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Education Committee  
October 24, 2008

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[LR293 LR294]

The Committee on Education met at 1:30 p.m. on Friday, October 24, 2008, in Room 1525 of the State Capitol, Lincoln, Nebraska, for the purpose of conducting a public hearing on LR293 and LR294. Senators present: Ron Raikes, Chairperson; Gail Kopplin, Vice Chairperson; Greg Adams; Bill Avery; Carroll Burling; Gwen Howard; and Joel Johnson. Senators absent: Brad Ashford. [LR293]

SENATOR RAIKES: (Recorder malfunction)...hear the introduction of and comments on two interim study resolutions. Let me quickly go through the preliminaries. Introductions, to my far right is our committee's legal counsel, Tammy Barry. Senator Brad Ashford from Omaha is not here at the moment, may be later on. Senator Gwen Howard of Omaha, who has been by the committee stripped of her name tag, also is not here yet but she may arrive later; Senator Carroll Burling, Kenesaw; Matt Blomstedt is our committee's research analyst; I'm Ron Raikes, District 25; Senator Gail Kopplin is our committee's Vice Chair from the Gretna area; Senator Greg Adams from York, Nebraska; Senator Joel Johnson is not here but also a member of the committee; Senator Bill Avery from Lincoln; and Kris Valentin is our committee clerk. The way we will conduct this is that we'll have each resolution introduced and, I think in the case of the second resolution, we'll also have a few comments by our committee counsel because there is a draft bill prepared and she is going to talk about that and some other things. Then we will invite comments in our usual practice of, some of you are used to that, of having proponents, opponents and neutral. We don't do that because presumably these are studies and you're all proponents of studies and stuff, so we'll forego that. But with that, I think that takes care of the preliminaries, so Senator Adams, please. And the first resolution is LR293, interim study to examine ways to develop interest in science and math disciplines. Senator Adams. [LR293]

SENATOR ADAMS: Thank you, Senator Raikes, and members of the Education Committee. As I was a moment ago thinking about how I would open, after 31 years of

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teaching social studies I should be sitting here, first of all, telling you how important that is and how all else really falls secondary in the curriculum to that. But instead, I find myself today asking you to focus on science particularly and math as well. I don't need to tell this committee or anyone behind me the importance of science and math, not just in a curriculum but to developing a work force, the changing global economy and all that goes on really requires that we do all that we can to make sure that our Nebraska students are prepared for that work force and higher education as well. Hence, this interim study. The purpose of it is to, probably to reexamine where we're at with science and math and what we're doing, what's available to us, what our resources are, and draw this committee's focus back to that again, if only for a while today. So with that, Senator Raikes, I'll conclude and there are people here that can speak to this far better than I can. [LR293]

SENATOR RAIKES: We trust that, Senator Adams. (Laughter) [LR293]

SENATOR ADAMS: You just know that, don't you? [LR293]

SENATOR RAIKES: Are there questions for Senator Adams before we let him retreat to the ranks here? I don't see any. Thank you, Senator. Can I ask, how many would intend to comment on this interim study resolution? Raise your hands. Okay, one, two, three, half a dozen, okay, fine. We don't have our light system in place or the automatic shockers or anything like that, (laughter) so we'll trust you to be as brief as you can, but yet be sure and tell us what you want to tell us. So first testifier, please. Also just tell us...we do transcribe these, so please tell us your name and spell your last name for the transcriber. [LR293]

MARTY MAHLER: Good afternoon, Senator Raikes, and Education Committee, my name is Marty Mahler, M-a-h-l-e-r. I represent the Nebraska P-16 Initiative and just wanted to share a little bit of information with regard to the importance of this resolution and why we need to look seriously and hard here in Nebraska on what we're doing in

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math and science. I am also going to leave with you some testimony from Randy Vlasin with FutureForce Nebraska. He intended to be here today but due to a family emergency was not able to attend. Also, I'm going to leave some information from the Merck Institute, which is some information they have and a study that was completed by them on the importance of science education in our global economy and in the United States in general, and so I will be leaving that. First off, let me start out by saying, I think most of the people here in the room are familiar with P-16 and we are primarily engaged in looking at how we can increase the two-year and four-year college going rate here in Nebraska. And so nothing could be more important in terms of us achieving that than looking at science and math, and in particular math. And so I'm going to make an opening comment here with regard to what I think ultimately our outcome is, and that is, there is all kinds of research now that exists that supports that students success in college is primarily determined by a single gateway course in high school, and that is algebra 1. From that point I want to share with you some information and I'm going to use primarily ACT information because it is one of the major college entrance exams that's used here in the state of Nebraska. We have over 16,000 students that take the ACT each year. That equates to about 77 percent of the high school graduating class takes the ACT and there's some important...if you dig down into that, there's some really important things that come out of each year of the report that's done by ACT with regard to the specifics of how Nebraska students perform on them. So let me give you a little background real briefly here. As I said earlier, in 2008 about 16,573 students completed the ACT. What ACT has been able to do is, is they've been able to use a research based calculation that supports a minimum score in certain areas on the ACT which determines a success rate by those students when they attend college. And I use college as sort of a benchmark because we know going forward in the global economy that for our students here in Nebraska to have anything less than either a two- or four-year degree will seriously inhibit their ability to have any sort of financial success in the work force. We know that. I mean, there's no arguments about that. So I think that our educational system really needs to be built around, not wondering if students should get more education beyond high school, but how we ensure the success in a pathway

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so that they can get more education beyond high school. So ACT has determined that there are some benchmark scores that students must be able to attain. The definition of their benchmark score is, in a certain ACT subject area, and I'll talk to you a little bit about these specifically, a score in that area indicates that the student would have a 50 percent chance of getting a B or higher or a 75 percent chance of getting a C or higher. So I'm going to focus my remarks on math and science. Twenty-seven percent or about 4,471 of the 2008 graduates met all four of the ACT criteria for benchmarks. So what they're saying is, is of the 16,573 students that took the ACT, 27 percent or about 4,400 students actually met the benchmark criteria that would say they have a 50 percent chance of getting a B or higher or a 75 percent chance of getting a C or higher in their college work. Now, I know when I first saw that, that seemed significantly lower than what one might believe that it would be here in Nebraska. So more specifically, here's how it equates. Six percent of the cohort took less than three years of math courses. Of these students, only 13 percent were college ready. Fourteen percent of that cohort reported taking the minimum core, algebra 1, algebra 2, and geometry, and only 15 percent of these students were college ready. But in comparison, 58 percent of the students who advanced beyond the minimum core were college ready. So clearly, this supports that idea that algebra 1 is a gateway is so critically important for success, not only in preparing for college, because here's the thing. Today, whether you're preparing for the work place or you're preparing for college, the math and science requirements are almost the same. And I think that one of our testifiers from Li-Cor here in Lincoln is going to kind of tell you, basically, that requirement. When we look at science, similarly 14 percent of the cohort took less than three years of natural science courses. Sixteen percent of these students were college ready in comparison to 38 percent of the students who took at least three years of the courses that were actually college ready. So in the end, what you're looking at when specifically at math, 49 percent or just over 8,000 of the 16,000 students who took the ACT, scored on the ACT benchmark level of 22. So when we...and then when we look at 14 percent of African-American and 28 percent of Hispanic students only met that 22 benchmark, and that number 22 benchmark means, again, that they're going to have a 50 percent chance of getting a B

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or higher or a 75 percent chance of getting a C or higher. So we've got work to do in terms of how we're teaching math and I'm going to share just a couple of things on science. Over all, 35 percent or 5,800 students met the benchmark of 24 for science. So I guess what I'm saying is, there's no mystery here about what it takes for a student to be successful whether they're going into the work place or they're going to head on to either a two- or four-year college, we have to be able to make sure that these students are well prepared once they get to college. So being a part of P-16, there's another important aspect that we have to look at that. It's one thing to look at individual students scores. We also have to look at what kind of interest exists across the state of Nebraska for students in the math and science area. And I simply...I'm going to start with some world and global numbers and narrow it down to Nebraska. Globally, Korea leads the world in the percentage of its students who select math or science degree areas when they go on to college. Forty percent of the students in Korea choose either a math or a science degreed area when they go on to some form of postsecondary education. Here in the United States, 16.7 percent. So if one were to ask themselves in the future where will major math and science developments be made, one may not choose the United States. But let me bring this closer to home. Unfortunately, in Nebraska the percentage is even lower. Of the nearly 12,524 students who took the ACT last year, on the ACT they indicate what area that they're going to go on to college in. Of those, 613 or less than 4 percent indicated engineering; 110, less than 1 percent, indicated mathematics; and 717 or only about 4 percent indicated science as either biological or physical. So there's two things that appears that are going on here. One, we've got to work on performance of the students in math and science. Two, we've got to do things, I believe, in our schools that encourage more students to pursue the area of math and science. It is clearly what is going to keep Nebraska at the cutting edge when we look at how we develop our future work force and how we develop and make sure we have a vibrant economic development here in the state. So in the end, what it means is a total of, for the graduates of 2008, 1,440 chose some sort of science or math degree area as they went on to college. And to me, that number just seems extremely low. I share this information with you not to paint a picture of doom and gloom, but rather to look at the

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work that we must accomplish in order to begin to move students and get them more interested in these things that we're talking about. And that's why I believe that this resolution is so important. We've got to take a look at this. We've got to ask ourselves some tough questions about why are our students, perhaps, not performing better, and what and how do we do things that will encourage more students to look at math and science as areas that they might want to go into. So as I know others here today will share that we are doing, and we do have in place some great programs. Most recently, we've just learned that the University of Nebraska's math department just received a \$9.3 million grant from the National Science Foundation to begin work and continue some work that they've already been doing on just exactly this subject right here. So I think that the other testifiers are going to share with you...we've got some good things in place. We think we're headed in the right direction but I think there just needs to be a statewide emphasis and really an information or almost a campaign to let parents and students and everyone know that we've got work to do in this area and that we need to get started on doing that. I appreciate the opportunity to be able to share this information and I would entertain any questions you might have. [LR293]

SENATOR RAIKES: Thank you, Marty. Questions? Senator Adams. [LR293]

SENATOR ADAMS: Marty, this may be more of a statement than a question and so if you can't respond, I understand, but if you'd like to. As we look at those ACT results, is it possible that one of the reasons for the lack of performance is the gap in the senior year? Now, here's what I mean by that. I think, I generally think curriculum is available in high school. So the questions is, do students particularly in their senior year option to take that curriculum or, as I've experienced, this is my easy year. Now it doesn't necessarily, in my opinion, what I wonder about, it doesn't necessarily mean from an intellectual standpoint or maybe even from a learn standpoint they aren't capable of doing better on the ACT, but you have X number of months of gap in here since you took your last math class or your last science class and now you're taking the ACT. And I even wonder in terms of, we hear from the community colleges, the universities and

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elsewhere about remediated courses when they take their placement test, if there hasn't been too big a gap. And maybe it's not epidemic. Maybe it's only a few places I'm making this up but do you have response to that? [LR293]

MARTY MAHLER: Yeah, I mean, I think I would answer your question or your statement in two ways. One, as I have found, the solution to any issue always lies in many places and I certainly think that the senior year for most students in any state, in any educational system, has grown to be kind of somewhat of an issue. I mean, there are national initiatives geared at improving and changing the way the senior year of the high school is spent across the country. So clearly, that is part of the issue. I also think there's a huge expectations gap that has grown out of...colleges are asking for one thing but students perceive or perhaps the rigor and requirements of postsecondary education are not being translated down to what the high schools are trying to prepare. Clearly, we have very good programs across the state. And I agree with you, I think the curriculum is available. Part of it is, I think, is also just plain motivation. I mean, if we don't help students understand the importance of these things, then why would we believe that they would take that on themselves. I mean, the most important educational question, in my mind, having been a teacher and administrator in a school system, is a question that's answered at 9:00 p.m. on a Thursday night by a student at any town in the state of Nebraska and that is, do they decide to do their algebra homework or do they decide to watch another rerun of MTV. That really becomes the most profound educational question that's answered and we have to show as a society and as a state that math and science are critically important to their future success. And I think that's where a lot of work, and I think it's multiple areas that the work needs to be done in. [LR293]

SENATOR RAIKES: Let me take back to your, the first part of your comments where you mentioned algebra 1 being the gateway. I thought I had it all figured out. We start teaching algebra 1 when kids are in kindergarten and as soon as they can pass, we ship them on to college. If that's 4th grade, okay, (laughter) if it's...now, obviously, that's

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not what you're saying. So algebra 1 is a gateway in what sense? Elaborate on that for me a little bit. [LR293]

MARTY MAHLER: Algebra 1, what the research shows is that a student's intellectual ability to understand, comprehend and be able to do the basics of algebra 1, also then chart their success and their ability to be successful in almost all other areas. Of course, there's...you have to support it with good reading skills and so forth. But algebra 1 has proven that when students possess the ability to be competent in algebra 1, it is the gateway course that you can basically begin to separate the wheat from the shaft in terms of who's going to be successful and who won't be by how well they do with algebra 1. [LR293]

SENATOR RAIKES: Well, to follow up on Greg then, suppose I master algebra 1 when I'm in 8th grade and basically I'm done with math at that point. Is that going to be sufficient to get me through? [LR293]

MARTY MAHLER: Through college? [LR293]

SENATOR RAIKES: Yeah. [LR293]

MARTY MAHLER: No, we're not saying that but we know that the passage and the ability to have algebra 1 skills, which then ultimately encourages that student to go into algebra 2, trigonometry, and calculus, so the gateway becomes, you have to have the algebra 1 skills because... [LR293]

SENATOR RAIKES: So emersion has to follow the... [LR293]

MARTY MAHLER: Exactly. [LR293]

SENATOR RAIKES: ...getting through the gateway. [LR293]



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MARTY MAHLER: That's really what it's saying. Algebra 1, it's like building a house. You've got to have a good foundation to build it on. And so if students don't get algebra 1 and they try to go on and do these other math courses, the house falls down because there's not a good solid foundation for it. And so that's really what we're saying is. And so what's happening though is, many times the earliest that students begin to work on algebra 1 is many times in the 8th grade or in the 9th grade and so what a good math curriculum looks at and perhaps what it really tries to do is to say, maybe we're waiting too long to begin teaching algebra skills. If they're that important, then maybe algebra, basics of algebra, need to be taught earlier in the curriculum so that more students have those foundational skills instead of the 8th grade or 9th grade becoming kind of a gatekeeper year which determines, does the student go towards college or do they go towards something else because if we wait until the 8th grade year and they simply can't pass algebra 1 or in the 9th grade year they can't pass algebra 1, it pretty much charts their destiny. So we need to make sure that we have the things in the curriculum that allows every student to be successful in algebra 1. [LR293]

SENATOR RAIKES: Senator Kopplin. [LR293]

SENATOR KOPPLIN: Well, back to your statement then, you know, algebra 1, maybe 8th grade, maybe we should bring it back into the curriculum further. I think some schools try to do that. But is there not a limit because of the student's growth and ability to understand that you're going to reach a point where you're wasting your time trying to teach algebra 1, because the kids aren't ready. [LR293]

MARTY MAHLER: Yeah, I think there's a certain point. Clearly, intellectual development would determine, you know, how far back you'd go with that. I think what I'm simply recommending, I think research would support, is that perhaps right now we need to move it back just a couple of grade levels and perhaps teach it in different ways. We know many students have different learning styles. A math teacher abstractedly trying to

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teach algebra at the front of the classroom may not work for all of the students and so we just need to be looking at some different things. Clearly, we have schools around the state of Nebraska that are looking at these kinds of things and they've demonstrated some success in these areas. And so what we're saying is, we've got to take these kinds of pilot programs to a larger scale. That if we know they work and they benefit students, then we need to get them more broadly used across the state of Nebraska. [LR293]

SENATOR RAIKES: Senator Avery, no? [LR293]

SENATOR ADAMS: Another question for you, Mark. We're going to, and I think we know this, and we're going to hear more of it today that one of our areas of teacher shortage is science and math. And I may be presumptuous, but my guess is that the private sector is pulling people away from science and math to teaching. And so is our shortage of people, kids, students, who are interested in going into science and math for some reason other than market forces? I mean if you just look at the health professions out there, the demand is there, the dollars are there, why don't we have more students saying, this is where I want to go? [LR293]

