

Transcript Prepared by Clerk of the Legislature Transcribers Office
Education Committee February 4, 2020

GROENE: Welcome to the Education Committee public hearing. My name is Mike Groene. I serve as Chair of this committee. The committee will take up the bills in the posted agenda. Our hearing today is your public part of the legislative process. This is your opportunity to express your position on the proposed legislation before us today. We did change the order. Senator Erdman went from first to last because he had somewhere else to be so Senator Morfeld will start off with LB1083. Please, please turn off your cell phones and other electronic devices. Move to the chairs at the front of the room when you are ready to testify. The order of testimony is introducer, proponents, opponents, neutral, and closing remarks by the introducer. If you will be testifying, please complete the green testifier sheet and hand to the committee page when you come up to testify. If you have written materials that you would like distributed to the committee, please hand them to the page to distribute. We need 12 copies for everybody on the committee and their staff. If you are not going to publicly testify and need to leave early, you can turn in written testimony with a completed green testifier sheet. When you begin to testify, please state and spell your name for the record. Please be concise. It is my request the testimony is limited to five minutes. We will be using the light system; green for four minutes and yellow for one and then wrap up when the red comes on. If you are not testifying today-- and, and this is for future hearings, any written testimony must be in by 5:00 p.m. the day before-- the last working legislative day before. The committee members with us today will introduce themselves beginning at my far right.

MURMAN: Hello. Senator Dave Murman from Glenvil, District 38, the counties of Clay, Webster, Nuckolls, Franklin, Kearney, Phelps, and southwest Buffalo County.

LINEHAN: Good afternoon. Lou Ann Linehan, District 39, everything in Douglas County, west of 180th Street.

WALZ: Lynne Walz, District 15, all of Dodge County.

BREWER: Tom Brewer, District 43, 13 counties of western Nebraska.

KOLOWSKI: Rick Kolowski, District 31, southwest Omaha.

GROENE: To my immediate left is research analysis [SIC] Nicole Barrett. To my right, at the end of the table, is committee clerk Kristina Konecko. Our pages today is Nedhal and Noa. Please remember

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Education Committee February 4, 2020

that senators may be coming and going during our hearing as they may have bills to introduce in other committees. I'd also like to remind-- lastly, we are an electronically-equipped committee and information is provided electronically as well as in paper form. Therefore, you may see us looking at our phones or electronic devices because we're communicating with our staff and our offices are looking up information so we can ask concise questions of you. So we will begin with LB1083. Senator Morfeld.

MORFELD: Chairman Groene, members of the Education Committee, for the record, my name is A-d-a-m M-o-r-f-e-l-d, representing the "Fighting" 46th Legislative District, here today to introduce LB1083, a bill that modifies the Meadowlark Savings Plan Program. Many studies have shown that earning a postsecondary education from a college or vocational school in our current economy is more and more critical, but also more expensive than ever. To ensure access to higher education remains affordable, many states have taken steps to encourage families to save for future college expenses in the form of 529 college plans, named after that section of the federal tax code. Research indicates that even a small amount of educational savings account [SIC] will lead to an increased college or vocation school enrollment and completion. Though there are numerous tax benefits associated with the 529 savings plan, they're often underutilized, especially among lower and middle-income families. This past legislative session, we enacted legislation that will lead the nation in promoting access to higher education through innovative college saving incentives. The legislation, which passed unanimously last year, established the Meadowlark Program. A NEST account will be open for every baby born after January 1, 2020, who is a resident of Nebraska at the time of birth. During the implementation of the Meadowlark Act, it was discovered that some charitable foundations and other organizations have rules that preclude them from funding endowments, effectively eliminating them as partners. LB1083 modifies the Meadowlark Scholarship Program to allow foundations and other organizations-- again, some of which that have rules restricting them from funding endowments-- to contribute by adding language to allow contributions to go directly to accounts opened under the Meadowlark Program and not having to go to the endowment. LB1083 simply adds language allowing contributions to go directly to the accounts opened under the Meadowlark Program, which would remove the hurdle, keeping potential support from flowing into the program from private sources. The goal here is to create as wide of a universe of potential funding sources for the Meadowlark Fund as possible, giving a degree of flexibility to

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Education Committee February 4, 2020

more potential partners to help fund college or vocational educational opportunities for more Nebraskans. I'd be happy to answer any questions, however, there are those behind me that may be more knowledgeable on the inner workings of this, including somebody from the Treasurer's Office. I urge your favorable consideration of LB1083.

