verbal outbursts or applause are not permitted in the hearing room. Such behavior may be cause for you to

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Revenue Committee February 6, 2025

ask to, to leave the hearing or for us to clear the hearing room. Finally, committee procedures for all committees state that written positions comments on a bill to be included in the record must be submitted by 8 a.m. the day of the hearing. The only acceptable method of submission is via the Legislature's website at nebraskalegislature.gov. Written position letters will be included in the official hearing record, but only those testifying in person before the committee will be included in the committee statement. We'll now have committee members with us today introduce themselves, starting on my left.

**SORRENTINO:** Tony Sorrentino, Legislative District 39, Waterloo and Elkhorn.

**KAUTH:** Kathleen Kauth, LD 31, Millard area.

**JACOBSON:** Mike Jacobson, District 42, Lincoln, Hooker, Thomas, McPherson, Logan, and-- let me think. I think I've got them all. Thank you.

**MURMAN:** Senator Dave Murman from Glenvil, District 38. I represent 8 counties, mostly on the southern tier, along the Kansas border.

**DUNGAN:** George Dungan LD 26, northeast Lincoln.

**von GILLERN:** Thank you. Also assisting the committee today to my right is legal counsel, Sovida Tran, and to my left is legal counsel, Charles Hamilton, and to the far left, our committee clerk, Linda Schmidt. Our pages for the committee today, please stand and introduce yourselves.

**LAUREN NITTLER:** Hi, I'm Lauren. I'm from Aurora, Colorado. I'm in my second year at the University of Nebraska-Lincoln and I'm studying ag econ.

**JESSICA VIHSTADT:** Hi, I'm Jessica. I'm from Omaha, Nebraska. I'm a sophomore at the University of Nebraska-Lincoln, and I'm studying political science and criminal justice.

**WESLEY EARHART:** Hi, I'm Wesley. I'm from Omaha, and this is my senior year at the University of Nebraska-Lincoln, studying political science.

**von GILLERN:** Thanks for your help today. Appreciate that. With that, we'll begin today's hearing with LB509. Welcome, Senator Sorrentino. Good afternoon.

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Revenue Committee February 6, 2025

**SORRENTINO:** Good afternoon, Chairman von Gillern and members of the Revenue Committee. My name is Tony Sorrentino, T-o-n-y S-o-r-r-e-n-t-i-n-o, and I represent Legislative District 39, which is Elkhorn and Waterloo in Douglas County. And welcome to all the folks who've come to testify, either for, against, or neutral. I am here to introduce LB509, which provides educational scholarships to low-income and other vulnerable students by providing state income tax credits to scholarship contributors. I'm tempted to end right there. I think it says it all, but my guess is a lot of people behind me would be disappointed if I didn't talk a little more, so I'll keep talking. One option would be to start this testimony with the mundane details about the what of this school choice bill-- all the legal and policy details and the minutia and the mechanics of this bill, all important, and I will get to that in just a bit. But I think it's more important to start with the who of this bill. The who of this bill is the children of the state of Nebraska. It is not us as legislators. It is not the lobbyists. It is not the labor unions. It is not the Department of Education. It is not the Governor's Office, not politics, not tax credits, the children. In this state, I think we do a pretty good job of trying not to discriminate against race, against religion, against gender, but we seem to have no issues discriminating against the children of Nebraska. I know this because as I start with the who, you're looking at the who. I'm going to take you back to 1968. And looking around this Chamber, I don't see a lot of people that were in grade school and high school in 1968, very few to be exact, maybe 1 or 2 on the panel. Maybe. So you may be wondering what the educational landscape was like in 1968. And I apologize. I forgot one thing. Sorry. Well, sadly, 1968 did not look a whole lot different than 2025. I'm going to take you back with the only prop-- which typically are not allowed. I'm going to go back to my horn-rimmed glasses, which were taped in the middle. This is what it was like in 1968. Here's the difference. So as you indulge me on my one little prop, it's the only thing that has changed since 1968. In 1968, I was about to begin high school. My choice was to attend a private high school in the district-- or public school in the district I lived in, District 66, or select from 1 of 2 private high schools, one that was a short, 5-minute walk from my doorstep and one that was about a 40-minute drive on a private bus, which I would have had to pay for. I should note here that I came from a privileged background, a very privileged background. My father had a sixth-grade education. He was born in Omaha, raised in another country, moved back when he was 13 years old and didn't speak a word of English. My mother was the first and only of her 11 children that went to high school. So why did I have a privileged education? I was raised by 2 people who cared about me, who

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Revenue Committee February 6, 2025

loved me, and wanted me to have the best education that was fit for me. I wasn't like my sisters. My sisters weren't like for me, and I wasn't like my friends. Children are different. Educational options have to be different. With that sixth-grade education and that twelfth-grade education, my parents put 4 through-- kids through private grade schools. When it came to high schools, I had 2 older sisters that were already attending private high schools. My school of choice, the one that was 5 blocks from me, the one that I grew up playing on all their fields, the one that all of our neighbors sent their children, their boys to, the one where I knew instructors-- in fact, some have moved from my grade school. The one that I would flourish at was \$500 a year. There was no way my family could afford \$500 a year. So I opted for the other school, and that was fine. It was a fine school. It was not the school of my choice. It was not the school that was best for me by any stretch of the imagination. Good school. I didn't have a particularly positive experience there. My family was the poster child in 1968 for opportunity scholarships. I could have gone to my school. My little sister did end up going to a public school, which was fine. By then, we-- money was depleted. So I was privileged, but I was privileged to be raised in a household where they honored choice and they honored educational difference. I know the-- I know that there are people in this room who will testify after this that have similar stories. How do I know that my parents couldn't afford that education? These glasses are not a prop, pretty much what I looked like as a 14-year-old budding CPA. I prepared my mom and dad's tax return at age 14. I then began to prepare all their friends' tax returns, making one Harry Paskowitz [PHONETIC], CPA, very unhappy. He used to charge \$35 for a joint tax return that had a standard deduction and \$50 for those that didn't. I cut his prices to \$10 and \$15. He didn't like me. I used that money to pay for my first year of high school, \$260, because you couldn't get a job as a 14-year-old. So sad. So sad. Not sad. Everything came out OK. But I use that as an example because today, my family would have easily qualified for opportunity scholarships, not only for me but for my little sister. I think it's time here in the state of Nebraska that we moved on from 1968. In 2023, Nebraska had the privilege of operating 2 school choice programs in a 10-month period. And I think this would be a good time to remind everybody, back on November 5, 3 months ago-- 3 months and a day, school choice was defeated on the ballot. School choice bill that was defeated was LB1402. It was not LB753. This bill is patterned after LB753. It was not defeated at the ballot box. And in anticipation of those that would like to say, but Senator Sorrentino, your district did not vote for school choice. You're right. They did not. But like all of you, when I campaigned door-to-door, I was open,

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Revenue Committee February 6, 2025

honest. I was transparent. I said I am for school choice, yet somehow they elected me anyway. I think there's expectations with that. Of those 2 operate-- those 2 choice programs, one was a scholarship tax program nearly identical to what I am proposing today. It used to be called LB753. The other was an education scholarship program operated by the State Treasurer. During that time, over 4,500 students were served with scholarships. These students were given an opportunity to attend a new school of their choice or the opportunity to have financial means to continue choosing the school of their choice. What was given to these children and not given to me and not given to many of my friends is something every child should have an opportunity to receive, a good education at a school that is best for them. Under the former LB753 scholarship tax program, \$3.27 million in scholarships were awarded to 1,628 students. 55% of these students are from urban communities, 45% from urban [SIC] communities. 30-- 38% are students of color. 12% are students with special education needs. 43 of the students were from military families and 13 students who were denied open enrollment. The numbers don't lie. Just under 16% of the students were at 100% of federal poverty or lower. Add for context, 100% of the federal poverty level is a family- for a family of 4 is \$31,200. By the way, my family's income in 1968 was \$9,800. Nearly 33% of the students were between 101% and 185% of the federal poverty level. Another 11% were 186-- were between 186 and 213% of federal poverty-- enough of those numbers. Under the 1408-- LB1402 education program, which was defeated, \$9.2 million in scholarships were awarded to just shy of 4,000 students. The urban/rural breakdown was around 60/40. 84% of these funds went to students at or below 213% of the federal poverty line. The families who were eligible went to 132 schools across the state, with half of those schools being outside of Lincoln and Omaha. The average LB753 scholarship was only \$2,009 and the average LB1402 was \$2,325. It hardly needs to be said that these are not scholarships that come near the actual cost to educate these children. The schools joyfully received these students and still assumed a large portion of their cost to educate. What are the parents saying? After all, it's parents who have been given by God the fundamental duty and responsibility to direct the education of their children. And it's the job of the government, educators, and yes, we, as a Legislature, and the broader community to assist but not displace parents in their fundamental duty. These scholarships are going to parents who no longer had to worry about working multiple jobs to make tuition payments and could spend time with their kids in the evening-- parents who can attend their children's activities. These are parents who now-- who are now devastated about the recent election results and are anxious about the future. They're worried about having to take up

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Revenue Committee February 6, 2025

those second and third jobs. They're worried about having to choose between groceries and tuition payments. They're worried about choosing which kids get to stay in their school of their choice. They're worried about needing to take out loans to afford a decent education of their choice for their children. This shouldn't have to be the case going forward. And that's why I'm bringing back the scholarship tax credit legislation, to give these parents hope for the future and to give kids a chance at the best 12-- K-12 education that they could possibly receive, based on their needs. I'll spend a moment and dive into the mechanics of how LB509 works. Many of you in the Legislature were on the Revenue Committee 2 years ago. For those of you who've been in the Legislature before, these will look identical to LB753, with very minor changes. As with any program, after you operate it, even for a short time, you begin learning about what works in the law and what could be clarified. LB509 does have a couple of minor changes. In essence, though, LB509 is the same as LB753. It provides a state income tax credit to taxpayers who redirect a portion of their, their taxable income to scholarship granting organizations, which turn those funds into scholarships for eligible students to attend an accredited or approved nonpublic school throughout our state. That's the who. Here's the what. Here are its major components. Section 2 contains important legislative findings about the importance of supporting parents and kids, especially those who are low-income with educational opportunity. You'll hear more from parents and kids on this later. The legislative findings also note that our nonpublic schools are quality educational choices for Nebraska families. You'll also hear from some nonpublic school leaders about their schools and how these programs have benefited their students. Section 3 lays out definition of key terms. What's important to highlight here is that an educational scholarship covers the cost to educate. That's a little bit different than LB753, but consistent with the definition in LB1402, which was defeated in the initiative. This section also defines an eligible student. There are various criteria which can make a student eligible. These include: 1, student entering kindergarten or ninth grade or the first grade offered at the school, students transferring from public schools, students who are members of an active duty or reserve military family transferring from another state, students who previously received a scholarship under LB753 or LB1402, students who are a sibling of a student eligible to receive a scholarship, and finally, students who are 213% of the federal poverty level or lower and are currently enrolled in a nonpublic school. This section further outlines the criteria for a school to be considered qualified to receive scholarships and/or students. A qualified school has to be approved or accredited by the Nebraska Department of

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Revenue Committee February 6, 2025

Education, among other criteria. It also defines scholarship granting organizations as the entities that help collect the tax credit contributions and turn them into scholarships. These have to be nonprofits certified by the Department of Revenue, and its primary purpose is scholarship distribution. Section 4 further details the qualifications of a scholarship granting organization, including that they must distribute scholarships according to a priority tier system. The system priorities-- prioritizes the lowest-income students and works with middle-income families. An aside, under the \$10 million of educational scholarship programs awarded, over 80% of those funds were to families below the 213% of federal poverty line. As well, it requires that scholarships, on average, be limited to 75% of pupil spending in public schools, not 100%. Sections 5-8 lay out the various qualifications for taxpayers qualifying for the tax credit. This legislation allows individual taxpayers, partnership, LLCs, S corps, estates and trusts, and other corporations to provide and earn state income tax credits. They are limited to 50% of their overall liability or capped at \$100,000, with the exception of a trust or estate, which is capped at \$1 million. There are no shortages of people who want to give to these programs. Section 9 provides the process for claiming credits, which essentially amounts to a back and forth between the taxpayer, the SGO, and the department to certify the credit within a 60-day period. Finally, Sections 10 and 11 provide additional duties on the S-- SGO. It limits administrative overhead to 10%. However, I can tell you in reality it's not nearly that high-- a couple of percent. Tax credit revenue is generated and requires minimal carryover of revenue to ensure that tax credits are distributed as scholarships to kids. It also requires an annual report that would be submitted to the governor and the Legislature to provide data on how the program is operating and how it is being helped with scholarships. I apologize for boring you with the what, but I think it was necessary. I want to return to why we are here. It's the parents and the kids. The kids. The kids. The kids. I want to make sure that kids get the best education possible. And that's not an affront to public school education. It's making sure that financial means don't deter them from the best education possible. It's making sure their parents know the state values them as the primary educator of their child. I will ensure that they have financial means to make decisions that are in the best interest of their children's education. As we all know, a kid only gets one shot at K-12, and we need to make sure it's the best possible education for that child to thrive. Members of the committee, I know that you are all seasoned legislators, actually far more seasoned than myself. sat through hundreds of hearings. But today I would implore you to pay particular attention to anyone who testifies

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Revenue Committee February 6, 2025

that may suggest that LB509 in any way negatively impacts the funding of public school system. A thorough reading and understanding of LB509 proves that this is simply not the case. Such suggestions might be met with requests for page number, paragraph number, line number from LB509. More specifically, school choice programs don't bankrupt public schools. They save the state money, as the studies have proven. And that's money that could be used to reinvest in our public school system and teacher salaries. This Legislature has made huge investments in public schools over the years, and particularly in recent years. We can both support and fully fund our public schools and help low-income families get a sch-- get a school of their choice. Opponents think every dollar that comes into the state General Fund already belongs to them, before the Legislature even appropriates them. That is a flawed approach. If opponents of school choice don't like tax credits, they've got 21 tax credits. They better come in and oppose and repeal. They only focus on opposing parental choice and education. In the packet that I gave you, you will see-- it should be in a manila envelope there. There is a picture, a copy, back page, form 2024, Nebraska 1040. If you have that, I would implore you to look at it. If not-- you'll see some, you'll see some pink and green highlighting. You'll notice there are 12 nonrefundable credits. There are 9 refundable credits, 21 in all. If you oppose LB509 because you guys don't like the credit system, your voting record is public. I know who voted for credits. I know who voted against them. I know who has never brought an action against credits. Credits are the way we fund a lot of good things. If you look at the names of those, 21 of them, you're going to have a hard time convincing me that you're against credits. Also, I know there will be testimony that has a number of other items that I can, I can easily be debunked, and I'll do it right now. Some of the testimony will say that this program will grow and cost more. If kids will leave our public schools in such droves as opponents are worried about happening, we should be asking why our public schools are failing these families. Studies-- these studies and last year's experiences are clear. School choice programs have a slow and, and gradual uptick. It's not some mad, nonstop exodus of kids out of public schools to nonpublic schools. School choice policies are smart and they're sustainable. Parents don't pull their kids out of school that is working for their kid. If the program is going, it's because kids need better education options. You'll hear about nonpublic schools being unaccountable. Anybody who makes this claim is telling you more than anything about their lack of knowledge of education law. This bill requires bills [SIC] to be regulated through approval of accreditation by the Nebraska Department of Education to qualify. The question of accountability is simple. Go to

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Revenue Committee February 6, 2025

the Nebraska Department of Education website. Look up Rule 10 or Rule 14. Review their checklist for accountability. This is what public and nonpublic schools have to meet to operate in our state and under this bill. You will hear that nonpublic schools discriminate or are exclusive. 12% of the student population in our nonpublic schools are kids with special needs, special education needs, compared to 16% in public schools. Nearly identical. The difference is public schools do provide services to children with special education needs. But the simple fact is they are legally obligated to do that and receive federal and state funds for serving those children who are identified as having special needs. Private schools do not. They do that out of their own funds. Opponents of school choice act as if children are never rejected, bullied, kicked out, or excluded in public schools. But we know that's not true. Just look at option enrollment denial numbers and the regular stories you hear from students. The point of education isn't for every school to be one-size-fits-all for kids. It's about making sure parents can get their kids to a school that is best for them and meets their academic needs. You'll hear that school choice laws are unconstitutional. School choice laws are constitutional, both in our state and at the federal level under the Constitution. Scholarship tax credits are not appropriations or direct funding of nonpublic schools and are constitutional under the Nebraska State Constitution. The U.S. Supreme Court has also regularly heard cases over the last several years upholding the constitutionality of school choice programs and condemning states for religious discrimination and shortsighted education laws. Nebraska is set to become the last state in the country-- North Dakota will soon ratify and become the 49th state without a robust school choice policy. In many ways, it's still 1968 in the state of Nebraska, and I hope to change that. Thank you.

**VON GILLERN:** Thank you, Senator Sorrentino. Questions from committee members? Senator Dungan.

**DUNGAN:** And thank you, Chair von Gillern. Thank you, Senator Sorrentino. I appreciate you bringing the bill and I appreciate your opening. I have a few questions I want to go over with you, some of which you've probably already answered. But I just want to make sure the record is clear.

**SORRENTINO:** Absolutely.

**DUNGAN:** Starting sort of big picture, as you indicated recently on the ballot back in November, it was LB1402 from the last Legislature that was overturned, not LB753. Correct?

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Revenue Committee February 6, 2025

**SORRENTINO:** Correct.

**DUNGAN:** And LB509 is more of a redux of LB753 than it is LB1402, correct?

**SORRENTINO:** I would say 98%, yeah.

**DUNGAN:** And that was my reading, too. There's a couple of differences that I had questions about why they're there, but I'll get to that in a second. There was a petition gathering or signature gathering effort on LB753 as well, correct?

**SORRENTINO:** Yes.

**DUNGAN:** And LB753 did, at some point, turn in signatures to the Secretary of State that, at the time, seemed ample enough to qualify it for a ballot measure. Is that right?

**SORRENTINO:** That's my understanding.

**DUNGAN:** And I don't know if we ever got to the exact point where that was--

**SORRENTINO:** I don't know the exact numbers, but that's a fact.

**DUNGAN:** I think in just a-- I looked it up online. I think there was 117,145 petitions that were signed by Nebraskan voters with regards to LB753. And it seems to me, based on what I can find here, that's actually more signatures than were collected for LB1402. Do you feel that LB753 and LB1402 fundamentally get at a different issue, or do they simply address the same issue in a different manner?

**SORRENTINO:** I think it's very much the same substance with a little form. Obviously, LB1402 is an appropriation at the state level and it would be disingenuous to suggest that LB509 doesn't have a cost to the state because they are state tax credits. To the question of the amount of votes on the petitions and eventually the initiative, what I left out but it will come up, I'm sure, with testimony, is on that initiative, I believe those who opposed LB1402, LB753, we'll just call it opportunity scholarships, spent roughly \$7 million. There was almost nothing spent to promote it, I don't think out of disinterest. There was a lot on that ballot. And I have a feeling I know where some of it was going. So I'm not saying money buys votes, but money chases votes, and that had something to do with it.

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Revenue Committee February 6, 2025

**DUNGAN:** Well, and certainly, money is involved in politics across the board. I, I don't dispute that.

**SORRENTINO:** It's a simple fact.

**DUNGAN:** I know that there's been a lot of, I guess, ire, right, brought up publicly. And I think it would be disingenuous not to just address it right off the bat--

**SORRENTINO:** Absolutely.

**DUNGAN:** --that the voters had voted on this public school-- I'm sorry, this private school issue. And this bill, it sounds like, even from your own admission, seeks to address the same subject matter. So I just want to make sure that's clear that you agree with that.

**SORRENTINO:** I agree with that.

**DUNGAN:** OK. Specifically with regards to the rewrite of LB753, as you-- you indicated a couple of the changes that you've made this time around. One of the changes that I was just honestly curious why it was included this time and not last time was the inclusion of eligible students being people transitioning from home school. Was that a conversation that had happened between yourself and home school advocates, or was it just a-- was it a mistake to leave it out the first time?

**SORRENTINO:** I don't know that it was an oversight the first time. And I do know that there were people who are proponents of the bill have had conversations with that segment. I, I personally did not. That's a very fair question. I'm going to guess there might be 1 or 2 testimonies behind me who could answer it directly.

**DUNGAN:** OK. And I can-- they can speak to that if they'd like to, yeah. One of the other questions I had for you, and I think it's just a clarification because we talk about this a lot. There's this emphasis-- I think you put it in your opening, as well-- that the scholarships are intended to go to students who are entering the private school system, people who are disadvantaged and, I think, as you put it, they're not wanting to be where they are anymore and they're entering the private school system. But that first tier of priority then also gives priority to folks who were receiving the scholarship previously.