MARTY MAHLER: Well, I mean, I think part of the answer lies in...I just told you that last year in a graduating class of 2008, 110 students in the state of Nebraska selected mathematics as their major. Now if you take those 110 students, it's clear that the employers here in this state could soak those 110 up as quick as they graduate four years from now. So I think, clearly, there's a pipeline issue here of not enough students being interested in and selecting math and science as an area that they want to go into. [LR293]

SENATOR ADAMS: So the dollars aren't drawing them? [LR293]

MARTY MAHLER: The dollars aren't drawing them. And that's why I think is, you know,

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and I'm sure hopefully through the resolution study what will come out is, that we're going to have to look innovatively at how we...you know, I came prior to accepting this position, I was working in Arkansas and I was the chair of the stem committee in Arkansas. And one of the things we were looking at...we were looking at all kinds of things. And a lot of them didn't make some of the folks happy in Arkansas. We were looking at differentials in pay for math and science teachers. We were looking at alternative licensure so that people from business and industry could come in and teach math and science in the classroom. We were looking, basically, at any possible way that we could use to increase the math and science that was taught in the schools in Arkansas. And I think that we are going to have to look at those same kinds of measures here. Will we have to look at differentiated salaries? Probably. Will it go over well? Probably not. Are we going to have to look at ways to get people from industry into the classroom in a logical, sensible way? I believe so. If we truly want to solve this issue, it's not simply going to be fixed by continuing to do things the way we've always done them. I mean, that's Einstein's definition of insanity, so. [LR293]

SENATOR RAIKES: Senator Avery. [LR293]

SENATOR AVERY: Do you think that performance in or mastering the basics of algebra 1 can be predictive also of the likelihood of mastering other disciplines, or is it just math? [LR293]

MARTY MAHLER: No, I think future college success can be determined in a lot of areas. I mean, clearly, reading has a major, major impact on a student's success as they go forth into postsecondary education and in the work place. And so, but most of the research and what they use as the gateway, reading doesn't fall very far behind. But if you want to look at a single course that if you track students and follow them at what...if students can have success in algebra 1, they are much more likely to be successful at the postsecondary level than they will if they don't have it. [LR293]

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SENATOR AVERY: In most all of their classes, not just in math classes. [LR293]

MARTY MAHLER: Exactly. You know, some might say it's how the brain ends up wired because of it's ability to comprehend algebra 1. I mean, it could be a lot of things that we haven't even discovered yet, but right now you can look at the basic research in algebra 1, is a gateway course. [LR293]

SENATOR AVERY: Wouldn't critical reading also be one of those predictors? [LR293]

MARTY MAHLER: Absolutely. [LR293]

SENATOR AVERY: So it's not just algebra. [LR293]

MARTY MAHLER: No. But if you're going to rank order then, algebra is at the top of the list. Reading comes, you know, right after that. But one is no more important than another but if you literally want to go by the research, algebra I is right up there at the top. [LR293]

SENATOR AVERY: Yeah, but I said critical reading, being able to think about what you read. [LR293]

MARTY MAHLER: Right. Absolutely. [LR293]

SENATOR RAIKES: Okay. I don't see any other questions. Thank you for your testimony. [LR293]

MARTY MAHLER: I appreciate your time. [LR293]

SENATOR RAIKES: Next testifier. [LR293]

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DAYLE McDERMITT: I'm Dayle McDermitt, first name is spelled D-a-y-l-e, second, last name, M-c-D-e-r-m-i-t-t. I'm vice president for science and technology for the environmental products group at Li-Cor here in Lincoln. And I'd like to begin by just having a bit of comment on the questions that came to the previous speaker. With regard to algebra 1 the question was asked, why is that a predictor? And I'd like to give some personal testimony to that point. I went to seven high schools and you might imagine that that kind of messed up my algebra 1 training. It messed it up very significantly, so I made up some remedial math courses in a good junior college and so I really believe in community colleges as feeders to the university system. And when I took elementary algebra for college students, I really...I had an excellent program and I aced that course and the important thing that that did for me was it showed me, hey, I can do this. I ended up taking mathematics through fourth semester calculus, differential equations. I have a Ph.D in biochemistry now and I've been using mathematics all my life. But that algebra 1 course was absolutely critical because it gave me the foundation and most important, it gave me the confidence to realize, I can do this. And I think it's really important for students to have that confidence in math training and the sooner they get it, the better. And the second point is with regard to recruiting math and science teachers and trying to find creative ways to find math and science teachers, I really agree with one of the comments that Marty made, which is that, I think that the private sector is a significant potential resource for math and science teachers. There are a lot of people like me in industry that have used math all their lives, math and science, made a career of it, love it. Some of us are approaching retirement and are kind of thinking about, well, what do we do next and there are people in all stages of their career that really have an interest in young people and an interest in math and science, and so that is a resource. It's worth exploring, I think. And Li-Cor has been actively involved in that for some time. We've had math and science students from North Star High School visit Li-Cor so they could get a vision for what careers are available in math and science. And I think that's a major thing for young people coming up through high school. What do they see as the things that really motivate them for their life's work? Are math and science major motivators? And if they're not, what do we have to do to build that kind of

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vision and passion to put the effort forth to master math and science? And there's no question about it, it takes effort to master mathematics. And so where does that vision come from? How do we build that vision? And in some cases, how do we avoid kind of suppressing that vision with methods that are not particularly productive? But that's not the main thing I came here to talk to you about today. I wanted to give testimony today about opportunities here in Lincoln for math and science students who study math and science, and how important it is to us to have students coming out of the university and other colleges in the state and in our area in this important area. And first of all, just a little bit about Li-Cor. We have two product lines, one is biotechnology, and the other one is environmental. In the biotechnology area, we make DNA sequencers that were used in the human genome project and instruments for analyzing protein that are used in medical research, cancer research, and a drug discovery and things of that sort. And in the environmental area, which the area that I'm in, we make instruments, for example, for measuring atmospheric carbon dioxide concentration. So well over half of all the measurements of the exchange of carbon dioxide between the terrestrial biosphere and the atmosphere in the entire world, are made right here in Lincoln, Nebraska. You may not have known that. And so the work that we do is critical to climate change. In the area of photosynthesis, photosynthesis is a process that makes the world go round. Almost all of our energy is based on photosynthesis. Li-Cor is the leading instrument manufacturer in that area in the world. Those instruments are made right here in Lincoln. So that's just a little bit about us. We have a total of 286 employees, 240 of them work here in Nebraska. Of those 240, 155 are trained in science or engineering or some other area of mathematics. So for example, if we look at the people that we've hired since 2004, we've hired about 140 people and 49 of that 140 work here in Lincoln and work in an area of science. Another 32 work here in Lincoln in areas related to mathematics. So science and engineering are extremely important for us to be successful on the global arena. And some of the areas that we use where math and science education, I should say math or science are important, are technical sales, business development, molecular biology, biochemistry, plant physiology, organic chemistry, sales managers, sales people, chemists, technical writers, production

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chemists, research assistants, engineers, accountants, electronics technologists, financial analysts, and so forth. So there's a whole range of careers that are open to people who are trained in math and science. Now the important thing is, however, that especially when we're looking for some of the more deeply and specifically trained people, it's very difficult for us to find, even U.S. citizens never mind Nebraska residents, even U.S. citizens, who are applying for these jobs. I have a position open as an application scientist, or senior application scientist in the science and technology group that I lead. I can't, unfortunately, give you the exact number but on the order of three-quarters of those applicants are not U.S. born and most of them are not U.S. citizens or even permanent residents. These are people coming from Korea and China and Japan, well less Japan, but Korea, China, Southeast Asia, India, Russia, Eastern Europe, people from these countries are training in math and science and are available for high-technology high-paying good jobs that we need to be successful in the world economy. And it's very difficult to get them from the pool of applicants in the United States of America, never mind Nebraska. I will say, however, that the people we have gotten from Nebraska are extremely important. We have quite a substantial number of people, engineers especially, who have come to us from colleges and universities in Nebraska. And while our first priority is always seeking excellence in the people we hire, when those excellent people come from Nebraska that's certainly a big, big plus for us and for them as well. So this is a brochure that we produced recently and it's just highlighting, you know, it's outlining some benefits of working at Li-Cor. But here's a list of half a dozen or so, seven, half a dozen, six, new employees that have come to us recently and this brochure was not prepared for my testimony here before this committee. This brochure was prepared just as a handout for people who are interested in coming to Li-Cor and we attend career fairs at the University of Nebraska and Iowa State, Michigan, Arizona, Purdue. We're involved with the University of Nebraska in helping communicate to students what we're looking for. We're involved at the University of Nebraska in major grant proposals to National Science Foundation that have community outreach and education as priorities. But I just wanted to list...okay, of half a dozen recent hires. First person, B.S. in optical science in engineering, University

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of Arizona; B.S. in natural science education from Nebraska Wesleyan University; engineering and B.S. in electrical engineering, University of Nebraska; B.S. in biology and chemistry, Concordia University, Seward. Here's a young lady that was trained in Kabul, Afghanistan. That would be this lady right here, and the last gentleman with the B.S. from the University of Nebraska in electrical engineering. Now this group was not selected just because they're all technical people. They were just selected out of this recent cohort of new hires to Li-Cor. So I guess the point I'd like to leave you with is that for us to be successful as a company, having good applicants in science and engineering is absolutely essential. We could not possibly do what we do. We could not change the world the way we've changed the world several times in the last few decades without good training in science and engineering. And I really think that the key to that is developing vision, passion, and a desire and confidence that students can succeed at an early stage in their training, so. [LR293]

SENATOR RAIKES: Thank you, Dayle. Questions for Dayle? Your own personal experience would suggest that the best way to train people for technical jobs is to move them around a lot and make sure they don't know algebra 1 when they get out of high school, (laughter) and then... [LR293]

DAYLE McDERMITT: Actually, yeah, I suppose you could, if your statistician draw that conclusion. (Laughter) But it would be erroneous. (Laughter) The fact of the matter is that I had a passion for science and technology all through that and it was a pretty frustrating experience not to be able to get a coherent education in those areas. I didn't have any chemistry or any physics in high school and a very chopped up mathematics education. But I knew I wanted to be a scientist. So when I went to a junior college, the key here for me, the conclusion to draw was, that there was a pathway that let me get into the university. And that was a good junior college system that allowed me to take the remedial courses, and then the lower division that guaranteed that I could transfer to the University of California at Santa Barbara and graduate with good success. So I really think that the junior college system is a very, very valuable part of our education



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system. That's a conclusion I would draw. [LR293]

SENATOR RAIKES: Okay. I don't see any questions. Thanks for being here. [LR293]

DAYLE McDERMITT: Thank you. [LR293]

SENATOR RAIKES: Next testifier. [LR293]

DONLYNN RICE: Good afternoon, senators. For the record I'm Donlynn Rice. I'm the administrator of curriculum instruction and innovation at the Department of Education. And thank you very much for giving us the opportunity to come before you this afternoon. I have some packets for your information. First of all, I would just like to say we are very much in support of this resolution. When you look at the wording in the resolution it talks about partnerships, it talks about long-term support. We like all of those thoughts and we kind of wanted to share with you some of the things that we are currently doing in the Department of Education. Virtually, everything listed in here is through a partnership of some sort. And one of the things we wanted to mention, we really like this idea of a long-term study and we'd like to think about working smarter. And so we wanted to make people aware of some of the good things that are happening. Most of the things in our packet are fairly new and so they haven't had a chance, a long-term chance, to show a lot of results. But we feel like we are started down a good path and we're very interested in working with anyone that's willing to work with us to continue to build capacity, not only for teachers, but provide opportunity for students that will result in more of our young people going into these careers. And so I just wanted to spend a few minutes kind of talking about some of those things. In the area of building capacity for teachers, right now we have a couple of programs mostly brought about through some federal funding that we have at this time in our math-science partnerships. But we are doing a series of professional development workshops across the state. We've been highlighting different content areas in mathematics for the last several years, and we have involvement of elementary

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secondary as well as principals in these academies. When you think about our elementary teachers and their preparation, many of them have not a lot of background in math and science specifically. They've gone into elementary education because they love elementary education. And so we're trying to build their knowledge base too in math and science. Because that is, like Marty was saying, that's really where it starts is getting that interest going at a very young age and building it throughout middle school and high school. We also have our professional organizations. We also have a content area cadres that we're doing in...actually in all the core areas. With each of the educational service units, we have a person designated in each of the four core areas to again build capacity, provide professional development, provide training for teachers. In the area of science we have the same, we have science summer institutes for teachers at all levels. We also have our professional organizations there. In both math and science we have the presidential awards each year that recognizes excellent teachers in those area. We also have some new things going on in the area of stem education, science technology, engineering and mathematics through our current technical educational areas. So a lot of exciting things are starting. We have many opportunities for students also to show, some chances for them to show off their skills in those areas, some kinds of competition instead of simply just athletics. We've got some competitions in academia as well. And we also have our new emphasis on that whole career building that we're very excited about. The last handout in your packet is our career fields model. And we're trying to get this started right away in elementary school but also in middle and high school, really hitting it hard in middle school. And starting to talk to kids about, you know, if you have an interest in math and science, here are some careers that you should be thinking about going into. One of the things that we have noticed when the kids start taking their first interest inventories in middle school, is they have a higher interest in math and science. Then they get into that high school and they're just kind of, like Senator Adams was saying, well, maybe I won't take math my senior year. Then they get to college and all of a sudden, they're maybe not passing their first or second year courses in college, so all of a sudden they change their major and we lose kids that way. So we really feel that that whole education piece for not only students but for

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parents, to help them to understand if your child does have an interest in math and science, they better be taking it all the way through high school. And they need to be taking...as Marty is saying, that algebra 1 is certainly critical but if a student wants to be successful in engineering, they better be taking precalculus and even calculus if they're going to be able to get into college and be successful without having to take a couple of courses over. I kind of laugh, I say, my son liked calculus so well in college he took it twice, you know. (Laughter) But I'm happy to say he's a first year civil engineer and doing quite well and it is, you know, the kind of thing with, definitely we don't have enough kids graduating in that. So again, we're working on how do we build that educational knowledge not only in students but teachers and parents as well to have that good foundation so that kids can go on and be successful as they go through high school and college. So basically what we wanted to say from the Department of Education, we feel we have some really good things started. We're willing to partner with whoever wants to partner with us, and we totally believe in this resolution and what it stands for. The other thing, as you know, we are revising our science and math standards. We have started on math. Science is scheduled for next year. And we will be looking again at, where is our rigor in our math and science standards and is it where it needs to be. So we're having those very conversations at this time. Thank you, that's all. If anyone has any questions. [LR293]

SENATOR RAIKES: Questions for Donlynn? Thank you. Is there a conflict between rigor in math and student participation in math? [LR293]

DONLYNN RICE: I don't think so. Again, I think it starts all the way through. It starts right away in kindergarten and first grade. I think helping students be successful, as the gentleman previous to us was talking about, helping them feel success in math, understanding they can have that, but having that good background knowledge on the part of the teachers that are teaching it too, all the way through so that they're ready for that rigor. [LR293]

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SENATOR RAIKES: Okay. Thank you. [LR293]

DONLYNN RICE: Thank you. [LR293]

SENATOR RAIKES: Next testifier. Welcome. [LR293]

ANNETTE WEISE: Good afternoon. I'm Annette Weise, W-e-i-s-e. I am an intermediate principal and director of curriculum and instruction for Fairbury Public Schools. I am also here representing our Educational Service Unit, ESU 5, for our region. I've heard many people talk this afternoon so far, about math and science at typically the high school and the college level. I think, truly, the gateway to success in these areas, is going to be more at the elementary level. And Senator Raikes alluded to that a little bit when he made the comment about, you know, pre-algebra. He thought pre-algebra instruction began at kindergarten and moved up from there. Truly, it does. The problem that I see in the math and science areas are students attitudes towards those areas are pretty poor at this point. They're not going into those areas because they're not interested in that. They don't have a love for those areas. They don't have an excitement in that. So at the elementary level, in cooperation with our ESU, we are trying to begin a program there. Have successfully began one in the science arena to not only provide rigorous content, because certainly you have to have rigorous content for these kids, but the purpose of it also is to try to instill a love for and excitement in science again. You know, certainly, if you can get kids motivated to learn and get them excited about something, that's going to be how we get kids to move into those fields of instruction as they grow older. So I wanted to spend just a little time telling you about our program that we have started. At the ESU they have hired a very young, dynamic science teacher. A gentleman named Mr. Matt Gerber and Matt's charge at this present is to provide inquiry based, hands-on science at the 5th grade level. And he is doing this to seven schools in our region, which is equivalent to ten classes. Because in my building, for example, we have three different sections of 5th grade students. Those classes are provided via distance learning so he is stationed at the ESU and he comes every other week to our