GROENE: Questions from the committee? Could, uh-- give me an example of one of these groups you're talking about.

MORFELD: So a foundation may not be able to give to an endowment. It may just be against the rules or the stipulations made when creating the foundation. And so what they do want to do-- and I think that somebody from the Treasurer's Office can explain exactly the mechanics of this-- is they want to be able to give a donation that year and fund those accounts for that year, but not necessarily give it to the endowment, which funds them further and into perpetuity. So say you want to give \$1,000,000. You can give it to the endowment, which will give to the fund over the course of many years, or say you want to give \$1,000,000, but you're not allowed to give to endowments based on the rules of your foundation. And you just want to give a one-time donation of \$1,000,000 that year and have it go into all the accounts equally; you can do that. Under the law right now, you can't give that one-time donation. It has to go into the endowment. That's how I understand it.

GROENE: All right, thank you. That's very clear, thank you. Any other questions?

MORFELD: OK. Thank you.

GROENE: Proponents?

AUBREY MANCUSO: Good afternoon, Chairman Groene and members of the committee. My name is Aubrey Mancuso, A-u-b-r-e-y M-a-n-c-u-s-o, and I'm here on behalf of Voices for Children in Nebraska. We had supported the changes that the Legislature and this committee advanced last year on child savings accounts because we believe these programs show great promise in addressing the opportunity gap for children. There's some data attached to my testimony that shows that although in Nebraska, 60 percent of tax filers are considered low income, only 3 percent of them are currently contributing to 529 accounts. And so the Meadowlark Program really has the potential to even the playing field on this. Also attached to my testimony, Katie Weitz, who is the executive director of the Weitz Family Foundation, had intended to be

Transcript Prepared by Clerk of the Legislature Transcribers Office
Education Committee February 4, 2020

here today and unfortunately couldn't because of a sick kid. So I'm submitting that letter attached to my testimony, but I did just want to draw your attention there for a moment. And it, it goes further into some of the issues that Senator Morfeld raised in his opening remarks. Donors essentially are asking for more flexibility in contributing to this program, while being able to still leverage the state matching funds available through the Treasurer's Office. And some either have restrictions or do not prefer to contribute to endowments, as they prefer to manage, kind of, the growth of their own money and then contribute directly in ways that meet the needs of their community today. And with that, I'm happy to take any questions you might have.

GROENE: Any questions? Senator Linehan.

LINEHAN: Thank you, Chairman Groene. So this isn't particularly about this, but I guess I'm a little confused. If you have a foundation, the money in that foundation-- you don't pay taxes on it, right, that grows tax free?

AUBREY MANCUSO: I don't know that I'm the right person to answer that question. I'm not, I'm not 100 percent sure about how foundation dollars work.

LINEHAN: OK. All right. Thank you very much.

AUBREY MANCUSO: Sorry.

GROENE: Any other questions? Thank you for your testimony. Next proponent.

RACHEL BIAR: Good afternoon, members of the Education Committee. I am Rachel Biar, R-a-c-h-e-l B-i-a-r. I am the assistant state treasurer and I am the director of the Nebraska College Savings Program. The Treasurer's Office does support LB1083 as an enhancement to the Meadowlark Program. As "Treasurer Morfeld" explained very clearly, this is a cleanup bill to add flexibility for those particular organizations that would like to contribute to the Meadowlark Program and are unable to do that at this time, based on rules that they might have within their foundations. So this really just provides better flexibility for those contributions to come in. And the goal is really to take advantage of those private contributions so that the Meadowlark Program that you all passed last year can grow and benefit

Transcript Prepared by Clerk of the Legislature Transcribers Office
Education Committee February 4, 2020

Nebraska students. So with that, I can answer any questions any of you might have.

