

Transcript Prepared By the Clerk of the Legislature  
Transcriber's Office

Executive Board Committee  
May 01, 2015

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[LR201]

The Executive Board of the Legislative Council met at 8:00 a.m. on Friday, May 1, 2015, in Room 2102 of the State Capitol, Lincoln, Nebraska, for the purpose of conducting a public hearing on LR201. Senators present: Bob Krist, Chairperson; Dan Watermeier, Vice Chairperson; Kathy Campbell; Ernie Chambers; Colby Coash; Galen Hadley; Dan Hughes; Tyson Larson; Heath Mello; and John Murante. Senators absent: None.

SENATOR KRIST: Okay. We have a quorum up here so we're going to get started so we don't take everybody's morning up. If you have a cell phone on, please make sure it's silenced. If you have something that you want to hand in to us, make sure that Brandon gets it. If you want to make copies of it, he can do that for you too. This group is pretty senior. I don't think you need any more directions. So let's start, Senator Sullivan.

SENATOR SULLIVAN: Thank you, Chairman Krist. And the note tells me that I should spell and say my first name or my name. It's Kate Sullivan, K-a-t-e S-u-l-l-i-v-a-n, representing District 41 in our Legislature. And I'm here to propose the creation of the School Finance Modernization Committee. And as I say that, I don't...want you to know that I don't come with a preconceived notion of the outcome nor do I have all the answers nor do I think that there is a silver bullet to the task that we're taking on. The Tax Modernization Committee, as you well know, went through a process in 2013, spent the interim working on tax policy issues. And in the end, they issued a report and it had recommendations with each source of revenue we have in the state: income, sales and property tax. And the first recommendation under property tax was to provide more state support and more state aid commitment to our schools with regard to providing property tax relief. Also I might add that the Education Committee, it seems like all seven interims that I've been here we have traversed the state and held public hearings and had conversations about school finance. The only exception perhaps was last year when the committee again did public hearings across the state and the subject was not so much money, it was a vision, mission, and goals for what our educational priorities should be. But I will tell you even in that process it was hard to get educators away from the--and stakeholders I might add--away from the topic of money. So here we are and I think the Tax Modernization Committee provided us a good stepping off point for the discussion about how to increase the state aid commitment to schools. And I will also tell you that cannot be done in isolation by the Education Committee. It needs to be a conversation and work done between and among the Education Committee and the Revenue Committee. So to that end, I propose the following membership for the School Finance Modernization Committee: It would include all the members of the Education Committee and the Revenue Committee. It would include the Chair and Vice Chair of Appropriations. It would include the Speaker of the Legislature. And I might add that individual also chaired the Tax Modernization Committee. It will include also the Chair of the Planning Committee. And I might also add to that extent that that doesn't add another number so to speak

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of the total membership of the committee because that individual, Senator Cook, is also a member of the Education Committee. But I think that combination of membership underscores the value of bringing together Education, Revenue, and Planning when we look at educational priorities in this state. To lift from the resolution itself, the committee would be charged with the following to look at: efficiency and effectiveness in the availability and use of tax resources necessary to successfully educate students; fairness and equity for taxpayers and students in all parts of the state; competitiveness for the state in terms of the state's ability to attract and keep well-paying jobs and investments based on the economic climate and a work force educated for success; stability in the resources available to school districts and the tax expectations for the citizens of the state, particularly in times of economic volatility; and lastly, simplicity to the extent that we can do that to meet the wide variances and the circumstances of students and taxpayers across the state. How will we do our work? Well, we're going to examine school finance and taxing systems in other states. And to that end, there is a wealth of information out there. I mean, this is just one example: Education Commission for the States has staff available to us. They can come into our state just as long as we--and many times free of charge or at the very least just taking care of their travel expenses--and NCSL, Council of State Governments, and other educational entities. And so we're certainly going to reach out to them. We're also going to remember that we have at our hand our departments, whether it's the Department of Revenue, the Department of Education, that can provide us with relevant data as to what's going on here in Nebraska. One of the things that the Education Committee spent a fair amount of time on with respect to the creation of this entity was the addition of a facilitator. And there were several members of the committee, myself included, that thought that that would add value to the whole process, it would keep us on track, would keep us from diverting or focusing too much on one thing. And so to that end, a facilitator is included in this resolution and it proposes that Senator Gloor, who will as Chair of the Revenue but Vice Chair of this proposed committee, and myself as Chair, would consult with Senator Krist as Chair of the Executive Board and select that facilitator who would work with us. Ideally when it comes to selecting that facilitator, I believe that it would be to our advantage to keep that individual not steeped in either tax policy or education issues but just to keep them as neutral as we can and have that individual really be there to guide discussion. At the end of the day, I think it's our job as policymakers to take on this responsibility. We are the ones that should determine the agenda. We are the ones that should determine the focus. We are the elected officials that, yes, we need to listen to stakeholders. We need to listen to educators. We need to gather data. We need to gather information. But at the end of the day, we're the ones that work through all of this information and come up with the recommendations. So I hope that you agree with me. I hope you will join me in this effort. I thank you for your time, and I'd certainly be more than willing to offer and answer any questions. [LR201]

SENATOR KRIST: Thank you, Senator Sullivan. Questions? Senator Larson. [LR201]

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SENATOR LARSON: Thank you, Senator Sullivan. You know, I couldn't agree with you more that we as policymakers should be the ones that are making this decision. My question is, why shouldn't...why restrict the membership to the Education and Revenue Committees and then obviously the Chair of the Planning Committee? Why shouldn't we open it up to the possibility of having members from the Legislature? Because if we as policymakers need to make that decision, it seems like you're really creating that, you know, that closed class. Education, TEEOSA, these types of things aren't just decisions that should be made between two committees. I think the whole body or at least the possibility of membership from the whole body would be even more important. Wouldn't you agree? [LR201]

SENATOR SULLIVAN: Not necessarily. You have to have a workable group. [LR201]

SENATOR LARSON: Um-hum. [LR201]

SENATOR SULLIVAN: And we were a little concerned even by the makeup of the proposed membership as it is that it might be too large. [LR201]

SENATOR LARSON: Well, I'm not saying that we need to add members on top of all the Education and Revenue Committee. I'm saying why shouldn't it be 7 members or 9 members or 11 members or whatever it is, but give every member of the Legislature the opportunity because we are all policymakers? We all obviously care deeply about education. Why should we just restrict it to these committees because you're on that committee or Committee on Committees got you there? Do you not think that everybody else should have that opportunity to voice their concerns? [LR201]