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classroom through our distance learning technology and provides an inquiry based science activity with them. Fifth grade was chosen as our focus because that is the level where we first have to submit student achievement data to the state. So we are focusing on those four state standards that the students must be proficient in and, you know, focusing on one each quarter right now. Mr. G, as the students call him, he visits the classroom every other week as I have said, and in cooperation with the teachers he provides them a tub of materials about a week in advance that has all of the materials they'll need for the interaction and any information, background or vocabulary that the teachers need to pre-teach before he comes into their classrooms. It's been pretty organized in that way. Then when he comes into the classrooms, you know, it's very exciting to see the kids. I've been going in and observing them and the kids are excited. They are interacting with science. They are doing things. They're not just getting the traditional sit and get method of receiving science. And so in my building, I see that excitement for science is growing. And it's growing not just in the 5th grade, it's growing through my 3rd through 6th grade classes, even though he's not necessarily teaching biweekly in every class there. Basically, it started with the 5th grade. You know, he goes in, he does these lessons, the kids are excited, they're talking about it at recess and at lunch and, you know, they're talking about science all the time. And the other kids hear it and so they start asking their teachers, well, why can't we do that. And so they have been talking to our 5th grade teacher then about what exactly is happening there. We also have a second component now because we have so much interest being, kind of, developed in the other grade levels where Mr. Gerber is providing what's called, demonstration on demand. So not only is he doing the biweekly lessons in 5th grade, but now any science teacher can request a demonstration on demand. Maybe they're teaching a unit on cells and they don't know quite how to start that off or how to give a little more hands-on interaction with cells. So the teachers will request him to provide a demonstration. And he actually did this in my 3rd grade where he came again via distance learning and built a cell with the kids. They did it using jello and different pieces of candy to represent all the different pieces. So it's spreading. And not only is he teaching these inquiry base, but the teachers then are now seeing a different way to

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teach science. They haven't necessarily been instructed at the elementary level how to provide these inquiry based hands-on lessons in science. So traditionally it's been, we're going to read this section in the textbook and we're going to answer the questions at the end. But the teachers now have this model coming to them via distance learning and they're beginning to change their instruction and match their instruction with that model. So I am seeing a hands-on activities inquiry base science happening throughout my building because of these biweekly lessons that we've been doing through distance learning. So this program truly has added to our science programming in our district and it is reaching that goal of getting kids excited. They can't wait for science class. You know, Thursday, we didn't have school today, yesterday I heard kids talking about how Mr. Gerber is coming Tuesday. They can't wait for the weekend to be over and Tuesday to be here so that they can go to science class again. That wasn't happening in the past. It's very exciting to me to see that we are changing the kids attitudes and hopefully, by changing those attitudes, we can get kids to take more of the courses when they get to the junior high, high school, college level and move into these fields in that way. So I have brought with me also a 5th grade student from Tri County School. She happens to be my daughter so that worked out very handy when we left this morning. (Laughter) But she wanted to talk to you a little bit, just give you a student perspective about this program with Mr. Gerber, so. [LR293]

SENATOR RAIKES: Okay. Welcome. [LR293]

JOSIE WEISE: Good afternoon. I'm Josie Weise, W-e-i-s-e. I am a 5th grade student at Tri County Schools. I'm here to tell you how science has changed at school for me now that Mr. G visits our class through distance learning. In the past, science class was mostly meant that we watched movies or read in our science books and wrote out words on our workbook pages. This year is different. Mr. G comes to my class every other week. With Mr. G we get to do experiments like growing germs. We get to get up and move and participate. It makes us think more. Like when we grew germs, we had to collect them first. So we really had to think about where the most germs might be so

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that we would get a good growth. With Mr. G we have grown germs, shot rockets, we were vacuumed sealed in a garbage bag, and went to the Henry Doorley Zoo. Science is fun and exciting now. I can't wait for Mr. G to come. Thank you for this opportunity to tell you about my science class. [LR293]

SENATOR RAIKES: Okay. Thank you, Annette. Questions for this tandem? Are the tests easier to pass now or not? [LR293]

JOSIE WEISE: Yep. [LR293]

SENATOR RAIKES: They are. Okay. (Laughter) That's good. All right, thanks for being here. [LR293]

ROXANNA JOKELA: Good afternoon, Senator Adams, Chairman Ron Raikes, and members of the Education Committee. My name is Roxanna Jokela. I serve as director of the Rural Health Education Network and deputy director of the Nebraska Area Health Education Center, AHEC program at the University of Nebraska Medical Center. Thank you for providing this hearing today to examine the ways to develop interests in science and math disciplines. I'm personally ecstatic about this. This is what I've been waiting to talk about. As an academic center we recognize that our quality healthcare work force relies on the early exposure of our professionals to the exciting career opportunities awaiting them, and the importance of strong math and science interests and skills in reaching their goals. We recognize that math and science literacy are critical to the health profession pipeline. Our state's focus on an accessible quality healthcare work force relates to the essential need for students to excel in these fields in and out of the classroom. We also realize we can't sit back and just wait for those people to become health professionals. We recognize the importance of partnerships between private enterprise, our academic institutions and our K-12 programs. In our community outreach activities to engage students in health careers, we rely heavily on the private practitioner who is willing to share their time and expertise with our future health professionals. We

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keep a participant database which enables us to track our students and evaluate our programs so that our past mentees can become tomorrows mentors. We are proud of the models we have developed through the years and how they are exportable to other fields and other career paths. We have a successful track record starting with our 8th grade regional and state science meets that started in 1993. A survey of our 8th grade participants from 1993 to 2002, those that have graduated from high school, showed that 96 percent went on to college; 49 percent are actively employed or pursuing degrees in math and science or health and human service professions; and 32 of them from the former science meets either attended or are currently attending UNMC. Since 1998 we have held week long undergraduate workshops for students interested in pursuing health careers but haven't decided on a career yet. Of the 111 participants that completed their college degree to date, 93 percent became health professionals. Our RHOP program, the Rural Health Opportunities Program for promoting health careers in the rural communities, has become a nationally recognized model since its inception in 1990. We value our partnership with the state colleges in this endeavor. We have a current pipeline of 504 participants between the state colleges, UNMC, and those that are graduates. Of the graduates, 65.6 percent are working in rural communities. Initiatives developed through UNMC over the past ten years have included working with our elementary, middle school and high school teachers to provide resources to them to afford a renewed sense of excitement, which we heard about earlier, of the excitement about science to relate science to the students. Especially in the elementary schools we have emphasized that you do not have to be in science class to teach science. Many of the subjects in English, geography, social studies, and even physical education provide teaching moments that can open the students eyes to science. We know these models work that we have developed with our elementary teachers, our high school teachers, and with our students, and we know that they are adaptable to other science and math professions. This spring at UNMC I found the pleasure that we have added a strategic goal to our strategic plan that focuses on health science literacy. A health science literacy team consisting of UNMC and community people engaged in science are meeting regularly to assess its current resources and develop a plan to meet the needs



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of our students and communities becoming more health science literate and getting excited about the sciences. I would be remiss to not mention the role that our health profession students can provide through service learning and community service programs. Today, many of our students work within the elementary and high schools in providing excitement about science, giving the demonstrations that you talked about and, again, sharing their experiences of how they became interested in sciences. They learn how to give back to the community while learning the importance and rewards of being mentors for tomorrow's leaders. We, at the University of Nebraska Medical Center, stand ready to work with the Nebraska Legislature, Nebraska K-12 programs, other academic institutions and our private partners to bring our science and math literacy to the next level. Thank you again for the opportunity to be here today. If you have an interest in receiving a complete packet detailing all the programs including the data, we'd be happy to share that with you. I'd be happy to answer any questions.

[LR293]

SENATOR RAIKES: Thank you, Roxanna. Questions for Roxanna? I don't see any. Thank you for being here. Next testifier. Okay, I see no others so that will close our hearing on interim study resolution LR293 and we'll move to LR294, interim study to examine alternative salary compensation and funding system for teachers. [LR293]

SENATOR ADAMS: You're kind of monopolizing today a little bit, aren't you? [LR294]

SENATOR RAIKES: Monopolizing or monotonous? (Laughter) What did you say? Senator Adams. [LR294]

SENATOR ADAMS: Senator Raikes, thank you, members of the Education Committee. My introduction's already kind of been made. There were two people just a moment ago that were talking about Mr. G. A wonderful science program, wonderful materials, great concept, but I have a suspicion that the real value of what's making that program successful is the teacher. It's the teacher there in that classroom where the teacher that

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is getting to that classroom via distance learning. Obviously, I have a bias. But all of the things that are involved in delivering an education, it's that immediate contact, teacher to student where the learning really takes place. In the last session, as you well know, LB1100 was introduced. A very comprehensive bill involving teacher compensation and to me, the primary effect of that was twofold. First of all, it was to draw attention again to the issue of teacher compensation. And that has led, in part, to this interim study. I think that the Legislature needs on occasion to evaluate compensation, determine what our strengths are, see if there are weaknesses, and once we have determined those, then we need to have a discussion as to whether or not this body can develop appropriate policy to enhance the strengths or try to improve on the weaknesses, and what the role of the Legislature may be. The other portion of LB1100 that I thought was intriguing and worthy of additional examination was the alternative compensation portion of that bill. And that's to some degree why we are here today. It's not only to look at the findings of the compensation issue in Nebraska but to also look at the alternative compensation methodologies. Before I go any further, I want to conclude by simply saying that I've read through, as many of you have also, all of the work that the education staff, education committee staff did during the interim, and some of our staff people who help them in fiscal office, in putting together an awful lot of data on teacher compensation, which I think answers many of our questions and maybe raises some as well. Hopefully, it does point out some of our strengths in Nebraska and identifies some of the weaknesses that we need to discuss. And it also has led us to this point of looking at, at least, the concept of alternative compensation. So with that, Senator Raikes, I'll end my introduction. [LR294]

SENATOR RAIKES: Okay. Questions for Senator Adams? Senator, by way of connection, (laughter) if we're not happy with the science and math preparation of our students, should we focus our wrath on science and math teachers? [LR294]

SENATOR ADAMS: I don't think that would be necessarily fair to do that. I mean, there's too many, I think there's too many components. Now, admittedly, a few moments

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ago I said to you that the science and math teacher or the social studies or the English teacher or the first grade teacher is the key component there. And because they're a key component, I think we have to look at the teacher in a classroom and the results thereof and the training of. I think that's part of it. [LR294]

SENATOR RAIKES: Do you think that...well, again, presuming that we need or there's a desire to have higher math and science achievement among K-12 students, is there something different that teachers need to be doing in order for that to happen? And if so, how would you inspire that different behavior by those teachers? [LR294]

SENATOR ADAMS: You know, I don't know that I know that the science and math world or the teaching world of science and math well enough to say, here's the gap. Here's what's missing, here's what they're not doing or here's what they are doing. Whether it's curriculum or training at the university level, the college level in preparation for teaching, or methods of assessment, I don't know specifically what the weakness might be. [LR294]

SENATOR RAIKES: But for example, we had, I've forgotten already, 16 percent or something like that of graduating seniors were interested in pursuing math or science. That's probably the wrong number but a low...say we, gosh, that ought to be 40 or 50 percent. What is the teacher's role, if any, in bringing that about? [LR294]

SENATOR ADAMS: Well, I think that the teachers, let's use the example right behind me here, what was behind me, of Fairbury. I would guess that if we would watch what was going to happen there, we may see some increase in numbers coming through that system that may in some day be interested in science and math, certainly when they enter into the high school and hopefully, beyond that. I just believe that the teacher is a key component in not only having the ability to teach the content but to inspire the kid to be interested. If the teacher struggles, if the teacher isn't interested, if the teacher doesn't know the material, then my experience is it's contagious right to the student.

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[LR294]

SENATOR RAIKES: Okay. Any other questions for...thank you, Senator Adams. Next will be... [LR294]

SENATOR AVERY: I have questions, sir. [LR294]

SENATOR RAIKES: You missed a deadline, fellow. (Laughter) [LR294]

SENATOR AVERY: You weren't looking. [LR294]

SENATOR RAIKES: Okay. [LR294]

SENATOR AVERY: You don't have to answer this if you don't want to but I just have to ask it. Do you think paying more money to teachers makes better teachers? [LR294]

SENATOR ADAMS: I think it's possible. Do I think it is the solution? Of course not, of course not. It may be a role model that that teacher had. You know, I happen to think and because you asked the question, you give me the chance now to philosophize a bit. I happen to think that teaching is a combination of science and art, more art than science. And the science part of teaching is easier to teach a prospective teacher. The art part, some of that, is inherent. It's learned also but... [LR294]

SENATOR AVERY: Good teachers are talented people. You can't teach talent. [LR294]

SENATOR ADAMS: You're hitting on the same point. [LR294]

SENATOR AVERY: Yeah. [LR294]

SENATOR ADAMS: Yeah. [LR294]

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SENATOR RAIKES: Okay. Thank you, Senator Adams. Tammy. [LR294]

TAMMY BARRY: Good afternoon. As you know, I'm Tammy Barry, and I'm the legal counsel for your committee. And as Senator Adams mentioned, there was a staff group that worked this summer on looking at the issues of teachers salaries and we had a briefing on the briefing materials that you all received. And if anybody is interested in receiving them that hasn't received them, we do have copies or we also have them electronically so we can send them out. The briefing materials will form the basis of our final report with just a few changes. And one of the additions is in an e-mail that was just passed out to you. At the Exec Session that we had on the briefing materials, the question came up about on the master teacher programs in other states what percentage of the teachers were participating. And so Doug Koebernick provided that information. He is one of the people that served on the staff group, I forgot I was going to mention. This staff group consisted of Janet Anderson from Senator Adams office, myself, Tom Bergquist from the fiscal office, Matt Blomstedt from the Education Committee office, Doug Koebernick, who was legislative aide in Senator Janssen's office during much of the work on this and is now the legislative aide in Senator Lathrop's office, Mikki McCann from Senator McDonald's office, Sandy Sostad from the legislative fiscal office, and Kris Valentin from our Education Committee office. Another piece that the staff group worked on at your request is, what would a proposal look like if we went down the direction of alternative compensation? And so we put together a proposal and we did send that out to the education lobby so that they would have it and be able to comment on it today if they chose to do that for the public hearing. And I'm going to quickly, kind of run through what that proposal consists of. This is a local action proposal. It is not a state mandated proposal and it was drafted to solicit input and to bring forth issues for discussion. It was modeled loosely after the early childhood education grant program that moves into the state aid program. The grant program would serve as a gateway to the state aid, and it would start with planning grants, followed by implementation grants, and then an allowance in the formula. There would

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be a required quarter cent levy and that would represent the district's local commitment to the plan. The requirements for the alternative compensation plans for the grants and for the aid formula would be to replace the traditional teacher salary schedule with incentives. You'd have to state goals and objectives for the plan to improve student achievement. It would have to contain a financial plan that demonstrated sustainability. That in the research that seems to be a very important factor for the success of programs. It would have to be optional for existing teachers except that once an existing teacher opted into the plan, they could not opt back out. And over 50 percent of the existing teachers would need to be participating in the plan in order to get an implementation grant. It would be mandatory for the new teachers. And you'd have to supply evidence of collaboration between the school administration, teachers and the community. And there would have to be an evaluation process to see if the plan was meeting the goals for improving student achievement. And each plan would have to be approved by the State Board of Education. Some of the options that would be available for the plan, is you could offer incentive bonuses which would be one time and would not be included in the calculation of retirement benefits. Or you could offer incentives that increase the base salary and those would be ongoing and would be included in retirement benefits. In awarding the incentives there's a lot of different things you could recognize and it would be up to school districts and the teachers and communities to decide what was in any given plan. But you could recognize professional development, college credit, graduate degrees, student performance, teacher evaluation, employment in high poverty schools, employment in shortage areas or other additional duties or leadership assignments. The plans could also include employees of the school district that were not teachers. There was some literature that suggested that incentives that affect all of the employees of a school may be helpful in improving the school climate. This draft does have a suggested appropriation in it. Like every other element in this plan, it is open to discussion. It would be a five-year appropriation starting at \$500,000 for 2010-11; increasing to \$750,000 the next year; \$1 million the next year; and then going back down to \$750,000 and then down to \$500,000 again. And the reason it goes up and then back down is the interaction between the planning grants and the