**SORRENTINO:** Yes.

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Revenue Committee February 6, 2025

**DUNGAN:** So is it fair to say that this \$25 million and then as it grows, that larger sum of money, over time, will shift predominantly to individuals who are already receiving that scholarship?

**SORRENTINO:** I think over time that could happen. That does-- doesn't preclude the fact that the number could go higher. There's nothing wrong with legislating, but I would think you're-- if I had to do the math, you are a good 5-8 years before that's going to happen, at least.

**DUNGAN:** Yeah. And it depends on usage and uptake.

**SORRENTINO:** It could even be more. Yeah.

**DUNGAN:** Right.

**SORRENTINO:** But no, that's, that's an accurate, that's an accurate conclusion, over time.

**DUNGAN:** OK. I just know there's a lot of conversation about who gets these scholarships.

**SORRENTINO:** Right.

**DUNGAN:** And I understand that the tiered approach is intending to provide it to those, those new students. But by obviously making sure they can continue to go to school, it just functionally seems that, over time--

**SORRENTINO:** Right.

**DUNGAN:** --it'll get used up by folks already in private school.

**SORRENTINO:** We would welcome increases.

**DUNGAN:** I'm sure. In addition to that, we spoke a little bit about-- or you spoke a little bit about the discrimination factor. And this has been brought up. I've only been in the Legislature 2 years. It was brought up both times we debated this. It's been brought up before. Would you be open to putting in this bill that any organization that receives a scholarship from a certified SGO has a nondiscrimination requirement?

**SORRENTINO:** An organization that received it, meaning a school?

**DUNGAN:** Sorry, school. Yeah, for a school to utilize these scholarships, that school-- this was proposed previously-- amendments

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Revenue Committee February 6, 2025

that would say, OK, if you're going to get this scholarship, you have to include the same kind of nondiscrimination that a public school would have.

**SORRENTINO:** Right.

**DUNGAN:** Would you be open to putting that in here, as well?

**SORRENTINO:** I would be open to discussing it. I'm not aware-- not saying they don't exist-- of schools that have discriminatory admission policies. But if there were, I'd want to talk about that.

**DUNGAN:** Well, and I, I think it's not even necessarily admission policies, but behavioral policies. Right. So we see in schools' handbooks that say things like a student is not allowed to wear clothing that doesn't promote-- or that directly is antithetical to Christian ideology. Right. So let's say a student's going to a Christian school and they wear a shirt that seems to promote something from Islamic faith. That could potentially run afoul of their behavioral policies and they could get in trouble for that. That seems like it might be problematic in a public school. Similarly, we seen be-- see behavioral policies that say your clothes have to match your gender or things like that. So we see individual schools having behavioral policies that I think would run afoul of a public school and whether or not they can discriminate or not. So I just-- I'm curious if you'd be willing to try to put those on the same level to ensure that discrimination wasn't happening at the schools that are receiving these scholarships.

**SORRENTINO:** I, I would be certainly interested in having the conversation. What I don't-- where I don't want this to go is that private schools' policies have to be shaped and looked exactly like public school policies. I don't-- that's part of being a private school. Also, these contributions are not coming directly out of state dollars. They are coming from private contributors. Now granted, there's a tit for tat. There's a credit that goes with that, but I would tread those waters very carefully.

**DUNGAN:** And I understand that. Absolutely. Just a couple more questions. One of the findings, and this is maybe a broader philosophical debate we can have, one of the findings at the beginning of LB509, because there's, I think, a section with 4 or 5 findings, and one of those is it's in the best interests of the state of Nebraska and its citizens to encourage individuals and businesses to support organizations that financially assist parents and legal

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Revenue Committee February 6, 2025

guardians who want to enroll their children in privately-operated elementary and secondary schools. And such encouragement can be accomplished through the use of the tax credit. So if this bill were to pass--

**SORRENTINO:** OK.

**DUNGAN:** --that is a finding of the Legislature.

**SORRENTINO:** Did you say if or when?

**DUNGAN:** If, if. We'll say if for now.

**SORRENTINO:** Just want to make sure.

**DUNGAN:** If this bill were to pass, that would be a finding of the Legislature that we hold that to be evident. Right. Even a short search of objective studies that have been done have demonstrated in Ohio, Washington, D.C., Louisiana, I think Milwaukee, that there is a demonstrative negative impact on students' test scores when they utilize vouchers to go from public to private education. It's, it's demonstrative. We can see standard deviations of both math and reading scores go down when students transition from a public institution to a private institution utilizing vouchers. Do you think that that finding nullifies this, I guess, finding in the bill that it's good for us to encourage students to do this? Because there certainly can be merits to different educational areas, but the fact that it seems it would negatively impact our students seems to run afoul of the idea that we should be encouraging this as a state.

**SORRENTINO:** I, I don't doubt your findings, although I'm sure myself and others could find findings that would find otherwise. And I believe that those behind me, I, I have read those. I'm not prepared to bring those. Although in your packet, you will see some information on where we're at in Nebraska, being, I think the third worst scores on various-- I think it might be the very last page, it might be a separate page. I would encourage you to read that.

**DUNGAN:** No, and I appreciate that. And I'm sure you and I can continue talking about it.

**SORRENTINO:** And we can talk about it.

**DUNGAN:** Yeah, we'll talk about the studies, I'm sure--

**SORRENTINO:** Absolutely.

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Revenue Committee February 6, 2025

**DUNGAN:** --at some point. I guess the last thing I would say-- the last thing I have a question for you about is the fiscal note.

**SORRENTINO:** Is about what?

**DUNGAN:** The fiscal note.

**SORRENTINO:** Fiscal-- yeah.

**DUNGAN:** So obviously, \$25 million right off the bat impact on the, the budget, we all see that.

**SORRENTINO:** Assuming we have enough people to make those contributions.

**DUNGAN:** Sure. Sure. The part I was most interested in, though, and this is something of a rehash of what we saw in the fiscal note previously on bills like this, was this idea that if students transfer from public schools to private schools, it's not going to necessarily and likely will not reduce the cost to the school. Right. So the public schools are not going to be able to reduce their costs commensurate to the amount of students going into private education, because you still need the teachers there, you still need to have the staff and all that. Do you fear that that is going to cause a higher burden on public education, with regards to the cost? Because we're not reducing costs on public education, and we are then increasing the cost to the state in an effort to facilitate that transfer. Do you think that's going to have a compounding negative impact?

**SORRENTINO:** I, I don't necessarily agree with that. First of all, when a student leaves the public school to go to a private school, there's a 2-year transition cost that stays with the public school. Even though that child is not there, they're still receiving that money. And they moved on to a less expensive environment. The state theoretically doesn't have to fund as much school. I would say, not only is that a reasoning I wouldn't, I wouldn't buy into, I'm not so sure it isn't good for public school funding. I'm not so sure it isn't for government to be able to fund education in the state of Nebraska. Might even be a boon to them-- my opinion.

**DUNGAN:** Well, and you-- we could debate that, I'm sure.

**SORRENTINO:** We could. We could. We should.

**DUNGAN:** The, the last thing I'll say-- ask-- the fiscal note. You would agree, though, that on the fiscal note, if this bill were to

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Revenue Committee February 6, 2025

pass, it would require \$25 million to be set aside specifically for the purposes of the usage of LB509 tax credits.

**SORRENTINO:** It would result in tax credits of the state of Nebraska of \$25 million at its maximum.

**DUNGAN:** But we wouldn't be able--

**SORRENTINO:** Eventually, \$100 million, if we get there.

**DUNGAN:** Right. But we wouldn't be able to use that \$25 million on other things, and then say, oops, we don't have enough tax credits for that. It would require a specific set aside of the \$25 million.

**SORRENTINO:** That's-- I'm not on the Appropriations Committee, but that's my understanding.

**DUNGAN:** OK. Thank you. I appreciate it.

**SORRENTINO:** Thank you.

**von GILLERN:** Thank you. Any other questions from the committee members? Seeing none, thank you for your opening. I presume you'll stay to close?

**SORRENTINO:** Yeah. I'm going to go to dinner.

**von GILLERN:** Bring us something back.

**SORRENTINO:** Yeah. OK.

**von GILLERN:** We'll invite up our first proponent testifier. And if you're going to testify-- a lot of folks here today. If you're going to testify, be all ready to go and jump on up. We're all anxious to hear from you. Good afternoon.

**KATIE ZACH:** Are you ready for me now?

**von GILLERN:** We're ready.

**KATIE ZACH:** OK. Chairman von Gillern and members of the Revenue Committee, my name is Katie Zach, K-a-t-i-e Z-a-c-h. I am here in support of LB509. I thank Senator Sorrentino, wherever he is, for keeping hope alive for families like mine. And I'm grateful to share what education scholarships have meant to my family. My husband, John and I have 6 kids, ages 9 months old to 9, with 4 attending Cathedral of the rise school-- of the Risen Christ School here in Lincoln. John

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Revenue Committee February 6, 2025

teaches and coaches at another private school, and I'm a stay-at-home mom. As all parents do, we put careful consideration into choosing the right school for our children. Even though finances are tight, we decided that private school would be the best fit for our family. I will be frank. A couple of months ago, our fridge broke down and we had to have a conversation about how we were going to cover the cost along with our other expenses. Both of us work extra jobs already to make ends meet, but we had to discuss the possibility of picking something else up or digging into our emergency savings or simply trying to make it work with soupy ice cream for a little longer. The unfortunate reality is that there is always a metaphorical broken fridge when you are raising 6 kids on a teacher's salary. When I first heard about the opportunity scholarship and that we had qualified, I felt like I could breathe a little more freely. Every child's education is essential to his or her development and future success. And what LB509 means is that being able to find a school where each child will thrive is not a luxury reserved for only the few who can afford it. That is what school choice does. It affirms our rights as parents to act in the best interest of our children, regardless of income, regardless of how high our grocery bills from year to year, and regardless of whether or not our fridge chooses to break down that month. We must protect this freedom, this right for parents to choose the best education for their kids. Since our house is right across the street from the Cathedral's playground, you can find our family on many summer evenings and fall weekends trying out the monkey bars and shooting down the slides there with the other neighborhood kids, many of whom attend the local public elementary school. No one demands explanations of the other's enrollment in this or that school before being invited to enter the school grounds. All that matters is that a neighborhood friend would like to join in the important work of playing and growing together. This, to me, is what the Opportunity Scholarships Act is all about: authentic communities lending a hand as we are able to a neighbor who could use one. Today, I humbly ask my Nebraska neighbors to endorse education scholarships. I'm so grateful to Senator Sorrentino for courageously taking up the charge for all of us, to stand once again behind our children for what is in their best interest and for what protects the rights of us all to the right education. Thank you.

**von GILLERN:** Thank you for your testimony. Any questions from committee members? Seeing none, thank you for being here today.

**KATIE ZACH:** Thank you.

**von GILLERN:** Our next proponent. Go ahead.

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Revenue Committee February 6, 2025

**CHRISTINA CHVALA:** OK. My name is Christina Chvala, C-h-r-i-s-t-i-n-a C-h-v-a-l-a. My daughter Lela Chvala, L-e-l-a, is sitting right here behind me. We want to thank you, Chairman von Gillern and members of the Revenue Committee for your time today. Lela and I are both here for 2 reasons. One, we want you to see firsthand the positive effect that education scholarships have already made in less than 1 here-- 1 year here in Nebraska. And 2, we want to encourage you to vote for LB509. It is my firm belief that we do not have to choose one set of kids over the other. Lela and I are here as proof that educational scholarships do make a difference. My daughters are minorities and they are girls. I have watched the toll others treat-- others' treatment on them took on their mental, emotional, and spiritual health. And I am here to say these scholarships matter. Opposers of this legislation have never had to walk in my daughter's shoes. When I received the confirmation email last summer that we were awarded an educational scholarship, I cried. I still made tuition payments, but it gave me just the buffer that I needed so that I didn't have to work multiple jobs and could be present in my girls' lives, at the dinner table, at their games, carpooling them to their practices. My daughters are now thriving. I can't count how many times Olu, my older, older daughter comes home from school thanking me, telling me story after story of how she has never been in an environment that is so empowering to young women, so open to the world of ideas, and so diverse. She is going to an all-girl Catholic high school right now. She is playing lacrosse at her school, is taking honors classes, and she made highest honors last year, which is the reason why she's not here today, because she has too many tests and too many essays due this week. Lela no longer had to worry that she wouldn't be able to return to her school because finances were tight. Educational scholarships made it possible for me to not have to make the impossible choice of choosing one of my daughter's educational needs over the other. I understand the fear surrounding money, and I understand that sometimes that causes people to want to build walls to keep what matters to them safe. But I've read LB509, and I am confident that it doesn't take away from our public school family. Instead, it is helping to right a social injustice by removing the financial barrier for families like mine, who can't afford to give their children the educational environment that they need. I am also confident that in opposing LB509, we are taking away from families like mine. I also would like to talk a little bit about some of the examples of misinformation, but I think that I'm about ready to run out of time. So I would encourage you to think of my daughters and vote for LB509.

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Revenue Committee February 6, 2025

**von GILLERN:** Thank you for your testimony, and for being courteous about the timing. Any questions from committee members? Seeing none, thank you for being here today.

**CHRISTINA CHVALA:** Thank you.

**von GILLERN:** Next proponent.

**AVRIL DURAN:** Good afternoon, Chairman von Gillern--

**von GILLERN:** Good afternoon.

**AVRIL DURAN:** --and Revenue Committee. My name is Avril Duran, A-v-r-i-l D-u-r-a-n. I'm currently a freshman at Marian High School in Omaha. My father passed away in 2011, and since then, my family has become focused on our next step and what it takes. In our family, education has always been prioritized. We've had to find solutions to our obstacles, encourage each other, and focus on the good in our lives. My mom always wanted the best for my brothers and me, and her goal was to set a firm foundation for us. And she believes she can do that through Catholic private school. My 2 brothers and I attended St. Bonaventure and Scotus Central Catholic before she enrolled us into Mount Michael and Marian. Education was prioritized. But even through my family's sacrifices, these scholarships are what made Marian attainable for me. This scholarship gave me the opportunity to be at Marian without the burden of tuition cost. Through the generosity of others, I'm able to prioritize my education. Having the opportunity to attend Marian is important to me because I'm surrounded by peers that are also-- that also have life ambitions and are also forward focused. At Marian, I feel comfortable to voice my opinion and speak out about my faith without the fear of being ridiculed. I get the opportunity to continue my education and faith journey while at Marian. I'm provided opportunities at Marian that I couldn't receive anywhere else. I know that once I've graduated from Marian, I will be set, not only for college, but for life. Marian has instilled in me core values and morals. I know that once I graduate, I will be able to walk into any room and know that my opinions are respected and valued. This scholarship means taking the next step in my education. It means being able to take classes that challenge me, having teachers that want to see me succeed, and having access to higher curriculum. This scholarship means the success of my future. I'm grateful for the opportunity to be able to share my testimony here with you today, and I'm asking you today for your continued support in this legislation. Thank you.

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Revenue Committee February 6, 2025

**von GILLERN:** Don't get up yet. Thank you so much for being here. Any questions from the committee members? Seeing none, thank you so much. You did very well today. Thank you.

**AVRIL DURAN:** Thank you.

**von GILLERN:** You're very brave. First time I did that, I was a nervous wreck. Next proponent, please. Good afternoon.

**SIERRA SHOUSE:** Good afternoon. My name is Sierra Shouse, S-i-e-r-r-a S-h-o-u-s-e. I just wanted to share a little bit on my experience with the opportunity scholarship that my son received this past school year. My son is a kindergartner at Christ Lincoln and to him it is the only school that he has ever known. He has grown up in this school from day care to Sunday school, all the way through preschool and now, in his second year of kindergarten. It is the only community that he has ever known and it has helped shaped and mold him into the person that he is today. As a parent, it is difficult to assume the risk that those that are going to be responsible for teaching my children are going to have the same moral values and family values that our family has. My children are human sponges that absorb absolutely everything around them and our family. I want them to learn more than just to be scholars. I want them to learn morality and compassion and generosity. And I felt that the values that were instilled throughout the Christ Lincoln community align more with my family's sense of those values than I could guarantee in the public school system. My son, who has special needs for both academic and developmental delays, not only receives personalized guidance in his small classroom size, but also through his IEP with the public school system, which allows him to remain a normal part of his class, still getting the resources that he needs. I am a single mom of 3 amazing children. We are a single income household and it is just us. I don't say that to expect pity. I say that because I do not have the financial resources to be able to send all of my children to the school that they deserve to be at. Financial restraint should not restrict any child from being able to access the education that best aligns with their family's dynamics or where they feel comfortable. My biggest goal for my children is that they see the work ethic that I have but don't feel limited by our family's circumstances. They should never have to feel that they are less than worthy or less than any other child for desiring to be at a school that they feel the most comfortable. This opportunity scholarship that my son this year received not only positively impacted his education, but it took the financial burden off of myself. As a parent, I know what is best for my children. It is my choice to send them to the school that they deserve to be at. And if you were to look at my

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Revenue Committee February 6, 2025

6-year-old-- I know that these hearings are just a lot of words on a piece of paper. But if you were to look at my 6-year-old, who's missing his 2 front teeth and still has a sparkle in his eyes, would you tell him that he doesn't deserve to go to the school that he feels the more-- most comfortable in, or would you look at him and say, I'm going to do everything I can to make sure you deserve to stay at the place where you feel the most comfortable? I would love to answer any questions that you have. I might not be a politician, but I have firsthand experience from being the mother of a scholarship recipient, as well as firsthand experience about what this has done to positively impact my family.

**von GILLERN:** Thank you for your testimony. Any questions from committee members? Seeing none, thank you for being here today.

**SIERRA SHOUSE:** Thank you.

**von GILLERN:** Next proponent.

**APRIL GARCIA:** Good afternoon.

**von GILLERN:** Good afternoon.

**APRIL GARCIA:** Thank you, Chairman von Gillern and all of you committee members for letting me talk today about my daughter, Haylee. My name is April Garcia, A-p-r-i-l G-a-r-c-i-a. My daughter, Haylee, H-a-y-l-e-e, Keogh is her last name, K-e-o-g-h. She's 12 years old and she goes to Lincoln Lutheran. She wanted to be here today, but unfortunately, like another child, she has math tests and she's a straight-A student. She has been a straight-A student since she has been in school. And so, she's very big about that. I have been an advocate for stu-- for school of choice since-- for about 7-8 years now. My daughter started out in public school and in kindergarten, and she was neglected as, as far as a parent would say. Because she was so smart, they taught other children and not her. So she was trying-- they had to catch up with her. When I was able to place her back into private school-- I was able to pull her out of public school and put her in private school at Christ Lincoln Church-- School. Sorry. She really had been behind. They tested her. And as you were saying, Senator, she was low, coming from a public school to a, to a private school, being that she wasn't taught in the way that they were being taught and as quick as they were being taught, she wasn't taught at her level. And so, she had to catch up. And she kept coming home to me, telling me that she felt stupid. And I had to encourage her, to tell her she's not stupid, she just has to catch up with the rest of

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Revenue Committee February 6, 2025

the kids. And by the end of the year, she was. I kind of went off of what I wrote for you guys today specifically because I wanted to hit the point that my daughter is a smart individual. She had-- she also wrote a letter for you guys and submitted it online. So you guys will see something from her. I thought it was a very intelligent letter to you guys. And she-- we need to remember, these are our future students that are going to need these scholarships. And we as parents and you guys as a committee, you guys know, because you guys are all parents, I'm sure, it's parents who know how their children learn. It's parents who should have the choice, and it's the children should have that opportunity. I was very fortunate that my daughter got scholarship, partial scholarships, so I didn't have to work many jobs in order for her to get this-- where she is today. And I am confident that if other children have this opportunity, that they will be where my daughter is, as well. So thank you very much.

**von GILLERN:** Thank you for your testimony. Questions from committee members? Seeing none, thank you for being here, Ms. Garcia.