GROENE: Questions? Let's say some money comes in. If you donate, it goes into a trust fund?

RACHEL BIAR: So the-- yes, sir. The, the money would come in and it's held in what we call an omnibus account and it would be held by the state and then invested. And then as those dollars come in, then the match will come when the babies are born. So the babies are born and then the following year, the contribution to those accounts are made, determined based on the balance in that account. So it's divided among all the babies that are born in the previous year. So that started this year.

GROENE: There's a limit on how much each account can give in each year, right? I mean, that first year, it's \$100 or something like that?

RACHEL BIAR: Well, it really is dependent on the amount of contributions that come in and the match that is made. So there's not really a limit. I think the Treasurer stated last year that there was a goal to get to \$100 and that is certainly a goal that we have is to make sure we can have these contributions come in. And that's kind of the point of LB1083, so that private donations can come in to, to meet that goal that we have of getting every Nebraska baby \$100 to seed their college savings account.

GROENE: So if somebody gave \$1,000,000 once and there's 5,000 babies-- sorry, I can't even think-- \$2,000 [SIC] per child or something. But they might be the luck of the draw that-- because that \$1,000,000 came in, those babies got a lot more money than the next year when nobody gave \$1,000,000.

RACHEL BIAR: Well, not exactly. So the money is coming in and then the earnings-- so the money is going to sit there and continue to grow and then the earnings--

GROENE: Well, not-- what we're talking here-- I understood Senator Morfeld, "Treasurer Morfeld," that he-- that money gets dispersed right away that year because the foundation says you cannot give to another foundation.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Education Committee February 4, 2020

RACHEL BIAR: Well, the-- it really is the, the-- the purpose of this is so the money could come in. So to your point, yes. So we can have an organization want to contribute \$1,000,000 in the example. And so the money would go in and they will designate-- so they might have a certain year that they want to do that so that will be designated. So, yes. It's just-- the money would still be coming into that account. But they-- well, we call it an omnibus account and then there will be subaccounts under that omnibus account. So from an operational standpoint, that money will come in and then this particular subset of account owners would be the recipients of that particular \$1,000,000 if the donee puts a specific designation on that program for those Nebraska children.

GROENE: Thank you. Senator Linehan.

LINEHAN: Thank you, Chairman Groene. So, so are you saying the foundation that gives them money can decide which children get the money?

RACHEL BIAR: No, no. I may have misstated that a little bit. So the money will go into the Meadowlark Program and this bill allows those contributions to come in so it's not invested in the endowment. So they won't get to determine which children are getting the money. It's, it's them putting it in an endowment versus having the money go into one of those subaccounts.

LINEHAN: So in Nebraska, we can't-- so the Treasurer's Office can't invest it then?

RACHEL BIAR: No, it will still be invested because there will be a subaccount of that overall omnibus scholarship. It's a-- you could think of it as one big scholarship account, which is the Meadowlark Program. And then there will be this omnibus-- which is the omnibus account with subaccounts underneath that.

LINEHAN: OK.

GROENE: Any other questions? Senator Murman.

MURMAN: Thank you for testifying. I'm, I'm a little confused too. According to this letter that was with the previous testifier, I guess the, the money could be directed toward a certain school or towards students that come from a certain zip code?

Transcript Prepared by Clerk of the Legislature Transcribers Office
Education Committee February 4, 2020

RACHEL BIAR: Again, if there's a, if there's a particular foundation that has a certain subset that they would want to contribute to, that's where the money would come into that overall omnibus account. But then the subaccounts would be for that particular donation.

MURMAN: So part of the money could be used toward a certain subset; is that--

RACHEL BIAR: I mean, overall, yes. It's part of the overall Meadowlark Program. It's for the-- so the Meadowlark Program is for the newborns; every newborn. And so there could be newborns in that particular grouping, you know, of a particular area, if you will, or city or location or population.