SENATOR SULLIVAN: And certainly they will. The charge will be to issue a report at the end of the year that will go to not only all of you, it will go to the Governor, and then in there, there will be recommendations for potential legislation. So working through the process because getting back to your point initially, it begs the question, well, who makes those decisions? And I will tell you nobody is ever satisfied. And I should have said that right at the start. Do you think I will make everybody happy in all of this? Obviously there's going to be some concern right from the part of (inaudible). [LR201]

SENATOR LARSON: Of course. But I'm saying...I get what you're saying there will be a report issued. But you're essentially excluding every other member of the Legislature right from the start from even being able to be involved in the report. Shouldn't individuals that maybe want to be on this committee have that opportunity? Or should it just in your mind just be closed to members of Education and Revenue? [LR201]

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SENATOR SULLIVAN: I think we have to make it a workable group. I think some decisions have to be made. And then furthermore, I think we need to, to a certain extent, respect the standing committees that we have and their areas of jurisdiction. [LR201]

SENATOR LARSON: So you don't feel that other members of the Legislature should be involved. [LR201]

SENATOR SULLIVAN: If I had thought that, I would have included it in this. [LR201]

SENATOR LARSON: Okay. Thank you. [LR201]

SENATOR SULLIVAN: Um-hum. [LR201]

SENATOR KRIST: Senator Watermeier. [LR201]

SENATOR WATERMEIER: Thank you, Chairman Krist. Appreciate this effort, Senator Sullivan. I'd like to focus a little bit on what the focus of it is. Have we clearly defined what we want to study? I mean, I look at...you talked about focus, you talk about reach, you talk about fairness of equity. In Section 3 under "(b) Fairness and equity for taxpayers and public school students in all parts of the state." I guess I want to make sure...I think about this almost as a performance audit where we do all our work trying to define scope and then the plan to get there. Do you think you've plainly enough defined the focus of what we want to talk about? I guess I get back to TEEOSA as far as the resources and the needs and how clearly they're defined. Do you think you're giving yourself enough clear direction to do this? Because that's what I'm concerned about is that you'll get into it and we know how many studies we've done on equity of school financing over the years since 1962, plenty. So I'm just worried that we haven't defined the scope enough yet. [LR201]

SENATOR SULLIVAN: There are some that have expressed a concern that we should not get down into the weeds, if you will. That a couple of people particularly on the Education Committee have made it very clear this is not about studying TEEOSA. [LR201]

SENATOR WATERMEIER: Right. [LR201]

SENATOR SULLIVAN: And I would tell you it isn't. However, as the committee starts to do its work, using those things that I indicated as kind of a stepping off point, are they going to get into specifics? Perhaps. But we're talking...first of all, you have to accept the fact that when it comes to particularly property tax and school funding, they are just linked. Let's face it. And you as

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well as I have heard the concern on the floor, from constituents, that we are putting too much pressure on property taxes. So the discussion first and foremost has to talk about how we are currently funding our schools and what those tax sources are and have the conversation of do we change that. But eventually, certainly it's going to have to get down into specifics. Will it be in this committee? Will it be one of our recommendations? It conceivably could in terms of specifics because ultimately even if you do or don't change the sources of that revenue, you're eventually going to have to talk about how it's distributed. [LR201]

SENATOR WATERMEIER: And I appreciate where you're going with that if I can continue a little bit there. [LR201]

SENATOR KRIST: Absolutely. [LR201]

SENATOR WATERMEIER: I don't want to turn this into a property tax study on that. I want to make sure we focus on whatever the beginning of that is and to make sure we give you the flexibility enough in this study so that you don't feel like it is just about getting into the weeds on TEEOSA. So I'm just concerned a little bit about is it defined? Is it confined and defined enough to really make it easy for that committee to work? And I appreciate where you're going with a facilitator. I think it's a good idea. And then my next question might lead into how will you look to bring in the outside expertise? I mean... [LR201]

SENATOR SULLIVAN: Okay. Well, a couple of things, first of all to your first comment, you'll notice in the resolution there's no mention of property taxes. [LR201]

SENATOR WATERMEIER: Right. [LR201]

SENATOR SULLIVAN: But we certainly are talking about fairness and equity for taxpayers and public school students, the stability of the resources available to school districts in times of economic volatility. You know, it all speaks to what happens to those different resources in terms of how they play out in the way we fund schools. So I'd like to think that it's written broad enough but focused on what are you trying to do with this revenue source in terms of education and the taxpayer I might add because you can't divorce the taxpayer from all of this because they do foot the bill. [LR201]

SENATOR WATERMEIER: Yeah. I really appreciate where you're going with it. I think you're on track. I'm just concerned a little bit about making sure that you get into it and then wish you could change your focus or your scope. [LR201]

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SENATOR SULLIVAN: Sure. [LR201]

SENATOR WATERMEIER: I'm just concerned about the overall direction of it. I think you're on the right track. [LR201]

SENATOR SULLIVAN: And with respect to the facilitator, again, as I said, the Chair and Vice Chair of this committee in consult with the Chair of this board will select the facilitator. And Senator Gloor may have some more details to talk about with respect to this, but I think, again, this will be something that we kind of talk through. But we have some great opportunities to bring in some very skilled facilitators. There are some options right in this state so that we're not talking about having to get somebody from afar to get quality in terms of facilitation. So I don't think that's going to be too difficult to do. And again as I said, with entities like the Education Commission of the States, NCSL, CSG, even some university work right here in our own institutions or in other states, we're going to pull on some of those things that again don't require a lot of dollars but still bring us quality information. [LR201]

SENATOR WATERMEIER: Thank you. I know it's complicated. [LR201]

SENATOR KRIST: Senator Campbell. [LR201]

SENATOR CAMPBELL: Thank you, Senator Krist. Senator Sullivan, having done a couple of these, I applaud you and Senator Gloor because I think we have the right composition in the task force that's going to look at this. You need to have the standing committees whose responsibility it is so I fully support that. My question would be I...and I support the facilitator. But do we need to provide to this group additional staff support? We go into all of these studies assuming that our existing office staffs are going to take care of everything. And you're going to have interim studies having to do with just the Education Committee or just with Revenue. Do we need to provide some support in that way? I worry about that with all the special committees and we're not lending that kind of support. [LR201]