**APRIL GARCIA:** Thank you.

**von GILLERN:** Next proponent.

**MICHELE RIVERA:** Good afternoon.

**von GILLERN:** Good afternoon.

**MICHELE RIVERA:** My name is Michele Rivera, M-i-c-h-e-l-e R-i-v-e-r-a. Good afternoon, Chairman von Gillern and members of the Revenue Committee. I want to start by thanking you for your time today. I'd also like to take the time to thank Senator Sorrentino, as well. We are here to support LB509. With me today is my daughter, Rylee Rivera, who is currently a sixth grader at Kearney Catholic, my husband, Master Sergeant Denier Rivera, and our son Ryker, who will be attending Kearney Catholic next year. We are a military family. My husband is a full-time active duty service member for the Nebraska Army National Guard. I'm a veteran, as well. I served more than 10 years of service, 2 deployments. And after the birth of our 2 children, I made the decision it was time to hang up my uniform for good. I decided I wanted to focus my attention on my children and their education. When Rylee started kindergarten, I was invited to become a para at her public school. Because of this, I was fortunate enough to be able to follow and be a part of her education from kindergarten through fifth grade. Towards the end of kindergarten, it was apparent that Rylee struggled with reading. We worked through the

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Revenue Committee February 6, 2025

school SAT program to get her an individualized education plan. This was not an easy task. We were finally able to obtain one by the end of her first grade year. In third grade, it was brought up by her SPED teacher that she showed signs of being dyslexic. Ryylee also struggles with being in large groups of people. So when we sat down at the end of her fifth grade year to decide what her next steps would be in education, whether it was going to be to continue to go through the public school system or seriously look at the private school system. We gave her the opportunity to go to both schools' open houses and see what she felt was right for her. After the visit, it was really a no-brainer for us and our family and our daughter's needs. She was going from a class size of 60 to a class size of over 200 overnight, pretty much. With the needs of her education and her accommodation, it just was not feasible. So we opted for Kearney Catholic, where we felt she was offered a more individualized education and smaller class sizes. Since she has been at Kearney Catholic this year, we've seen tremendous growth in not only her reading and writing, but in her confidence and her personality, which you will soon see. I see I'm getting close, so I'm going to skip ahead. Now that Rylee is in private school, we have a bigger financial burden. It comes at-- when we choose to educate our children outside of the public school system. Our tax dollars go to pay for the public school system. However, we pay for our own children's education out of our own pockets. The opportunity scholarships have made a huge impact on our family. We received a \$2,000 scholarship for Rylee. That scholarship made it easier for us to focus on Rylee and getting her the best education for her individual needs. Next year, we will have 2 children to fund. That's \$15,000 we will invest in their education. Without the opportunity scholarships, we will find a way to make it work because we are invested in our kids' education, as I hope that you sitting here today will invest in our children's educations as well. Where there is a will, there is a way. And the way is by choosing school choice, the best education possible-- I see I'm running out of time, so I'm going to go ahead and end it there.

**von GILLERN:** Thank you for being courteous--

**MICHELE RIVERA:** I wish I had more. Thank you.

**von GILLERN:** --about the time. I appreciate that. The questions from committee members? Seeing none, thank you for being here. And thank you for your, your and your family's service to our country.

**MICHELE RIVERA:** Thanks.

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Revenue Committee February 6, 2025

**von GILLERN:** Next proponent. Good afternoon.

**RYLEE RIVERA:** Hi, my name is Rylee Rivera, R-y-l-e-e R-i-v-e-r-a. Good afternoon, Chairman von Gillern and the members of the Revenue Committee. Thank you for your time today. I would also like to personally thank Senator Sorrentino. Your work on school choice makes a huge impact on my education and my future. Thank you for not giving up on us. I'm here today to advocate for school choice, not only for myself, but also for the kids that won't get the opportunity to speak to you. I have the freedom to choose the school that gives me the best opportunity for my education. It's priceless, even though I know it's not priceless. It's actually expensive. I may be only a 12-year-old, but that doesn't mean I don't understand the sacrifices my family makes so I can go to Kearney Catholic. I have the best mom and dad in the world. Thank you, Mom and Dad. I love my school. Kearney Catholic has helped me grow my education this year more than I ever thought was possible. Because of Kearney Catholic, I've been more active in my community through acts of community service. By giving back to my community and volunteering, I'm conquering my fear of large groups of people. My education, community involvement, and faith have grown so much this year because of Kearney Catholic. A year ago, I thought I would have never been able to do what I am doing today. My family is able to support my education because of the school choice and the opportunity scholarship that I have received. Please don't take that away from me. I know that there are hundreds more kids like me out there that could benefit from school choice and opportunity scholarships. I'm asking you today to please not give up on us and to support us in our education. Don't take our freedom away to choose. Support me and my choice by supporting LB509 and opportunity scholarships. Thank you for listening to my story. Thank you for supporting me in my education through school choice. Go Stars.

**von GILLERN:** Thank you, Rylee. I know we're not supposed to applaud, but I want to. Questions from the committee? Senator Kauth.

**KAUTH:** I do have a question. Rylee, first of all, that was fantastic. Is this the first time you have testified?

**RYLEE RIVERA:** Yes.

**KAUTH:** Is it the first time you've spoken in public-- doing public speaking?

**RYLEE RIVERA:** Yes, also.

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Revenue Committee February 6, 2025

**KAUTH:** You did a very impressive job. I have seen adults come up here and be way, way more nervous, so congratulations.

**RYLEE RIVERA:** Thank you.

**von GILLERN:** You did great. Any other, any other questions? See no questions, thank you for being here today. You did great.

**RYLEE RIVERA:** No problem.

**von GILLERN:** Thanks so much. Next proponent. Top that.

**JOSHUA OPPERMAN:** Hi, my name is Joshua Opperman, J-o-s-h-u-a O-p-p-e-r-m-a-n. My wife and I have 4 children, Olivia, Ethan, Jimmy, and Lucas. We moved to Nebraska in August of 2022 to get our children away from all the chaos we were experiencing previously in Colorado. I accepted a position with the Department of Corrections, and my wife left her 11-year career to stay home and care for our 4 kids. We became parishioners at St Michael's here in Lincoln shortly after we moved to Nebraska in '22. Our 2 oldest started attending weekly catechism, and their love of the faith grew so quickly. After picking them up from class, they would ask to go the very next day. We enrolled our kids in Lincoln Public Schools and midway through our daughter's second year, she started experiencing bullying outside the school. We didn't know it at the time, but she had become a recluse and her grades were suffering. Olivia was sent a video from her friend's iPad that was created with her friend and another girl telling her she was ugly and the girl wanted to beat her with a, with a hammer. Olivia was so confused about the whole thing, and she never had any issues with this individual before and barely knew her. The school tried to do what they could, but it didn't stop. But since the video was outside of school, we had to keep Olivia home from school the day after it happened out of an abundance of caution on our end. At that point, even though the school had multiple meetings with the girls, it didn't stop and was completely disrupting Olivia's learning. During the bullying episode, Olivia's reaction to this awful video was it made her sad, but she wanted to pray for the girl. We knew Olivia needed a fresh start. We didn't know where the-- where we'd go. But St. Michael's welcomed us as if it was home, including my son, with some special needs. Our children's love for the faith grew. During an RCIA class, we had spoken to some amazing persons at the church who mentioned that there is an opportunity scholarship fund that would help us enroll our children at St Michael's. It was the best opportunity-- or the best decision we made for our family. Our children go to Mass every day and they are around other families that

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Revenue Committee February 6, 2025

share similar morals as our family does, and they come home with a smile on their face every day. After starting school at St. Michael's, both kids' grades have improved and we're seeing their little personalities come to life. Olivia and Ethan are involved in as many school clubs as extracurricular activities as they are able to. Olivia does band, choir, a book club, some drama club, along with multiple dance classes outside of school. I heard her say that private schools don't-- I have heard it said that private schools don't often serve children with IEPs and disabilities, but we also found out this is not the case. Ethan has an IEP and his speech and confidence has grown so much since being at St. Michael's. He is involved in the book club, wrestling, and basketball outside of St. Michael's. Both children have a great deal of friends that they have made since starting, and it is encouraging children to have-- to know their families share the same beliefs and morals as our family does. We're a single-income family and we make sacrifices to come up with our portion of tuition that the scholarship does not cover, but it's been such a blessing to our family. Thank you.

**VON GILLERN:** Thank you for your comments. Mr. Opperman. And thank you for being courteous about the time. Questions from committee members? Seeing none, thank you for being here. Next proponent. Good afternoon.

**OLIVIA OPPERMAN:** Good afternoon. My name is Olivia Opperman, O-l-i-v-i-a O-p-p-e-r-m-a-n. I am a fifth-grader at St. Michael's School and also the funny one in my family. My brother and I are recipients at the school of choice-- of the school of choice fund. At my previous school, I was being bullied. Kids were saying mean things about the way I looked, that I looked-- I mean the way I looked and dressed. Whenever I would wear my hair in braids, they would call me Wednesday Addams. They were spreading rumors about me, which made it hard to make friends. My parents made the difficult choice to move my brother and I to a new school, and it has been amazing. And it has been amazing. St. Michael's is --has changed our lives. We feel loved and safe. Getting an opportunity scholarship is a huge deal to our little family. I would like to stay at St. Michael's because I have a great group of friends and teachers, and the teachers take their time supporting our education and the smaller class sizes make it easier to learn and receive more individual support. I also-- wearing uniforms makes everyone equal. My grades have improved since attending at St. Michael's. I am also involved in multiple extracurricular activities. The environment is very encouraging, kind, and we are always doing something fun. The church helps support our faith and made my beliefs stronger. I love being able to attend Mass each morning and receive

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Revenue Committee February 6, 2025

the Eucharist. Please don't take the opportunity away from my family. I love St. Michael's School. Thank you for your time.

**VON GILLERN:** Thank you for your testimony. Any questions from committee members? Olivia, thank you for being here today. You're a beautiful young lady.

**OLIVIA OPPERMAN:** Thank you.

**VON GILLERN:** Thank you. Next proponent. Good afternoon.

**MATT STUEBER:** Good afternoon, Senator von Gillern and members of the Revenue Committee. Thank you for hearing us today. My name is Matt Stueber. It's M-a-t-t S-t-u-e-b-e-r, and I serve as principal at Messiah Lutheran School here in Lincoln. The copy I'm providing you is probably 5 or 6 minutes of me speaking, and I thought that was way too much. So I'm reading an edited version of that for you today. I'm here in support of LB509, obviously, and I thank Senator Sorrentino especially, for reintroducing this important bill. In my 18 years as principal at Messiah, I've begun to see families' priorities shift and their appetite shift with it. Their need for high-quality, child-focused education is unchanged, but parents today are more focused than ever on finding the right fit for their children through some new lenses. They're very concerned about safety, a respect-filled classroom, accountability, and that their child is known throughout the school. Some quotes that I've collected from parents who have joined us in the last year: I want my child in a classroom where they feel safe, where they don't need to worry about a chair being thrown across the room on a daily basis. I asked, are you serious? Yes. I want to know that my child feels known for who they are and then challenged to become who they're uniquely gifted to be. I want my child to discover the world that they're growing up in through a lens that reflects our family values and that they know that they're loved and that they're also called to love others unconditionally. I want my child to know and honor a consistent source of truth and that they don't get to make up their own truth for themselves. I want my child to grow up in the same kind of community that I did, and I don't see that in my neighborhood school anymore, and it makes me sad. Too often, parents find the best school for their child, but only realize then that they can't afford it. In Nebraska's 34 Lutheran schools, we serve nearly 4,000 students, over 1,000 of whom would qualify for the top tiers of LB509. At Messiah, where I serve, this past year, 25% of the new students we received at all grade levels receive-- would have-- did receive a donor-supported opportunity scholarship. The joy and relief these scholarships provided were real, as was the confusion

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Revenue Committee February 6, 2025

and anger they experienced when they see it could go away. It's not about favoring private schools over public. It's about giving parents options. No single school can meet every child's needs. Expanding school choice through LB509 ensures our focus stays right where it belongs, on our children.

**von GILLERN:** Thank you for your testimony. Questions from the committee members? Senator Dungan.

**DUNGAN:** Thank you, Chair von Gillern. Thank you for being here, sir. When this says, I want my child to know and honor a consistent source of truth and that they don't get to make that truth up for themselves. What does that mean?

**MATT STUEBER:** The-- our-- in our context at Messiah School, we believe that truth is founded in our God. And we also believe that sometimes, we, as sinful human beings, are tempted-- myself as well, to create our own truth because it feels better than the truth that our creator would have for us. And so the, the, the nonchanging truth of our God is what we're referring to in that sense.

**DUNGAN:** What would an example of making up that truth be?

**MATT STUEBER:** God's created male and female at birth. We believe and teach that, and we also believe and teach to love all, regardless of how they perceive that. And that, that creates some, some stress and confusion, which is completely natural for children. We want to make sure that we're helping them again, as they discover that world they're growing into, which is confusing, to do so through that truth that we find in our scriptures.

**DUNGAN:** Is that part of your behavioral policy in your school?

**MATT STUEBER:** Behavior policy is based on love and respect.

**DUNGAN:** But if somebody, if somebody wanted to wear-- say a young boy comes in one day wearing a dress, what happens then?

**MATT STUEBER:** That would be outside of our dress code.

**DUNGAN:** So they would get in trouble for that?

**MATT STUEBER:** Well, we would, we would ask a family at enrollment to agree with our dress code and that they would abide by that. And so, it would be an accountability issue more so than a discrimination issue.

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Revenue Committee February 6, 2025

**DUNGAN:** And, and I don't want to go too far down that path because it's a whole other conversation.

**MATT STUEBER:** Yeah, yeah.

**DUNGAN:** But my point is, if somebody is trying to come to your school--

**MATT STUEBER:** Yes.

**DUNGAN:** --and let's say they want to enroll but don't agree with-- you don't agree with some of their beliefs or things that they want. They would not be-- you would have the ability to tell them no--

**MATT STUEBER:** Correct.

**DUNGAN:** -- is my point. Right?

**MATT STUEBER:** This is correct.

**DUNGAN:** OK.

**MATT STUEBER:** Yeah.

**DUNGAN:** How many of your students currently receive any kind of scholarships, outside of--

**MATT STUEBER:** Outside of opportunity?

**DUNGAN:** --LB753, LB1402. What's the scholarship rate?

**MATT STUEBER:** We have, we have about 200 students in our school. Of those 200-- and to me, a scholarship is something that you qualify for based on who you are, not what you need. So I'll dif-- differentiate that. So if you go to our church, you get a discount. That's a type of scholarship here. If you have a second or a third or a fourth child, you get a discount. That's a type of scholarship-- funded by donors, just like tax credits. But then there's financial aid, and that's what this is about. So we have donors that support our financial aid process and also, other donors, some of them, they're the same, that would support this type of process.

**DUNGAN:** 2 different buckets, essentially? OK.

**MATT STUEBER:** Right. So those who qualify for financial need-based aid, I would say about 30%.

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Revenue Committee February 6, 2025

**DUNGAN:** Do you-- ballpark, because I know you don't have numbers in front of you, know how much money you receive to distribute in that financial aid on a-- on an annual basis?

**MATT STUEBER:** On an annual basis, we distribute nearly \$100,000.

**DUNGAN:** Does that come mostly from donations, philanthropic donations?

**MATT STUEBER:** Yep.

**DUNGAN:** As of right now, do you know whether or not those donations are tax deductible?

**MATT STUEBER:** They are.

**DUNGAN:** Do you know how many students in your school received scholarships pursuant to like, LB1402?

**MATT STUEBER:** I don't have LB1402 in front of me because that's, that's not the same thing. But I did look, preparing for today, the LB753 opportunity scholarships we had, I referenced it here, 25% of our new students, they-- we had about 40 new students this year across all grades, 20 of whom qualified as a new student with financial need and got an opportunity scholarship.

**DUNGAN:** And again--

**MATT STUEBER:** And our ave-- our average-- our highest scholarship we were able to give through opportunity scholarships was, was \$2,000. Our lowest was \$600.

**DUNGAN:** That was my next question, is what the actual amounts were.

**MATT STUEBER:** Yeah, yeah. And well, actually, lowest would have been denied. Because we had families who asked but did not-- made too much money to qualify, which I think is very appropriate.

**DUNGAN:** And do you know what-- or I guess, can you tell me what-- what's the annual cost of tuition at your school?

**MATT STUEBER:** Our cost to attend-- we, we don't have a bunch of like tuition, scholarship-- or tuition, technology, books, and it's just-- cost to attend is just over \$7,000.

**DUNGAN:** \$7,000. So the highest of the LB753 opportunity scholarships covered less than half of that. Is that fair to say?

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Revenue Committee February 6, 2025

**MATT STUEBER:** Oh yeah. By policy, we will not reduce somebody's tuition by more than half, anyway.

**DUNGAN:** OK. Thank you. I appreciate that, sir.

**MATT STUEBER:** You bet. Thank you.

**von GILLERN:** Any other questions? Seeing none, thank you for your testimony tonight.

**MATT STUEBER:** Thank you.

**von GILLERN:** Next proponent. Good afternoon.

**JEREMIAH MAJORINS:** Hello. Thank you for your time today. And thank you for-- Senator Sorrentino, for championing this bill. I would fall under the category-- before I say my name-- as one of those adults maybe more nervous than those kids. So I'll give it my best shot. Those kids did such a great job coming up here and talking, so. Anyway, wasting time. My name is Jeremiah Majorins, J-e-r-e-m-i-a-h M-a-j-o-r-i-n-s. I currently serve as the principal in my second year at Christ Lincoln Schools. I've-- throughout my time in education, I've taught in both private and public schools, and I strongly support LB509. Every child deserves the opportunity to thrive in a learning environment that supports their growth, and LB509 helps make that a reality. Just talking about our school, without school choice and this bill, I-- there will be more than 10 families that will likely not be in our Lutheran school next year. These are conversations that I don't look forward to. And as I get to work with new families, the financial need is great. But the opportunity to attend a school that aligns with their child's educational, social, emotional, and value-based needs is even greater. As I said, I've taught in a public school and a private school, and I come from a family of educators throughout this whole city, and we teach everywhere. I value public school and I value a very strong partnership. I value a strong partnership as a principal. My family, as small business owners, they had to work very hard, my parents, to give us opportunities. And this bill acknowledges and supports those efforts. In my own household growing up, we attended both private and public schools because my parents carefully chose the best fit for each of us-- the 3 of us. Their commitment to finding this right educational path shaped my deep appreciation for this school choice. I work with families every day who see a culture at Christ that would be better fit for their child and their family, just-- they couldn't afford it. Different families, different children have different needs. These families should have access to a school

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Revenue Committee February 6, 2025

that fits those needs. I also keep hearing the argument or false claim that nonpublic schools are unregulated. I know that's been talked about a little bit. But just a little bit about our Lutheran schools. We both follow and exceed and work to exceed our state standards and are all accredited institutions. This is about, for me, empowering families and not harming these districts who see state funding increase of historic levels of over 30%. And I just want to keep moving forward with honest conversations that focus on what truly matters, giving every child access to a high-quality education. And as I said before, I just value that strong partnership. Thank you for your time today.

**von GILLERN:** Thank you for testimony. Questions from committee members? Senator Dungan.

**DUNGAN:** Thank you, Chair von Gillern. Really briefly, I think-- have you testified here before?

**JEREMIAH MAJORINS:** Yes. I got to testify for the first time in the fall.

**DUNGAN:** I think I've asked you this exact same question because you triggered the same thought in my brain. So you've worked for a public school and a private school.

**JEREMIAH MAJORINS:** Wonder if I'll say the same--

**DUNGAN:** Let's get the transcripts. No.

**JEREMIAH MAJORINS:** No.

**DUNGAN:** Can you speak a little bit to--

**JEREMIAH MAJORINS:** Sure.

**DUNGAN:** --the partnership that exists between public and private schools with regards to serving like, the developmental disabilities or the special ed population? Because I think we've heard previously that private schools oftentimes will work with public schools to have somebody come in and work with their special ed population. And I think I asked you about that last time. Can you speak a little bit to what that interplay looks like between a private and a public institution for those communities?

**JEREMIAH MAJORINS:** Of course. We work with Lincoln Public Schools here in Lincoln and partner with them. I love our team, whether it's speech

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Revenue Committee February 6, 2025

pathology, school psych, our resource teacher. I just love our partnership. I love that the consistency that they've been able to be at our school. If you don't know, they get-- sometimes, we don't know who we're going to have, which is really hard. So I really hope every-- each time, we get the same person assigned to us because they know our families so well. And it's, it's been a great, great partnership. I hope I'm answering your question.

**DUNGAN:** No, yeah.

**JEREMIAH MAJORINS:** They, they-- we get services through Lincoln Public Schools. We also try our best to meet those needs, too, especially when those needs are different than if they were in a public school currently, whether it's the minutes met or certain needs for-- depending on that. That's a case by case basis, depending on the needs of the IEP, of how we could best meet those schools or maybe find out that the public school would be the best fit for that child, because we've tried every single thing and resource and beyond our partnerships and what we can do, and we find that best fit.

**DUNGAN:** No, that's exactly what I was wondering. I just-- I know we've heard, in the past, testimony about private schools having public paras and public special ed teachers come in, maybe on a weekly basis or something like that. So that's kind of what I understood it to be, so thank you for clarifying.

**JEREMIAH MAJORINS:** You're welcome.

**von GILLERN:** Thank you. Any other questions? Seeing none, thank you for your testimony.

**JEREMIAH MAJORINS:** All right. Thank you for your time.

**von GILLERN:** Next proponent. If you're going to testify, if you would move your way up to the front rows. It actually does speed things up a little bit, so that--give me an-- how many more opp-- proponent testifiers are there? OK. Thank you.