MURMAN: OK, thank you.

GROENE: Senator Linehan.

LINEHAN: Thank you, Chairman Groene. I thought I just asked that same question. You said that wasn't the situation. They couldn't pick a certain group of kids. It went into all the accounts.

RACHEL BIAR: Well, again, I-- so if the money is coming in-- so it's money to come in to grow the Meadowlark Program overall.

LINEHAN: Uh-huh.

RACHEL BIAR: And so it-- knowing that there could be babies or, for example, babies-- and I probably didn't answer you, Senator. I'm sorry. I probably didn't answer it clearly enough for you. So if there's babies in a particular organization or region or area or city or community or county, then they can make that one-time contribution to that particular grouping and then those subaccounts of this-- so the money will still go into the omnibus account, but then the subaccounts could be designated for a particular area. If that's what that--

LINEHAN: 68022, Elkhorn.

RACHEL BIAR: Right, right. If that particular--

LINEHAN: If you have a foundation say every baby that's born with-- in 68022 gets money from this account. And that's the only babies who would get money from a contribution from the foundation.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Education Committee February 4, 2020

RACHEL BIAR: We can track it that way, yes.

LINEHAN: But is that what this legislation does?

RACHEL BIAR: It gives that opportunity for that, yes.

LINEHAN: OK, that's much clearer. Thank you very much.

RACHEL BIAR: I'm sorry I didn't answer that clearer--

LINEHAN: That's OK.

RACHEL BIAR: --the first time.

GROENE: Any other questions? Thank you.

RACHEL BIAR: Thank you very much.

GROENE: Next proponent. Opponent? Neutral? We got a letter, a proponent: Kenneth Bird, president and CEO of Avenue Scholars; opponents, none; neutral, none. Senator Morfeld, do you want to close?

MORFELD: Well, thank you everybody for the time and asking the great questions and clarifying this. And I'd be happy to answer any other questions.

GROENE: Senator Linehan.

LINEHAN: Can you find out-- because I don't-- I think this to be a fact, but I don't know for certain--

MORFELD: Um-hum.

LINEHAN: --and I should have asked the Treasurer's Office. If you put money in a foundation, then that money grows tax free, doesn't it?

MORFELD: I think-- so my basic understanding-- I don't run a foundation, so I don't know specifically, but my basic understanding of tax law is yes. If you put in money into a foundation, it's tax free as long as you're using it for the charitable purposes of that foundation under the tax code. There can sometimes be tax penalties if you're not using it for the right charitable purpose.

LINEHAN: Right, but if I put in \$1,000,000-- if I could be so lucky. If I put \$1,000,000 into a foundation, then everything-- the

Transcript Prepared by Clerk of the Legislature Transcribers Office
Education Committee February 4, 2020

investment from that is all tax free and then I can make contributions. I never pay taxes on those contributions.

MORFELD: I don't believe you do pay taxes on that. Once you put that money into the foundation, it can grow interest in the investments that the foundation puts it in. But you have to use that funding for the charitable purpose.

LINEHAN: I get that, but--

MORFELD: Yep.

LINEHAN: --it's, it's 100 percent tax-free, charitable income?

MORFELD: Yes--

LINEHAN: OK.

MORFELD: --as long as you're not doing anything improper with that.

LINEHAN: OK, thank you very much.

MORFELD: Yeah.

GROENE: Anybody else? Could you clarify-- this letter from the-- I should read the bill too, but--

MORFELD: Um-hum.

GROENE: It says some donors don't want limited dollars sitting in a state endowment fund for decades.

MORFELD: Um-hum.

GROENE: So they're giving \$1,000,000 and they wanted it distributed that year.

MORFELD: Um-hum.

GROENE: But then it goes to each child's account?

MORFELD: Yep. So there could be-- I mean, there very well could be a windfall that year if there's a bunch of donors that want to do a limited, restricted--

GROENE: Well, a lot of them would have to be born that year.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Education Committee February 4, 2020

MORFELD: Yeah. I mean, so--

GROENE: So that--

MORFELD: --plan accordingly, I guess.