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implementation grants. And the second year implementation grants would have first priority on the funding. But in the first year, you're not going to have any of the second year implementation grants, so there's lower funding there. And the idea was to try and phase that through. There is a modification to the provisions for the Commission of Industrial Relations, and that modification would say that if there is an alternative compensation plan in place approved by the State Board, that the wages in a disputed case would be compared on an average basis without regard to skills. And part of the reason for this change is to bring up the issue that the Commission of Industrial Relations generally tries to bring everybody back to the norm. That's their mission. And this program is trying to ask school districts to try something different than the norm. And so this was put in there to provide an opportunity for discussion on that point. The grant amounts and the state aid amounts would be based on \$25 per student and that would be grown by the basic allowable growth rate over time. And the \$25 per student is generally \$1,000 per teacher for 50 percent of the teachers, if the teacher has about 20 students per class or per teacher. And if you think of per student spending as being about \$8,000, this is less than half of a percent increase in per student spending. That's what we're looking at. Are there any questions? [LR294]

SENATOR RAIKES: Questions for Tammy? Well, just let me ask you this, so we've got a sustainable program that after five years doesn't cost anything? [LR294]

TAMMY BARRY: No, that would not be quite the case. (Laughter) As school districts increase their spending through the grant program, that increase of spending would be reflected in the state aid. [LR294]

SENATOR RAIKES: Okay. So the implementation grants basically would be state aid amounts then? [LR294]

TAMMY BARRY: They would be translated into state aid amounts after the first two years. [LR294]

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SENATOR RAIKES: Okay. [LR294]

TAMMY BARRY: And that's part of how the grant program works is a gateway into the program and it gives the Legislature a chance to control how much the spending will increase due to the program. [LR294]

SENATOR RAIKES: Okay, thank you. Senator Adams. [LR294]

SENATOR ADAMS: Tammy, I know that throughout the interim as you guys were looking at this, you had to look at some alternative compensation programs that are out there elsewhere. Are there many success stories and if so, what, if anything, did you see that they had in common? [LR294]

TAMMY BARRY: There are some success stories. Denver is the one that is usually cited. Denver is currently going, or the last that I read about it, was currently going through some issues. They are getting far enough down the line that they're getting to a renegotiation point. And the teachers and the administration are not exactly in agreement, or were not exactly in agreement, on how to proceed with changes to the compensation plan. The teachers wanted to have an across-the-board base increase and the administration wanted to do more focused funding on issues related to recruitment and retention. [LR294]

SENATOR RAIKES: Senator Burling. [LR294]

SENATOR BURLING: Thank you, Tammy, for all your work on this. Alternative compensation optional for local school districts, right? [LR294]

TAMMY BARRY: Right. It would be completely optional. [LR294]



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SENATOR BURLING: And they will get some state funds through aid or grants. [LR294]

TAMMY BARRY: Yes. [LR294]

SENATOR BURLING: We don't know how many districts are going to participate but we have a certain amount in our budget for that, so we prorate or divide up the money so when the districts are deciding whether or not they want to participate, they don't know how much they'll get from us, is that right? [LR294]

TAMMY BARRY: Actually, the implementation grants are fairly well set at that \$25 per student. It will grow by the basic allowable growth rate. As long as the appropriation is sufficient for that amount, second year implementation grants get the first priority on funding so that they will, hopefully, not have to be prorated. There is a provision in here for proration if that would be necessary. Then after that, the State Board would need to be cognizant that the grant amounts for the first year implementation grants are required to be that \$25 per student. And then planning grants, there is not any indication in the proposal as to how much those would be so, if you wanted a planning grant. [LR294]

SENATOR BURLING: Okay. I was just wondering how it would work if we had more districts apply than we had funds for and then everybody's cut back, if it's prorated, and we've been there, done that, and know that makes everybody happy. (Laughter)  
[LR294]

TAMMY BARRY: It's a competitive grant program so you would pick, the State Board should pick the best proposals and only fund the best proposals. [LR294]

SENATOR BURLING: Okay. [LR294]

TAMMY BARRY: Can I go back...I forgot, and when Senator Adams asked about successful programs, Westside Public Schools came and talked to us and they have

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had a plan in place for a number of years that they consider it to be successful as well. [LR294]

SENATOR AVERY: The State Board could deny grants for plans lacking a high potential to improve student achievement. There is no indication here as to how they would make such a decision. [LR294]

TAMMY BARRY: No, that would be up to the State Board's discretion. [LR294]

SENATOR AVERY: They'd have to come up with criteria to determine what is high potential. [LR294]

TAMMY BARRY: And that particular piece was put in there so that the State Board would be able to fund the plans that they thought were likely to be successful but they would not be forced to fund other programs just because the grant funds were available. [LR294]

SENATOR AVERY: That could be a difficult thing to come up with. You know, good measures. So it might be a very subjective sort of judgment they'd make. [LR294]

TAMMY BARRY: It probably will be fairly subjective. [LR294]

SENATOR RAIKES: Senator Adams. [LR294]

SENATOR ADAMS: Tammy, we heard a presentation this week from some folks. I know you were there that...and I'm not saying that they have the inside hand on doing this and doing it better than anybody else. However, one of the things that I continue to hear throughout their presentation about this kind of thing is that in the initial stages, state policy needs to move very, very slowly and this is new ground. And we have to be very careful that we don't get the cart ahead of the horse, for a lack of a better

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terminology. As you listen to that and you reflected on the work that you had done here, do you feel like we are taking little steps here in the language or at least conceptually what you've done? [LR294]

TAMMY BARRY: Yes, I think that this is a small step in that direction. It's somewhat of a pilot program but a pilot program that is not going to have its funding yanked out from under it. Because that was another thing that they talked about is the pilot programs are funded for five years and then the money dries up as being a problem. One thing that they did talk about that we do not have in this plan, is the more integrated approach that they talked about needing to have other systems change in, along with this, improving your professional development, things like that. And that is not addressed, necessarily, in this proposal. [LR294]

SENATOR ADAMS: Thank you. [LR294]

SENATOR RAIKES: Thank you, Tammy. So, we'll have the first testifier on LR294. Senator, welcome. [LR294]

SENATOR CARLSON: Thank you, Senator Raikes, good afternoon, and members of the Education Committee. I am Tom Carlson, T-o-m C-a-r-l-s-o-n, state senator from District 38. I do have a handout that I'd like to have distributed. I'll start my statement indicating that I'm concerned about spending, and I'm concerned about taxes. But I'm also concerned about our rank as a state in K-12 teacher salaries. Can we do something? Is it possible to provide an increase without raising taxes? There may be, and I believe it deserves consideration. From the Board of Educational Lands and Funds I've taken some pages out of the biannual report from June 30, 2006, because the next biannual report isn't complete yet. And I'd like to go through this and just point out a few things. I've tried to get my information as best I could and hope to be as accurate as can be, and I believe that we have some points here to consider. If you just start thumbing through with me on the first page that you flip to, that shows the

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professional personnel in the Board of Educational Lands and Funds. There's 21 people. And that's meant to illustrate a pretty good amount of overhead expense. Then if you go to the next page, that's got a number 5 at the bottom because that's the fifth page out of the report, in the second paragraph it indicates that the value of the land was estimated as \$517 million for 1.34 million acres as of June 30, 2006, and that's the figure that I've used. And then the next sentence it says that the total agricultural rent was approximately \$21.9 million in 2006 and \$21.9 million, or excuse me, 2005 and then the second year, \$21.9 million. Those are the two figures that I've used to make an illustration. If we go to the next page, and has an eight at the bottom, if you look at the temporary school fund income at the top there, I checked off two figures and to be honest with you, I missed one, but I'll just use the two that I used. The interest and dividends on permanent investments is the \$20,779,000. I used that figure. And then the accumulated interest on the principal, the bottom figure there of \$8,279,000, so I used those two figures for a total of about \$29 million as interest on money in the trust fund. If we go to the next page, it's got a nine on the bottom. For this report as of June 30, 2006, the total funds in the permanent school fund was \$400 million, so I used that figure. Now, if we turn to the next page and that's headed five at the top, and these are figures that I've put together here. Just to try and bring out a point that I think should be followed up on. You all realize that there's going to be a new director of Educational Lands and Funds the first of next year. I've had a conversation with him and I'm comfortable that as he takes over, he's going to have a cooperative attitude in terms of looking at what's being done, how it's being done, and be willing to consider some changes that might be appropriate. I've talked to a new board member and had a conversation with him. His instructions were to me today as I met with you to shake things up a little bit and don't worry about it being kind. He said if you put some pressure on us, he said, I'd welcome that. So let's look at what I see here. The total land value, according to the report, about \$517 million. The total trust cash, \$400 million. Now, I used the figure of \$21.9 million in rent and this is a biannual report so that I doubled that, so the total rent for the two years is \$43,800,000. And the total interest on the cash was \$29 million when I added those two figures together that I pointed out on previous

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page. Now, keep in mind that that \$29 million involved no management from Educational Lands and Funds personnel. That's handled by the Nebraska Investment Council and those are figures after expenses. So I believe that that figure can be plugged right into money that reached our educational system. Now the total income available, when we put the two years together for public education, was \$56 million. And so let's look at the sources for that \$56 million. Well \$29 million of it came from interest because that's an amount after expenses. The balance of it would be \$27 million that was necessary to reach the \$58 million. Now the total rent was \$43,800,000. We needed \$27 million out of that to allow \$28 million in total to be given to education in each of those two years. And I may not be accurate on that but as I subtract, that looks to me like there's a total land overhead expense of \$16,000,800. That's a lot of money. Now I'm going to...if you flip to the next page, I'm not going to go through that because that's just a different way of looking at what I went through on the previous page. But let's go to the back sheet. Yes, I think there is a way that we can reach some dollars to increase teachers salaries without raising taxes. The current value of all the assets, land and cash, is about \$1.2 billion. If that money earned 4 percent, that would be \$48 million. And currently K-12 income is about \$28 million. I'd like to have us consider an idea that a proposed split of that income, about two-thirds of it continue to go to K-12 budgets as I believe it has gone, and about one-third of it to teacher salary increases, which on those figures would be about \$16 million. Doesn't involve any tax increases. Now, be some creative thinking as to what do you do with that money and how would it be distributed, but as a possibility it could be allocated to all teachers in Nebraska with distribution determined by local administration and school boards, amounts to districts based on full-time FTEs. So as we move into this next year and look for ideas, when I first started studying this I really had the attitude that school lands ought to go. And I know some legislation in the past would have mandated that quite a bit more land be sold than has been sold to this date. But with a new administrator and some new board members and some pressure from the Legislature, I really think there's a possibility here for finding some dollars to elevate our position on national teacher salaries, and doing it in a way that is least painful tax wise. So that was what I wanted to share with you

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today. Again, I don't pretend to have all the answers but I'll try and answer questions that you might have on the concept. [LR294]

SENATOR RAIKES: Thank you, Tom. Questions for Tom? Let me start it off. Part of your plan here would be to sell what there is in ag land and convert that to cash so that you can invest it and get 4 percent interest, or were you necessarily going that step? [LR294]

SENATOR CARLSON: Well, you know, this is happening. Some of it has happened over time. One of the questions I have as that's happened, where do we stand in terms of personnel in school and lands when it was all in land versus now a lot of it has been sold. And as that land was sold and put in a cash fund, that's managed not by school lands anymore. [LR294]

SENATOR RAIKES: So part of your point is that you need to be aware of the operating expense, if you will, of educational lands and funds to manage the ag land. I guess the point I was going to...you know, it's an interesting time to think about this and as far as I know, ag land hasn't gone down as fast as the stock market. I don't think anything could go down quite as fast as the stock market has gone down. But what about that sort of...I mean, you're a much better financial guy than I am. Isn't diversification one of the principles that, gosh, we don't know what's going to happen, so let's have part of it in cash and equities and part of it in real estate? [LR294]

SENATOR CARLSON: Diversification is really important. Another way you could look at it...and we can't do this because we can't move this fast, it's a good time buy probably. But yes, we have to be careful. [LR294]

SENATOR RAIKES: Would you have a donation for me to (laughter) carry out your advice there? [LR294]

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SENATOR CARLSON: We need to be diversified. One of the things that I hear as I've talked, school lands likes to take credit for the increase in value of the land. That didn't take any management to get an increase in land value. That's going to be there whether the land is managed by them or whether it's not managed by them. I think that's...

[LR294]

SENATOR RAIKES: Now, now, now wait a minute. I mean, that's the only success I can point to as a businessman is that the land values have gone up. I don't have anything else to brag about. Go ahead. [LR294]

SENATOR CARLSON: Okay. Well, for the most part crops are pretty good price now. But as the land value has gone up, so should the rent and I think there's a lag in there. I just believe for that amount of assets, education should be realizing more money. And I think then that is a source that we could offer to increase salaries. And I'd like to see this done in such a way that it doesn't have anything to do with local districts and local boards and teachers negotiating contracts and so forth. This could be an amount of money that would hopefully a good part of it would go to pay the better teachers. But I think each district would have to figure that out. [LR294]

SENATOR RAIKES: So I guess that's one other thing I wanted to pursue with you. So your thought is here that you would have \$16 million additional dollars that could be used, say, to enhance teachers salaries that would not come from taxpayers. [LR294]

SENATOR CARLSON: Right. [LR294]

SENATOR RAIKES: Although, if I understand correctly, the monies now...and this is absent the additional money that may come out of the fund if the operating expenses were reduced and that sort of thing, so. But right now lands and funds money is an accountable receipt. So if you reduce the accountable receipts to schools from lands and funds by \$16 million, then except in the case of nonequalized school districts that's

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additional TEEOSA money. So my point is, and we can maybe pursue this unless you can tell right away that I'm wrong, that the argument that there is no additional tax obligation probably is not an argue that you can support. [LR294]

SENATOR CARLSON: Well, I haven't thought through. I'm just looking at it from the simple standpoint of I think there's a source for more dollars, and realizing more dollars didn't require additional taxes to collect those. If as the land is sold and it gets into private hands, they're going to pay taxes on it, I don't see any difference there. Now, the rules for how money has to be treated, that may be what you're referring to. I'm not even thinking about that. I'm just thinking about these look like additional dollars, we ought to study it, and whenever we can do that and not have a tax increase, I think it's important. [LR294]

SENATOR RAIKES: Okay. Senator Avery. [LR294]

SENATOR AVERY: Maybe I should know this, but I don't and maybe you do. The money that is generated now by the trust goes to schools, is that correct? [LR294]

SENATOR CARLSON: I've been told, and I didn't have this in the report--although I didn't study the report completely, I didn't have time to--I've been told by someone I believe who knows that the amount of money that K-12 education received the last couple of years, each year from school lands was \$28 million a year. [LR294]

SENATOR AVERY: And that's to be used at the discretion of the school boards?  
[LR294]

SENATOR CARLSON: That I don't know. I don't know where that money goes. I'm just concentrating on the amount. It's education money. And if it's \$28 million, that's not as much as \$44 million or it's not as much as \$48 million. And we're talking about the same assets that is generating those kinds of dollars. [LR294]



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SENATOR AVERY: I believe though that Senator Raikes is suggesting that if you were to earmark essentially several million out of the trust for teacher pay, it would have to come out of TEEOSA. Is that what you were suggesting? So somehow the money from the trust is getting into the TEEOSA formula. And nobody knows that better than Raikes, that's a fact. (Laugh) [LR294]