**KEN HEINZ:** If I squeak, forgive me. I'm sorry about that. Chairman von Gillern, members of the Revenue Committee, I'm here in support of LB509. My name is Dr. Ken Heinz, K-e-n H-e-i-n-z, currently principal at St Joseph's Catholic School in York, and a past 30-year veteran, public school education, the last 22 as a school superintendent. I always made it clear that I was in support of public education, or education for all students, whether it's public schools or private schools. I stood firmly in that belief that this-- [INAUDIBLE] that

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Revenue Committee February 6, 2025

this decision should be made by parents of students, and we should be supportive of those parents in that decision, regardless. As you can imagine, this rubbed some of my public school colleagues wrong and frustrated them that I simply didn't jump on the public school bandwagon and, and, and speak out against private/parochial education. While I was and still am a big proponent for public school education-- in fact, most of us did a really good job. I, I, I, I think there's-- we have to step back and look at what else can we do for private school [INAUDIBLE] education. What can we do in support of parents? I see tremendous benefits of our parochial/private school institutions and don't believe that they should be shortchanged and the students not supported based on the fear of losing students or inaccurate information put out by certain public-related school organizations. I'm a firm believer that all educational institutions should stand on their ability to produce quality outcomes and allow parents to look at data openly and honestly decide where they want to send their children. The ability to make what they believe is the best decision for their children should not be determined based solely on finances. Well, I think there's common agreement that nonpublic education should not be fully or even largely funded with taxpayer dollars, I do believe there should be some type of support in some fashion for these taxpaying parents who choose another route that they feel is better fit for their kids. I feel strongly we should support parents and children by having some type of support-- funding mechanism for those families who are struggling financially, in spite of them paying their tax bills, and they can't afford to put their, their kids in a school of their choice. From being an educational leader in both public and parochial school systems and understanding the structures of both, I think LB509 would be an equitable solution and support of all students and not just those who have organizations-- excuse me here-- such as the NSEA spending millions of dollars to share inaccurate misinformation. I'm going to jump ahead really quick here, and you, you have your sheets there. I would like to address 2, 2 items that I think-- that, that really bothered me the last 2 rounds of this misinformation. The fact that any school opportunity fund, let's talk about LB509 now, is going to take funding away from public schools. No, it's not. I mean, I did this for 22 years. I understand public school funding. There's the TEEOSA funding formula. That's what public schools are going to get. They're going to get those moneys. So if there's another big pot of money out here, they're not going to get anything out of that. They get their funding, then they get TITLE reimbursements, special education reimbursements. That's their funding. If there's another big pot here, they're not going to get that. Likewise, if they are running short and state revenue is running

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Revenue Committee February 6, 2025

short, they're still going to get that TEEOSA funding, period. You guys gotta come up with that money. The other thing is that private and parochial schools don't follow the same regulation that public schools do. In reality, yes, we do. Again, I've been there, both. They're very similar. Public schools, Rule 10 accreditation standards, nonpublic, Rule 14 accreditation standards. I see my red light is on. But they're, they're--

**von GILLERN:** Thank you.

**KEN HEINZ:** --one in the same.

**von GILLERN:** Thank you for being courteous. Questions from committee members? Seeing none, thank you for your testimony today. Appreciate it. Next proponent. Good afternoon.

**BRENNA GRASZ:** Good afternoon, Chairman von Gillern and members of the Revenue Committee. My name is Brenna Grasz, B-r-e-n-n-a G-r-a-s-z. I'm an attorney here in Lincoln. Among other practice areas, I counsel nonprofit and tax exempt organizations, have some experience in constitutional law, and engage in appellate litigation. I'm here to testify in favor of LB509 and particularly to discuss the state constitutionality of school, school choice legislation like this bill. I'll do my best to explain in 3 minutes-- I'll talk fast-- why I believe this bill stands on solid constitutional grounds. One of the key Nebraska constitutional provisions at issue is Article VII, Section 11. It states in relevant part that appropriation of public funds shall not be made to any school or institution of learning not owned or exclusively controlled by the state or a political subdivision thereof. This provision raises a few questions, 2 of which I will address. First, is this bill an appropriation of public funds? And 2, does it appropriate state funds to nonpublic schools? Anyone challenging LB509 must successfully convince the reviewing court that this is both an appropriation of public funds and that it is to nonpublic schools. I believe the answer to both of these questions is no, under the plain text of the Nebraska Constitution. First, the tax credit provided in this bill is not an appropriation, nor is it an appropriation of public funds. Other courts across the country agree that voluntary private donations are not appropriations of public funds from the public treasury. This would assume, as the U.S. Supreme Court has stated, quote, that income should be treated as if it were government property, even if it has not come into the tax collector's-- the state's hands. In the Court's restated words, private bank accounts cannot be equated with the State Treasury. The fact that the tax credit could have been owed but wasn't, absent the

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Revenue Committee February 6, 2025

credit, does not transform the money retained by the taxpayer into public funds. Second, LB509 is not an appropriation to nonpublic schools. The plain language of the constitutional text demands attention to this point. While some argue that it can provide an indirect benefit to nonpublic schools, that is not enough under the plain text. Nebraska Supreme Court precedent addresses this plain language in multiple cases. I will quickly, quickly focus on the Lenstrom case, where the Nebraska Supreme Court reviewed what is now the Nebraska Opportunity Grant program, which uses state appropriations and scholarships to give low-income students the opportunity to attend a college or university of their choice, including a private one. Unlike a prior version of Article VII, Section 11 that prohibited appropriating funds in aid of nonpublic schools, the court recognized that the constitutional text now-- both in Lenstrom and now provides-- prohibits funds to nonpublic schools. The court squarely rejected the assertion that both direct and indirect aid to private schools are prohibited under the current language and thus, instead, we were faithful to the plain text of the language. Because LB509 has its indirect beneficiary students and families, not schools, the Nebraska Constitution permits what LB509 accomplishes. For these reasons, the committee should be confident advancing LB509 out of committee. So thank you for your time and consideration.

**von GILLERN:** And you nailed the time. Good job. Questions from committee members? Senator Dungan.

**DUNGAN:** Thank you, Chair von Gillern. I promise I'm not going to ask a billion questions. I know we're limited on time here.

**von GILLERN:** Thank you.

**DUNGAN:** Yeah, I'm trying to be courteous to the testifiers and the committee. So the constitutionality of this program is one that we continue to talk about. And it's fair to say there has not been a test case identical to what we're talking about here in Nebraska at the Nebraska State Supreme Court level. Correct?

**BRENNA GRASZ:** So the Lenstrom case that I mentioned earlier, you could say that the, the distinguishing factor in that case would be that the money could be used at both private and public secondary schools. I would say that doesn't change the plain text of the language. I don't think the, the language of the Nebraska Constitution requires that scholarship to go to both private and public. It just says it can't go to non-- nonpublic schools. And here, we, we don't have that. We have

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Revenue Committee February 6, 2025

a-- at most, an indirect benefit to the schools. But really what it is, is a direct benefit to the student.

**DUNGAN:** Well, and I think you kind of hit the nail on the head for a couple of what I was going to follow up with. So the cases that are often cited as to the constitutionality of this being upheld are exactly what you just said. Right. It's a, a, a, a fund that can be used for both a public and a private purpose, as well as the textbook sharing program, that it can be used for a public and a private purpose. So we have yet to have a case exactly on point here, where we're talking about both a tax credit and one that can only be used for a private institution. Go to the Nebraska Supreme Court. Is that fair to say?

**BRENNA GRASZ:** That's the beauty of law practice. There's usually not a case exactly on point. Sometimes there is, but sometimes there's not.

**DUNGAN:** Yeah. When there is, it's really nice. In addition to that, you're talking about whether or not this is an appropriation. So also fair to say if LB509 were to pass, there would be a specific set aside of the \$25 million at least to start, if not higher, for the purposes of LB509, for the specific purpose of providing these tax credits. Correct?

**BRENNA GRASZ:** You have to look at the language of the constitutional provision that says appropriation "of public funds." So read together, looking-- I mean, both in Nebraska, but particularly in other states, states like I would say Arizona, Alabama, Florida, they have specifically made clear that the "of public funds" language, a tax credit is not public funds. They are private funds. So you'd have to look at the provision as a whole.

**DUNGAN:** Well, in a couple of those cases, they actually decided the issue of mootness. They didn't actually get to the definition. It was more dicta-- nonbinding dicta, of whether or not it actually is a public fund. Is that correct?

**BRENNA GRASZ:** I would say that it's a pretty good argument to stand before the court to say that private donations are not public funds.

**DUNGAN:** I just know we've heard time and time again that this is a settled issue. Right. This is all done. It's all settled. The courts have-- that's not entirely true, at least as it pertains to binding legisla-- or litigation for Nebraska. Is that fair to say?

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Revenue Committee February 6, 2025

**BRENNA GRASZ:** I would-- there's cases very on point. There's obviously going to be factual differences between cases. This is a bill that doesn't exist in Nebraska right now.

**DUNGAN:** OK.

**BRENNA GRASZ:** And so we take those cases and the cases from other states that are persuasive and argue that before the court.

**DUNGAN:** And then I think the last concern that people have had about this is we're saying it's not to a private school. Does it not feel like just subterfuge of the intention of the constitutional provision? If we can provide a tax credit and say that that doesn't run afoul of the constitution, where does that then prevent us from doing that in any other context for anything else that is hypothetically unconstitutional? Oh, we're not giving you money. It's a tax credit. So by adding, you know, the stop along the way to the end result, doesn't that circumvent the entire purpose of this provision of the constitution?

**BRENNA GRASZ:** I think that's a great question to discuss on the legislative floor. I think for purposes of me, I'm looking at the text of the constitution.

**DUNGAN:** Sure.

**BRENNA GRASZ:** And I would say the plain text says that, that the, the Legislature can sit comfortably in the constitutionality of the provision.

**DUNGAN:** OK. I really appreciate your expertise here today. Honestly, thank you.

**BRENNA GRASZ:** Yeah. Thank you.

**von GILLERN:** Thank you. Any other questions? Seeing none, thank you for your testimony.

**BRENNA GRASZ:** Thank you.

**von GILLERN:** Next proponent. Good afternoon.

**JEREMY EKELER:** Good afternoon. My name is Jeremy Ekeler, J-e-r-e-m-y, Ekeler is spelled E-k-e-l-e-r. Senator von Gillern and members of the Revenue Committee, I am the executive director of Opportunity Scholarships of Nebraska. We are one of four organizations certified

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Revenue Committee February 6, 2025

by the state as scholarship granting organizations under the now sunset LB753, Opportunity Scholarship Act. OSN worked with over 2,000 applicants and partnered with over 100 schools from January 2024, when the tax credit under LB753 went live, through hit-- through its expiration on October 31. As has been attested to by the families, the program was very successful, and given more time, would be a real win for Nebraska's children and families. We thank Senator Sorrentino for bringing this tax credit concept back to the table. I'm grateful to share what we've learned from this past year. Let's start with the most important part of the program, which is the who, the families it served. And you have a nice breakdown here that Senator Sorrentino went through already. Nearly half of the scholarship recipients are below the Children's Health Insurance Program poverty level, another 22 below 300% poverty, 16% below 400% poverty. 45% of our scholarships went to students in rural areas. 38% of our scholarships went to students of color. 12% are students with special needs. We also had 13 students who were denied option enrollment. I know time is short, so I'm going to kind of cut to the chase. We talked about the average scholarship amount. I would like to talk about a couple of the things that have come up today. One, one is test scores. This is an important point. And I've seen these same studies that have been referenced today. Any time a student changes academic settings, there's going to be a dip. And if you circle that dip, you're going to see a problem. But if you give that student 2, 3, 4, 5 years in that setting, that student, that student will succeed. We also really can't put an amount on a parent's satisfaction with the school community that they're in. So I think the test score piece is important. I also think it's important to note year over year, the average ACT score in Nebraska for students of color is 4 to 5 points lower in a public school than in a private school. So test scores do matter, but there's a lot more data that we can talk about. We've also heard about and I'm probably going to hear it again today, that there's a lack of private schools in Nebraska. Yet, 89 of Nebra-- 93 Nebraska counties have at least one family sending children to these accountable, nonpublic schools. So to kind of move through this a little more quickly, as my light is starting to change, we've had education freedom in Nebraska for-- or the United States for over 30 years. It has flourished, never diminished. If this is such a bad idea, why do we promote and encourage it at every other age? If it's so bad, why does it always grow when parents discover it? The point is this: 2 things can be true at the same time. We can invest in choice for parents and invest in great public schools. Thousands of Nebraska families now at risk of losing their scholarships are hoping this committee sees this wisdom. And I'll wrap it up there and we can start taking questions.

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Revenue Committee February 6, 2025

**VON GILLERN:** Thank you for your testimony. Questions from the committee members? Senator Ibach.

**IBACH:** Thank you, Chair. I just-- I was interested in-- because I'm from a very rural district.

**JEREMY EKELER:** Yeah.

**IBACH:** I was very interested in your 45% of scholarships went to students in rural areas. In, in my district, I only have one very, very small private school.

**JEREMY EKELER:** Mm-hmm.

**IBACH:** But they do great things. And I have great public schools, too. I'm very close with a lot of my school board members, my superintendents. Do you see a rise in the number of private schools in rural districts? Can you speak to that at all?

**JEREMY EKELER:** We are seeing a rise. We have a new school in Grand Island. There's discussions about a new one in Kearney. We also have a new one in the Lindsay area, I believe. So we're seeing more of these. I think this points to a basic desire for parents to find a place that's the right fit. There's a philosophical, there's a philosophical difference in this argument. One side seems to argue that schools should serve every child, no matter what. The other side is saying a plurality of schools that meets every student's needs that parent can-- parents can choose is the optimum. We're over here. And I think those people in the rural communities you're talking about are saying, we would like a school that meets our needs, is accountable to the state, but is the right community school for us. So this is just a difference in worldviews. But I think it answers to why we're seeing these new schools pop up in rural districts.

**IBACH:** Do you think that it's similar? Do you think it's similar to a homeschooling-- I mean, since the pandemic, we knew during that time there was kind of a movement toward--

**JEREMY EKELER:** Yeah.

**IBACH:** -- some homeschooling. Is this-- are some of those schools in-- as a result of the homeschooling movement or--

**JEREMY EKELER:** So I don't want to steal the thunder of-- there's going to-- I think they are probably going to talk about a report later. But we often hear 90% of kids go to public schools. And the, the latest

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Revenue Committee February 6, 2025

data is that number is 14% of kids are not going to public schools. The number is growing in the nonpublic sector, including homeschool. That's not my report. That can be brought up later by another testifier. I do think it's the homeschooling piece. I think there's truth behind the COVID moment-- and I bring this up every time, so people are going to groan. And my wife is a public school teacher in a Title I school, and it is a very difficult school. We cut our teeth in south Chicago schools. Those teachers are doing their absolute best. We love those teachers. We love the nonpublic. But to the point, during COVID, things were showing, things happened, and parents felt like they wanted a different option. So my friends are still homeschooling. Some have chosen public schools. Some have chosen private. But I guess if you've met one sort of school choice advocate, you've met one school choice advocate. I don't know if I have the answer for every one of them, but I do think that's a factor in these schools, the homeschool impact.

**IBACH:** Thank you very much. Thank you, Chair.

**von GILLERN:** Any other ques-- Senator Dungan.

**DUNGAN:** Thank you, Chair von Gillern. Thank you for being here.

**JEREMY EKELER:** Yeah.

**DUNGAN:** I know we've talked a lot about this issue, you and I.

**JEREMY EKELER:** Yeah, it's good, it's good.

**DUNGAN:** I, I-- first, I just want to say I genuinely believe and, and understand that you're coming at this from the perspective of doing what is best for the kids. Right. I think that's the goal of everybody in this room.

**JEREMY EKELER:** We all are. Yes.

**DUNGAN:** Everyone's trying to do what's best for our schools and our children's-- so I-- children's future. So I appreciate that. So you are the executive director of Opportunity Scholarships of Nebraska, which I think, as you noted, was one of the 4 entities that was certified as an SGO when LB753 first went into effect. Is that--

**JEREMY EKELER:** I was very aware of that.

**DUNGAN:** OK. Honest question, trying to understand the business model here.

**JEREMY EKELER:** OK.

**DUNGAN:** So if scholarships were already existing and people were already providing donations, philanthropic, you know, to schools individually or other organizations, what is your, for lack of a better way to put it, business model for soliciting donations to your SGO in order to then distribute those scholarships elsewhere? Because it seems to me that these existed. Then the SGOs popped up and somehow, there would have had to be a massive influx of money to the scholarship granting organization--

**JEREMY EKELER:** Yes.

**DUNGAN:** --to then give out those scholarships. So how did that happen so fast?

**JEREMY EKELER:** It's a great question. I heard your floor speech about how we have all these tax credits by January 5, and you know what? It didn't happen? It didn't happen. We put in about-- I put in about 20,000 miles driving from community to community to tell people about this program. Tax credit programs do not just take off. You can ask the Department of Revenue about that. It takes a lot of education. Don't need to get the weeds here, but there's also a passthrough entity tax occurring. It was also the beginning of a-- of an act-- of a fiscal year for most people who weren't thinking about their taxes. So our ability to raise tax credits was really about getting out into communities and saying, you have 30 kids who need scholarships, you have 5 kids who need scholarships. Here's how this program can work. So whether it was Ord, Scottsbluff, wherever we-- it was about education. So I don't really consider it a business model so much as like we see our list of kids that need help. Let's go get help for them. I'm an educator. I guess I don't think about it as a business, so much as how do I get funds to kids who really need help?

**DUNGAN:** And that makes sense. And do you know-- do you have any information as to whether or not the individuals that donated to your organization were people who had previously been donating to scholarships or to financial aid, or was this their first time donating?

**JEREMY EKELER:** I don't have that information.

**DUNGAN:** OK.

**JEREMY EKELER:** Yeah, I don't have that.

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Revenue Committee February 6, 2025

**DUNGAN:** Thank you. I appreciate it.

**JEREMY EKELER:** Yeah, no great, great questions, as always. I love, love them.

**von GILLERN:** Thank you. Any other questions from the committee? Seeing none, thank you, Mr. Ekeler.

**JEREMY EKELER:** Thank you.

**von GILLERN:** It is 3:10. We started proponent testimony at 2:10, so we'll switch to opponent testimony. Welcome up, Mr. Royers. Good afternoon.

**TIM ROYERS:** Good afternoon, Chair von Gillern, members of the Revenue Committee. For the record, my name is Tim, T-i-m Royers, R-o-y-e-r-s, and I am the president of the Nebraska State Education Association. I am here today to speak in opposition to LB509. Establishing a new tax credit is inconsistent with the policy priorities of this legislative session. There is a concerted effort underway to both simplify the tax code and reduce spending in order to resolve the \$0.5 billion budget deficit our state is facing presently. Diverting \$25 million a year is inconsistent with that goal. I would ask this committee to help the public teachers of the state understand why in one committee are you seeking to take tens of millions of dollars from our retirement fund to resolve the budget deficit, but then you're OK with diverting \$25 million for this program? We fundamentally believe that any school receiving public dollars should play by the same nondiscrimination and accountability rules our public schools do. I must point out that no effort was made to accommodate those concerns in this iteration of the bill, despite the clear message from voters over the past 2 years. And since I learned earlier this week that Senator Sorrentino has an affinity for reviewing application forms, I would encourage the committee to learn that to become an approved private school, you just got to fill out this one sheet of paper, and that would allow them to receive funds under LB509. We only need to look at Iowa to show that Nebraska made the wise choice on this issue last November. In a short amount of time, Iowa now spends hundreds of millions of dollars on vouchers. And to quote the sponsor of this bill from his opening statement, we would love increases. In a short amount of time, they've gone up to those amounts and despite that, that short amount of time, only 12% of voucher recipients in Iowa ever attended a public school. Private tuition has jumped more than 25% in that state since the introduction of their program. And critically, the average income of a family receiving a voucher to go from a public to a private school is

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Revenue Committee February 6, 2025

over \$128,000 in that state. As an-- as any good Nebraska fan knows, we definitely don't want to be like Iowa. In the face of a clear mandate from voters, proponents of LB509 have resorted to implying the election outcome was the result of misinformation. Let me be clear. Every opinion poll showed a majority did not support what LB509 is attempting to do. The election of last November was also the fourth time in Nebraska's history that vouchers were rejected. There were also 2 other states, Colorado and Kentucky, that rejected similar measures on their ballot. Not only that, but petitions to get 435 on the ballot had the highest signature acceptance rate of any petition drive last election cycle. I know that many of you on this committee don't agree with us on the underlying issue, Right. I'm, I'm well aware of that. We have sparred many times on this issue, but I will appeal to your sense of duty as elected officials to listen to your constituents. They sent a very clear message that crossed party lines and geo-- and geographic distance. It wasn't just Douglas and Lancaster. This was true in Dawes, in Harlan, in Lincoln, in Chase Counties, all over. And if you choose, like Senator Sorrentino has, to not listen to your constituents, I want to reiterate something and make it very plain to you. We will get the signatures again and we will repeal this bill. We remain firm in that commitment. We've got plenty of other things to do. Please don't waste the legislative body's time and resources by advancing this bill. Thank you, and I'm happy to answer any questions.