SENATOR SULLIVAN: Well, your point is well taken. And I'm guessing that...and I'm not going to give the impression that we're just going to load up the Revenue and Education Committee staffs with a lot of work. But they will have a lot of tasks to do with respect to this. But it also can be spread out and we can leverage some of the staff and other kinds of support like through Legislative Planning perhaps and certainly, as I indicated, the state Department of Education. I think they stand ready to provide some data and even some support for us. So I think that we've got some ability to spread the workload out, if you will. [LR201]

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SENATOR CAMPBELL: That would be great. Thank you. [LR201]

SENATOR KRIST: Senator Murante. [LR201]

SENATOR MURANTE: Thank you, Senator Sullivan. I certainly support your legislative resolution, and I think that we need to create some sort of committee to study these things. I have a couple of questions on some of the technical aspects on page 3. First, I'm curious as to why you made the conduct of holding public hearings permissive. You used the "may" in that so I was wondering if you had a thought process behind that. [LR201]

SENATOR SULLIVAN: In large part because of the work done in the Tax Modernization Committee with a total of I think...Senator Hadley might know more, but probably about a dozen different hearings, you couple that with for, as I said, every interim I've been here we have had public hearings in the Education Committee on school finance. I don't know that we would be hearing something substantively different than what we've heard. Now that being said, certainly when we get to having some detail to some of the things that we're working on, I think it's going to be important for us to have a public hearing or hearings. But initially I don't see us going across the state. So we put "may" in there just to give some flexibility. [LR201]

SENATOR MURANTE: Okay. And do you think...is it your intent to during this process to start off with requiring a lot of public opinion in terms of having public hearings to start the process? Or are you looking to sort of develop a plan and then go to the public with what we come up with? [LR201]

SENATOR SULLIVAN: I think the latter would be...and again, Senator Gloor might have some additional opinions on this, but again, since we have heard for a couple of years now from taxpayers and the Education Committee has also heard from educators because we went through this visioning process, that we have some information there. I think though in terms of the committee initially, we might be even more importantly giving them some of this background because Revenue has not heard some of the things from Education; Education has not heard some of the things from the Tax Mod Committee or not all of them have. Maybe we need to harken back to, you know, the background of some of the things that have led us up to where we are today in school finance. And that might require recalling previous work than what's in the statutes now. So we'll be doing some of that background work initially. And so public hearings are not something that are going to happen right away. [LR201]

SENATOR MURANTE: And with respect to point 6 in the resolution, the services of an outside facilitator, is that something you anticipate to be a paid position? [LR201]

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SENATOR SULLIVAN: It's hard to say because as I indicated, I think that there are, from what little I know but what we've discussed this a little bit, there are some very qualified people in the state. So that at the very least, we might have to pay for their expenses, if you will, maybe if they're coming in from out greater Nebraska, if we bring in someone from out of state, maybe their travel expenses. I think we have some opportunities for some skilled mediators or facilitators without a high price tag. [LR201]

SENATOR MURANTE: Okay. And I'm curious as to why...you made that a "shall" so. [LR201]

SENATOR SULLIVAN: A what? [LR201]

SENATOR MURANTE: You used the word "shall"... [LR201]

SENATOR SULLIVAN: Oh. [LR201]

SENATOR MURANTE: ...in utilizing the services so there will be an outside facilitator. [LR201]

SENATOR SULLIVAN: Well, I will tell you as I indicated, the Education Committee spent a fair amount of time talking about this and they were pretty adamant that, yes, they wanted a facilitator so there is a "shall." [LR201]

SENATOR MURANTE: They want that facilitator come hell or high water, okay. And, okay, I'll get to the composition a little bit as well. I'm curious rather than get into the details of exactly how you have it constructed here, I'd like to get your thoughts some more on the policy of establishing task forces and things like this in general because you're essentially doing a draft, right? I mean, if you're a member of these committees, you're on whether you want to be on or not. And if you have neither the time or the inclination to really dive into these issues, you can not show up, but you're on the commission whether you want to be there or not versus a volunteer form of assigning these sorts of things. And I'm thinking about this from the perspective of the Government Committee where we'll probably have in the next year or two some sort of task force to study what we're doing with election equipment because we're going to have to overhaul our election equipment in Nebraska. And I don't think I'm going to go this route because there are probably members on the Government Committee who just aren't that interested in election software and equipment and that sort of thing. And there are certainly members of the Legislature who are passionate about elections and election law and all that stuff and are experts in it and would want to participate, and I wouldn't want to exclude them. And I wouldn't want to force people who don't want to be on the committee to be on it. So I'm

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wondering your thought process sort of broad, rather than the specifics, but broadly how we make those sorts of decisions and get your thoughts on that. [LR201]

SENATOR SULLIVAN: That's always the issue that we have to look at whenever we have a task or a topic that we need to address. And clearly we have spent a great deal of time, as have other senators in...it was evident in some of the bills that were introduced to take on this topic. So you look at it in the large continuum. My stepping off point was I thought it was we as policymakers needed to take on this topic and we needed to own it. And that's why you have the membership of this committee. There are others that differ or some people, like Senator Larson, that thinks it should be broader. But that was my choice, that was my decision in offering this recommendation to you. Others felt that it should be a combination. But over the last several years, we've been more cognizant of the makeup of these commissions and task forces, not having the problem of crossing over between the two branches of government so we have to be careful of that. Once you get into other things that involve a combination of legislators and other people, you get into the open meetings act and just on and on and on. And so believe me, we talked through all of that and this is what we've come up with. [LR201]

SENATOR MURANTE: And does what you have before us specifically, is that something you're willing to talk about or is this the proposal and you're pretty well sold on it? [LR201]

SENATOR SULLIVAN: Well, I'm always willing to talk about something. How much I bend (laugh) depends on how far I have to bend. [LR201]

SENATOR MURANTE: That's been my experience with you, Senator Sullivan (laugh). Thank you very much. [LR201]

SENATOR SULLIVAN: Yes. [LR201]

SENATOR KRIST: Thank you, Senator Murante. Any other questions? Senator Mello. [LR201]

SENATOR MELLO: Thank you, Chairman Krist, and thank you, Senator Sullivan. I just two questions. From your perspective as the Education Chair, how do you envision the process or maybe I should say the outcome of LR201 different from what you did with LR182 a couple of years ago when the Education Committee went through a pretty exhaustive study of the TEEOSA formula? [LR201]

SENATOR SULLIVAN: I think two differences. One is that we are enlarging the group of senators who will work on this, and that is very important. Because as I indicated, this is a topic

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that Education cannot do in isolation. It needs to have Revenue at the table. And so I think the makeup is extremely important and that will be a difference. The other thing is it's really almost I would go so far as to say a working group because we have heard the messages from educators and particularly constituents. And so now we need to take it to the next level because I think that's what we have been hearing that there was work left undone. And so that's what we have to do and it takes policymakers to do that. [LR201]