SENATOR CARLSON: Well, that's your challenge, not mine. I don't understand that. (Laughter) But I do understand that an additional \$16 million is a significant amount of money. And one of the suggestions that the teachers association had was to kind of let them be in charge of \$200 million out of our cash reserve and use the interest off that to increase salaries. I don't think that's a good idea, and that did not recognize the fact that if \$200 million is not in a cash reserve that's earning interest, that interest that's not there anymore has to be paid for by increased taxes. So I don't think that was a good...that's not a good idea. But I am concerned about anything that we can do that has the possibility of creating more dollars for our teachers, and I think there is some possibility here. And then how the rules would work, I don't know. [LR294]

SENATOR AVERY: I have a follow-up. This number here for total land overhead expense, \$16.8 million. That's a lot of money. Do you have any idea where that money is going and what kind of overhead could cost that much? [LR294]

SENATOR CARLSON: Well, that probably isn't accurate. I just looked at and thought I could be very confident if there's \$29 million of interest earned, that's after expenses, that we can use that to subtract off the \$58 million over a two-year period...excuse me, \$56 million. Which would mean that \$27 million has to come from someplace. Well, that comes from the rent off the land. And if the total rent was \$43,000,800 and we only used \$27 million of it, that's \$16 million difference. Where'd that go? I know where some of it's in overhead. I'm not saying it's all in overhead. [LR294]

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SENATOR AVERY: And you also note here that the rent has not increased into the two years. [LR294]

SENATOR CARLSON: That's what I was told. And it probably...I don't know, it may change every two years when...and then leases are usually set for six years, eight years. And I was told even there's a few that are ten-year leases. So as they're renegotiated, that would probably change the amount of lease as well. But just looking at things as to where they seem to be at the present time, I think we're short on dollars of the potential out of this division. [LR294]

SENATOR AVERY: In your investigation did you find any reason why the trust was not selling more land? I thought we had some law on the books already that was requiring the sell of that land. [LR294]

SENATOR CARLSON: There is a law on the books, but there's also a clause as I understand it that would say, that if at the time a lease is up and the school lands division makes a determination this isn't a good time to sell, they don't have to sell. [LR294]

SENATOR AVERY: So the conclusion is they've been making that determination over a good many years, this is not a good time to sell? [LR294]

SENATOR CARLSON: Well, that must be the case because the sale of land has not kept up with the original piece of legislature that dictated that it would. But that was a clause that could be used. [LR294]

SENATOR AVERY: Am I wrong thought? Isn't land at an all-time high in Nebraska now? [LR294]

SENATOR CARLSON: Seems to be. [LR294]

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SENATOR AVERY: Senator Raikes is rich because of that, (Laughter) he was just telling us. [LR294]

SENATOR RAIKES: Deservedly. (Laughter) [LR294]

SENATOR AVERY: Well, you know I share an interest in these funds and how they're managed because we've talked about this, and I think you raise some really interesting issues. Thank you. [LR294]

SENATOR RAIKES: Thank you, Tom. [LR294]

SENATOR CARLSON: Okay. Thank you. [LR294]

SENATOR RAIKES: Thanks for being here. Okay. Next testifier. Mr. Wolf. [LR294]

JESS WOLF: Senator Raikes. [LR294]

SENATOR RAIKES: I didn't suspect you to have any interest in teacher's salaries, but...(laugh) [LR294]

JESS WOLF: (Exhibit 9) Senator Raikes, thank you, and members of the committee. I appreciate your giving us a chance to be here today. I'm Jess Wolf, president of the Nebraska State Education Association, J-e-s-s W-o-l-f. We, at the NSEA, appreciate the work the committee and legislative staff have done in putting together a briefing package on this particular...and a bill request on teacher compensation and alternative compensation and a sample alternative education compensation pilot program. I did bring along a couple of people with me. Larry Scherer is also going to testify, and so it Mark McGuire about a couple of more specific aspects in the legislation. By and large, the NSEA is supportive of and welcomes discussion of the areas that will enhance

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teacher's compensation in a significant manner, and advance the teacher profession, and support efforts to improve student learning and achievement. And we believe quality education really in Nebraska will suffer greatly unless measures aren't taken to do something about teacher's salaries in the near future. And as you know, Nebraska falls behind our neighboring states in terms of beginning and average compensation for teachers. We are concerned that the topnotch teachers are both beginning and the veterans will leave the profession or the state of Nebraska for greener pastures. And in fact, a couple of years ago, and I think I've already given you this information before, but we know that of the college graduates who come out of the educational institutions in the state of Nebraska who are prepared to teach, only about 54 percent actually go into the classrooms in the state of Nebraska. The other 46 percent go out of the state to teach or they in fact go into other professions. And of those 56 percent who go into the classrooms in the Nebraska, we can expect that half of those will be gone within the first five years. And in fact, about 40 percent of them are gone within the first year of their education profession. And we have some reasons why we think that happens.

Neighboring states have enacted measures to improve teachers compensation and they compete with Nebraska school districts for the best and brightest teachers. And can you look just around us. Kansas has a state aid in the Department of Ed targets that have helped increase their salaries. Iowa, of course, just recently have has state aid and legislative goals to reach improved national ranking and enhanced teacher salaries in preparation and standards. South Dakota even, who has ranked below us in terms of compensation, just this last year did approve boosting teacher salaries in that state; they're still behind us however. And Wyoming, of course, with their infusion of state revenues to reach the top 10 percent benchmark as it has been their goal. We, at NSEA, are open and willing to discuss alternative compensation, teacher compensation, as it is one element of a broader strategy to enhance Nebraska's competitive position for teaching. But in and of itself, alternative compensation pilots on the scale of what's requested when we "Request 00179" will not have a significant impact for many years. And in the current economic environment which you were just discussing, Nebraska cannot afford, in our estimation, to wait. We also have concerns regarding proposed

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changes in the alternative salary not being included in things like the retirement determinations. Alternative compensation, in our estimation, should not be considered as bonuses. The replacement of the salary schedule with incentives is a concern and must be explain more convincingly to us before we jump on board. And if you're going to call for a levy increase to pay for alternative plans, why not just allow for a levy increase and stick with the system that we have to increase the salaries? We believe any plan should be built into the state aid formula at some point. And our CIR concerns will be explained by Mr. McGuire in a little bit. We believe other elements of the comprehensive strategy include some other things like teacher loan forgiveness. And you have in the document that I prepared for you there is a brochure, actually it's a reprint of an article that came from the National Education Association from some recent educators talking about their debt load that they have once they get out of college. And we know that that debt load has roughly doubled in the last ten years, and it's not uncommon to find people coming out of college worth \$30,000, \$40,000 or \$50,000 debt or more. We also are interested in talking about tuition and other financial assistance for existing teachers. We know that we have a lot of people who want to work up on the salary schedule, would like to get more work on masters degree programs. We think that we should work on those kinds of efforts as well. And anything to increase the revenue stream such as the trust fund that we introduced last year, thanks to Senator Adams. And also puts teaching on a par with other things like roads and higher education funding for research. And it calls for immediate action to address the issue of low starting in a career salaries. Now, I have to tell you that I've spent the last three years travelling around the state quite a bit talking about teacher's salaries, as you can imagine, and one of the things that we've done is we've done some media tours and talked to people across the state about the various ideas. And I have to tell you that the trust fund idea is one that is fairly widely accepted across the state. It's something that the citizens in this state think is important. They think education is really an important issue. They put it at the top of their list of things that maybe we ought to have a trust fund for. The briefing also that you put out indicates that school districts offer health insurance benefits that are, when factored in as part of the total compensation, move

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teachers salaries to a more competitive level. Unfortunately, that doesn't seem to be totally true for every school district across the state. In fact, some of the largest school districts, in fact the largest school districts in this state do not provide full funding for full family health insurance coverage. That's more common in the smaller school districts across the state as opposed to the larger school districts. And again, roughly 50 percent of our members come from those larger school districts. And so they're not being covered by that, and so that enhancement is not as great as indicated in your report. The Educators Health Alliance, an insurance pool for educators, has been a positive for Nebraska teachers and has kept costs down to an industry competitive level, but health insurance alone will not attract and retain new teachers. Improved salaries will, we believe. And even veteran teachers have traded off health insurance benefits for higher wages to meet the demands of growing families, and they've done it through local negotiations. And I think a little explanation with the negotiations probably needs to occur here. A lot of times negotiations eventually get to the point where school districts and our association members are agreeing on the amount of dollars that are available. What then is the choice about where you're going to spend those dollars. Are you going to spend them on salaries or are you going to spend them on benefits? And quite honestly as a former negotiator myself, I'm faced with that problem. It was actually better for the school district and in fact better for our members to have those going toward benefits because you weren't paying additional taxes on those dollar amounts. It did effect the retirement issue however somewhat in the negative fashion, but those were decision that were made in the local level by those individual boards of education and our members. So we know that this is a difficult problem. We believe that the alternative compensation plan is one of the things that we can look at. We know and we've been hearing from across the state as well that a lot of school districts are asking you to let the dust settle on the state aid formula modifications that you had to do in recent years. However, we believe Nebraska teachers and students in the economy, the state cannot afford to ignore the growing problem of a noncompetitive salaries for teachers. And so we're saying that now is a time to be a little more bold about our approach to that. I don't know, Senator, if you want me to answer questions now or if

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you want to let us all three do our thing and then ask us questions together. It doesn't make any difference to me; however you want to do it. [LR294]

SENATOR RAIKES: Let's attack you. (Laughter) [LR294]

JESS WOLF: I was afraid of that. Actually I will tell you, I had one other document that was sitting there. It's a recent...one of our publications that does talk about summer employment because that was one of the things that was alluded to in the report as well. [LR294]

SENATOR RAIKES: Okay. [LR294]

JESS WOLF: Do you want to start of me? (Laughter) [LR294]

SENATOR RAIKES: No, I'm going to let my "hatchet man" (laughter) Burling here go after you. [LR294]

SENATOR BURLING: Mr. Wolf? [LR294]

JESS WOLF: Yes, sir. [LR294]

SENATOR BURLING: There was some thought about the alternative salary compensation plan that school districts might be allowed to include nonteacher employees of the district in that plan. Do you have a comment on that? [LR294]

JESS WOLF: Um-hum. We'd actually be supportive of that. There are some systems across the country that in fact do that. And as it was alluded to in the report, in some instances you're using a whole school's like an elementary school building for instance, and you actually involved all the staff members there to try to improve the achievement in that particular school. So in fact if the cooks and the custodians and the bus drivers

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and anybody else in that particular school system are helping with that process in some respect, they ought to be included in that particular process. And we don't have a problem with that in terms of putting that into the alternative compensation plan. [LR294]

SENATOR BURLING: Okay. [LR294]

SENATOR RAIKES: Senator Adams. [LR294]

SENATOR ADAMS: Jess, thank you for being here today. Jess, I had several questions, but there's just one here to start with and maybe somebody else that testifies, we can get at the others. The other day I heard it said and it just continues to ring in my mind that the current salary schedules that we use typically across the state came about several decades ago in a legitimate attempt to create fairness--gender fairness, fairness between a elementary and the high school teacher, the list goes on. What I'm wondering is, if that kind of a salary schedule created then still used today was designed to solve problems then, are we confronted with new problems today that may require us to look beyond that old methodology and look at reform modification, changing the way that we do business? And particularly the way that teachers and the way that they negotiate and the way that they get a return on their efforts, do we need to look at that again? If we evolved to that where we're at, isn't logical that we would evolve beyond that? [LR294]

JESS WOLF: I guess my answer would be that I think it is logical to look at some other types of things that we can do. However, I don't think...I think one of the things that the perception that a lot of educators have is that we're looking at doing that as a way of getting by on the cheap to be quite honest with you. And to be very fair I think to all the educators across the state, I think in some respects they think that they've been...that the school district budgets are being balanced on their backs over the years because that's why we continually fall further and further behind the states across the country and the surrounding states. I don't think we would be opposed to looking at some other



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alternative types things, other ways of doing compensation. And if you talked to me personally, I'm for looking at all kinds of things in terms of educations across the state. I mean, just as an example, the school year was established back in the 1800s when we decided that we were an agrarian society and we needed our children at home at certain times of the year, and so that's when they were there to help with the farming. That's not the situation anymore. We also have evidence that indicates that anytime you leave a student out of this classroom for periods of time, they tend to have some regression. But we're still on that kind of a situation. So I think we ought to look at a lot of thinks, and we're not opposed to looking at some ulterior methods of compensating teachers. We just don't want to do it as a way of saving dollars. [LR294]

SENATOR ADAMS: Yes, may I ask another question? [LR294]

SENATOR RAIKES: Sure. [LR294]

SENATOR ADAMS: Jess, I put you on the spot for a moment. [LR294]

JESS WOLF: Okay. [LR294]

SENATOR ADAMS: Not intended to do so, but realistically an across the board increase in everybody's pay is going to happen, in my opinion. [LR294]

JESS WOLF: Okay. [LR294]

SENATOR ADAMS: I don't believe it's sustainable given what we're looking at right now. If we were going to identify specific areas within the realm of teacher compensation and salaries where we needed to prioritize and really focus our attention, your attention maybe, but our attention, where would that be? Do you understand my question? [LR294]

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JESS WOLF: Well, yeah, I understand what you're saying. I'm not sure I buy the premise that can't find something else that's not sustainable... [LR294]

SENATOR ADAMS: I didn't think you would. [LR294]

JESS WOLF: I think we have offered some suggestions that might be available. I think some of the things you've done in the recent times sort of worked in that area, the early childhood educations, things that you've done in the (inaudible) across the state. You know, education is so strange in terms of everybody else's occupations because as you know we don't see the products of those things for a number of years. And so the changes we've made in the past, we're just starting to see the benefits of some of those types of things. So we just had the science and math people in. As an old science person myself, you know, it's something that I believe in very strongly too. But you know, all those efforts are really important, you know, for various groups. I'm not sure that I can pick out a single group and say this is the most area. [LR294]

SENATOR ADAMS: So you couldn't say it's beginning salaries, or the midrange, or the science and math, or the border bleed in western Nebraska into Wyoming. You're saying it's all of the above. [LR294]

JESS WOLF: It's all those things, and just as you were talking in the last bill with Senator Carlson about some of the things that he was suggesting, I mean, those are all good starts as well. But there's a number of problems, as you were point out, with moving those funds around in those in the school lands part of the budget, so. And it varies from part of the state. I mean, obviously in the western part of the state the border bleed is becoming a really big issue and we think it's occurring at a couple of other places too. We've heard, for instance, that a number of the students from...practically all the students from Chadron State College will all apply for jobs in Wyoming. Whether or not they all get jobs there or not is up for question. From what I understand that the ones from Peru State are all applying in Iowa and Missouri as well.

