

Testimony on LB 1071
Nonprofit Association of the Midlands
1111 N. 13th Street, Suite 213
Omaha, NE 68102
Opposed

February 2, 2026

Good afternoon, Senator Clements and members of the Appropriations Committee. My name is Matthew Martin, Director of Programs with the Nonprofit Association of the Midlands. As the largest nonprofit association in the state of Nebraska with over 800 nonprofit organizations as members serving tens of thousands of Nebraskans every month across the state, I come before you today to urge you to oppose LB 1071 as introduced.

In particular, Sections 9 and 10 of LB 1071, which would prohibit state funding for any programs identified as for the purpose of “diversity, equity, and inclusion,” as defined within the text of the bill, would cause significant harm to many local nonprofits and the communities they serve. The Nonprofit Association of the Midlands supports and advocates to strengthen diversity, equity, and inclusion in social and fiscal policy, by supporting inclusive public policies that include the voices of those who have been historically underrepresented or marginalized and promoting equitable economic and workplace practices for nonprofits.

As nonprofits exist to fill gaps unable to be adequately addressed by either the private for-profit or governmental sectors, it is no surprise that nonprofits frequently focus their activities on those in our society who have been historically underrepresented or marginalized – the poor, the LGBT community, the sick, the elderly, legal immigrants and refugees, those with disabilities, BIPOC, and children, among others. As written, it is difficult to imagine how many of these programs and services could continue to operate under the broad, vague prohibitions of this bill language, and its imposition would likely cut off services leaving thousands of Nebraskans without support and open up the potential for lawsuits and other legal action against many Nebraska nonprofits.

Consider these situations:

- A nonprofit provides job training for legal immigrants and refugees.
- A nonprofit provides mental health counseling for LGBT youth in crisis.
- A nonprofit provides affordable housing options in neighborhoods with a high population of BIPOC individuals and families.
- A nonprofit hosts a class on the US Civil War, the civil rights movement of the 1960s, or the Civil Rights Act of 1964.

Due to the broad and vague definitions within Sections 9 and 10 of LB 1071, all of these programs and services could be prohibited from receiving state funding.

Senators, nonprofits employ 10% of Nebraska's total workforce and spend \$20 billion in 2023, comparable in size to the manufacturing industry for Nebraska's economy.

Nonprofits are essential to Nebraska's economy and communities. Beyond their size, nonprofits play a unique role in directing financial and human resources toward community well-being — filling gaps that markets and governments alone cannot. Their economic importance lies not only in their operations but also in how they mobilize funding, talent, and infrastructure to advance public purposes, in the areas of: human services; public and societal benefit; education; health; arts, culture, and humanities; and the environment.

The value of Nebraska's nonprofit sector extends beyond its financial and employment impact —it is reflected in the wide range of organizations that serve nearly every aspect of community life. Nonprofits operate across diverse areas. Each area contributes uniquely to Nebraska's social and economic well-being by addressing specific community needs, strengthening civic engagement, and improving quality of life. Equally important are the individuals who support these missions. Nebraskans contribute not only financial resources but also their time through volunteerism, providing the labor, leadership, and community connection that help nonprofits deliver critical services statewide.

Across multiple measures, Nebraskans were more likely to contribute their time and resources to their communities than the national average, whether that's measured by membership in local charitable organizations, donations to charities, or volunteering – 38% of Nebraskans have volunteered with a local charity within the past year.

Nebraska's charities rely on a diversity of funding streams to carry out their important work, with contributions, gifts, and grants comprising a significant component – 47% in the area of human services; 77% in public and social benefit; 76% in the area of arts, culture, and humanities; and 47% in education. Prohibiting state funding to nonprofits engaged in community support and outreach to some of our most vulnerable and underrepresented populations in each of these areas would have serious negative consequences for our communities and our state.

Senators, Nebraska gained statehood in 1867 only after agreeing to accept Congress's demand that it remove a "whites only" voting restriction from its state constitution. Unique among the fifty states, the state motto "Equality Before the Law" reflects Nebraska's willingness to extend suffrage to black Americans in the 19th Century. Within this bill language on DEI, would state-funded programs even be able to discuss our own proud

heritage? We have come far in the 159 years since becoming a state, and yet there are still populations in our state and in our country that are discriminated against and underrepresented. Nebraska's nonprofits will continue to engage, support, uplift and be in community with all Nebraskans for the benefit of our community and for our state. Rather than prohibiting state funding, the state should be supporting and enlarging this critical work and so on behalf of our state's nonprofit community, I urge you to oppose LB 1071 as introduced.

Thank you for your time and consideration. I am happy to answer any questions.