**von GILLERN:** Thank you, Mr. Royers. Questions from committee members? Senator Jacobson.

**JACOBSON:** You mentioned that the Legislature is seeking to take money out of the teacher retirement fund. Can you elaborate on it? Please explain to me what you're talking about.

**TIM ROYERS:** Yeah. It's a bill that's proposing to reduce the state's existing contribution rate into NPERs.

**JACOBSON:** Do you know why that's being proposed?

**TIM ROYERS:** Yes.

**JACOBSON:** Can you tell me?

**TIM ROYERS:** Currently, based on the last actuary report of NPERs, our plan is 99-- over 99.9% funded.

**JACOBSON:** So where, where's the issue?

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Revenue Committee February 6, 2025

**TIM ROYERS:** Well, one, it's illegal.

**JACOBSON:** What do you mean it's illegal?

**TIM ROYERS:** You have to provide us a corresponding benefit before the state reduces its contributions to our plan.

**JACOBSON:** But, but we're, we're going to be nearly 100% funded and we would be the highest of all states in the union.

**TIM ROYERS:** Right. But I-- but, but think about what that indicates to the public educators of this state, if your first reaction to seeing that our plan is well-funded is not to give back to the educators and reduce our contribution rate, it's to use it to resolve an issue on a spreadsheet.

**JACOBSON:** It's not well funded. It's fully funded.

**TIM ROYERS:** I understand. So let's reduce our contribution rate. Our educators put nearly 10% of their paychecks into that system. And by the way, for the record, as I've said publicly, we would love to live in a world where both the state and educators can dial down the contribution. I want to make no mistake on that. My reason for referencing that is we're being told this budget deficit is so-- such an issue, we're going to look at those sources to resolve it. And yet, we're fine here, creating an entirely new tax credit that will siphon off tens of millions of dollars every year, even though we have such a profound deficit issue we have to resolve. I feel like we're getting mixed messages depending on who I talk to, is the point I'm trying to make.

**von GILLERN:** Thank you.

**JACOBSON:** Could we not also agree that the Legislature has increased the funding to public schools every year?

**TIM ROYERS:** With the expectation that 97% of those dollars go to property tax relief, yes.

**JACOBSON:** Did that happen?

**TIM ROYERS:** Yes.

**JACOBSON:** No, it did not. No, it did not.

**TIM ROYERS:** OK.

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Revenue Committee February 6, 2025

**JACOBSON:** The, the, the taxpayers did not see the corresponding tax-- property tax relief.

**TIM ROYERS:** I did. My property taxes went down.

**JACOBSON:** Well, I-- for other reasons, not from school spending.

**TIM ROYERS:** Actually, it's because my school district lowered their levy by \$0.11.

**JACOBSON:** This is part of the problem. We talked about misinformation. So I just-- I, I, I [INAUDIBLE].

**TIM ROYERS:** Senator Jacobson, I would love to-- I will pull up my assessment right now and show you that yes, my school district lowered their levy by \$0.11.

**von GILLERN:** Thank you both for your questions and the responses. Any other questions? Seeing none, thank you, Mr. Royers.

**TIM ROYERS:** Yep. Thank you. Always a pleasure.

**von GILLERN:** Next opponent. Good afternoon.

**JEAN McGUIRE:** Good afternoon. My name is Jean McGuire, J-e-a-n M-c-G-u-i-r-e. Good afternoon, Chair and members of the Revenue Committee. I live in Lincoln. However, my 7 siblings and I grew up in Wisner and received an excellent public education. I should note that there are 48 counties in Nebraska, more than half of our 93 counties that do not have a private or parochial school. So this bill hurts Nebraska, in my opinion, but in particular, it hurts rural Nebraska. I'm not going to cover everything in my letter, so I'm just going to hit the points that are important to me. The tax credits proposed in LB509 provide dollar for dollar tax credits. That is a much larger tax credit than any other nonprofit receives, including food banks, the Red Cross, American Heart Association, the Salva-- Salvation Army, et cetera. And I'm against that. Over the last-- past 2 years, I stood outside our public libraries to collect petition signatures to put not only LB753, but also LB1402 on the ballot. I want you to know that voters sought out those of us collecting signatures and asked to sign the petition. The claims from voucher supporters that Nebraska voters did not know or understand what the petition was about is not true. It is a bogus argument. Nebraskans knew what they were doing and the message they wanted to send to you as legislatures [SIC] was and remains clear. Do not divert public funds to pay for private schools. Do not make in a direct-- a direct appropriation to pay for private

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Revenue Committee February 6, 2025

schools, and do not create some tax credit scheme that uses public funds to pay, pay for private schools and call it a scholarship. With our unique Unicameral Legislature, the people are the second house. Voting to ignore that their clear wishes on this issue is indefensible. I urge you to respect the will of the voters and reject all attempts to circumvent Nebraskans' wishes on using public funds to pay for private, private schools. Thank you.

**von GILLERN:** Thank you for your testimony. Any questions from committee members? Senator Murman.

**MURMAN:** Thank you, Chair. And thank you for your testimony. A, a few of your points there at the bottom, I would dispute those. You say do not make a direct appropriation to pay for private schools. The scholarships, the, the funding, actually went to the, the kids, to the scholarship, not to the private schools, so not directly to private schools.

**JEAN McGUIRE:** So I'm, I'm--

**MURMAN:** Is that not correct?

**JEAN McGUIRE:** So I am going to make a, a little bit of a general statement. There's 4 more voucher bills coming forward. So I thought, let me, let me put my word out there for anything that may happen around this. So in this case, you're probably right, but there's 4 more coming.

**MURMAN:** OK. And that's, and that's the second point. And then the third point, do not create some tax credit scheme that uses public funds to pay for private schools and call it a scholarship. The, the funds actually went to scholarships for the kids to attend private schools, so they went to the kids.

**JEAN McGUIRE:** But the tax-- I am more focused on the tax credit side of this. And that's what I heard from many people that signed this, this, saying, why, why are we giving 100% tax credit to somebody to give money for this? So that, that's my opinion.

**MURMAN:** But I would say that the funding went to the kids for their education. Is not-- is that not true?

**JEAN McGUIRE:** I would-- yeah, you're correct.

**MURMAN:** Thank you.

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Revenue Committee February 6, 2025

**von GILLERN:** Thank you for your question and response. Any other questions? Seeing none, thank you for your testimony.

**JEAN McGUIRE:** Thank you.

**von GILLERN:** Next opponent. Good afternoon.

**MELANIE KNIGHT:** Oh, goodness.

**von GILLERN:** It's a low chair.

**MELANIE KNIGHT:** It is.

**von GILLERN:** It is for everybody.

**MELANIE KNIGHT:** And I'm not too bright. I'm not too small here-- or too tall, so. Hi. My name is Melanie Knight, M-e-l-a-n-i-e K-n-i-g-h-t. I live in Clay Center, Nebraska, and I am in Senator Murman's district. I am a former stay-at-home mom. I homeschooled my youngest from fifth grade up, and I am opposed to this bill. I could testify for hours, if you let me, the myriad of ways I'm opposed to this bill, but I will let others deal with all the cons. I want to share a little different take on this. 2 bills ago, I was asked to testify in opposition to LB753 because I had made my, my point clear, and which I gladly did. I then volunteered to circulate petitions. No compensation. Zero. I was not paid, although it was fun. I got to meet people, I got to talk to my community, and it was easy. People were eager to sign. I didn't have to ask for their signatures. They wanted to sign. They love their public schools and they do not want their tax dollars going in any way, any fashion, to pay for private schools, including tax credits. And then you passed LB1402, which took away the right for those people to vote on LB753 So I volunteered again. Once again, no compensation. Zero. However, I did have the chance to meet even more people, make friends, and it was even easier this time. People were fired up and they were eager to sign. I had Republicans, Democrats, Independents. I had people who had children and grandchildren in private schools willing to sign. Heck, I even had people that were initially for LB753, but now were more eager to sign because they felt like the voice of the people had been ignored. So I decided to pop off a little social media post and set up a table in my yard and invited people to come on down and ask me questions, and be willing to sign if they wanted to. I had people drive from out of town. I had people going for a walk, had no clue what was going on, and say, tell me more. And they signed. I even had a guy show up in his front end loader because he was afraid he was going to miss the

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Revenue Committee February 6, 2025

deadline and he did not want his voice to not be heard. So once again, after this, within-- with this bill being introduced, I turned to social media. You got to love it. I explained what was going on and I asked people for their thoughts and opinions on this bill. I'm just going to share a few. This is outrageous. We should not be addressing this for a third time. We, the people, have spoken. Now listen. And that's from a registered Republican. We the people have said no twice. Last November was a vote. Why is this coming back up? If your state says no, who is this really benefiting? Because your people are saying no. This is why people don't trust your government. Finally, what the "expletive" is wrong with these people? Why do they not understand that no means no? We jumped through all the hoops, we crossed all the I's, we dotted the T's, then we voted overwhelmingly to say no to this public money going to private schools. Once again, what the "expletive" is wrong with these people? They're angry. And I'll have-- if I have to come back, I'll do it all over again. Any questions?

**von GILLERN:** Thank you for your-- watch-- thank you for watching the timer and editing the, the posts. We and all Nebraska appreciate that. Any questions from the committee?

**MELANIE KNIGHT:** No? All right.

**von GILLERN:** Seeing none, thank you for being here. Good afternoon.

**BEN WELSCH:** Good afternoon. Thank you, Chairman von Gillern, members of the Revenue Committee. My name is Ben Welsch, B-e-n W-e-l-s-c-h. I'm a teacher, my wife's a teacher, and we have 5 kids. All of us work at or attend Hastings Public Schools. I am here to speak in opposition to LB509 on behalf of all the petition signers and voters of Adams County. The voters of Adams County in Legislative District 33 have spoken. Opportunity scholarships and taking public dollars to give to private schools is not acceptable in Nebraska. For the last 2 years, as a leader in Adams County, I helped coordinate 2 successful petition repeal campaigns against vouchers. The introduction of another opportunity scholarship bill is another reason Nebraska voters continue to lose faith in their elected officials. The will of the people and the second house deserve the support of Nebraska senators when we, the citizens, do the work of garnering public support to put an initiative on the ballot. The time and effort that we spent by Nebraskans to overwhelmingly defeat vouchers should be respected by our elected officials. Nebraskans value their time and don't like it when it is wasted. Let me give you some examples of how LB509 makes Nebraskans feel about the value of their time. In working in Adams County, our team during the 2024 petition drive logged 132 hours of

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Revenue Committee February 6, 2025

time spent around the community doing events at different locations. The question is why spend over 3 40-hour work weeks collecting signatures? Would this time be valuable? The simple answer? Absolutely. The demand from our Adams County voters for us to come to get their signatures was overwhelming. I don't know how many times I was asked, are you bringing the petitions to this event Saturday? Are you going to be downtown Tuesday night? I sometimes felt like the team couldn't keep up with everyone who wanted to sign. Local Nebraskans had used their valuable time during the spring legislative debate to say they didn't want public dollars going to private schools. When the state senators ended up not listening and wasted Nebraskans' times, the citizens made sure that they got to work and spent more time on a petition drive. And then in November, Nebraskans used their valuable time to repeal vouchers. Nebraskans of every age, political party, those from rural towns and big cities, were in agreement that we should not be giving public dollars to private schools. For all of us who spent our valuable time listening to our community and doing the work to respond to the call of the citizens of Nebraska, we ask our state senators to do the same. Use your valuable time wisely and listen to the people. The definition of insanity is doing the same thing over and over and expecting different results. LB753 and LB1402 wasted so much of the Legislature's time over the last 2 years, especially as they both ended in being defeated anyway. Nebraskans, on the other hand, filed petition after petition and got the same results every time. No Nebraska vouchers. We ask our senators to stop wasting the people of Nebraska's valuable time and not advance LB509 out of committee. Thank you.

**von GILLERN:** Thank you for your testimony. Any questions from the committee? Seeing none, thank you, Mr. Welsch. Next opponent. Good afternoon.

**SHAVONNA HOLMAN:** Hi. Good afternoon, Chair von Gillern and members of the Revenue Committee. My name is Dr. Shavonna Holman, S-h-a-v-o-n-n-a H-o-l-m-a-n, and I am a member of the Board of Education of the Omaha Public Schools. I'm a proud graduate of OPS, a parent of a OPS student, and a former teacher and assistant principal for the district. Now, as a professor, I teach those who aspire to become administrators who will serve in Omaha Public Schools. The Omaha Public Schools is the largest district in the state of Nebraska, serving a diverse population of more than 52,000 students who speak 119 different languages. I'm here today in respectful opposition to LB5-- excuse me, LB509, which would adopt the Opportunity Scholarship Act. Omaha Public Schools has been consistent in our opposition to public state-- public state dollars being utilized for private

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Revenue Committee February 6, 2025

education. 2 years ago, we came before this committee in opposition of LB753. And last session, I appeared in opposition of LB1402. Our biggest concern with LB753 and LB1402 was that funneling state moneys to private education would have a negative impact on public education. We believe that authorizing \$25 million to nonprofits for the primary purpose of funding scholarships to private schools in exchange for payment of taxes to the state of Nebraska, as contemplated in LB509, is a diversion of resources for public education. This is one of a number of proposals before the Legislature that will make resources even more scarce for our future's most important asset: the students and children that we serve. Whether a student arrives at our public schools ready for enriched learning opportunities or needs additional supports to first learn English, we meet all the students where they are and partner with them and their families to provide those students with the greatest opportunities for success. We work with students who face significant behavioral challenges and/or those who have special education needs, not because we are required to, but because we want to. I would also urge you to consider that public schools provide education services, services to approximately 90% of all students in Nebraska, and that a majority of Nebraska counties do not have any private schools, and consider that it may be a disservice to divert public funds to pri-- to fund private school scholarships that are not available to all Nebraska students. We pride ourselves on offering a wide variety of educational opportunities and innovative ways for parents and students on their journey from elementary school through graduation. Public schools have an exceptional opportunity to cultivate a strong future for Nebraska with a skilled workforce, engaged citizens, and thoughtful community leaders. Public schools are our best investment to reach the largest number of students. For these reasons, Omaha Public Schools oppose LB509. Thank you so much for your time. Any questions?

**von GILLERN:** Thank you, Dr. Holman. Questions from committee members? I just have a quick question. Are you testifying on behalf of yourself or on the behalf of Omaha--

**SHAVONNA HOLMAN:** Omaha Public Schools.

**von GILLERN:** You are testifying on behalf of OPS?

**SHAVONNA HOLMAN:** Yes.

**von GILLERN:** OK. Thank you. All right. Thank you for your testimony.

**SHAVONNA HOLMAN:** Appreciate it.

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Revenue Committee February 6, 2025

**von GILLERN:** Next opponent. Good afternoon.

**REBECCA FIRESTONE:** Good afternoon, Chairman von Gillern, members of the Revenue Committee. I'm Dr. Rebecca Firestone, R-e-b-e-c-c-a F-i-r-e-s-t-o-n-e, executive director of OpenSky Policy Institute. I will try to keep this quick for you all today. We oppose scholarship tax credits, including LB509, for 3 reasons. They would give preferential treatment to a specific type of charitable donation over others. There is not evidence that these types of programs move the needle on improving educational outcomes for the state overall. And this type of program would put further stress on an already stressed state budget. Additionally, I think as we've heard, voters and thus, taxpayers have made clear, they're not interested in state dollars going to private schools. First, scholarship tax credits enhance the tax benefit of donating to scholarship granting organizations, as opposed to tax deductions for other types of charitable donations. The type of tax credit mechanism we're looking at here in this bill would basically mean the tax benefit for donating to a scholarship granting organization would be 19.2 times greater than it would be for donating for any other type of charitable donation in the state, such as to a church or to a public school foundation. Second, other states-- as other states have expanded their voucher programs, evidence indicates that many of these programs are not delivering on their promises to expand educational opportunities for all students. Several statewide studies have shown voucher programs can actually negatively affect student outcomes, including the studies coming from Louisiana, Iowa-- excuse me, Louisiana, Ohio and Indiana. If better student outcomes are the goal, then the state of Nebraska could be looking to invest in programs with robust evidence base, such as early childhood education or career and vocational education. Finally, LB509 is problematic from a budget standpoint. The pro-- this program is unlikely to result in savings to the state as is sometimes promised, due to the volume of students transferring from public to private schools. This is important, because the credit can only result in savings to the state if a significant number of students from public schools transfer to private schools in a way that would re-- actually reduce public school expenses, which, in many cases, are fixed costs. However, recent analysis of voucher programs in Iowa and Arizona show that the majority of students benefiting from these programs are already enrolled in public [SIC] schools. The Nebraska Legislature this year has the unenviable task of constructing a budget with projected 40-- \$432 million budget shortfall. I don't think I need to tell you how challenging that is. With so many important programs and line items to consider, we do not see this fiscal space for evidence-- for programs

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Revenue Committee February 6, 2025

that do not have a robust evidence base on a significant return on investment for the state. If you really are looking for an evidence base on tax credits that could support families, I'm happy to visit with you separately about a couple of other evidence-based programs that are out there. But this, this particular program does not demonstrate a significant return on investment to the state. For these reasons, we oppose LB509. Thank you for your time.

**VON GILLERN:** Thank you, Dr. Firestone. Questions? Senator Jacobson.

**JACOBSON:** I, I guess I just have a quick question--

**REBECCA FIRESTONE:** Yeah.

**JACOBSON:** --given the research that you've done.

**REBECCA FIRESTONE:** Yes.

**JACOBSON:** Have you done any research on option enrollment within public schools? The, the state is spending a tremendous amount of money to fund individuals, students leaving, many cases larger school districts going to smaller school districts-- or in Omaha, Westside and, and other schools. Have you done any research, your organization, on whether that has been cost effective?

**REBECCA FIRESTONE:** We have some analysis to that effect. I don't have those numbers on top-- on the top of my head right now, but I'd be happy to visit with you about this separately.

**JACOBSON:** Give me an idea on what you, what you concluded.

**REBECCA FIRESTONE:** There are some significant costs to option enrollment. I think we would say that the presence of option enrollment suggests that there's already choice within the Nebraska education system. I don't have the specific findings on top of my head, Senator.

**JACOBSON:** I think the Legislature is spending probably between \$125-150 million a year to fund option enrollment in public schools. So I'm just-- it's a big number, and I'm--

**REBECCA FIRESTONE:** Sure.

**JACOBSON:** --just curious as to-- have we seen value there. So I would encourage you to continue to get that research and maybe deliver that back to us.

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Revenue Committee February 6, 2025

**REBECCA FIRESTONE:** Sure. I'm happy to do that. We will make sure to visit with your office about that, Senator.

**von GILLERN:** Thank you. Any other questions? Seeing none, thank you for being here. Thank you for your testimony.

**REBECCA FIRESTONE:** Thank you.

**von GILLERN:** Next opponent.

**KATHY DANEK:** Whoa, I'm short.

**von GILLERN:** Yeah, it's a short chair.

**KATHY DANEK:** It's a little like Lily Tomlin in the chair. And if you're not old enough to remember that, I apologize.

**von GILLERN:** Yeah, I was gonna say, some of us know what you're talking about.

**KATHY DANEK:** Good afternoon, Senators and members of the Revenue Committee. My name is Kathy Danek. That's K-a-t-h-y D-a-n-e-k. I'm testifying today in stern opposition to LB509 on behalf of the Lincoln Public Schools, the Nebraska Association of School Boards, and the Nebraska Council of School Administrators. I am the current vice president of the Lincoln Public Schools Board of Education, having proudly served for over 2 decades, and a standing member of the Nebraska Association of School Boards Legislative Committee. First, let's begin with the obvious and glaring apparent fact, which is that a mere proposal of this legislation is simply a tired retread and monotonous repeat cycle of prior tax credit voucher schemes and flatly insulting to the will of the people. It flies in the face of the popular vote and the democratic process. It is not exactly ancient history. In Nebraska's general election, Nebraska voters resoundingly repealed LB1402 through referendum measure 435. Nebraska vote-- voters have spoken candidly, plainly, clearly: We do not support state-funded private school scholarship programs. Secondly, as an elect-- for an elective body professing to value fiscal conservatism, we acknowledge that a bill that would have the state on the hook to-- in excess of \$25 million annually in income tax credits, this proposal flies in the face of the fiduciary responsibility. We should be very cautious about additional state expenditures when facing a substantial budget deficit that-- as we currently are. The fact that this bill contains a multiplier effect in out years that magnifies the \$25 million per annum is even more reckless. And I would just state after 24 years, I have seen significant changes over and over again in the TEEOSA

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Revenue Committee February 6, 2025

formula in the past 24 years. When there's a shortfall, we, we do our part. We cut budgets. We tighten our belts. That's what happens in school districts. We have to present a balanced budget, just like you do. An unrelated point for the policymakers is the fact that a tax credit is a money ahead of a tax deduction. I'm going to move along. Then our nonprofit sector partners and friends who provide so much in the way of reliable and supportive programming to assist the efficacy of public education and the livability of our communities are damaged by a biased and tiered taxation system that institute-- you institute in advancing LB509. The reality is that these so-called scholarships are not equitably applied, neither needs or merit-based, and would divert funds to private schools under the guise of helping families of so-called, better yet, most-- mostly unaccountable education systems. I oppose the rhetorical question, do private and parochial schools accept and commit to serving and supporting the needs of all students? No, they do not. These tax credit schemes ultimately harm public education, lack accountability, and disproportionately benefit wealthier families and private interests rather than the students they need. We serve--

**von GILLERN:** Can I get you to wrap up your testimony, please?

**KATHY DANEK:** Yes, I've got one sentence. We serve all students gladly, inclusively, every day. In public education, all means all.