SENATOR MELLO: I have one question and it's...kind of Senator Watermeier kind of started going down that path a little bit and it's a question in regards to the concept of evaluating school finance in a very isolated perspective outside of possibly educational needs in the sense of do you envision the LR201 process evaluating school needs or public education needs as part of the overall evaluation of finance? Because I'm having a tough time and we've talked about this I know off and on the last couple of years, I'm just having a tough time thinking through in my own mind how we would purely do an evaluation of how we're paying for education without having a conversation in the same process saying should we be paying for that in each school district or should we be prioritizing this need over that need in regards to the bigger public education requests that I know comes through the Legislature? [LR201]

SENATOR SULLIVAN: Certainly we'd be naive if we don't think that ultimately has to be part of the conversation. But I would through out this cautionary note that this is how we fund our schools, and the conversation has to start, well, where do those dollars come from and it's from the taxpayers. And so we have to talk about not only our educational priorities but taxpayer equity. And so will we get to needs of education? Well, that will come into the conversation partly because in this whole process we're going to be talking about the state as a whole, including students and taxpayers. We're going to be talking about taxpayer equity. We're going to be talking about educational priorities. So, yeah, we're going to start that discussion. It's fair to say, though, that at the end of the day maybe that's going to be one of the things that's still left undone that will be the next step. [LR201]

SENATOR MELLO: Okay. Thank you. [LR201]

SENATOR KRIST: Senator Hadley. [LR201]

SENATOR HADLEY: Thank you. Senator Sullivan, I want to go on record and say I like the makeup of the committee and I'll tell you why. Eventually, the recommendations of this committee are going to impact three committees. They're going to impact the Education Committee because you work with the funding and the philosophy behind the funding. It's going to impact the Appropriations Committee because if we change how we're going to fund schools, it's going to have to come through the Appropriations Committee as to how the shifts in monies

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are going to happen. And it's going to impact the Revenue Committee because they're the ones that are going to have to sit there and figure out how changes in raising the revenue might have to be there. And to answer Senator Murante, on our Tax Modernization, we had great participation by the members that were there. They showed up just like we expect people to attend committee meetings during our session. We want people to, you know, that's part of the job. And legislation, if legislation comes about as a result of this working group, it will come through one of those three committees or probably all three committees could very well be. So I like the idea of having them there so when legislation comes they have the knowledge that they can deal with that legislation. [LR201]

SENATOR KRIST: Okay. I'm going to take one more question for Senator Sullivan and I think then we'll get Senator Gloor up and get things rolling. Senator Larson. [LR201]

SENATOR LARSON: Thank you. And to come back and that's my point and especially after what Senator Hadley said, the recommendations that are going to be offered or anything that we do as policymakers, Senator Sullivan, who do we affect? As a whole with any policy decision we make in Lincoln, who does it affect? [LR201]

SENATOR SULLIVAN: The citizens of Nebraska. [LR201]

SENATOR LARSON: Thank you. And I understand Senator Hadley's point that these may be the committees that handle it, but all of us represent the citizens of Nebraska. And I really do strongly feel that we should have the opportunity to voice our concerns, especially as this committee is making policy recommendations to those committees. And to that point, you know, you said it best, Senator Mello. The Education Committee can't be in a vacuum or it can't be isolated. Well, I would make that argument that the Education and the Revenue Committee by putting them together you're just creating another vacuum and not letting those outside voices...and even the Tax Modernization Committee had outside members appointed by the Exec Board come on to it. So I do worry about that vacuum. [LR201]

SENATOR KRIST: So it's been established on the record that there might be a question about the makeup of the committee so we'll stop that questioning there and we'll go on to Senator Gloor. Thank you, Senator Sullivan. [LR201]

SENATOR GLOOR: Good morning. Mike Gloor, G-l-o-o-r. Thank you for the opportunity to speak. Information, information. One of the questions that hasn't been asked that I would like to address is the fact that when you try and blend two committees like this there should be some question I think ultimately about and how collaborative is this group going to be when it comes to working through issues? The initial draft that came to me from Senator Sullivan, and I give

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her great credit for sitting down with me and talking about this, didn't have the entire Revenue Committee, it had several members of the Revenue Committee. We talked about it a little bit and some to Senator Larson's question which is a great question, was realistically, if you take a look at where the interest is and if you take a look at where the focus and scope of this is, it's on education and how we fund education with a leaning so heavily on property tax. Those are the two committees. And if you look at every one of my committee members on Revenue, almost everyone has a bill that they have introduced or have pending to introduce that tries to address that issue. If you don't include all members of the Revenue Committee, I guarantee you that those left out will be banging on the door saying, isn't this why I serve on the Revenue Committee to get involved in making decisions like that? I know that there's a lot of interest outside of it. But if this were a water policy issue that we decided to bring Natural Resources in and Ag in because that's where water policy seems to fit in our dialogue and our policymaking, do we really feel like we're enhancing the feedback by including somebody from Judiciary or somebody from Health and Human Services? We have a committee structure and we have focuses for those committees. And I think it would be nice to include more people; but if you get too large, then I think you get to be ineffective. And I bring that to the dialogue from my past experience working with a lot of committees running hospitals. As Senator Sullivan and I sat down and talked about this--and again, I give her great credit for the work that she and the Education Committee put in to laying down the basic outline--we brought our staff and one of the things we talked about with this issue of two years ago we were out with the Tax Modernization Committee, last year we were out with the Education Committee. We have piles of feedback from folks across the state. And to get to Senator Murante's question about "may" hold hearings as opposed to "shall" hold hearings, I think to put another dog and pony show on the road looks and make us as a body look ineffective. Weren't you just out here a couple of years ago? Weren't you just out here last year? Weren't we talking about these things? We have lots of good information and lots of good feedback. And the challenge for us, I think, is to sort through all of that. To Senator Watermeier's issue, yeah, I think if we're not careful we're going to lose our focus because of this information. And my concern about and as we talked about and as we agreed upon and as we built into this, we need to sit down with this committee with the help of an outside facilitator and work through these piles of information and this feedback to get more focused and hopefully come up with some policy recommendations. And the help of a facilitator I think is vitally important to this. Maybe we want to hold a hearing. Maybe after our second meeting we realize there's a specific issue here that we need to get more feedback on. That's the reason for the "may." But to put out an expectation that we "shall" I think makes it look like on the road again, as Willie Nelson would say. And I don't think that helps us. I don't think it helps make us look strong. The other issue I would talk about would be expectations. Certainly within the body there is an expectation that we're going to be taking a harder look at tax policy. Whether it's 75/65, whether it's income tax, we're going to be looking at tax policy. And the top priority of the Tax Modernization Committee was property tax. That's what's out of whack and it's out of whack because we count on it so much for funding education. So I think

