



February 18, 2025

Senator Robert Clements, Chair
Members of the Appropriations Committee
Nebraska Legislature

RE: LB264

Chairman Clements and Members of the Appropriations Committee,

My name is Jen Goettemoeller Wendl and I am a contract lobbyist for First Five Nebraska, a statewide public policy organization focused on supporting policies that promote quality early care and education of our state's youngest children. Thank you for the opportunity to testify today.

I'm here to oppose LB264 and, specifically, three items involving early childhood cash funds, two of which would directly impact the workings of a public-private partnership that has been a model for the nation for nearly 20 years.

1. Section 13 (page 5, lines 1-5) proposes a transfer of \$3.25 million from the Early Childhood Education Endowment Cash Fund to the Education Future Fund.

The Early Childhood Education Endowment Cash Fund was created in 2006 with passage of LB1256. In addition to the cash fund, LB1256 also created a public-private partnership that, today, is commonly known as Sixpence. The partnership was built on a 2-to-1 public-private match establishing a \$60 million endowment; \$40 million came from public funds (committed from the Educational Lands & Trust Fund) and are invested by the State Investment Council; \$20 million came from private funds (raised over five years by the Nebraska Children and Families Foundation) and are invested by a private investment advisory group. The earnings from each of these investments are deposited into the Early Childhood Education Endowment Cash Fund.

It is important to note that monies in this cash fund are a blend of public and private dollars. It is problematic—and may not be legally permissible given Article VII, sections 7-9 of the Nebraska Constitution—to remove money from this cash fund and transfer these dollars to a different fund.

Let me step back from the dollars for a moment to give you a little more insight into the workings of the partnership. The Early Childhood Education Endowment, commonly called Sixpence, is truly a partnership at every level. Its Board is a partnership, comprised of six members, all Governor appointed. Two are public-sector representatives: the Commissioner of the Department of Education and the CEO of Health and Human Services. Two are private-sector representatives, whose names are submitted to the Governor by the private donors themselves. The final two members are early childhood specialists, one from an urban area of the state with a high

concentration of poverty and the second from a rural area of the state with a high concentration of poverty. This Board determines how and to whom grants will be awarded, as well as holds grantees accountable for their performance.

Partnership is evident at the community level, as well. Each Sixpence effort is a locally designed, locally managed partnership that is highly responsive to the early learning needs of families where they live. Each Sixpence-funded partnership consists of the community school district, local agencies, service providers, child care businesses, hospitals, banks and other community leaders. If you've seen one Sixpence partnership, you've only seen once Sixpence partnership. They all look a little different based on the needs and resources of the local community. There are 43 Sixpence partnerships across the state and 41 of them are rural. The community-element of the partnership is evident in the funding, as well. For every \$1 private, there is a \$2 public match. Those combined \$3 are matched 100% by local community resources.

LB264 undermines these partnerships. **At its core, transferring funds (including private funds) from the Early Childhood Education Endowment Cash Fund destroys the trust of the private donors whose very dollars are invested.** Eroding trust in public-private partnerships is not in the State's best interest. I know the Governor has indicated he would like to maximize public-private partnerships. First Five Nebraska thinks that's the right approach so that government isn't trying to solve problems on its own. In this case, the wise thing would be not only to remove the Sixpence elements from LB264, but also to invest more funds into the Early Childhood Education Endowment Cash Fund and ask the private community to increase their investments, as well.

2. Section 101 (pages 56-57) proposes a change to statute to allow the Legislature to transfer funds from the Early Childhood Education Endowment Cash Fund to the Education Future Fund in the future. This is problematic for the same reasons I mentioned above, namely, the Cash Fund is comprised of both public and private funds. We request you remove this proposed statutory change (page 57, lines 6-9) prior to advancing LB264.
3. Section 31 (starting on page 7, line 30) proposes a transfer of \$250,000 from the Early Childhood Program Training Fund (43-2607). These funds are utilized for efforts to assist parents who need or use child care, for specialized training regarding the care of children with special needs and for the training of child care providers on health, safety and child development. This fund is primarily comprised of fees that early childhood providers pay for trainings, as well as grants and donations. Providers often pay small amounts (i.e., \$25) to attend trainings. Those funds are deposited into the Early Childhood Program Training Fund and are used to host future trainings. It sends the wrong message to child care providers across the state that the money they pay for trainings will be directed away from their training needs and spent elsewhere. Related to that Fund, Section 71 of the bill (pages 18-19) proposes to change statute that would allow the Legislature to transfer funds from the Early Childhood Program Training Fund in the future. Please remove the \$250,000 transfer from the budget package and do not advance the proposed statute change (page 19, lines 4-5).

Thank you,



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