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So it's affecting parts of the state. [LR294]

SENATOR ADAMS: Thank you. [LR294]

SENATOR RAIKES: Senator Avery. [LR294]

SENATOR AVERY: Jess, what was the overall increase in state aid to education in the last session? Percentage. [LR294]

JESS WOLF: Nine percent, I guess. That's the part that Larry is going to testify. (Inaudible) [LR294]

SENATOR AVERY: Okay. How much of that went to property tax relief? [LR294]

JESS WOLF: I don't know. [LR294]

SENATOR AVERY: None. [LR294]

JESS WOLF: Yeah. [LR294]

SENATOR AVERY: Probably none. [LR294]

JESS WOLF: Probably none. [LR294]

SENATOR AVERY: How much then went to teacher salary enhancement? [LR294]

JESS WOLF: Not 9 percent. [LR294]

SENATOR AVERY: No. You know, I don't know how many people got a 9 percent increase in funding last year. Seems to be that some of that ought to have been put

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either into property tax relief or into teacher pay. And I didn't see it happening. In Lancaster County, I think we might have gotten a slight reduction in property taxes, but not enough that anybody noticed. And I don't believe that the teachers got much pay increase. So my question to you is why aren't the school boards doing something with that money that we're giving them to help teachers? It can't all go to brick and mortar. [LR294]

JESS WOLF: I'm not sure that I have an answer for that. Either...I mean, obviously that is a choice that school districts are making. Having been an administrator for one year, I know there's other burdens that are placed on school districts as well. And of course, you know right now...well, you were hearing last spring quite a bit about energy costs obviously. Those aren't fictitious things. Those are things that actually affect school districts as well. I didn't bite enough already. [LR294]

SENATOR RAIKES: Jess, the rankings, 45th, do they include benefits or is that just the cash? [LR294]

JESS WOLF: I believe that's just the salary. [LR294]

SENATOR RAIKES: So you mentioned earlier that for good and proper reasons as a negotiator, you often said, well, gosh, if it's a question of cash or benefits, we'll take the benefits because tax polices and whatever. So is the 45th really a good indicator? [LR294]

JESS WOLF: I think it is because that's the same type of thing that happens in all the other states as well. I mean, they're making those kind of compensation choices as well. [LR294]

SENATOR RAIKES: So from your knowledge, the benefit packages that teachers in Nebraska receive, which include health and retirement and all that sort of thing, are very

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much the same as what they are in other states. [LR294]

JESS WOLF: They are similar to other states. I think our position improved somewhat and I think you report actually the draft that came out, your big thick report, indicates that there would be some improvement there. I think Larry can talk more about what that would actually move us to. But basically the states around us all have the same types of fringe benefits. [LR294]

SENATOR RAIKES: So it might be that we rank 45th in cash salary. We might rank 15th in benefits or something like that. [LR294]

JESS WOLF: I don't think we're anywhere close to that. I think the best that we could probably get when you put the two together would somewhere... [LR294]

SENATOR RAIKES: No, I'm not talking two together. [LR294]

JESS WOLF: Yeah. [LR294]

SENATOR RAIKES: I'm talking cash benefits and then the two together. [LR294]

JESS WOLF: Larry is the data guy. [LR294]

SENATOR RAIKES: Okay. All right. (Laughter) Let me ask you one other thing, and I should have studied that or refreshed on the report earlier. But roughly my question is this, we have, we as a state in terms of our expenditures per student compared to other states are pretty much in the middle of the pack. I don't know if we're 20th or 27th or...but we're pretty much in the middle of the pack. [LR294]

JESS WOLF: I think that's right. [LR294]

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SENATOR RAIKES: If you look at things that drive that, teacher salaries and teacher workload, and states that have a high--I think this is roughly true, I don't remember--states that have a high workload, they have lots of students per teacher tend to have higher salaries for teachers. Ten states that have students per teacher tend to have low teacher salary. We are low in our workload. [LR294]

JESS WOLF: Well, a lot of that obviously is the geography of the state. I mean, the fact that we have small communities across the state who are trying to maintain their high schools and their elementary schools. You need a first grade teacher, you need a second grade teacher, or that community has 50 students in first grade or whether they have 25 or whether they have 10, in fact. So that affects it somewhat. And plus the fact in some of our areas of the state where we've recognized achievement gaps, and Omaha is good example I think, they've been trying to reduce their class sizes there to help alleviate that problems. So that has compounded the issue somewhat. But by and large, those differences in salaries, those amounts that you referred to is due a lot to geography in the state. [LR294]

SENATOR RAIKES: But I think, you know, the point is if you maintain a low workload and a high salary, your cost per student as a state is going to rise to the top of the nation. [LR294]

JESS WOLF: That would seem logical, yes, but we're not there. At best, we in the middle, you said. That's in the... [LR294]

SENATOR RAIKES: We're in the middle, but we maintain the middle given our low workload only because we have lower salaries. [LR294]

JESS WOLF: Okay. [LR294]

SENATOR RAIKES: For your consideration (laughter). [LR294]

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JESS WOLF: Well, the problem is is that, you know, we've got these, you know, 40 percent of our teaching staff is going to be retiring in the next five years. We're going to have to replace those people. As you've already heard, they're not coming into the teaching profession. It was interesting, the first bill that you were talking about, one of the six people that was being modeled as a science person who was at LI-COR was mentioned to be a teacher. Well, why did that person go to LI-COR instead of teaching? I'll bet you it's probably salary. [LR294]

SENATOR RAIKES: Okay. Any other question for Jess? I think we're done with you. Thank you. [LR294]

JESS WOLF: Phew. [LR294]

SENATOR RAIKES: Larry, welcome. [LR294]

LARRY SCHERER: Thank you. Good afternoon, senators. For the record, my name is Larry Scherer with Nebraska State Education Association, and I spelled my name on here so you should have. I'm here primarily to talk about some data. Before I start, I'd like to thank the staff and thank you Senator Adams, Senator Raikes for having the staff put this data together. This is some of the best research that's been done on teacher salaries since 2000 probably. And so I'm going to say some things that are questioning or, you know, have a different perspective, different interpretation of the data. But I do highly respect the work they did and will probably use it a lot in the future for showing that there are issues. First of all, I have a handout in the package that looks like this, there's a table on the first page. And I'm going to speak from those notes for a while. And Senator Raikes, if I forget about the people-teacher ratio and the ranking questions, please remind me. I do have something for you there. The first is page it's starting salaries tend to be old data. I'm noting in your report that had to go back a couple of years to look that. What state departments of education do each year is collect data, file

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personnel data, and so they can tell based on that what the average of all new teachers is. In Nebraska, that is the \$30,000. That reflects the fact that a lot of new teachers are hired in large districts with high turnover, which also tend to be higher paying districts. The other way to calculate it is simply taking all the districts that turn in a report on salary and dividing by the total number. And obviously when you give the same weight to Spalding as to Omaha, there is some question about that. But the great majority of our districts, I think the point is, fall closer to the \$27,000 than the \$30,000. But a lot of the pupils are in schools districts where the number is higher. So I presented both data. If you look at either one, we are significantly behind the average of the surrounding states. I'm always cautious about using Wyoming. Wyoming has always held out at an outlier. But they do...they are starting to take our teachers. So even though they have greater capacity to pay and that \$38,000 does influence the average, they needed to be included in there. The next page talks for a little bit about the average salaries, and the 45th ranking is an NEA figure. They come out once a year. They're about ready to come out with a new one. In the middle of the year, they do a revised provision. And so I put in the revised figures in there as well. The current rank of 45th salaries is what came out in February. To respond to your question, Senator Raikes, about the salary compared to the benefits. There is in your report a chart that shows when you look at salaries and benefits together, we're more like 42nd or something like that. So benefits do have an impact, they do. But it's not like they're pushing us down to the bottom. The surrounding states also tend to be in the 40 range. There's a couple above us and most are below us. So that puts it into context a little bit for you. Benefits do matter, but low starting salaries matter to new teachers primarily when you're recruiting teachers, so. The next page gets into a number of points, comparison to other college graduates. There's a number of ways you can compare teacher salaries: by annual salaries, by hourly salaries, by weekly salaries, and the figures in the report use a Bureau of Labor Statistics figure that show teachers make about 78 percent. The Education Policy Institute does a comparable group of professionals which are similar job functions, and they come up with about 85 percent. So that is the weekly basis. When we get to discussing some issues with the staffing report will explain why maybe hourly isn't just



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as distorting a picture as weekly and so forth. The next point in Nebraska's ranking on the state contribution to total spending which Nebraska puts in about 31.4 percent is not intended to say that we haven't made great effort as a state in the last number of years, but only to show that makeupwise we are still using...most of our dollars for teachers pay come from property taxes. That's just the fact. So that when we look at this issue, I guess one of the things I appreciate about the alternative draft is the little quarter cent levy for teacher pay because that recognizes a stable source of funding. Obviously there are other sources that have been suggested. The next section comments about the briefing report and, again, this is a lot of good material. Occupational wage comparisons if you look at hourly wages compared to other graduates. There's an assumption made that if teachers work about 84 percent of the time of other college graduates, and that's based on the summer schedule. One of the things we think that discount and that's the Voice that was in your packet. It talks about what did I do on my summer vacation. Well, a lot of what teachers on their summer vacation is acquire more college education and training. They do curriculum work in preparing for the next year. So counting that full time off is not a fair way to look at it either. Lastly, when you look at hourly rankings, and this is...I don't know where I located it. I don't know whether you all have the staff report, so I'm kind of speaking from the references to pages probably don't help you that much. But there is a reference to the charts that I think Matt put in there are based on hourly rates and hourly rankings. And one of the issues we have with that is that an hourly rate of pay for ten months of a teacher is one thing, but they you also have the summertime when a lot of teachers work for less money. Some of them, my daughter included, by the way is starting to work weekends too to pay of those college debts, so she isn't getting paid the same working at Dollar General as she is at her school. The school district expenditures issues, and this gets to I think Senator Avery's point, two decades ago, 42 percent of the money spent by school went to teacher salaries. The figures in the annual finance report show it's 36.3 percent now. An explanation for that in the report from Tom primarily was that we now have more money going to things like paraprofessionals in the classroom and discipline, classroom management, and there was an infusion of federal dollars, No Child Left Behind and a

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number of things. That makes the pie bigger in and of itself so that percent going for teacher salaries would drop just as a mathematical function. Our point is that, you know, what happened...those grant dollars from the federal government, they were not used to increase teacher salaries, they went for specific purposes. And all good purposes probably, but not for the purposes of salary enhancement. And since that's the purpose of this interim study, we still think that drop in percentage is a valid concern that the Legislature...what is happening to the dollars? We're not getting a 9 percent average salary increase. It's probably closer to 4, but I can't tell you the exact number. We'll try to get you some... [LR294]

SENATOR AVERY: Well, I thought it was something like 2.7 when I looked at... [LR294]

LARRY SCHERER: Well, for '08-'09, was that your question? [LR294]

SENATOR AVERY: I think so. [LR294]

LARRY SCHERER: I'd have to look if there's something in here. [LR294]

SENATOR AVERY: It's pretty low. [LR294]

LARRY SCHERER: The salary growth versus state aid. I was as surprised as anybody having worked on state aid across the table for a number of years that increases in state aid, large increases in state aid haven't translated into larger increases in teacher salaries. Well, one of the rationales for that and one of the ways the state aid is...one of the reasons for doing it is controlling property taxes plain and simple. And when there is an infusion of state aid dollars, the expectation is on schools part that they're not going to increase spending a whole bunch, they're going to use it to replace property tax dollars, and that certainly was part of the legislative intent. I would comment Senator Raikes's comments that were made on LB988 this year and others on the floor of the Legislature

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that we expect some of the new dollars to go to teachers salaries is a positive sign. And we have certainly made that argument in negotiations. And sometimes it's had an impact, and sometimes not. LB988 include the teacher education adjustment and NSEA is grateful for that and that took a long time, a long time coming. And I think it will over time have a positive impact. Again though, I've had a number of calls from schools that said our school gets a million dollars extra because of that. Should that all go into teacher salary increases this year? Well, it doesn't have to. It's general state aid. Certainly we bargain for it, not always there but that is money that was not there before. And again, thank you sincerely for that. It's a good start. Salary schedules, there's some salary schedules on page 13 and 14. And I think the point of those is that if you start out with a higher base salary and you get to the top faster, as Senator Adams did, you will end up over a lifetime with higher career earnings. And that idea of compacting salary schedules, another idea I think we need to look at. Hopefully it's something that could be looked at in the context of this alternative salary proposal. By the way, some of the numbers in there are based on a number of steps that go beyond the traditional, but that's nitpicking type of thing. Teacher benefits. The comment is made that tuition assistance for teachers is a common benefit. It's really not. I did a search of existing contracts out there, and there are only about 30 districts where I found tuition assistance specifically mentioned. That's on page 13 and 14 of the report. I think Jess adequately covered the 95 percent issue. The comment is made that on average, districts pay for 95 percent of health insurance family premiums. And then the report goes on to say but there are about 24 districts that have cafeteria plans, and the larger districts tend to be those with cafeteria plans or they have some alternative. And on average--they're is a piece in the back here that shows the top largest 20 districts--on average they pay only about 72 percent of benefits. And that represents about 62 percent of the teachers in the state. So that's something to consider. There is a definite trade-off. If you're in small district benefits is traded off for salary. And the same thing happens in large schools, only it's been traded in a different way. National benefit comparisons, again I think I covered this already, the ranking of Nebraska. We are somewhat above average in the benefits of surrounding states when you look at those

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rankings. But still nationally about 42nd. So if you look at the different between 42nd and 45th or 43rd, it's not a huge impact that we could see. And that's using census data. It's the best there is, and again we commend staff for doing that research. I think one of the things in the report that was very interesting is in 2000, this committee did a study and they looked at personnel report data. They did the same thing this year and looked at those teachers eight years later, and they found that 36 percent of the teachers that were in that pool were not there anymore, which means that a lot of them are replaced with lower paying teachers. The average salary increase then looking at that data was about 2.9 percent. But if you stayed there and you got a masters degree during that period of time, you could get upwards of 6 percent. So again, that encouragement to move up the ladder more quickly and assistance to do that is something that we really stress. The average for everybody was about 4.3 percent. That includes base increases and step increases. And that part of the report is extremely and I hope that it's paid particular attention to. I think I will not talk about the alternatives to...there's posed in there the trade-off. If we want to come up with enough money to get to average, we would have to increase pupil-teacher ratios to the national average essentially and have larger class size. And that trade-off is not acceptable from the standpoint of you have a number of schools in the state where smaller class sizes are needed. Nebraska is a state 450 miles long with a lot of small schools and those ratios are affected by our population and geography as much as anything. True, if we put more money into it, the cost for people will go up. That is a fact, unless we can lower the cost. And a lot has been happening through reorganization that has maybe made a difference in that. And we're certainly not advocating getting rid of 41 agencies to do the state agencies or cutting money for the University of Nebraska. Those are the comments on the material. But again, thank you for the material. Mark is going to talk primarily about the staff report, but I did have a couple other things that Jess did not mention. And that's the...there should be a sheet in your packet called "comments on Request 00179." And we appreciate the collaboration, the opportunity to be involved in this as Jess pointed out. I particularly like the state aid progression moving from a grant program into allowance, into an ongoing part of the formula. That is an extremely smooth way to do it.

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And I think if it can be expanded over time as early childhood education hopefully will be, it will have some impact. The local levy provision. Denver, as you know, voted, people in Denver voted for a property tax increase to fund the program. And this is putting some local dollars on the table for that, and those will be important. Whether we like it or not, a lot of the dollars will come locally. Using the Denver model I think the ongoing funding, the sustainability, teacher buy-in. That's an area where Mark is going to talk more about later. We're assuming since these alternative compensation plans affect the financial terms and condition of employment that they are bargainable. In other words, that when one of these plans comes to a school or is generated by a school, it will be negotiated with the teachers. And that's an important aspect and that is what happened in Denver. It's not always smooth. Negotiations are not always pretty and smooth and there are bumps in the road. But having that local buy-in through negotiations is an important factor. The concerns about entirely replacing the salary schedule. If you look at the Denver model, it has an element of a traditional schedule left in it. I assume that you're talking about when you're talking about jettisoning the current schedule entirely that a new schedule could take its place that has education, some experience factors in it. But that's concerning and shouldn't we look at supplemental types of alternative salary structures as well as the lock, stock, and barrel approach. The state commitment. Senator Burling raised the issue of a million dollars and how far with that go the grant program. And I understand with the competitive process, the money will get to the best proposals. As I understand it, and you can tell me if I'm wrong, if you have to have had a planning grant and been approved a competitive grant in order to qualify for the implementation grant, and then the implementation grants are the ones that become state aid based. So the concern is there's a narrow window for a limited number of school districts. And if the money is not enough, it's prorated. So that's always an issue with any grant program. But it's a concern that this is a relatively small number. And I think LB1100 had it maybe a more reasonable number in it. On the back of that, one of the concerns and one of the concerns Denver addressed was that what about the teachers who are not in the alternative program. Shouldn't there be some provision in there that the money...their

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salaries go up with the regular cost of living increase? And so that is a point we would stress. The CIR part of it Mark is going to handle mostly, so I'm not going to say much. First of all, I assume this will be negotiated, will be negotiated locally somehow, somehow, maybe not all the details of the plan, but at least the basic structure of the plan. And the question on the CIR provisions is, do we change the whole CIR structure when the grant program is early in its life? We don't know how much of an issue that's going to be. And there's the potential for people using just the CIR part of it as a reason for alternative compensation is concerning to us, and Mark will speak more about that. Those are my comments and hopefully you don't have any questions because you're all in a daze by now. But if you do, I'd be pleased to try and answer them. Thank you very much. [LR294]