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there is an expectation in the wider body that this group will come together. That may speak to Senator Larson's concern about there are a lot of people who have an interest and giving them opportunities to participate might be beneficial. But again, I think we've got to stay focused with the people who participate in this dialogue, the ones who are likely to carry bills, the committees that bills are likely to go through, and it's going to be hard work. But I do think what we've laid out and the scenario that we've put out there is the best path to take and with the best group of people to take a look at this. And with that, I'll be quiet and field any additional questions that are out there. [LR201]

SENATOR KRIST: Any questions? Thank you, Senator. Oh, I'm sorry, Senator Watermeier. [LR201]

SENATOR WATERMEIER: Let me move back. Thank you, Chairman. Senator Gloor, I appreciate you referencing that focus again. And the reason I say that is I don't want this to turn into a property tax reduction issue. I want it to come back and our focus be issue. And I don't want to say that we're going to study TEEOSA, but I want it to get back to recognizing maybe the needs, the resources, and I know that's TEEOSA. But I just want us to make sure that you do have it clearly defined enough so that we don't go down this idea that we're just doing it for property tax relief. And as a property tax owner, I mean, maybe that's where you end up. But if we don't define the focus very cleanly, I'm just concerned that it may turn into that. And so I think you're headed down the right path with this. I really do. I'm not concerned about the makeup of the committee. And I do agree you probably have tons of information you can get it done there. But I just want to make sure that I hear what you're saying between the two of you that it's about that focus of where you'll be at in the needs, resources issue, I mean. And I don't want to put those words in your mouth but that's where it seems to be we have to be at. [LR201]

SENATOR GLOOR: Well, let me...you're not putting words in my mouth, but let me tell you where I think our actions on this as current committee chairs hopefully will address some of your concerns. One of the things that Senator Sullivan will tell you when we first sat down and talked about this--and I would go back to the issue of this being a collaborative approach is--what I put on the table is, Senator Sullivan, you need to be the Chair of this committee. This needs to be an understanding that this is about education and educational dollars. We can't talk about that without talking about tax revenue that comes in. I'll be Vice Chair, but you need to be the Chair of this committee so that everybody remembers, and even if they don't remember, it is a tangible sign that education. It's about education. Obviously we can't talk about education funding without talking about taxes. I'm Vice Chair. But even the structure of how this is run and set up hopefully is done to try and address and keep our eyes on the prize, if I can say it that way. [LR201]

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SENATOR KRIST: I would make one comment. And we all tend to go back to our backgrounds and what we understand so bear with me. I think in the studies that have been mentioned previously by Senator Mello, by Senator Sullivan, we've got a flight director, we've got a couple of cockpit chairs, we've got a couple of wings, we got a couple of engines, this airplane has never flown. We got to bring it together. And I think the data that you have represent those tools that are there. And I think it's really important that a facilitator continually reminds you it's not about that, it's not about this, it's about where we're going to go when we put it all together. So as far as the plan goes, again, I applaud your efforts. I think you've heard some of the concerns, and we'll talk about it in Exec to figure out what we would recommend. But I think we're close. We're about ready to put the wings on so. [LR201]

SENATOR GLOOR: One last comment unless there are other questions and that would be the facilitator, questions about where we'd get the facilitator, how we use the facilitator. We have mediation centers around this state and through the interactions of this body...I mean, I'm certain Senator Chambers in his day was responsible for advocating for mediation centers, something that's overseen by the courts. There are individuals who are trained who work within the legal system and the court systems to help with mediation. We have that resource available to us. And I would think, maybe I'm thinking wrongly, but when we used them in my days in healthcare, they were a little more excited about getting involved in decisions and volunteering their time to be involved in those decisions. I mean, these are trained mediators in different mediation centers across the state because it was something other than divorce disputes that they were brought into to actually sink their teeth into something that had to do with business models in healthcare. We usually had volunteers who were saying we'd like to get involved. I would think that something as important as this would grab the attention of some of those mediators who might be available to us. What we pay for I think is a fraction of what we might pay for were we to bring in some national consultant who we would think would help us work through this. I don't think we need that. I think we'll get quality facilitator or facilitators to help us, and I think we'll find it right here in Nebraska. [LR201]

SENATOR KRIST: And then to add legal counsel's input, which is a great point, both your committees have two LCs, so I mean your resources there and you know you have LRO at your disposal as well so. [LR201]

SENATOR GLOOR: We have excellent LCs and we also have, on my side anyway, an excellent research analyst whose previous experience and career had to do with educational funding. [LR201]

SENATOR KRIST: Great. Okay. Thank you, Senator Gloor. Are there any other proponents for the LR? How many proponents do we have? Okay. I'm going to remind you we're not on the

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clock here, but three minutes would be great just to move it along because we kind of have to go to work here in a few minutes. Go ahead. [LR201]

LARRY SCHERER: (Exhibit 1) Good morning, Senator Krist, members of the Executive Board. My name is Larry Scherer. I'm the director of research at NSEA and by way of background, I was lead legislative staffer in the 1999 study that created the Tax Equity and Educational Opportunities Act, otherwise known as lovingly TEEOSA. We support...NSEA supports LR201, and we think there's a lot of good points to it. By the way, when I sign in at the end, I'm going to sign in for NSEA and also as a citizen because I do have an outside interest in this. I didn't know if you could do that, but that's what my plan is. [LR201]

SENATOR KRIST: Okay. [LR201]