**von GILLERN:** Thank you. Questions from the committee? Just a quick question. You're speaking on behalf of Lincoln Public Schools?

**KATHY DANEK:** And the Nebraska Association of School Boards and the, the Nebraska Council of School Administrators.

**von GILLERN:** Thank you very much.

**KATHY DANEK:** I'm a member of the GNSA, and I'm also on the legislative committee for NASB.

**von GILLERN:** Thank you very much.

**KATHY DANEK:** [INAUDIBLE].

**von GILLERN:** Thank you for your testimony. oh, I'm sorry. Senator Ibach, I didn't see you.

**IBACH:** Can I just ask one quick question?

**KATHY DANEK:** Absolutely.

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Revenue Committee February 6, 2025

**IBACH:** I was looking over your testimony, and it says that LPS rarely denies option enrollment applications.

**KATHY DANEK:** That's correct.

**IBACH:** What-- in what instance would you deny an option enrollment app?

**KATHY DANEK:** In my 24 years, I've never seen it happen.

**IBACH:** So then why does it say that you rarely deny it?

**KATHY DANEK:** My guess is somebody probably did it before I got on the board 24 years ago. And you would never say never because someone will put that out. In LPS, we have 70-plus school dist-- schools, and kids can option into any of our schools at any-- they have to hit a date so that we can staff it with staffing, with teachers and support personnel.

**IBACH:** So on that same path, how-- because state dollars follow an option enrollment.

**KATHY DANEK:** Right.

**IBACH:** How, how much follows a student when they option into another district?

**KATHY DANEK:** I don't have that number in front of me, but what I can tell you is that we generally have equal amounts optioning in and optioning out to neighboring districts. For example, kids might transfer from Norris into Lincoln Public Schools and kids might transfer from Lincoln Public School into Norris. I would say-- because we vote on them at every board mem-- board meeting. They're about the same number in as out.

**IBACH:** And last question, sorry. Is option enrollment not school choice? I mean, if, if my student is a better fit--

**KATHY DANEK:** Public school option enrollment is--

**IBACH:** Yes.

**KATHY DANEK:** --school choice, yes. Public-- the option enrollment that we currently have in state law, it is school choice.

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Revenue Committee February 6, 2025

**IBACH:** So, so if 10-- I know the number. It's \$10,400. If \$10,400 follows every option enrollment student, and that's school choice, is, is that not equivalent to what we're trying to talk about today?

**KATHY DANEK:** It flies in the face of public dollars to private education. Those dollars go to public school-- from public school to public school, and that is the difference here.

**IBACH:** But that is school choice.

**KATHY DANEK:** But it's public school to public school.

**IBACH:** OK. Thank you very much. Thank you, Chair.

**von GILLERN:** Thank you. Any other questions? Seeing none, thank you for your testimony. Good afternoon.

**EDISON McDONALD:** Hello. My name is Edison McDonald. I'm here representing the Arc of Nebraska. We are Nebraska's largest membership organization. I'm sorry. E-d-i-s-o-n M-c-D-o-n-a-l-d. We are Nebraska's largest membership organization representing people with intellectual and developmental disabilities. We oppose LB509 because we are concerned it will hurt students with disabilities. While we have members with disabilities in private schools, we have to look to protect all students with disabilities. I want to share part of one of those member's statements: My name is Matt McNiff [PHONETIC] and I oppose this be-- on several reasons. First, because I am a parent of a child with a disability, autism. My son, Ben, is 15 and has classic autism. Because of his communication needs and his disability, private schools will not accept him as a student. This is the reality of countless students across Nebraska. Private schools get the luxury of picking and choosing who gets to come to their schools and who stays. Year after year, countless students are told to leave because of a variety of reasons-- because of behavioral concerns, academic concerns or disability. Almost 20% of students in Nebraska public schools have a verified disability for eligibility in special education. Out of the 20% of children with special needs, 100% of them are served by public schools for their disability services. Every dollar that goes to serving the needs of a special needs child comes from public schools. Because of stories like these, where marry-- many students with disabilities may not be able to access private schools, we believe in protecting public school special education programs, remembering that, really, special education is relatively new in Nebraska. It was only in 1978 when Nebraska Revised Statute 79-3315 was passed. Then, it wasn't until 1991 that Public Law 99-457, the amendment to an

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Revenue Committee February 6, 2025

expansion of the Federal Education for All Handicapped Children Act. I see that I've got the yellow light, so I'm going to skip ahead. We really focus on 3 key issues that we'd like to see in order to be able to drop our opposition ever on these issues. Charter schools and private schools that accept public funds through a voucher or voucher-like system must comply with IDEA, the Americans with Disabilities Act, and Section 504 of the Rehabilitation Act. And specifically, they must provide zero reject and free appropriate public education in the least restrictive environment. Those are standards that have never been met. In addition, I'd like to note, while most of this bill is similar, this bill does have a new twist regarding the line under Section 4(c) [SIC], it says eligible students who have a special education plan outlining the eligible student's learning needs and how they will receive specialized instruction in support services. This language is not found in federal or state law, to my knowledge, is different to the previous individualized education program, and we would prefer to see individualized education program and 504 plan, or specially designed instruction. Thank you for your time.

**von GILLERN:** Thank you. Mr. Edison. Questions? Senator Murman.

**MURMAN:** Yes. Thanks a lot for your testimony. The criteria that you mentioned there at the end that this bill would have to meet before you could be not opposed, do all public schools live up to all the criteria?

**EDISON McDONALD:** Yes. They are-- they comply with 504. They comply with IDEA, and in particular, with IDEA in terms of that opportunity for both state complaints and litigation that's critical. And then most critically, and I think the hardest barrier for private schools is that zero reject policy, because of kids like Ben. Because, you know, for some kids with disabilities, as you know, the spectrum is very broad. They may have lower support needs and especially those kids on the 504s, great example. But for those kids with more significant needs, that's frequently where we see the denial, and that's where the problem really starts to become more significant.

**MURMAN:** So that's, that's-- gets at the crux of my question. So option enrollment between public schools, aren't some of the kids with the most-- biggest needs rejected with option enrollment?

**EDISON McDONALD:** Option enrollment definitely does require some fixes. And I know that you've done some good work on that, but I see that as a separate issue.

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Revenue Committee February 6, 2025

**MURMAN:** So public schools don't always live up to the criteria you were just talking about, either.

**EDISON McDONALD:** They do ultimately accept the kid in their district.

**MURMAN:** In the district, but not--

**EDISON McDONALD:** Yes.

**MURMAN:** --not as a choice for op-- by option enrollment.

**EDISON McDONALD:** Yeah.

**MURMAN:** Thank you.

**von GILLERN:** Thank you, Senator Murman. You have a question? Senator Kauth.

**KAUTH:** Thank you, Chair von Gillern. Can you explain the, the DOJ's investigation on special ed students last year? There was a big, a big problem with how Nebraska does special ed students, or [INAUDIBLE].

**EDISON McDONALD:** Yeah, that-- I, I don't really see as directly related. I guess I'm confused as to how you see that direct connection on this issue.

**KAUTH:** Well, when you're talking about the public schools, how they're taking care of the special ed students, there are serious concerns. And if there are concerns within public school--

**EDISON McDONALD:** Yeah.

**KAUTH:** --wouldn't it behoove a student to be able to move to a different school that would better suit them, even if they weren't a special ed student?

**EDISON McDONALD:** OK. Gotcha. So yeah, and I will say definitely there are un-- undoubtedly failings within our public school system. For the last, I think it's something like 25 years, we have had one of the highest shortages of special education teachers of any state in the nation. And I guess for us, what it comes down to is why would we be putting \$25 million into a new program to stand that up instead of better supporting and better funding our, you know, current system, to ensure that those students in public education get the supports that they need?

**von GILLERN:** Thank-- Senator Jacobson.

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Revenue Committee February 6, 2025

**JACOBSON:** To that point, I mean, you, you do realize the Legislature did move the reimbursement rates from 40% to 80% on special education reimbursements to really come at that particular problem?

**EDISON McDONALD:** Yes.

**JACOBSON:** Have you seen any movement there?

**EDISON McDONALD:** Yeah.

**JACOBSON:** And, and if not, why not?

**EDISON McDONALD:** We definitely have. And that wasn't the only action that we took. And I actually testified to this the other day in the Education Committee. I think that-- what was that-- 2, 3 years ago, that the actions that the Education Committee took and that the Legislature took really addressed the crisis that had gone, you know-- over 25 years, we've been short on special education teachers. But it had stepped up in those years post-COVID, significantly. And we've really seen some of those gaps with some districts-- or some schools without a single special education teacher. So we've seen improvements, and I think we'll continue to see improvements. Some of those actions, like the reimbursement rate, you know, you'll see some quick solutions. Some of them will take longer, you know, like the teacher-- the \$5,000-- I think we dropped it to \$2,000 teacher bonuses for those special education teachers in high needs areas. So I think there are opportunities to continue to improve that. But I'd much rather see, for instance, this funding go to-- I know Senator Juarez has a bill trying to provide the same sort of program for paras, where we're seeing a really drastic shortage.

**JACOBSON:** But you would agree that the Legislature has done quite a bit over the last few years.

**EDISON McDONALD:** Has taken some significant steps and that is appreciated. Unfortunately, doesn't fix the problem. We've taken steps, but there are more steps to go.

**JACOBSON:** Thank you.

**von GILLERN:** Thank you. I just have one quick question. Forgive me. We get a lot of acronyms, acronyms. IDA? Does-- is that-- was that an acronym that you-- you were talking about--

**EDISON McDONALD:** IDEA.

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Revenue Committee February 6, 2025

**von GILLERN:** IDEA. OK.

**EDISON McDONALD:** Yeah. So that's the-- that, that's the federal law that sets up the structure [INAUDIBLE].

**von GILLERN:** OK. Got it. I'm sorry. I just didn't hear you properly.

**EDISON McDONALD:** Yeah.

**von GILLERN:** Thank you.

**EDISON McDONALD:** Yeah.

**von GILLERN:** Thank you for your testimony. Next opponent testimony.

**BRENDA COUNCIL:** Good afternoon, Senator von Gillern and members of the Revenue Committee. My name is Brenda Council, B-r-e-n-d-a C-o-u-n-c-i-l. I am a proud product of the Omaha Public Schools and a lifelong resident of the Omaha Public School district. I earned a degree in secondary education from the University of Nebraska-Lincoln, and I had the privilege of serving on the Omaha Board of Education for 11 years, 4 of those years as president. During my tenure on the board, I also had the privilege of serving as the president of the National Caucus of Black School Board Members, who have traditionally opposed voucher-like programs. I was elected in 2008 to serve the 11th District in this body, where my committee assignments included the Education Committee. It is with the knowledge I have gained through my experience and background that I appear to offer testimony in opposition to LB509. I must begin by stating that I appeared before this committee in 2023 to testify in opposition to LB753. I am extremely disheartened to have to appear today to testify in opposition to essentially a restatement of LB753, after over a half a million Nebraskans rejected LB1402, which was the Legislature's attempt to work around a successful petition effort to repeal LB753. We proudly boast of the people of Nebraska being the second house, yet this body appears quick to disregard the will of the people when it turns and runs counter to a particular agenda. LB509, like LB753, has the effect of diverting millions of dollars of state revenue away from the public schools. The public schools, which are a cornerstone of the communities of our great state, educate 9 out of every 10 Nebraska children, regardless of their economic status, their disability, their race, ethnicity, or other personal characteristics. Yet, Nebraska has consistently ranked nearly last in the nation when it comes to support of K-12 education, and an occasional large allocation of funding does not diminish the fact or the reality and the cumulative effect of

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Revenue Committee February 6, 2025

underfunding for decade after decade. I have personally witnessed the TEEOSA formula being adjusted to meet a gubernatorial budget objective, rather than to meet the funding needs of public education. Finally, I want to address the suggestion that people who appear in opposition to LB509 are opposed to providing parents with the choice to educate their children somewhere other than public schools. I am a strong believer in choice and, as the president of the Omaha Board of Education, was there to establish the magnet school program in OPS, which provided parents choice within a public school setting, admittedly, but provided choice. Moreover, when the founder of the Mandela School approached me about her plans to open a school to offer an option to low-income parents in north Omaha, I advised her that my only objection to her proposal was if she sought public funding for that endeavor. She not only assured me that she would not be seeking taxpayer dollars, but that she, too, opposed providing public funds to private schools. My youngest grandnephew--

**von GILLERN:** If you could please wrap up, Ms. Council.

**BRENDA COUNCIL:** --is a proud student of Mandela. I urge you not to advance LB509.

**von GILLERN:** Thank you for your testimony. Any questions? Senator Dungan.

**DUNGAN:** Thank you, Chair von Gillern. Thank you for being here, Senator. We hear a lot about the Nelson Mandela School--

**BRENDA COUNCIL:** Yes.

**DUNGAN:** --when we have this conversation. Can you just briefly make sure the committee and those who are paying attention to this know what that is and kind of the interplay between that and the Omaha Public Schools?

**BRENDA COUNCIL:** Yes. The Nelson Mandela School is a privately-funded elementary school. It goes-- in fact, it goes pre-K through sixth grade now. And it was funded by a private philanthropic organization who wanted to provide an option to parents in north Omaha, low-income parents in north Omaha, truly low-income parents. When I hear someone talk about 400% of poverty, you know, I don't see that in north Omaha. That's \$128,000 for a family of 4. We don't see that often in north Omaha. But she established that school with the understanding that it would provide options for parents in north Omaha who wanted to see places where their children, if the public schools weren't right for

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Revenue Committee February 6, 2025

them, that they could go. But she shared my opinion that those choices should not be funded with taxpayer dollars, and she maintains that position today.

**DUNGAN:** And so, I guess that's the last followup question I had, was they've been able to be successful and see successful outcomes without needing the public funding.

**BRENDA COUNCIL:** Correct.

**DUNGAN:** And they serve low-income populations?

**BRENDA COUNCIL:** Yes.

**DUNGAN:** I've also seen their choir perform, and they're phenomenal.

**BRENDA COUNCIL:** Well, I'll be seeing my grandnephew, who I say attends that, he'll be performing Aladdin at the Holland Center, on February 28.

**DUNGAN:** Sounds great. Thank you so much.

**BRENDA COUNCIL:** Any other questions, Senator?

**von GILLERN:** It was a shameless plug, but way to go. Any other questions? Thank you, Ms. Council.

**BRENDA COUNCIL:** Thank you.

**von GILLERN:** Next opponent.

**MICHAEL COBELENS:** Sorry about that. Good afternoon.

**von GILLERN:** Good afternoon.

**MICHAEL COBELENS:** Appreciate your time and your service to the, to the people of the state of Nebraska. My name is Michael Cobelens, that's M-i-c-h-a-e-l C-o-b-e-l-e-n-s. Nebraska has great schools, both private and public. There's been reference to special interest groups trying to reference or influence the topic of opportunity scholarships, and the only special interest is that of a few that want to provide an income tax credit. This body is now exploring a third session with an income tax credit for opportunity scholarships. Early in my teaching career, Senator Paul Hartmann of Bellevue told me that separation of church and state did not allow my school, private, and still in operation, to access funds or materials for students, even though their families paid taxes. It's been said that Nebraska is one

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Revenue Committee February 6, 2025

of a few states without tax credits for private schools, but Nebraska is also the only state with a Unicameral. In November of 2024, the voters of the state of Nebraska rejected legislation showing that that is your supermajority. With a budget shortfall confronting this body, is-- it's your responsibility to accept the voice of the people and keep potential tax revenue in place, not provide income tax credits. I urge you to let LB509 die. Thank you for your time.

**von GILLERN:** Thank you for your testimony. Questions from the committee members? Seeing none, thank you for being here.

**MICHAEL COBELENS:** You guys need a brain break?

**von GILLERN:** We're probably going to come and go a little bit here, as we, we need bio breaks. Good afternoon.

**SARAH ZUCKERMAN:** Good afternoon. My name is Sarah Zuckerman, S-a-r-a-h Z-u-c-k-e-r-m-a-n, and I'm here today as a private citizen and I strongly oppose LB509. We've already heard that a majority of voters across the state rejected private school vouchers in November, which included voters in Districts 44, 42, and in 38, where it was 59% against. This bill clearly seeks to subvert the will of voters. And given that evidence that statewide voucher bills that have been in states across the country for decades have negative impacts on student outcomes, I have to ask why the commitment to doing something that a majority of Nebraskans don't want and decades of experience shows does not meet the stated goals. I'm not alone in questioning the motivations of this bill that supports private school funding through vouchers. By examining the history of the United States and the current political landscape, it becomes clear that the project is not to ensure that every student has the best education for them. It becomes clear that this is a national playbook designed to diminish, if not destroy, public education and, in turn, their representative democratic form of government established by the U.S. Constitution. Successive generations have sought, and in some cases fought to expand the constitutional rights to all citizens. When asked about the form of government created at the Constitutional Convention, Benjamin Franklin famously said, a republic, if you can keep it. George Washington, Thomas Jefferson, and John Adams all viewed the provision and expansion of public education as the cornerstone of a more permanent union. Others have since argued that public education is a cornerstone of a more perfect union. It has expanded as the vote has expanded to all citizens. Like voting rights, public education has recently come under more concerted attacks, and these projects seem intrinsically linked. Reverse the expansion of voting rights, reverse

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Revenue Committee February 6, 2025

public education that supports the development of engaged citizens. Both can be interpreted as backlash to the advancement of civil rights in the 1960s following Brown v. Board of Education and the Voting Rights Act. Public education is not perfect. I know this firsthand. I was a public school teacher. I teach school improvement. Many things that are not perfect have come from misguided policies in the name of accountability. Yes, private schools have to adhere to Rule 10. They do not have to put their test scores on NDE's website and they are not searchable as every public school is in the state. It seems disingenuous to say that the goal is to not attack public schools. There's currently a bill in the Indiana state house that would close public school districts if more than 50% of students living in that district choose a charter or a private school. So much for parents' choice if that choice is a public school. The goal is clearly not to ensure that every parent has choice. Every fall, my workforce, economic and community development course, we read research that demonstrates that education is a bulwark against authoritarianism across the globe. And I cannot help but draw the conclusion that authoritarianism, or at a minimum, some form of minority rule is the goal, at the expense of everyday taxpayers and the majority of voters in this state that have rejected this already.

**von GILLERN:** Thank you. Would you like to take any quest-- apparently not. Thank you for your testimony. Good afternoon. Hi, there.

**CHRISTIAN VIHSTADT:** Good afternoon. Just so you know, my testimony is a little different. I had to revise it while in the--

**von GILLERN:** You're--

**CHRISTIAN VIHSTADT:** --back, just because of--

**von GILLERN:** You're fine.

**CHRISTIAN VIHSTADT:** --arguments. So thank you for that. Good afternoon, Senators of the Revenue Committee. My name is Christian Vihstadt, C-h-r-i-s-t-i-a-n V-i-h-s-t-a-d-t. I wonder how much of my 3 minutes was just spent on that. I am a proud alum of Millard North High School in Omaha, where I had an excellent education and graduated to become a distinguished scholar at UNO, where I am now in my third year of music education. I will do my student teaching at a-- a year from now, and hopefully get my degree that same semester. Unfortunately, I can't take 30 minutes to argue against each point in advance. And I do appreciate Senator Sorrentino's thoroughness, because I am the same way. So I will keep this to 3 minutes. So in his

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Revenue Committee February 6, 2025

intro, Senator Sorrentino beat me to the punch a bit. Attached to your copies of the testimony is a copy of the county level results for last year's referendum measure 435, the veto referendum to repeal LB1402. As stated, the bill was repealed by a margin of 14% statewide. You'll see a lot of red on that page. Every county in red is a county with more votes to repeal than to retain. All counties that voted to retain, even if by a single-digit margin, as one is, are highlighted in green. To save you from doing the math, there are 99 [SIC] counties in Nebraska and 88 of them overall voted to repeal. Just 11 of them are in green. As the senator said, his own county voted this bill down by a margin of about 12%. Senators, the numbers don't lie. Now, it's pretty cliché at this point to say at a committee hearing for any controversial bill that the people of Nebraska don't want this. However, most bills don't have an objective election just 3 months ago that do say Nebraskans don't want this. We just don't. It's not located to one area either, as you can clearly see from the data presented. This is not an issue with a rural/urban divide or Democrats versus Republicans or farmers versus teachers. And it's insulting to our voters that the will of our people statewide, in most counties, be ignored. There is more than a 14% difference between repeal and retain votes, and sometimes, you just don't get what you want. And I'll very bluntly tell you that I didn't get what I wanted last election, but I am not trying to subvert the will of most of my Nebraskan friends about it. Thank you for your time, as always. I am happy to take any questions from the committee.