SENATOR RAIKES: Thank you, Larry. Questions? Larry, you perhaps know better than I, you mentioned a 9 percent number in terms of the increase in funding. Was that state aid? [LR294]

LARRY SCHERER: That's what I recall the increase in state aid last year was about. [LR294]

SENATOR RAIKES: What was the increase in needs? [LR294]

LARRY SCHERER: The increase in needs was much larger than that, and Tammy could probably tell me... [LR294]

SENATOR RAIKES: Not percentagewise though. [LR294]

LARRY SCHERER: Percentagewise the increase in needs I think... [LR294]

SENATOR RAIKES: I don't remember and I should. The total needs for the state are around \$2.7 billion currently. Am I in the ballpark on that? [LR294]

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LARRY SCHERER: Matt knows. [LR294]

MATT BLOMSTEDT: I would think it's closer to 5. I can't remember an exact number.  
[LR294]

SENATOR AVERY: Five percent. [LR294]

SENATOR RAIKES: Two point five billion? [LR294]

MATT BLOMSTEDT: No, no, the... [LR294]

SENATOR RAIKES: The 5 percent. [LR294]

MATT BLOMSTEDT: Yeah. [LR294]

SENATOR RAIKES: And I think needs went up, if I remember right, about \$125 million.  
[LR294]

LARRY SCHERER: And aid went up about \$79 million or something like that. [LR294]

SENATOR RAIKES: Yeah. [LR294]

SENATOR RAIKES: Yeah. [LR294]

LARRY SCHERER: Yeah. [LR294]

LARRY SCHERER: So need went up faster than aid. But when you... [LR294]

SENATOR RAIKES: Well, and of course as you fully understand, the number that's

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funded is needs. [LR294]

LARRY SCHERER: Right. [LR294]

SENATOR RAIKES: And a school district has a needs number and the message to the aid formula is you either get this number from local property taxes or you get it from state aid. If your evaluations go up, you can have less requirement for state aid. If the opposite is true, you have more requirement for state aid. [LR294]

LARRY SCHERER: Right, right. [LR294]

SENATOR RAIKES: My question to you is this, the basic philosophy is that we fund public school districts. We provide that needs calculation and we fund those school districts, public school districts, at the needs number. [LR294]

LARRY SCHERER: Right. [LR294]

SENATOR RAIKES: Now, they have some options locally. They can have overrides, the valuation numbers are a year old, the assessor is a little bit different in different places so how much they can access of the property valuation and so on and so forth. But the idea is we see to it as a state that school district needs amount is funded. Okay. From then on what the school district does about the various components of expenses that they face is a local decision. So as far as teacher salaries, they make the decision. And you're absolutely right and maybe because we rely relatively heavily on property taxes, there's an urge on the part of school boards that, well, we don't want to levy at the limit because that's a lot of property taxes. But nonetheless, the state allows them that opportunity and doesn't charge them in the needs calculation for the full amount of needs. So here are the teachers and their negotiating teams to say you've got \$125 million or whatever it is additional needs, we need more money. How come that isn't working? [LR294]



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LARRY SCHERER: Because people don't understand the concept of formula needs at that level. When... [LR294]

SENATOR RAIKES: But do they need to... [LR294]

LARRY SCHERER: Do they need to understand? [LR294]

SENATOR RAIKES: ...is it required that they understand needs? [LR294]

LARRY SCHERER: Yeah. Formula needs is a number on a page to a great number of... [LR294]

SENATOR RAIKES: It's an amount of money that that school district has available to it, as you well know... [LR294]

LARRY SCHERER: Yes, it's a... [LR294]

SENATOR RAIKES: ...at least potentially. [LR294]

LARRY SCHERER: Right. [LR294]

SENATOR RAIKES: If they levy not even at the levy limit, levy at the local effort rate. [LR294]

LARRY SCHERER: Right. [LR294]

SENATOR RAIKES: Or if valuations are increased less than the local effort rate, they will get the needs amount. And needs went up \$125 million. Why are not teacher negotiating teams able to effectively make the case to local school boards that this is

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what we need? And maybe a better question, why in the world would teachers want to give up their right to negotiate with their employers over salaries in exchange for a no doubt, uncertain mandate from the state level that this is how much you have to pay your teachers? [LR294]

LARRY SCHERER: Which question? (Laughter) [LR294]

SENATOR RAIKES: Take your pick. [LR294]

LARRY SCHERER: Well again, first of all, the concepts in the statements legislative intent on the floor were helpful, we used them in negotiations. But the level of convincability of that argument was not overwhelming. And I think it has to do with the fact that property taxes are a major concern. If there are new dollars based on the formula, that is the priority. [LR294]

SENATOR RAIKES: But the convincability it seems to me would be helped by I'm going to Wyoming, I'm going to Iowa. [LR294]

LARRY SCHERER: Oh, yeah, yeah, yeah. It certainly is. And we use that argument with the boards and it has had some impact in certain parts of the state. Right. [LR294]

SENATOR RAIKES: Okay. [LR294]

LARRY SCHERER: Basically, if you had a needs analysis, part of needs...needs as you know, if generated by a composite of elements, of allowances and in addition to basic aid. And so some of those things like the program for low income students, ESL, ELL, class size reduction, a lot of those are in essence the state is saying, we're giving you this money and we expect you to use it for that. The teacher education adjustment formula is more like that, but there's certainly no requirement that it be used, so. I understand your point. All I can tell you is that it hasn't been one that's easy to convey

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to the school board negotiators. [LR294]

SENATOR RAIKES: Okay. Thank you, Larry. Any other questions? Yeah, Senator Avery has one. [LR294]

SENATOR AVERY: In the exchange we had earlier I think I asked the question if we increase state aid by 9 percent, why didn't we get more money into teacher pay. That's an exactly or similar question to what Senator Raikes is bringing up. But on your...and I was told it was about 4 percent. I thought I remembered that it was 2.7 and you do have there right here on attachment 1, the first table, it shows Nebraska's teacher pay increase from '07 to '07-'08 at 2.76. So of the 9 percent... [LR294]

LARRY SCHERER: That was a earlier year from '06-'07 to '07-'08. The '08-'09 numbers are not reflected in here. [LR294]

SENATOR AVERY: Do you know what the increase was in state aid in '07-'08? [LR294]

LARRY SCHERER: No. I'm sorry. I can find that. Maybe Tammy or Matt recalls that. Probably was more than 2.7 percent. [LR294]

SENATOR AVERY: Yeah. It might have been more than 9 percent. [LR294]

LARRY SCHERER: The prior year? Uh-uh, I don't think so. I wouldn't give you number, but I would guess it's more in the 4 to 5 percent, and that's just vague recollection of state aid history. [LR294]

SENATOR AVERY: Well, I just wanted to point that out because it seems to me that 2.76 is not very much of an increase. It barely covers the cost of living increase. [LR294]

LARRY SCHERER: Yeah. [LR294]

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SENATOR AVERY: And if we're doing better than that in the state aid, then I'd like to see more of that. [LR294]

LARRY SCHERER: Well, thank you. [LR294]

SENATOR AVERY: You point out the problem with the school boards. I understand that. [LR294]

LARRY SCHERER: Thank you. I appreciate that. [LR294]

SENATOR RAIKES: Thank you, Larry. [LR294]

LARRY SCHERER: Thank you. [LR294]

SENATOR RAIKES: Mark, your testimony is highly anticipated (laughter). [LR294]

MARK McGUIRE: I notices everything got dumped on me. Senator Raikes, member of the committee, my name is Mark McGuire, M-c-G-u-i-r-e, at 605 South 14th Street, Lincoln. I am an attorney for and a lobbyist for the Nebraska State Education Association. I welcome the opportunity to discuss LR294, and I'm struggling with do I stay with this script or do I get into answering some of the questions. And we'll see if maybe I can do both. Before I talk about...and I also want to say that before today, when I got the copy of REQ00179 and reviewed it, I had the opportunity to visit with Tammy. And as usual, she was helpful and alleviating a number of questions I had. Didn't quite get them all, but a number of items, so I thank you for that. My initial observation when I looked at this piece of legislation was really kind of shocking in that the first eight lines of the bill really jumped off the page at me which provide an alternative compensation plan shall "(a) Replace a traditional teacher salary schedule with incentives for teachers which are related to school or school district goals and objectives and are challenging

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but obtainable for a target percentage of the teachers to be determined by the plan." What struck me were the words and the concept of replacing a "traditional teacher salary schedule." A traditional teacher salary schedule sets the wages teachers ought to be paid, and I think it's very important as we talk about salary schedules that a salary schedule does not produce any money; it merely distributes it. And as I've testified before in front of this committee and I've testified before in front of Business and Labor with respect to CIR things, salary schedules are--and I've always said--simply limited only by one's imagination in terms of what they look like and so forth. Later, I'll make available some different sort of schedules just to show that they can be different. But the replacing the teacher salary schedule, part of what jumped off at me was the plan that's contemplated here or the plans become the new negotiated agreement. And that everything in part of the current negotiated agreement is the result of 48-837 which provides that: Public employees shall have the right to be represented by employee organizations and to negotiate collectively with their public employers in the determination of their terms and conditions of employment and the administration of grievances they're under. So the alternative compensation plan becomes the new negotiated agreement. The consequence of that is everything--and Larry alluded to it--within that plan, together with all the traditional stuff--I'm talking wages, benefits, number of sick leave days and all of the rest of the stuff that's negotiated--is part of the negotiation together with the elements that would be statutorily defined as what constitutes a plan. Things such as the plan "shall contain an evaluation process to analyze the effectiveness of the plan in accompanying goals and so forth." Normally what...in the 35 years I've been doing stuff for NSEA and representing them and their locals and the CIR or before this body, has to do with what's a mandatorily bargainable term and condition of employment. And typical of the union side in any negotiation, they want to expand the scope of what's bargainable and the employer wants to shrink the scope of what's bargainable. But here this proposal makes everything very, very bargainable, and actually makes it mandatorily bargainable as those terms are used in the Industrial Relations Act. So that's just the concept that I see out there of a policy nature of is that really where you want to go? I mean, that's I think, a very legitimate

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question. The next aspect of it that I see, and this impacts on bargaining and ultimately the CIR, is that the bill would result in two teacher bargaining unit as I see it within a given school. On page 6, line 10 it's provided that the "implementation grant shall not be awarded unless 50 percent of the teachers employed in the district at the time of the application have signed an agreement committing the teacher to such alternative comp plan." That's obviously one group within a school would be more than 50 percent, and one would be less than 50 percent of what I guess we'd call regular teachers versus the "planned teachers." It's also provided, and here I run into an inconsistency that Tammy and I didn't get to talk about enough I guess, the bill provides that "an alternative compensation plan shall not negatively impact the compensation of teachers who choose not participate in the plan." So I'm assured over on this hand that my members who are "regular teachers" won't be negatively impacted. But however I see on page 6, lines 9 to 10 and 14 and 18 that in making implementation grants the state board shall give consideration to the degree of variance from traditional salary schedules. And a few lines further on, the bill provides that the state board shall not be required to award implementation grants to any applicant who does not vary significantly from traditional teacher salary schedules. It strikes to me that there's a conflict that over here my regular teachers I guess in this hand are not to be negatively impacted. But over here we talk about variance from the traditional salary schedule. That is an issue I put out there for you to consider. Either teachers are going to be negatively impacted or not. And if this group is getting more, which I think is the clear intent here, well, obviously this group is getting less and is negatively impacted. The fact that two bargaining units are contemplated obviously is well demonstrated by the fact that there are two models CIR dispute of resolution models now or at this past would be included. The one would be for the plan teachers and the other would be for the "regular." And I look at that and I do have some problems. First of all, I don't why you'd want to have a system that has one dispute resolution mechanism for "regular teachers" and one for the plan teachers, and I don't know at this formative stage why you'd want to necessarily jump there. In the introductory remarks to this bill there was the comment made that the CIR typically brings back to the norm pay, and thus the first portion of the new CIR stuff takes out the

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word "skills," and I don't see how that relates. Sure there's "different skills," but there's different skills in all 250 bargaining units in the state that it depends how narrow you're making "skills." I'd also tell you that skills aren't the subject of litigation in the CIR. I tried about 135 cases up there and maybe a couple of them had something to do with skills. You'll get cases dealing with working conditions, but normally those are whether or not an array of schools is such that there's a similarity as the statute provides of, you know, working conditions. If there's two bargaining units, I want to know who they bargain with. Do the alternative group over here bargain in terms of their array when they set up their array other schools that have alternative plans or not? How about the same question for the "regular teachers." I think you just would have created a situation where ironically within one school, the regular teachers and the alternative teachers couldn't bargain against each other because apparently they're found to be too different, and I don't think that's the case. There's a perceived, obviously some sort of perceived problem with bargaining as one group. And at this very formative stage of this that's still just obviously an idea but even if adopted has a lot of things to go over before you get into what I view as labor problems. So there's some sort of perceived problems and there's some kind of speculated solution, i.e., the two bargaining unit categories and the two CIR processes. My honest suggestion to you would be to strike that stuff out of this bill if you're moving it forward because I think it simply attempts to address rather unknown problems with speculative solutions. Let's wait and see what the problems actually are. I think we've been quite creative with respect to the CIR in terms of accommodating different things that have arisen over years, and we do a pretty good job of quantifying salary schedules or appendages to salary schedules or other things that are of an indexed nature that allow an adjudication based upon what is and salary schedule. So that process would continue. Significantly as well, the current system while it has its faults and relates to your question of Senator Raikes of Mr. Scherer, the CIR has predictability. We've been at it a long time and we've played by the same rules and therefore there's not a lot of litigation in the CIR because you really don't need it. I mean, if you're being honest and so forth, most school districts and teachers can sit down and agree on things about array, they can agree on things about placement of teachers, they can agree on

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valuation of benefits, and everything else that goes into the mix. And then determine pretty well, well, if we went to the CIR, they would order a base salary of X, so why are we going to go to the CIR when we can have that negotiated locally. So I similarly would express objection to this bill as drafted because it would impact on predictability. And even if you want to go to another level of predictability or discussion of it, there's...well, I don't need to go there. Predictability, however, works and ought to be maintained. And what the system would become, I fear, is plan teachers, regular teachers, and that's the only groups that are that way in the entire state. Otherwise, all public employees fall within Section 48-818, and that has proven itself to be broad enough that you can have power plant workers as Cooper nuclear station compared to those at the Grand Island coal-fired power plant. There's a lot of differences I assume in the working conditions and everything else in a nuclear power plant compared to some other power plant. Same with teachers, the statute has been able to accommodate and the CIR process has been able to accommodate that difference, therefore allowing when you reduce the numbers of variables obviously you increase predictability. And so that you can blend these units close enough together so see that there is comparability and proceed accordingly. So those would be some of my thoughts with respect to what's here in the CIR process. And I just can't emphasize enough, it's well-intentioned and all of that, but I think it's trying to address problems that we haven't seen yet. If you're going to pass this, pass it, see how it works out. Are there problems that develop that the CIR can't solve or can't solve successfully? If so, okay, fine, a bill can be drafted to remedy whatever that is and the CIR statutes modified accordingly. But I would be really troubled to have CIR statutes changed just because we think we might need that change at some point in time. And I think as a policy matter you'd like to probably narrow down the fields of contention and I think taking the CIR stuff out would work well. I'd be pleased to respond...oh, I'm not quite there yet. We talk about salary schedules and bear in mind they're just vehicles for distributing money. All salary schedules are part of a negotiated agreement. But the salary schedule isn't removable as a separate piece, it's part of a negotiated agreement. You have 250 approximate negotiated agreements out there between teachers and school districts. They negotiated what



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works for them. I'm going to leave these...and these are just drawn at random, a negotiations agreement for Beatrice, Saint Edward, Plattsmouth, Minden, and each of them have marked indexed salary schedule. They all vary, so there's not just one salary schedule out there, and one of these is even what's known as a reverse schedule in that everything is flipped upsidedown. They were negotiated locally to address local interests, local values, if you will, in terms of how much one district values additional education compared to how another district might value years of experience. Those factors are worked in. They have extra duty schedules which is something if one were considering extra pay for plan teachers or whatever, you know, is this something that's kind of like an extra duty schedule? Is it because that person has unique skills and does different things that they have a different schedule? We've done salary schedules where you attach nurses onto a teacher schedule and everything can work with it very handily. That has to do with salary schedules, what they look like, how they're part of an agreement. Now I'd be more than pleased to respond. [LR294]