LARRY SCHERER: We support the idea of blending the committees. Obviously, I will say that was one of the important facets of the study in '88-89 was that it did blend the committees and you had leadership from across the Legislature that were involved and very active. I don't think the Education Committee by itself can handle the whole...all the interests that are involved. We also like the criteria that are stated: the equity, the stability, simplicity, predictability. Those are all very sound, and the neutral facilitator is great. I also, by way of background, am a mediator and work with the mediation center in Lincoln. I know there are some...and I would not be uninterested enough to handle something like this, but I know there are some very good ones who could and would be glad to suggest some. In addition to the facilitator, we believe that there is a need for a nationally recognized school finance consultant. The reason being, independence, bias, somebody that can say the hard things and go home. State spending about a billion dollars a year on this, and to not hire an expert who knows all about the system nationally, and while I respect NCES, NCSL, CSG, they're all great resources, I think you're going to need something that's a little more intense. And I think it's worth spending the money to do that. The other point, the Commissioner of Education, school finance director I think will be involved in this. It would be nice to give them a little more formal recognition in the LR. Buy-in stakeholders--to have legitimacy and buy-in from representative groups, it's vital that there be transparency and it's also vital that the stakeholders be a part of the discussion. To achieve this, we would ask that the committee create some stakeholder groups, perhaps one for needs, one for resources, whatever the breakdown that would make sense, to be involved. They would not be driving the boat. They would be maybe some people on the boat and could be discussing it. Ultimately, there will need to be compromises between all of these groups: taxpayer groups, you know, Farm Bureau, the chambers, school people at all levels. And to not have them involved actively during the process seems like it kind of would limit the prospects for success. Finally, and I think it was mentioned earlier, that the needs side of the formula, right now that's part of the issue in the complexity. And complexity isn't bad where you have 245 entities that are a lot different. You'll always have some. But where you have a system of funding based on historical spending and then you add

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allowances and you add adjustments to it, you do sometimes wonder whether you need all of that. So it may be that we do, you know, but it's time to take another look at that. I would also say that, and I think Senator Schumacher raised this at one of the Revenue Committee hearings, shouldn't we find out what some of the cost drivers are for education, decide what is going to be the growth pattern in the future before you decide what revenue sources you would like to fund? Just as a personal note, I had a great deal of professional growth in working with a school finance consultant and also my colleagues in the Legislature. It was a great experience, but I really think that outside school finance expert is critical and can be very, very helpful. [LR201]

SENATOR KRIST: Okay. [LR201]

LARRY SCHERER: So with that, if there are any questions, I would try to answer them. If not, I'm sure there are many people that would like to talk to you. [LR201]

SENATOR KRIST: Thank you, Mr. Scherer. Questions? Thank you for your testimony. [LR201]

LARRY SCHERER: Thank you. [LR201]

SENATOR KRIST: Next proponent. Good morning. [LR201]

JOHN SPATZ: (Exhibit 2) Good morning. Good morning, Senator Krist and members of the committee. My name is John Spatz, spelled S-p-a-t-z, but it is pronounced "Spots." I'm the executive director with the Nebraska Association of School Boards, and I appreciate Senator Sullivan and Senator Gloor for doing this. We do support this type of a study. And I'm here on behalf of school board members as kind of a figurative hand out to say we would like to help in whatever way Senator Sullivan and Senator Gloor saw fit. And what I'm passing around right now is a letter on behalf of my legislative committee that we sent to Senator Gloor and the Revenue Committee earlier on this session. There are a number of bills introduced that had something to do with property taxes or taxes in general that may have some impact on education. And what my committee decided to do was instead of taking a position on a number of those bills put together some of the principles that we believe in. And as you know, school board members are situated very similar to you. They're elected officials. They represent urban districts and rural districts, equalized and nonequalized, and they hear about property taxes from their constituents just like you do. So we're very interested in many of the same principles as you. And some of the principles that they put on this letter, number one of which is student needs, Senator Mello, and that was very deliberate in that school board members want to make sure that we're addressing student needs and addressing property taxes in the most fair way possible. So I'm here to say that school boards across the state of Nebraska want to help. We feel like we're

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situated similar to you and that we hear about the property tax issues as well. And I would open it up to any questions. [LR201]

SENATOR KRIST: Thank you. Any questions? Thank you, sir. [LR201]

JOHN SPATZ: Thank you, appreciate it. [LR201]

SENATOR KRIST: Next proponent. Welcome. [LR201]

JON HABBEN: (Exhibit 3) Thank you. Senator Krist, members of the committee, my name is Jon, J-o-n, Habben, H-a-b-b-e-n, and I'm the executive director of Nebraska Rural Community Schools Association, members across 88 counties, so we hear from a lot of people all over the state, a lot of discussion and disagreement, agreement, all of those things that go with it. The letter that I've given to you I will not read, but there are a couple of things that I do want to mention. First of all, no question we support LR201. We believe in rural Nebraska that the time has come for that next level, that next level of study that includes that combination of how we support education, where the money comes from, as well as where the money goes. We do see them in combination. In rural Nebraska, we have seen tremendous movement of our TEEOSA dollars to nonrural districts. That simply on its face creates a tremendous concern about what's happening, how is this happening, should it be happening. The other question that we hear in rural Nebraska, as you all know, are the issues of what's happened to ag land valuation and property taxes in general and how is this affecting TEEOSA? How is this fair, equitable? How do we meet those kinds of issues? So we're really happy that a study is going to take place we hope. We are really pleased that the Education Committee and the Revenue Committee with representation from the Appropriations Committee is going to do this because we feel that's a great place for the study to occur. But we are...we want to be very encouraging about gathering that information from beyond, from further away. There are ideas. There are possibilities. There are things in action in other places that we can learn from as the Legislature builds the next Nebraska way. We really encourage that. The second thing we encourage is the Department of Education is a great resource. We trust that the Department of Education will be heavily included in this research. We think that's just a key that bears mentioning. The other thing is several of you have asked about this stakeholder issue, several comments about it. That's an interesting issue because you can find stakeholders on one or both sides of the school finance and TEEOSA everywhere. And so you do have that question of how many times do you ask the stakeholders the same kinds of questions? But at the same time, it is important to provide that opportunity for stakeholder comment, for stakeholder representation. I think that's part of being inclusive in the process. I do hope that LR201 is approved. I do hope that the effort to include really solid research here and further away occurs. And I do hope that it moves to a direction of including not only the funding, but also the distribution. Because from our perspective, they have gone

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hand in hand for years and they both together are significant concerns that cannot be separated. Thank you, appreciate your time. [LR201]

SENATOR KRIST: Thank you, Mr. Habben. Any questions? Thank you, sir. [LR201]

JON HABBEN: You bet. [LR201]

SENATOR KRIST: Next proponent. Good morning. [LR201]

