



# Greater Nebraska Schools Association

P.O. Box 82889 • Lincoln, Nebraska 68501-2889

**DATE:** 2/2/26

**TO:** Education Committee, Senator Murman, Chairman

**RE:** LB 1038

Chairman Murman and members of the Education Committee,

My Name is Kyle Fairbairn, and I represent the Greater Nebraska Schools Association (GNSA) which is an organization that represents 25 of the largest school districts in the state of Nebraska. These 25 districts represent over 70% of all the children in the state attending public schools. These public schools also represent 88% of all the minority children in the state that attend public schools.

I come to you today in opposition to LB 1038. I would like to thank Senator Hughes for bringing this bill forward and all the work that has gone into this idea. Dave Welsh has also been very involved with the data output to date and that is appreciated. This bill would drastically change the current TEEOSA formula by changing the distribution of the Property Tax Relief funds. GNSA likes a couple of the major aspects of this bill.

1. The new bill would use the Property Tax Relief funds to lower the LER in the TEEOSA formula which would drastically reduce the taxes collected by schools. This would move the tax rates closer together.
2. By using this funding in the formula, it would also show the taxpayers across the state a better representation of what they are actually paying in taxes. The current Property Tax Relief funds have the school district tax an amount and then reduces the total being collected.
3. Gives districts the ability to recover if the state fails to fund education.

There are also a couple of items in the bill that would cause some issues for the schools that represent:

1. Lowering the agricultural values by over 40% while reducing residential values by a little over 10% is troubling. A majority of the districts I represent are funded by residential property not agricultural. I understand that there is a reason to do this but with the drastic increase in residential property it does seem that that percentage should be adjusted.
2. The removal of both the averaging adjustment and the community reinvestment funding goes directly at large school districts. Wiping them out seems difficult for schools to adjust too. Many of these schools are the lowest spending schools in the state and taking more funding away from them does not seem right.
3. Currently we have no modeling on the bill but this is coming.

Senator Hughes sits on the TEEOSA funding commission and this may be the plan that comes forward, but we would like to see the commission complete their work.