**von GILLERN:** Thank you for your testimony. Any questions from the committee members? Seeing none, thank you for being here.

**CHRISTIAN VIHSTADT:** Thank you so much.

**von GILLERN:** Good afternoon.

**KELLIE HALL:** Good afternoon. My name is Kellie Hall, K-e-l-l-i-e H-a-l-l. I have a son in Millard Public Schools, and I am a product of public schools. Just have a couple of points here. I don't want to repeat things that people have said, but I, I do believe that all of our students in the state deserve equal quality education. And I find it very disheartening that there are some folks who don't feel like they get that in public schools and have to go elsewhere. So why aren't we solving that problem? Around-- depending on where you look, the, the data is not really clear because private school data is not completely transparent. Somewhere around 75-95% of private schools are religiously affiliated. Now, certainly people deserve a choice to educate their children in whatever religious beliefs that they have,

but they do have an option to do that through their religious institutions. The only option for them is not to send their child to a private school. One gentleman testified earlier that the scholarships that his organization award go specifically-- are prioritized to their church members. So that to me is not fulfilling the needs of all students. It's prioritizing-- giving a preference there. So why are our public funds not prioritized for our public schools? If our children's needs aren't met, why are we not dealing with that and investing in that? Find, find a public school educator who has not had to pay out of their pocket for school supplies. Any one you ask, I think, in the education system would probably say not only could they use more funding, but they could use more improvements in different areas. One woman testified earlier that, you know, please don't abandon those folks who want to choose a private school. I would say, please don't abandon the 90% of children in Nebraska that attend public schools. There are teacher shortages still. The Department of Education, for this year, reported that there were 669 unfilled positions. Of those, 644 were in public schools, 25 were in private schools. Those 644 unfilled positions, 70% of them were filled with-- on-- not fully-qualified educators and 200 were left completely vacant. 30% of those were left completely vacant because they are not able to find the right, the right candidates. So some of those areas that are lacking early education, elementary education for the last 15 years, areas that have been lacking were STEM, math and science, special ed, and speech and language arts. So I am out of time here. So I just want to say, as others have said, the citizens voted for this. And frankly, I find it a bit appalling that you're trying to override the voters, once again. And it should not be our government legislators trying to override the citizens. It's not you against us. It's you for us.

**von GILLERN:** Thank you for your testimony.

**KELLIE HALL:** Thank you.

**von GILLERN:** Questions from committee members? Senator Ibach.

**IBACH:** Thank you, Chair. I might just have one comment. I think the Department of Education is being really aggressive with some of their programs in teacher training and helping teachers even, even from other states, relocate to this location. So I'm-- I kind of took offense to that because I think Department of Education and-- is doing a great job to solicit those teachers. I think we need to also look at the reason why we are short on teachers. So I kind of took offense to that, but that's OK.

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Revenue Committee February 6, 2025

**KELLIE HALL:** Yeah, in no way am I saying that it's not happening. What I'm saying is what could happen if you invested that \$25 million in our public schools.

**IBACH:** But my point is I think we are. Because we, we are investing a lot more--

**KELLIE HALL:** OK. True. That's great.

**IBACH:** --in teacher retention and teacher solicitation.

**KELLIE HALL:** OK.

**IBACH:** So thank you.

**KELLIE HALL:** Still got to meet the needs of all of our students.

**von GILLERN:** Thank you. Appreciate your testimony. We're going to do one more. We're at 4-- almost at 4:10. We're going to do one more opponent, and then we're going to flip to-- back to proponents. Thought I had this all figured out how it was going to work. Good afternoon.

**CINDY MAXWELL-OSTDIEK:** Hi. Good afternoon, Chairperson von Gillern and members of the Revenue Committee. My name is Cindy Maxwell-Ostdiek. That's C-i-n-d-y M-a-x-w-e-l-l-O-s-t-d-i-e-k, and I'm a resident of District 4 here in Nebraska, and I'm testifying in opposition to LB509, to adopt the Opportunity Scholarships Act and provide for income tax credits introduced by Senator Sorrentino. I'm a mom, a taxpayer, an aunt to many nieces and nephews who attended private schools. My kids attend public schools. I do not oppose private schools, but instead believe strongly public dollars should stay with public schools that serve all our students. Senator Sorrentino stated he's essentially rebringing LB753, and that Nebraska voters didn't repeal LB753. I just wanted to stress and I know it's been discussed that Nebraska voters did not have that opportunity to repeal LB753, because Nebraska legislators are the decision-makers to rescind that when they passed LB1402 on the last day of the session last year. And Senator Linehan was quoted in the news at the time that she brought the new legislation because she believed LB753 would have been repealed. After we gathered over 117,000 signatures. I agree with her prediction. I think we would have repealed it. When the Legislature replaced it with LB1402, we worked to gather another 86,000 signatures to repeal that version, and the majority of Nebraskans just voted to actually do that in November. I just think many people have discussed a lot already. I wanted to stress that I did talk with people from

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Revenue Committee February 6, 2025

across the state when we were gathering signatures, and different groups of people who were enthusiastic signers, and many were actually private school parents and grandparents. I had many Republicans. I had people from rural areas, as well as in the metro. And there were a lot of concern about the lack of discrimination protection in LB753 and LB1402. It's unfortunate the Legislature didn't choose to pass Senator Hunt's amendment that would have required schools to protect students from discrimination on the basis of race, color, religion, national origin, ancestry, citizen status, gender, sexual orientation, gender identity, disability, or special education status. I just think that that is something that the senators would do to make sure that these scholarship dollars, should you pass this and I hope you don't, would be distributed to schools that serve all of our kids. Please listen to the will of Nebraska voters and do not advance this bill.

**von GILLERN:** Thank you for your testimony. Any questions from the committee members? Seeing none, thank you for being here.

**CINDY MAXWELL-OSTDIEK:** Thank you.

**von GILLERN:** And I misspoke. We have to work in neutral testimony. Is there anyone that would like to testify in a neutral position? Seeing none, it's 4:12. We're going to switch back to proponent testimony. So I want to invite up proponents, and I'm going to excuse myself and Senator Jacobson--

**JACOBSON:** Thank you.

**von GILLERN:** --take over for a few minutes? Thank you.

**JACOBSON:** Welcome.

**JOHN GAGE:** Thank you. Members of the committee. My name is John Gage. That's J-o-h-n G-a-g-e. And I'm the state director for Americans for Prosperity. I'm here on behalf of our thousands of activists across the state of Nebraska to testify in support of LB509, the Opportunity Scholarships Act. I want to spend my brief time up here responding to some of the arguments that you heard from the opposition. First, we are told by the opponents of this bill that Nebraskans voted down a similar piece of legislation at the ballot box this fall. And furthermore, they claim that supporting this legislation violates the will of Nebraska voters. Nothing could be further from the truth. Support our Schools and anti-school choice activists spent \$7 million over the past couple of years lying to the public. The campaign ads they air, which went unopposed, left the public with the false

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Revenue Committee February 6, 2025

impression of what these scholarships do. The campaign against the scholarships include the following lies: 1, that public school funding would be cut; 2, these scholarships would lead to larger class sizes and less resources; 3, teachers would be paid less; and 4, these scholarships will lead to higher property taxes. These are all blatant lies. The cutting of scholarships for kids will not result in more funding for public school, but rather will result in less funding for education from the state overall. And while they flippantly try to claim these scholarships are siphoning off public money, they took our property tax dollars which were paid to teachers and used those public dollars to help fund their \$7 million lie. Presented with an avalanche of falsehood, the Nebraska public was left confused at the ballot box, a fact that anti-school choice activists are proud to proclaim. As late as last week in the Nebraska Examiner, members of this anti-school choice faction have stated publicly that they will win this fight, not because their position is truthful or reasonable, but simply because they have a stronger will and more money. Never in their public remarks did they mention that they're fighting for is to, is to throw kids out of the school of their choice. To them, this is not about justice, but simply a power struggle and a money fight. In contrast, we know that when presented with the truth, Nebraskans overwhelmingly support school choice. From recent polling data this year, Morning Consult and EdChoice show that 59% of Nebraskans support these scholarships for kids, and support is at 63% for parents with kids in school. Nebraska students deserve better than to have the rug pulled out from underneath them. Legislators should put children and their education first, not the demands of radical activists. I urge this committee to support LB509. Thank you.

**JACOBSON:** Thank you. Questions from the Committee? Yes. Yes, go ahead.

**DUNGAN:** Thank you, Vice Chair Jacobson. And thank you for being here today. Have you had a chance to look at the fiscal note of LB509?

**JOHN GAGE:** Yep.

**DUNGAN:** So in that fiscal note, it does very clearly say that depending on where the students come from, Like, they, they estimate 5,000 students, hypothetically, if LB509 goes into effect, would transfer from private schools-- I'm sorry-- to, to private schools from public schools. You saw that on there. Correct?

**JOHN GAGE:** Say that again.

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Revenue Committee February 6, 2025

**DUNGAN:** 5,000 students are estimated to transfer if this goes into effect, from public to private education.

**JOHN GAGE:** OK.

**DUNGAN:** And it then says that depending on where they come from, that could result in \$6.5 million being taken away from public education, based on how TEEOSA works.

**JOHN GAGE:** OK.

**DUNGAN:** That's \$6.5 million being taken away from public education. How is it a lie to say that if this goes into effect as it's currently written, money will be reduced from public education?

**JOHN GAGE:** So I, I would say for one, we've already had this bill in effect, and it did not take away money from public schools. In fact, public funding is higher than it's ever been from the state. Additionally, I would say, as we know, there's proposals coming forward to further increase public funding from the state. And you're talking about \$6 million here. I know the, the governor is looking at hundreds of millions of dollars more from the state to public school funding. Public school funding is not at risk from the state. And we know that's-- we know that's true. This is, this is not a threat to that.

**DUNGAN:** Well, and I, and I want to be very clear. I'm not anti-tax credit. I know that was kind of alluded to earlier, that if anybody says they're anti-tax credit, then they're being disingenuous. I think tax credits work when they work.

**JOHN GAGE:** Yeah.

**DUNGAN:** But I just want to point-- I guess I'm asking for your response and you've given me that that your assertion that it's a lie, that money could come from public schools if this passes, the fiscal note from our nonpartisan office here, the Fiscal Office, says that is a potential effect. Now, we could argue about whether that's a lot of money or not, but is it fair to say \$6.5 million is not negligible? If I brought a bill with a \$6.5 million fiscal note right now, that's not going anywhere.

**JOHN GAGE:** One, one, assuming we're going to take the premise of your question here on its face value, \$6.5 million for the state of Nebraska's school system is a drop in the bucket.

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Revenue Committee February 6, 2025

**DUNGAN:** OK.

**JOHN GAGE:** And as further as I stated, there's not going to be cuts to public funding. I think you know that. I, I think it's disingenuous to say that this is-- here, this \$25 million here, is going to take from public schools and result in a, in a cut in funding for them. It's not.

**DUNGAN:** Well, and I'm not trying to be disingenuous just pointing out that that's in the fiscal note for the bill itself. Additional to that, you talk about the \$7 million that went into this campaign. Was that money that you're saying was spent purely by the NSEA?

**JOHN GAGE:** Most of it, I believe, was spent by Support our Schools.

**DUNGAN:** OK.

**JOHN GAGE:** Yeah. But it was money that would have been funneled through the NSEA and their allies.

**DUNGAN:** Are you familiar with the organization Nebraska Federation for Children?

**JOHN GAGE:** Yes.

**DUNGAN:** Do you know how much money they've spent on campaigns in the last 2-4 years?

**JOHN GAGE:** I would not know that off the top of my head.

**DUNGAN:** How much has Americans for Prosperity spent on campaigns in the last 2-4 years?

**JOHN GAGE:** How much have we spent?

**DUNGAN:** Yeah.

**JOHN GAGE:** We spent \$0 defending this at the ballot. And the reason we--

**DUNGAN:** Campaigns in the last 2-4 years.

**JOHN GAGE:** I wouldn't have that number off the top of my head. Frank--

**DUNGAN:** You could get that to us, that'd be helpful.

**JOHN GAGE:** OK.

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Revenue Committee February 6, 2025

**DUNGAN:** Because I think it's slightly disingenuous to pretend like money's not being thrown around by both sides in politics.

**JOHN GAGE:** I, I, I can-- well, I can tell you for a fact on this, on this school choice fight, when it came down the stretch, it was that \$7 million to \$0. And there were intentional lies from the other side. And they knew they were lying. They're in the Nebraska Examiner. They're not talking about the truthfulness of their arguments. They're saying we're going to win because we have more money. And I, and I will say they do have more money. I'm not going to spend \$7 million defending a \$10 million program or a \$25 million program. But they are. And we know the reason they're doing that is because as school choice expands, public opinion on the issue changes dramatically. Public opinion is already in our favor. We know from polling that we've done, public opinion-- if someone knows someone on school choice, it moves their, their opinion dramatically in favor of it. And that's why you have \$7 million spent against a \$10 million program, is because they're afraid of what Nebraskans will do when these programs are in effect, and they know Nebraskans will support them. So they're going to spend every dime they can to kill it, because they're not-- they don't care about Nebraska kids. They care about power. They care about money.

**DUNGAN:** I would respectfully push back on the fact that our teachers don't care about kids, but I will--

**JOHN GAGE:** I'm not talking about our teachers. I'm talking about our teachers unions and--

**DUNGAN:** Which is made up of teachers.

**JOHN GAGE:** What?

**DUNGAN:** Which is made up of teachers.

**JOHN GAGE:** Yeah, some of it. But I, I-- here's the thing. You're not necessarily telling the truth for teachers.

**DUNGAN:** [INAUDIBLE] I'm going to cut you off. I don't want to, I don't want to go down this-- I don't want to go to down this--

**JACOBSON:** OK. All right, all right, all right. I, I, I want to get out of the argument. OK? If you got a question, ask the question. Let him answer the question. If you got another question, ask that question.

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Revenue Committee February 6, 2025

**DUNGAN:** I'm saying I don't want to go down that path any further. My last question is, do you agree or do you disagree that the public has voted on this issue of whether or not public dollars should go to private schools with the issue of LB1402?

**JOHN GAGE:** I think we both knew what happened in the fall. And it was-- the public was lied to and misinformed. You can misinform the public. I think they made a misinformed decision. I think, I think that's very clear from what happened. It was a 14-point spread. I would tell you, I was shocked. I thought it was going to be 30 points because it was \$7 million to zero. And you know what? If you lie to people enough, they might believe it.

**DUNGAN:** Thank you. I do appreciate you coming in here and testifying. Thank you.

**JOHN GAGE:** Thank you.

**JACOBSON:** All right. Thank you for the back and forth. And I think it was important. Thank you for the testimony. Any other questions from the committee? All right. If not, thank you for your testimony.

**JOHN GAGE:** Thank you.

**JACOBSON:** Next proponent. How are you?

**NICOLE FOX:** Good. Good afternoon, members of the Revenue Committee. Nicole Fox, N-i-c-o-l-e F-o-x, representing the Platte Institute. For the past several years, the Platte Institute has been committed to expanding education choice for one simple reason: Every family deserves the opportunities to select the education that best fits their needs, and every child deserves a chance to succeed. Over the interim, we commissioned a report by Neal McCluskey, director of the Cato Institute's Center for Educational Freedom. The report outlines the transformative potential of school choice for Nebraska. Unfortunately, Nebraska has been unable to create a sustainable school choice program and is left behind-- and has left behind most of the country. It is missing out of many of the benefits of school choice, including upward academic pressure, family satisfaction, and an education system consistent with a free, harmonious society. Fortunately, there are numerous states it can look to as models for progress. 21 states currently have tax credit scholarship programs, specifically. The tax credit scholarship program proposed in LB509 is one way Nebraska can compete with faster growing and more diverse states, providing economic empowerment and quality-of-life amenities

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Revenue Committee February 6, 2025

for the very families we must attract and retain to grow Nebraska. The primary benefit of the school choice tool is funder freedom. A taxpayer decides whether to donate and ideally to whom. This eliminates the concern that one's tax dollars are funding education to which one objects, reducing the incentive to demand regulations. Perhaps the most common complaint about school choice is that it defunds public schools. Not only is this claim demonstrably false, but the opposite is actually true. In fact, in 2023, public schools actually saw an increase through state funding by over \$300 million, compared to the previous \$10 million tax credit program. School choice brings with it many goods, beyond freedom, more specialized education to meet the needs of unique children, and more competition. Competition is good, and it provides incentives for all schools to perform better. None of these secondary benefits, though, are more important than freedom itself, enabling diverse families to freely seek the education they believe is best and enabling educators to deliver the education they think is right. And because of this, we support this legislation and encourage this committee to advance LB509. And with that, I'm happy to take any questions.

**JACOBSON:** Thank you. Questions from the committee? All right. Seeing none, thank you for your testimony. Other proponents. Proponents, are we done? All right. Then we're going to go back to opponents. I'm going to turn the chair back to Senator von Gillern. Opponents. We ran out of, ran out of proponents.

**von GILLERN:** Ran out of proponents. All right. Good afternoon, Mr. Moles. How are you?

**JACK MOLES:** Well, good afternoon, Senator von Gillern and members of the Revenue Committee. My name is Jack Moles. That's J-a-c-k M-o-l-e-s. I'm the executive director of the Nebraska Rural Community Schools Association, also known as NRCSA. And I'm not going to take a lot of your time. You've heard a lot of points. I'm not going to reiterate or repeat a lot of those points. But on behalf of NRCSA, I'd like to testify in opposition to LB509. NRCSA is opposed to the bill for many reasons, but the intention of seemingly ignoring the voice of the people would ring near the top of those reasons. We've got several reasons why our group would be against this, but just a, a few of them. First of all, we cannot see the logic as to why someone who contributes to a-- an SGO would receive a much better tax vantage than someone who contributes to their church or to their local public school foundation. Private schools do have the ability to deny admission based on many student factors such as religion, sexual orientation, handicapping condition, entry test requirements, or

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Revenue Committee February 6, 2025

disciplinary measures. Public schools may not deny entry for resident students. We do not believe that our state fiscal policy should, should be to enable those denials. And then there-- it's true. These are not state funds necessarily, but they're, they're revenues that the state will never collect. You will never have access to them for state-funded projects. When considering the law, if adopted over the course of a 10-year period, the state could stand to not have access to over \$500 million in possible revenues. And this is compounded over a 10-year period and supposes that the full benefits would be claimed annually. Over a 15 year period, the state could then lose access to just over 1-- \$1 billion in revenues. If-- again, that's compounded annual over, over the 15-year period. Like I said, NRCSA has, has consistently opposed this type of a plan. We will continue to, to oppose it. We do encourage you not to advance LB509 out of committee.

**von GILLERN:** Thank you for your testimony. Any questions? Senator Ibach.

**IBACH:** Thank you, Chair. I just have one question, and I think you will know the answer to this. I hope. Love my public schools-- rural public schools. Has there ever been any discussion-- most public schools, rural public schools, have foundations established--

**JACK MOLES:** Right.

**IBACH:** --so that they support-- a lot of times Lutheran families will match some of their foundation dollars. I know that because I'm a public school person. Has there ever been any discussion from public schools to propose a similar program that would be match dollars within their community, so that they could have-- maybe not an equivalent and maybe we meet in the middle somewhere-- some form of tax deduction for contributing to their local school foundation?

**JACK MOLES:** Well, not formal, that I know of, but yeah. 2 years ago, we did have that conversation within our group of-- you know, why shouldn't we approach this on the same basis for our public school foundations?

**IBACH:** Is there any reason why nobody ever brought a proposal or said, you know what, what's good for one is good for another?

**JACK MOLES:** I, I don't know that.

**IBACH:** I would love to contribute to my local public school foundation, knowing that I could get a tax credit for it. Now, Revenue might plug their ears when I say that because I-- we have a deficit.

**JACK MOLES:** Well--

**IBACH:** But I think that, that would be a solutions-based approach to this. Instead of always opposing everything, how do we maybe make public schools?