TIFFANY JOEKEL: Good morning, Chairman Krist, members of the Executive Committee. My name is Tiffany Joekel, T-i-f-f-a-n-y J-o-e-k-e-l, and I'm the policy director at OpenSky Policy Institute. I want to echo our gratitude to Senator Sullivan for introducing this LR. We are in support of a comprehensive study of our system of public school finance in Nebraska. We also certainly appreciate the recognition by both the Education Committee and the Revenue Committee that education and tax policy are intertwined and we really can't move one dial without addressing the other. So we're very grateful for that focus. Last August OpenSky released a primer on education finance in Nebraska. Our analysis found a statistic that you have heard several times, that Nebraska ranks second in the country for the greatest reliance on property taxes to fund K-12 education. School districts use 60 percent of all property taxes collected in Nebraska. So based upon our research and the input from stakeholders in the education system, this session OpenSky has supported LB323, which would reconstitute the School Finance Review Commission, which was created in 1988. That was introduced by Senator Davis. What we liked about that commission, it included legislators, members of the administration, representatives of the education community. It also hired a consultant who offered expertise in the field of education policy, but also at that time had a strong basis in the legal landscape in the education field and offered that to the process. Out of that process, the TEEOSA formula was created. However, after 25 years we think it's time to comprehensively reevaluate not only the revenue side of education but also what is that revenue buying. We understand that Senator Sullivan is choosing a slightly different course with this LR, but we do support the focus on resources, and we would encourage a particular focus on property wealth as a primary determinant of a community's ability to fund K-12 education. We do believe the process could be strengthened by providing the funding for a consultant. To build on your analogy, Senator Krist, I think you do have a lot of input, you do have a lot of the pieces, but we would want a mechanic to be able to help us put those together rather than someone without any expertise of how systems work. So, you know, we really see that consultant as a critical piece. We would recommend including the Commissioner of Education around the table. We think if nothing else it would facilitate the data and information-sharing process. If we're concerned about separation of powers, perhaps they could be ex officio nonvoting, but we really think his expertise and the data process would be facilitated by having him at the table. We do second the

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or, you know, support the idea of working groups perhaps of stakeholders. If they're not able to be around the table regularly, perhaps you can convene folks. Not only is their input important, which you get a lot, but also the buy-in, the compromise is going to be important as the process moves forward if we are going to see changes. And then we would recommend, as I said before, we can't really look at the funding going in to education without looking at how that revenue cycles through the formula. And so we think paying attention to the adequacy of the way the funding is distributed, are we providing the right amount of resources to meet growing needs of schools, particularly poverty, growing poverty, growing limited English proficiency, those sorts of things? So is our formula adequately reflecting the needs of schools in those regards? And then the LR language recognizes the need to continually review education finance. Participants in the previous School Finance Review Commission will talk about how there is an ongoing committee beyond that process that continued to review the formula and how it was distributing education funding and talked about how important that was. That was disbanded in 2002 largely because of a budget concern. And so we would suggest perhaps some sort of formal process that whatever is implemented as a result of this process perhaps there would be a committee or a group coming together to review that on a regular basis. So with that, I'd be happy to answer any questions. [LR201]

SENATOR KRIST: Thank you, Tiffany. Any questions? Thank you very much. Next proponent. Welcome. [LR201]

MIKE LUCAS: (Exhibit 4) Hi. My name is Mike Lucas, L-u-c-a-s. I'm superintendent of schools in York, Nebraska, here today representing STANCE, which is a 15-member school organization that was put together two years ago. I'll be very brief in my comments. We do support Senator Sullivan and LR201. We appreciate her leadership in the Education Committee. The recommendations that we have which are being passed around are very similar to what you've heard already. We do see great benefit to an outside neutral expert, to having the Commissioner of Education involved in a formal role, even if it's nonvoting. We also love the idea of having educational stakeholders involved to heighten transparency and accessibility to stakeholders. We do believe this process in order to be a home run, since it's baseball season, needs to expand the scope of the study to include the needs side of the formula. And then we also believe in an ongoing review process. As we see it, we believe a process needs to be in place even after December of 2015. Two of the handouts that are coming around to you are just very quick stories from two of our member schools. We have a look at revenue and spending in York Public Schools and then one from South Sioux City, two very diverse districts, but a couple of highlights that I wanted to make. If you look at what's happening right now in many schools across the state--and I know you guys hear all about property taxes and state aid--we hear that as superintendents and board members as well. But as a superintendent, you have to look at total revenue, total revenue. That's what you put your budget together on. Third bullet down in red shows what our total revenue for '14-15 is projected to be and how small of an increase that is

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over 2008-09, even though our property tax request has gone up almost 50 percent, 49.2 percent. And then I think spending sometimes gets...I think some people around the state view schools as these out-of-control spenders. If you look at spending in many of our school districts across the state, you'll see, you know, less than a 1.6 percent annual growth. In York that's what we've had, and that includes taking on two high-needs special ed students that cost \$85,000 apiece. So I just wanted to highlight schools are not out-of-control spenders as they are sometimes portrayed. So that's a couple of highlights from the York sheet. It is two-sided. I used to work in Franklin and West Point, Nebraska, loved everywhere I've ever been in Nebraska. And this just shows some comparisons on how valuation and property tax requests and cost per pupil varies in different regions of our state and different sizes. And then you look at South Sioux City, a district I have a lot of respect for, and the population that they serve and the flat line revenue that they have is just another indicator of the need for LR201. And we appreciate Senator Sullivan for bringing it forward. [LR201]

SENATOR KRIST: Thank you so much. [LR201]

MIKE LUCAS: Thank you. [LR201]

SENATOR KRIST: Any questions? Thank you, sir. Next proponent. Hi. [LR201]

JOHN SKRETTA: Good morning, Senator Krist and Senators. My name is John Skretta, that's J-o-h-n S-k-r-e-t-t-a. I'm the superintendent of the Norris School District. We're also a proud member of STANCE, Schools Taking Action for Nebraska Children's Education, a coalition of legislative advocacy "sups" and boards of education for midsize districts. Here's what I wanted you to know and why we're so supportive on behalf of the Norris Board of Education of LR201 and our gratitude to Senator Sullivan, Gloor, and the others who have signed on as sponsors of this. Since 2010, basically the last five years, we've got over 100 more kids that we're serving in our district. We've seen a 25 percent reduction in TEEOSA for our district. Reasoning for that is we are a mix of ag and residential valuation, and our ag valuation in the last five years has gone from \$180 million to \$400 million-plus and that is creating problems because what we're seeing is if you're trying to run an active farm operation, we do need to be mindful of the fact that the production value does not necessarily equate to the sales value of that land. And so Senator Sullivan's mantra has been with many of us, and we've heard it many times. I'm sure many of you have heard the adage, simplicity, sustainability, and predictability would be great things to get to. And her efforts are very much appreciated in this TEEOSA study, the School Finance Modernization Committee. And I wanted to thank you for your consideration of it. [LR201]