SENATOR RAIKES: Okay. Thank you, Mark. If I heard you, you're saying as far as the CIR, go ahead and pass the law and if there are problems we an address them later. That would be the safe haven approach to CIR (laughter) statutes. [LR294]

MARK McGUIRE: Yeah, something like that. I'm not saying go ahead and pass the bill. What I am saying is should you get there, we don't know what the CIR problem is, so why are we trying to propose a fix. There might not ever be one. I mean, that's the thing that's just sort of common sense, frankly. [LR294]

SENATOR RAIKES: Senator Adams. [LR294]

SENATOR ADAMS: I'd like to ask a question about CIR that doesn't really have to do with this, but teachers salaries. If we go out to the Panhandle and identify a school district that's virtually up against the Wyoming border, does the CIR...I think I know the answer, I guess I'd like to hear your background. They're not going to draw that circle

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into Wyoming, are they? [LR294]

MARK McGUIRE: I wait for that case. [LR294]

SENATOR ADAMS: Okay. [LR294]

MARK McGUIRE: Probably not because of their long-standing tradition of wanting to look only at Nebraska schools. Inroads have been made in that rule, or that rule of thumb is more appropriate, particularly with Metropolitan Technical Community College in two wage cases that we did where they in fact went outside the state. I think in the properly identified case as you describe in the Panhandle, I would draw the circle because...well, I would draw the circles and go forth because the circle and the size, when you come around to it, all they're really trying to do is define a labor market and to define a cost of living of sorts. You know, the cost of living out there is different than in Millard. And if you can show...the cost of living doesn't change just because your circle goes over the Wyoming border, you know. Your cost of living is whatever it is, so it's my opinion doable. We haven't found the right set of facts yet. [LR294]

SENATOR ADAMS: So if I'm Gering, I'm obviously not going obviously not going to pull York into the array. [LR294]

MARK McGUIRE: No. [LR294]

SENATOR ADAMS: But it might be reasonable to pull Scottsbluff, obviously, into the array. [LR294]

MARK McGUIRE: Sure, they would be. They're similar size. [LR294]

SENATOR ADAMS: And if it's market forces and cost of living, it would seem like that would be a logical thing to do. [LR294]

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MARK McGUIRE: Sure. [LR294]

SENATOR ADAMS: Yeah. Thank you. [LR294]

SENATOR RAIKES: Mark, you seem to have some reservation about two different groups of teachers. Of course one way to do that is to mandate either your all plan teachers or none of you are and the 51 percent determines that. But, you know, that seems to go against what are likely to be the interest of teachers. You're going to have some people in the teaching staff that, yeah, I'm interesting in trying this; the other really don't want to. So you know you're going to create a division there. [LR294]

MARK McGUIRE: Right. [LR294]

SENATOR RAIKES: So you'd rather do that than try to have two separate groups as far as plan and regular, as you described them. [LR294]

MARK McGUIRE: I'd rather do what? [LR294]

SENATOR RAIKES: You'd rather force everybody to be either plan or regular. We cannot have, we cannot have a choice among...if we're going to do a incentive performance or however you want to describe it plan, then everybody in the school district is on the plan or nobody is on the plan. [LR294]

MARK McGUIRE: Well, if everybody is on the plan, the plan is just the curriculum or whatever. I don't see how that even differs from today particularly. But I don't see why you can't all be teaching in some schools...five of you I think it has to be to have a majority would be plan teachers, when I talked about...and I don't see why you can't just get by with one negotiated agreement, with one negotiated salary schedule that has appendages to, that has other elements to it... [LR294]

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SENATOR RAIKES: But basically what you're suggesting with that is everybody is on the regular, you know, and some people have some appendages. [LR294]

MARK McGUIRE: Well, if you kept the... [LR294]

SENATOR RAIKES: I shouldn't say it that way. (Laughter) There are... [LR294]

MARK McGUIRE: I just smoothed right on through you, see (laughter). I just thought it was statistician talk. [LR294]

SENATOR RAIKES: There are appendages to the schedule that deal with certain of the staff people. Oh, yeah, okay. [LR294]

MARK McGUIRE: No, I don't... [LR294]

SENATOR RAIKES: Bail me out on this, will you? [LR294]

MARK McGUIRE: Yeah, to have one bargaining... [LR294]

SENATOR JOHNSON: If you need of the appendages amputated, why... (laughter) [LR294]

MARK McGUIRE: I don't see the burning need to divide them into two groups. Maybe I don't understand what's here, but I've read it about 50 times and I don't see what's compelling that there be two groups for purposes of collective bargaining. We're talking about collective bargaining group versus... [LR294]

SENATOR RAIKES: Okay. Let me offer this just for you comment, not as an answer. The two groups is because you want in fact to allow for a significant difference in the

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compensation arrangement that you use for the plan teachers versus what is currently going on. And in order to do that, you want to allow whatever. Now, your point is that, well, gosh, there's lots of different kinds of plans. But if you want to have choice within a school district, if you want to say, look, I'm anxious to try something different, I'm not, and satisfy both. And if you want to allow this new thing to be remarkably different than what is currently in place, it's not mandated to be different, but you're simply going to allow it if the local district chooses to be remarkably different, than you'd have that. In that case, it seems as though there would be a need for two different compensation arrangements. Your approach, on the other hand, is basically put everybody on the current schedule, and then make some additions or whatever to accommodate some extra things, but not to drastically change it. [LR294]

MARK McGUIRE: We're talking about two different things here. We're talking about two different compensation arrangements versus two different bargaining units. A bargaining unit is an entity that obviously bargains. I'm saying, yeah, one bargaining unit; it can bargain for all of its employees as it's required today. Again, so more things we don't change. And it can bargain alternative sort of schedules. It can bargain anything. I said in my initial comments you're limited only by your imagination in terms of how such a schedule could be created. I don't know what even it would be yet, but we could certainly work at it. And I'm saying let's do that, see if that works, see what problems arise, see what the CIR can or can't fix. Then we might know, (a), obviously the problem, and (b), be able to articulate and define with some degree of accuracy what the legislative solution would be to that CIR quandary in which they'd find themselves. And (inaudible) I'm just saying, well, that would be the standard I'd work against. But let's see what the problem actually is. Maybe I'm just too concrete, but I think I can solve problems if I can actually identify what the problem is and not just hypothetically what it might be. [LR294]

SENATOR RAIKES: Okay. Any other questions for Mark? I don't see any. Thank you very much, Mark. [LR294]

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MARK McGUIRE: You're most welcome. [LR294]

SENATOR RAIKES: Maddie, welcome. [LR294]

MADDIE FENNEL: Good afternoon. You all have the patience of Job today, I think. My name is Maddie Fennell, and I'm currently serving in my second year as president of the Omaha Education Association representing almost 3,000 teachers in the Omaha Public Schools. Last year, the Omaha Education Association adopted a vision: raising achievement and closing the gaps for all kids. We know through our research and research of many others that the highest correlations to improve student achievement is a high-quality teacher. It doesn't matter what textbooks or curriculum you use, a high-quality teacher will utilize a wide variety of teaching tools to meet student needs. We agree with the NSEA. All teacher salaries need to be raised and raised significantly. To recruit and retain high-quality teachers, we need competitive salaries. The first week of school this year, I received a call from a teacher who was in a dilemma. She was offered \$8,000 more per year to drive across the bridge and teach in Iowa. Nebraska is ranking in teacher salary isn't just a statistic of comparison to us; it's a startling reality that is literally driving our teachers out of our state. The OAA's commitment to our vision combined with our dismal ranking in teacher salaries led the OAA board of directors to launch a new initiative: exploring alternative compensation, something we've been working on for a year. We know that our current salary system, as alluded to by the senator, does not reflect the complexity of skills and knowledge that are necessary to prepare our increasingly diverse student population to compete for jobs in a global economy and community. Let me be clear: We are not talking about nor would we even consider the proven failure of merit pay. Saying the words "merit pay" to a teacher is like using the term "West coast offense" to a true Husker fan. It doesn't work, it has different meanings. (Laugh) The OAA and the Omaha Public Schools Board of Education are joining together to make changes that our community will support. We are committed to designing a transparent innovative pay system that focuses all of our resources on

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quality instruction and high student achievement. To do that we must work together as a community to answer several key questions, questions that have been avoided for years because they're hard to answer. First of all, what is a high-quality teacher? How do you design a pay system that recognizes high-quality teachers who utilize their skills and knowledge and raise student achievement? And how does the rest of the school system actually have to change to support teachers under a new system? We are eager to work with parents, business leaders, and elected officials, anyone who is committed to our vision of success for every child. Because we wanted to enter into this discussion with an open mind, we tried to set minimum parameters, and our board has only set three. First of all, we need new money at the table that can sustained over time. We don't want teachers to get into this and then feel the rugs pulled out from underneath them. Salary increases cannot be based solely on student test scores while teachers are crucial to improve student achievement. If I can't guarantee that my kid even gets to the classroom...and I had students who would miss as much as 80 days of school, and I was one of those teachers who would go pick kids up and bring them to school, if I can't control that, then you can't base my pay solely upon student achievement. And any new funding or salary structure must be bargained at the local level. So what could this system look like? Well, we envision a system that rewards the physics teacher at North High that I met last year who held after school tutoring programs and Saturday jump start programs all on her own. Her students raised their grades and met state standards. But she's not doing that program this year. She had to stop so she could pick up a second job to send her own children to college this year. We envision a system that rewards the teachers at Calumet Elementary who are reaching out to their diverse parent population, getting into their communities, and developing relationships that allow them to work as partners. We envision a system that rewards the teacher who moves a student two grade levels in reading in one year, even though they might not be meeting proficiency, but they've shown increased student achievement. We envision a system that encourages innovation instead of stopping it. And we envision a system that puts highly trained administrators in our classrooms who have been trained to genuinely evaluate our teaching and offer substantiate profession development for further skills.

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Nothing dampened my spirit as a teacher as much as having been evaluated by my assistant principal for half an hour and at the end when I received my summation, the suggestion to improve my teaching was, you know, when I pulled up the borders on your bulletin board, the paper backing was faded. You should change your bulletin boards more often. That does not increase my student achievement. That was not an effective evaluation. Developing this system requires funding for technical assistance, transition needs, and salary dollars. Putting money into teacher salaries is crucial, but we also need to build the community support to sustain a salary increase. We are willing and eager to work with the community to include accountability for a system that raises student achievement while adequately and equitably compensating teachers for the work that they do. We understand that in the current economic times, it is difficult for you as legislators to support a salary increase. So we are committed to helping our community understand that real economic development isn't solely giving money to business development and expansion. Economic development does begin at the local level, whether it's from Hay Springs or it's in Omaha. Every dollar given to a teacher stays in the community and is spent on car payments, groceries, homes, and knowing teachers, it will still be spent on classroom supplies. That is real economic development. Preparing our students for jobs that haven't even been created yet, and to assure their successful competition in global economy, this is real economic development for Nebraska. Educating every student so that they have the skills necessary to get a job so that their paying taxes rather than drawing on government subsidy programs. This is real economic development. Nebraska is proud of its local control of schools. Any legislation passed must honor that local control by allowing each community to define for itself what it needs from its teachers and how to measure their success. There is a relationship between raising salaries and raising student achievement. And the OAA wants to build on that relationship by working with our community to build a sustainable compensation system that meets the needs of all of our stakeholders. And Senator, I can't conclude without responding to your comments about the negotiations team, and why isn't the money going into negotiations. I've sat on the negotiations team for OPS for about 13 years now, since I was a fifth-year teacher. I started out as one of the



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youngest ones, and now I'm one of the oldest ones which is kind of frightening. But I'll tell you, every year we went and we argued and every year we'd hear back, including in the last years, well, we can't do that because it doesn't meet the state requirements. This last year when there was money for poverty and ELL...I guess, Senator, I have a question for you because one of the things that I heard was, well, we had to write poverty plans and ELL plans and no where in there did it say we could write a poverty plan that simply said we're going to pay our teachers more. Because it's about putting...what I saw the money going into was more programs and putting more people in, but not necessarily more money to the people who were doing things. I think the sad reality of it also is in negotiations it's cheaper sometimes to let people leave and to hire new people cheap than it is to keep the people around, and that's part of the economic reality. You know, as long as we've got plenty of people who are willing be first grade teachers, we'll go ahead and not put the money into the salary schedule. But then we'll argue on the other side, let's pay more to the math and the science teachers. So it's an argument that we agree with you. And I listened to what the Legislature said. I know that the Legislature argued to put more money into teacher salaries, but unfortunately those arguments don't resonate at the negotiations table as much as we'd like them to. And the only other thing I wanted to comment on is I know that there's been some discussion about Denver and the controversy that went on in Denver. But I want you to know that Denver did pass their most recent contract, and it was passed overwhelmingly by the teachers once they got through the problems that they had. So with that, I'll stop.

[LR294]

SENATOR RAIKES: Okay. Thank you, Maddie. Questions for Maddie? I don't see any. So what you're saying is in terms of the negotiations that you participate in that there's sort of a ceiling placed on the negotiations kind of at the outset that, look, if you want more money it just isn't there. [LR294]

MADDIE FENNEL: Exactly. That's what we've been told every single year I've gone that, you know, we're limited by what the state gives us and it's just not enough to raise

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the teacher salaries, and in many cases there's comments made about how directed the dollars are. And so the district doesn't feel open to target the...to put the dollars into teacher salaries. It's almost like...and it's not that I'm proposing any legislation, but if we're going to tell districts that you have to write a poverty plan, you have to write a ELL plan, and here's what has to be in that poverty plan and here's what has to be in that ELL plan, then part of what we need to allow a district to do to put into their poverty plan or their ELL plan is that we are going to find ways to pay teachers more money to keep the best teachers around. Rather than encouraging districts to come up with more programs to reach those students, we need to be able to put the best teachers in there who are going to reach those students, not new programs or additional programs. We need to put money into people. [LR294]

SENATOR RAIKES: My guess would be that if you implement a new poverty program that a good percentage of the money goes to that new program would be to pay teachers to implement that program. [LR294]

MADDIE FENNELL: It's often...as I've seen the plans written, it doesn't go into...I can tell you that the money didn't go into our salary schedule. It didn't change. We were in the second year of a two-year agreement, and even though there was additional money, we weren't allowed to reopen and put that money into teacher salaries. It went into hiring social workers, it went into hiring new people, not to raising the salaries of the people who were there. I know, Gwen, you're very happy about the social workers. (Laughter) I know, I know, and I agree. And it's not that I'm going to argue against that, but we need to find a balance. And when we see that percentage of dollars going toward teacher salaries lessening, you know what, the numbers drive me crazy. My brother lived in Moscow for 18 years and he taught me that there's truth and there's lies and then there's statistics. And we get caught up in the statistics, but the reality is our teachers are leaving our state. The reality is that the average number of years of service of a teacher in the Omaha Public Schools is going down dramatically. The reality is that teachers are calling me saying, Maddie, I can't afford to do this anymore. We're losing

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math and science teachers because they can afford to go into other fields and make a lot more money. Well, when they leave, kids aren't as excited because they don't have teachers who are as excited about their field. And we get caught up in this whole situation that if we would just put the innovation that we needed into our salary schedules...you know, what amazes me is that the Omaha Education Association has been talking about this for a year, that we as a teachers union are willing to do something that unions traditionally don't do. We want to talk about alternative salaries. We have gone out to our teachers one by-one-and and said, we need to do this, it's time to do something new. We're willing to buck whatever system we have to. And after hearing for so long that that's what the other wanted, now when we're at the table people don't seem as willing and ready and able. It was almost like be careful what you're going to ask for because now we're here and nobody seems to know what to do with that. [LR294]

SENATOR RAIKES: Okay. Thank you, Maddie. [LR294]

MADDIE FENNELL: Thank you. [LR294]

SENATOR RAIKES: (See also Exhibits 10, 11) Do we have other testifiers? I don't see any. So that will conclude our interim hearing on LR294 and the interim hearings for today. Thank you. [LR294]