**JACK MOLES:** You know, when, when we had that discussion, I remember making the comment, you know, maybe it wouldn't be for everything that the foundation would do, but maybe it would be for scholarships for kids going into education.

**IBACH:** Exactly. Yes.

**JACK MOLES:** Something like that. If you, if you could do that--

**IBACH:** We should talk.

**IBACH:** Yeah, let's do it.

**IBACH:** OK. Thank you. Thank you, Chair.

**von GILLERN:** Thank you. Any other questions? Seeing none, thank you for being here, Mr. Moles.

**JACK MOLES:** Thank you very much.

**von GILLERN:** Next opponent. Thank you for being patient.

**MOLLY GROSS:** No worries. Good afternoon. My name is Molly Gross, M-o-l-l-y G-r-o-s-s. I'm here today not only as a parent, but also as the legislative chair for the Nebraska Parent Teacher Association. As a public school graduate and the parent of 4 children who thrived in Nebraska's public school system, I know firsthand the value of a strong public education. My own children, 2 of whom had IEPs, have benefited immensely from the support and resources available in public schools. This is why my family and I have chosen to stay and raise our children here in Nebraska, because we believe in the promise that public education offers every child in this state. PTA is the largest and oldest child advocacy group in the country. Our association opposes any proposal or voucher system that diverts public funds to private or sectarian schools. Public dollars carry the responsibility for providing public access, governance, and accountability. We believe that public support of any school must not be allowed to detract or divert money from the continued operation of public education. I'm here to support-- or excuse me. I'm here to voice our strong opposition to LB509. For 2 years, parents, educators, and

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Revenue Committee February 6, 2025

voters have spoken out, gathering over 200,000 signatures from Nebraskans who want their voices heard. Twice now, voters have made it clear: Nebraskans value their public schools and do not want opportunity scholarships. LB509 would divert public funds to private institutions that do not serve all children and undermines efforts to ensure that all students, regardless of their background or their life experiences, have access to quality education, proper mental health support, and equitable resources. This law creates additional barriers to the well-rounded educational experience that the PTA consistently advocates for. Public schools are held to rigorous standards of accountability and transparency to ensure all children are served. No exceptions. Private and religious schools, however, do not operate at the same level of oversight. They are not required to accept all students, including those of different races, faiths, or backgrounds. This is a critical distinction when we talk about ensuring equitable access to education for all. Keep in mind that 90% of all Nebraska students attend public schools. In fact, 48 of the 93 counties, over half don't even have a private or parochial school, but every single one of those have a public school and they're open to all children. Investing in public education isn't about the future of our children necessarily only, it is about the future of every community in Nebraska. By ensuring that public schools remain strong and well-funded, we are creating a future where every child in every corner of this state has the chance to succeed. I urge you to stand with Nebraska voters and vote no on advancing LB509. Thank you.

**von GILLERN:** Thank you. Nailed the time. Good job.

**MOLLY GROSS:** Sorry.

**von GILLERN:** It's always-- it's the little, it's the little things in life. Any questions from the committee members? Ms. Gross, thank you for being here.

**MOLLY GROSS:** Thank you.

**von GILLERN:** Good afternoon.

**DAN HOHENSEE:** Hi. Good afternoon. My name's Dan Hohensee. That's D-a-n H-o-h-e-n-s-e-e, and I'm here as a private citizen. I'm going to skip over to my first page. I think a lot of those points have already been made, as far as the, the vote that was taken, the, the possible constitutionality of it, and I think the one thing I will address is the dis-- disproportionate credit that was happening here with this particular bill. So if you go over to the second page, I think it's

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Revenue Committee February 6, 2025

disproportionate, I think it is selective, and I think it's fiscally un-- unsound. Looking at the current Department of Revenue's site for tax credit programs, you can also see some apparent favoritism, as well. The childcare refundable, the caregiver, and the food bank pantry credits all have limits from \$1,000 to give or take \$6,000 available to individuals or businesses that actually have children or provide care or provide the actual product. So those 3 are identified there. But on the nonprovider side, the cash contribution only side, the childcare nonrefundable and the pregnancy help credits, they have credits of up to \$100,000 per taxpayer and/or up to 50% of their income tax liability. That seems to be highly disproportionate compared to the other ones that provided food, care, and-- care and also, just the fact that you have children, whereas these are simply nonrefundable and may not be associated with the service prov-- provider at all. And I think additionally, these cash contributing nonproviders who have the-- who typically have the extra means to take advantage of these credits can essentially wipe out their entire income tax liability to the state simply by contributing to these programs. But the actual parents or caregivers, caregivers who are directly responsible for providing the services get the limited credits and limitations to their income level. So that seems to be very disproportionate. And as of right now, the state has already committed to approximately \$20,000-- or \$20 million in these 5 credit programs. And now, we're going to more than double our tax credit liabilities, in spite of a projected deficit of \$432 million? That just seems to be fiscally unsound. And I think the one thing that I've heard overall from all the speakers here, I don't think it's a case of we're against school choice. I absolutely am not. I have known students that have gone to the public schools, focus programs, the private schools, and I enjoyed every one of those students. I was a teacher for 31 years. I enjoyed working with every one of those students. I think the thing is, is the credit. I'm fine with the deduction. Give to the charitable foundation that represents those schools, take your tax deduction and move on. I give to the food bank. I give you the City Mission. I give to People for the Center in Need. I give to my church. In fact, I give enough that I'm able to take a stand-- go beyond the standard deduction. But I certainly don't expect a credit. And I think that's what-- that's my concern here. Why does it have to be a credit? So in summary--

**von GILLERN:** Thank you.

**DAN HOHENSEE:** --I believe it's unconstitutional-- sorry.

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Revenue Committee February 6, 2025

**von GILLERN:** No, you're good. You're good. Thank you. Any questions from the committee members? I've just got a-- I just want to point out, you clearly understand the difference between a refundable credit and a nonrefundable credit.

**DAN HOHENSEE:** Absolutely do.

**von GILLERN:** OK. So you just-- for those in--

**DAN HOHENSEE:** Yes.

**von GILLERN:** --in the room and not paying attention--

**DAN HOHENSEE:** Yes.

**von GILLERN:** --a refundable credit goes back to someone whether they have a tax liability or not.

**DAN HOHENSEE:** Correct, correct. Yes.

**von GILLERN:** And the, the bill that we're talking about, LB509, as I recall, you can only-- you said you could erase all of your tax liability. I think it says only 50%.

**DAN HOHENSEE:** I, I did not see that in the reading.

**von GILLERN:** I, I, I may be wrong. I was-- I'm going off memory, so.

**DAN HOHENSEE:** I know the original bill showed that.

**von GILLERN:** OK.

**DAN HOHENSEE:** And I did not see that when I read through it.

**von GILLERN:** All right. But clear-- clearly, comparing a refundable tax credit--

**DAN HOHENSEE:** Absolutely. Absolutely.

**von GILLERN:** --and a nonrefundable is-- it's very apples and oranges. OK.

**DAN HOHENSEE:** I, I think the other thing to notice on that \$25 million that-- for the cap, that's going to basically excuse \$500 million of income tax liability, possibly, if the right people-- if, if enough people claim that credit. That's a \$0.5 million of [INAUDIBLE].

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Revenue Committee February 6, 2025

**von GILLERN:** Not following your math, but we'll, we'll, we'll follow up on the--

**DAN HOHENSEE:** That's all right. I was a math teacher, too, so I kind of like that stuff.

**von GILLERN:** OK. All right. All right. Then I'm sure you're doing the numbers correctly. Yeah. Seeing no other questions, thank you for being here.

**DAN HOHENSEE:** OK. Thank you.

**von GILLERN:** Any other opponent testimony? This opponent testimony?

**NANCY PACKARD:** I'm opponent.

**von GILLERN:** OK. Thank you.

**NANCY PACKARD:** Yes. I'm also hard of hearing, so I'll, I'll do my best, sir.

**von GILLERN:** No, I, I am, too. So.

**NANCY PACKARD:** I'm Nancy Packard, N-a-n-c-y P-a-c-k-a-r-d. I would like to make the point that we shouldn't do anything to discourage public education because it is what feeds, supports, and nourishes and makes us thrive. I hesitate to say this, but I'm a little prickly about nonpublic education, left from when-- in the 19-- about the 1990s, I was a teacher and a lot of parents were pulling out of public schools and homeschooling. And the issue was public schools were not religious. And yet, in the school I was in, in Hastings, I looked around. I was a Sunday school teacher, a weekday schoolteacher, and on the board of education. My best friend was the choir director at her church. The point is that people were pulling out because they felt they had a topic that was, was not being addressed in, in the schools. Right now, from what I hear, people are pulling out because they think some-- there is some unmet need in the schools. There's something they're not getting. And yet, when I was a teacher all my life-- and yet, when I think of the classrooms, every classroom was different. Every teacher was different, every classroom was different. Over the course of 12 years of education, most kids get a pretty well-rounded education through the mix of teachers and students they're with. My last point is, I believe a principal said something about a student tossing a chair. Did he not say that? Didn't he-- talked about not wanting to be in a public school because there was wildness and roughness? Well, there certainly was. I didn't ever have any chairs

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Revenue Committee February 6, 2025

tossed, but there were things that went on that were not as they should have been, because toward the end of my career, I figured that a third of my students were at-risk. That was the term we used then. And I taught in 3 different schools in Hastings, the neediest, the medium, and the highest economic status. And a third of the kids I felt were at-risk, either their own behaviors, their family situation, their parents, something made them-- their situation, not the best for them to thrive. And yet, as I said, kids might do something at the beginning of a school year, but I knew by the end of the year, that group, I'll call it pressure-- seeing what the other kids in their classroom were doing. They learned from one another and they somehow had a sense of how to behave. They weren't perfect, but they learned from each other. And that's what our country is. It's the great amalgamation of all kinds of people coming together. And somehow-- you know how a stone, when-- you know how the Rocky Mountains have-- how the pebbles are round now, because the Rocky Mountains have washed down the Platte River, and so on, that's what happens in the classrooms, too. All their-- our rough edges are smoothed off and we are able to work together better. So the financial issue is tremendous, but, but I think the social issue is more important that we all learn from one another. There should be opportunities for people to--

**von GILLERN:** Can I get you to wrap up your comments please?

**NANCY PACKARD:** --buy whatever they need, but we should not pay for it. They should do it on their own. Thank you.

**von GILLERN:** Any questions from the committee? Seeing none, thank you. Next opponent. Good afternoon.

**GARRET SWANSON:** Good afternoon. Chairman von Gillern and members of the Revenue Committee, my name is Garret Swanson, G-a-r-r-e-t S-w-a-n-s-o-n, and I'm here on behalf of the Holland Children's Movement in opposition to LB509. Thank you for your time, Senators. Several great speakers have brought up many great reasons why this committee should not advance LB509. For the purpose of my testimony, I want to touch on the inherency of this issue for Nebraskans. Our sister organization, Holland Children's Institute, conducts a poll at least once a year to gauge the attitudes and opinions of Nebraskans. Since our poll-- polling began in 2021, Nebraskans have never indicated a desire to use taxpayer dollars to subsidize private and charter schools. In 2021, 64% of Nebraskans opposed or strongly opposed giving taxpayer money to private schools, while 28% supported it. In 2022, 67% of Nebraskans opposed or strongly opposed giving

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Revenue Committee February 6, 2025

taxpayer money to private schools, while 32% supported it. In 2023, 64% opposed, while 34% were in favor. And of course, Senators, in the biggest poll of them all, in 2024, referendums rej-- voters rejected the referendum with 57% of Nebraskans saying no and 42.97 saying yes. Again, I bring these numbers not up, not up because it's clear that the public funding for private schools is not an issue that Nebraskans want or support. As elected representatives, everyone on this committee has a duty to resent-- represent the will in the electorate. When we conduct this polling, we did not question Nebraskans just in Omaha or Lincoln. We made sure to include voices from every part of the state. Our polling is also representative, as most of the Nebraskans we polled self-identify as Republicans and either moderate or conservative in their political leanings. This, of course, matches with publicly available voter registration information. I understand that the introducer of this bill and its supporters want what's best for the children in our state. I believe we all care about that. However, when it comes to getting a quality education, there is nothing a private school can do that a strong public school cannot. Let's work to find solutions to problems within our current framework so every child of this state has a chance to succeed through our wonderful public education system. Thank you for your time.

**von GILLERN:** Thank you. Any questions from the committee? Senator Jacobson.

**JACOBSON:** I , I just have one quick question. So you've given us your polling, but yet your polling seems to be way off from what the vote was--

**GARRET SWANSON:** Yeah.

**JACOBSON:** --in '24. So how do you reconcile that?

**GARRET SWANSON:** I don't run millions of dollars in an education campaign either way. There's nothing on the ballot. I'm not airing commercials on the TV, on the radio. Obviously, when you have so many things being thrown at people, attitudes and opinions are going to change. Nothing is going to be more accurate than an actual vote by--

**JACOBSON:** But to that point, there was \$7 million spent to oppose--

**GARRET SWANSON:** Mm-hmm.

**JACOBSON:** --and, and yet, the-- you-- when you look at the supporters, it was less after you-- after \$7 million was spent versus no dollar

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Revenue Committee February 6, 2025

spent. So I, I just-- it just seems weird that you're doing your internal polling and it's supposed to be unbiased, but it seemingly--

**GARRET SWANSON:** Yeah.

**JACOBSON:** --has some bias.

**GARRET SWANSON:** Yeah. Again, we don't run an education campaign. We don't put commercials on the TV. And it wasn't a year for an election anyway, that we were-- time for an election that we were doing this poll. And it's usually February that we do it.

**JACOBSON:** All right. Yeah. Thank you. No, no further questions [INAUDIBLE].

**von GILLERN:** Thank you. Thank you. Seeing no other questions, thank you for your testimony, Mr. Swanson.

**GARRET SWANSON:** Appreciate it. Thank you.

**von GILLERN:** Appreciate it. Next opponent.

**VANESSA CHAVEZ JURADO:** Good afternoon.

**von GILLERN:** Good afternoon.

**VANESSA CHAVEZ JURADO:** Good afternoon. Thank you, Chair von Gillern and members of the Revenue Committee. My name is Vanessa Chavez Jurado, V-a-n-e-s-s-a C-h-a-v-e-z J-u-r-a-d-o, and I am a communications and outreach specialist at Stand For Schools, a nonprofit dedicated to advancing public education in Nebraska. Stand For Schools is here in strong opposition to LB509. Nebraskans have many things to be proud of, and our history of supporting public education is at the top of the list. Indeed, as others have already testified, Nebraskans affirmed this commitment to public education only 93 days ago by repealing LB1402, a similar voucher scheme to what is proposed here. I will be sort of shortening my testimony, focusing on why we oppose LB509 and the tax credits scholarships for many reasons, especially highlighting because if implemented, LB509 will not protect Nebraska's children against discrimination. Unlike public schools which are open to all, page 3, lines 22-23 of the bill states that private schools under LB509 must comply with 42 U.S.C. 1981, which only prohibits intentional discrimination based on race. That means students would not be protected from discrimination based on religion, national origin, special education needs, English language learner status, refugee status, sex, gender identity, sexual

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Revenue Committee February 6, 2025

orientation, pregnancy, or disability. Moreover, even this protection is insufficient to protect against discrimination based on race. The Supreme Court has held that Section-- in-- 1981 does not allow plaintiffs to demonstrate discrimination by analyzing that disparate impact policies have on different political groups-- oh, excuse me-- racial groups, meaning that unless a school can be shown to be intentionally admitting, punishing, or expelling students based on their race, no action will be taken. This is an extraordinarily high legal bar to meet, and LB509 as written will not protect minority students. Section 12 states that the bill shall not be construed as granting the state more authority over participating private schools. Stand For Schools does not believe taxpayer dollars should be used to support schools that may be closed to some children and that do not meet the same accountability requirements as public schools. We appreciate the Legislature's consideration of new ways to educate Nebraska's children. However, when considering these changes, senators should not compromise Nebraska's public school system. We believe-- because we believe LB509 would do just that, we strongly oppose the bill and urge you not to advance it. I'm happy to answer any questions.

**von GILLERN:** Thank you. Any questions from the committee? Seeing none, thank you for being here today.

**VANESSA CHAVEZ JURADO:** Thank you.

**von GILLERN:** Is there any other opponent testimony? No? Is there any neutral testimony? We'll go through the cycle again. Seeing none, is there any other proponent testimony? Seeing none, Senator Sorrentino, you awake over there?

**SORRENTINO:** I'll be right with you.

**von GILLERN:** That's all right.

**SORRENTINO:** [INAUDIBLE]got a file here.

**von GILLERN:** Thought we were going to be here till 8:00.

**JACOBSON:** We're not in any hurry.

**DUNGAN:** Yeah, this is early.

**von GILLERN:** We're all losing our bets on this one.

**SORRENTINO:** I'm going to put this down here for regular-sized people. All right. Short people. Thank you for your patience today. I just want to make a couple closing notes. First and foremost, there's a lot of information here, a lot of back and forth. I think it's good, healthy legislation. One of the major points that I want to hint at is Senator Dungan pointed out some studies that he had-- that he had quoted. And I want-- we didn't have that study in front of us, but I, I guess I respectfully disagree with the argument that there are private schools receiving money from tax credit programs and they're showing negative results. I have-- and I didn't get a chance to duplicate that, but we have information here that would suggest that the, the opposite of that. American Federation for Children, which advocates for low-income children, they would say just the opposite. They did a 4, 4 criteria test, and the overwhelming majority of that was positive towards school choice. And I will get a copy of that to each one of you. We just got it a little bit ago. I also want to talk about the implication that using a-- an opportunity scholarship program is direct funding from the state. And there was back and forth between Senator Dungan and an attorney who was a proponent of this. The argument that private schools receiving money from tax credit programs should be considered to be directly funded by the state, I disagree. It is not. In fact, the Nebraska Supreme Court has time and time again rejected this insinuation and ruled this to be indirect funding. In fact, they actually spoke not only with wisdom, but a little bit of humor. And here's exactly what they said. If this is-- to suggest that this type of aid to nonpublic schools is direct funding, then we believe that if a nonpublic school were to catch fire, you could not call the fire department and would instead need to call the volunteer bucket brigade, quote unquote, Nebraska Supreme Court. So I would reject that argument summarily that using a scholarship credit program is direct funding. Finally, I would like to add that supporters of LB509 could have brought dozens, if not hundreds of the thousands of families and children that receive scholarships and were asking to continue having that scholarship opp-- stay, and many other families who desire similar opportunities to access the right infor-- education for their child. Supporters did not want to pack this hearing room and the hallways out of respect for the committee's time. That would be my closing on LB509, and I would be more than happy to answer any more questions.

**von GILLERN:** Thank you. Before I forget, I do need to read into the record that there were comments for the-- emailed in. There were 235 proponents, 548 opponents, and 2 neutral testimonies. Now, questions. Senator Jacobson.

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Revenue Committee February 6, 2025

**SORRENTINO:** Could we read each one of those, please?

**von GILLERN:** Yes, you may, at your leisure.

**SORRENTINO:** Publicly, yes.

**von GILLERN:** Is there-- they're online. Senator Jacobson.

**JACOBSON:** Senator Sorrentino, there are-- we heard in this committee here, I believe, a week or so ago that there are firefighters that, that-- they could get scholarships from-- funded by the state-- for kids of, of, of firefighters and, and others that are, that are involved in public service. And they could go to colleges and-- for tuition-free. And that could include colleges that are private, as well.

**SORRENTINO:** Yes, it could.

**JACOBSON:** Does that-- how does that work when we can't be using state funding for private institutions?

**SORRENTINO:** I would say we have a conflict here, don't we?

**JACOBSON:** I just was curious as to if you had any thoughts on that.

**SORRENTINO:** Yeah. It would seem like one, when you enter-- are in grade school-- we're talking about education, which one of these don't belong in these 4? If we could do it for one, why can't we do it for another and why is it not considered direct funding? I believe and I may direct this question to Senator Kauth. I believe there's a similar law for police officers to do the same. Was it not enacted?

**KAUTH:** It's all, it's all wrapped up.

**SORRENTINO:** All in that same bill.

**von GILLERN:** OK. Let, let's, let's keep in order here. And I-- Senator Bostar has a, a comment, I believe.

**SORRENTINO:** It was a comment--

**von GILLERN:** About his bill, about his bill.

**SORRENTINO:** --or a criticism. I'm open to that.

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Revenue Committee February 6, 2025

**BOSTAR:** Thank, thank you, Chair. And thank you, Senator. In fact, that act does not provide any tuition waivers or scholarships for private entities at all. Only public.

**SORRENTINO:** I stand corrected. Thank you.

**von GILLERN:** Thank you. Any other questions or comments?

**SORRENTINO:** Or criticisms?

**von GILLERN:** No. Let's save those. Seeing none, that will close our hearing on LB509.

**SORRENTINO:** Thank you.

**von GILLERN:** Well done, everybody. Thank you, everybody, for being patient.