SENATOR KRIST: Thank you, John. Any questions? Thank you very much. Thanks for coming. [LR201]

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JOHN SKRETTA: Thanks. [LR201]

SENATOR KRIST: Next proponent. Welcome. [LR201]

JAY REMPE: Senator Krist, members of the committee, my name is Jay Rempe, J-a-y R-e-m-p-e. I'm here on behalf of Nebraska Farm Bureau in support of LR201. I guess I'll wear the taxpayer hat this morning in front of the committee. As you know, the committee knows, there is a great deal of concern and angst in Nebraska about property taxes, and a lot of that goes back to the funding of schools. And we as an organization that work to try to address those property tax problems, we have supported some things in the Legislature this year that were meant to be more as a stopgap or a steppingstone, if you will, to the bigger discussion about the intermix of tax policy and school funding. And so we think that this resolution gets directly at that issue. A couple of areas of interest that for us as taxpayers or representing taxpayers are the taxpayer equity side of things. We think that...you've mentioned what's happened in ag land over the last few years, that if you look in rural Nebraska we rely particularly heavy on one sector of the state or the economy to fund our rural schools. And not only has that caused problems for the taxpayer, but I think in the future it's going to cause problems for sustainability of those schools. Because when we see things turn around, it's going to be a real question mark how we fund the schools out there. So to those issues and those points into the future, we think are part of...that need to be a necessary part of the study. I also want to add in terms of the expectation. There is, I would say, a growing expectation from at least our members and others out...the citizens out there that something needs to be done in this area. And they're fully supportive of this study, but they expect something next session in terms of some outcomes out of this and some recommendations. And we fully are confident that the Legislature in their study will do that, and we're willing to help out in that regard the best we can. And one last thing I'll mention, it's been mentioned a couple of times the needs and spending and those kinds of things. I think Mr. Lucas mentioned it about the perception of schools and their spending. We had a series of meetings over the last month out visiting with members, and there is a growing concern about the level of spending in education. And to the extent that we do provide some additional state support, will that indeed result in reduced property taxes, which is what people want, or does that end up more into the spending side of things? And there's some growing concerns about that. And I'll just mention that for the group to take a look at as well. [LR201]

SENATOR KRIST: Thank you. Any questions? Thank you very much. Next proponent. First opponent. Anybody in the neutral capacity? Good morning. [LR201]

DAWN ROCKEY: Good morning, Senator Krist. My name is Dawn Rockey, D-a-w-n R-o-c-k-e-y. And I am appearing before you as a former, a former staff person of the School Financing Review Commission back in 1988-89 and as a former State Treasurer of Nebraska back when we

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had a Board of Equalization that actually had a lot to do with property valuations between classes and between counties. I fully support the intent of LR201. I think this is a great time to look at, take a comprehensive look at school finance. My only interest in this is as a...I don't know. I still like to look at tax policy and school finance was a big part of that, but to urge the committee to look at how to involve other stakeholders. One of the hallmarks of the School Financing Review Commission was that there was broad representation on the committee. It helped with buy-in at the end. The level of expertise that that commission leveraged with school finance experts was very much needed and I feel is needed again. So I think it's a huge undertaking, but it's one that's time has come. But I would urge the committee to pull in those experts, the outside stakeholders, and to look at ways to build that buy-in. Thank you. [LR201]

SENATOR KRIST: (Exhibits 5 and 6) Any questions? Thank you so much. Anybody else in the neutral capacity? Okay. A couple of letters from the Nebraska Council of School Administrators and the Greater Nebraska Schools Association, positive but with comment that we'll make available to you, Senator. With that, I think we can wrap up this public hearing. Did you want to close? [LR201]

SENATOR SULLIVAN: Could I just say just... [LR201]

SENATOR KRIST: Absolutely. [LR201]

SENATOR SULLIVAN: ...very, very briefly. Just to comment on a couple of things. One, with respect to staffing, I'm hoping that maybe even the members of the committees that will be involved in this effort, they might enlist the help of their LAs. We certainly also expect and hope that the Fiscal Office will continue to provide some assistance for us. And I know you'll take a look at the membership of the committee. But keep in mind, too, that this is a representative democracy. We represent our constituents. We have the committee process. And I think that at the end of the day if that committee process works and we bring recommendations and legislation to the floor, then there will be ample opportunity for everyone to have a say. Expert consultant, keep in mind that that leads us down a particular path. I'm trying to keep all options open, keep us as flexible. I want you to know that I'm fully aware of the need to have stakeholder input, but again I want to keep it flexible enough that we can at certain times do that but again keep us...too, I think Senator Krist's analogy that I thought...I'm no pilot. I don't know anything about flying an airplane, but I will tell you I think we are the mechanics in putting this together. And done right, it will be a plane that lands in the fields of Nebraska, in the parking lots of school districts, and provides the appropriate way to fund education in Nebraska. Thank you. [LR201]

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SENATOR KRIST: Well, if you're going to land in a parking lot, let's hope it's hoverable. Senator Watermeier. [LR201]

SENATOR SULLIVAN: Goes to show how much I know about flying (laugh). [LR201]

SENATOR WATERMEIER: That analogy scares the death out of me because that means it's an emergency landing. (Laughter) That's what scares Senator Krist when you said that. I do have a question. [LR201]

SENATOR SULLIVAN: Well, maybe it's a helicopter. [LR201]

SENATOR WATERMEIER: Parking lot and fields equates to emergency landing. Okay. My question was, and I didn't get my hand up quick enough when Ms. Rockey stepped away and I wasn't sure what I would ask, but she had made a comment about experts and stakeholders. [LR201]

SENATOR SULLIVAN: There's a difference. [LR201]

SENATOR WATERMEIER: Okay. Good. Let's go down that route. I don't want to ask necessarily a question, but I think that's a struggle for me. And so I know you had that in the back of your mind as well, too, so. [LR201]

SENATOR SULLIVAN: Absolutely, absolutely. [LR201]

SENATOR WATERMEIER: Okay. [LR201]

SENATOR SULLIVAN: Thank you so much. [LR201]

SENATOR KRIST: Okay. Well, it needs to go without saying, thank you all for coming at this early morning hour. The only reason this was necessary is because the Speaker took lunches away from us next week. (Laughter) [LR201]

SENATOR WATERMEIER: And I'll have to take responsibility. I said, well, Senator Krist, can't we do it at 8:00 in the morning? We'll be done in 45 minutes so this is my fault. [LR201]

SENATOR KRIST: Thank you all for coming. [LR201]