GROENE: [LAUGHTER] All right.

MORFELD: I mean, I-- yeah. I mean, there could be-- I mean, there very well could be somewhat of a windfall that year. That being said, it has to be distributed equally to the, the kids, you know, that are in that area or across the state.

GROENE: I might mess this up later--

MORFELD: Yeah.

GROENE: --but then the contribution by the state, how is that proportioned?

MORFELD: Well, I think we should talk off-line with the Treasurer's Office because they have a little bit more details. But I think whatever is in the trust, whatever amount that they gain interest on and how they distribute that will be distributed equally throughout whoever is a part of the program. So say in a certain zip code or a certain city, a donor gives \$1,000,000. That will be matched just as though, you know, you're born in a different part of the state--

GROENE: Yes, so--

MORFELD: --I'm assuming based on the dollars equally distributed.

GROENE: Across the district there was--

MORFELD: Yeah.

GROENE: --10,000 births.

MORFELD: Yep.

GROENE: And it's \$22, that's all they get. But that group subset could get \$2,000 from the--

MORFELD: It, it-- they could, but they would still get the state match that everybody else would get out of the endowment equally.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Education Committee February 4, 2020

GROENE: Otherwise a grandparent does it for a grandchild. You can just limit it to whatever?

MORFELD: Yeah, I mean, if a grandparent wants to give just to their zip code because they know their grandkid is going to be born, they have to do it for all the other kids.

GROENE: But you can't pinpoint--

MORFELD: Yeah.

GROENE: --to a child?

MORFELD: No, because I mean, if you're going to do that, you might as well just create a 529 for a kid that you care about.

GROENE: Thank you.

MORFELD: Yep.

GROENE: Any other questions? Senator Murman.

MORFELD: Yep.

MURMAN: I think this is a simple one, but I assume it-- the money would-- if you, if you directed it according to zip code, it would go to the-- the zip code would be the address to the custodial parent, it wouldn't be the hospital?

MORFELD: That would be a good question. I think we should follow up with legal counsel in the Revenue or-- excuse me, in the Treasurer's Office. Yeah, that's a good question, though. I mean, I just don't know the answer to it.

GROENE: Any other questions? Thank you.

MORFELD: Yeah. Thank you.

GROENE: Well, that wraps up LB1083. Now we'll go to-- we changed it-- LB1166. Senator Brewer.

BREWER: If I can get the Loup County folks to move forward-- in the front row here-- that are going to testify? Sorry, I don't mean to be bossy in your committee there, but I just thought it would simplify it. Thank you, Chairman Groene and good afternoon, fellow senators of the Education Committee. Senator Tom Brewer, T-o-m B-r-e-w-e-r. I

Transcript Prepared by Clerk of the Legislature Transcribers Office
Education Committee February 4, 2020

represent 13 counties of the 43rd Legislative District and today we're going to talk about one of those counties. I'm here to introduce LB1166. I'm introducing this bill on behalf of Loup County Schools. They brought this need to me just a few weeks ago and after reviewing it, I, I felt that this was an absolute need for the county and for the district. Let me give you the bottom line up front. Today, in law, there is a number of students a school must have in order for the school to either be open or to be dissolved. This bill reduces that number and lowers the number of students a school must have in order to continue to exist. If you briefly turn-- in the bill, which I'll do my best to read for you here-- to page 3, lines 15-23 reads as follows. Any Class III school district maintaining the only public high school in the county with a fall school district membership or an average daily membership of fewer than twenty-five students in grades nine through twelve shall be subject to this subsection until such school district reaches a fall school district membership or average daily membership in grades nine through twelve of at least thirty-five students. What we're changing is adding in "for two consecutive years, fewer than fifteen students" and then line through "grades nine through twelve," "or such school district dissolves." So here, again, what I need you to understand is that I do not want to close the only school in Loup County and that's essentially what we're looking at. It doesn't matter where you look in the 13 districts of-- 13 counties of my district or if you look across the state of Nebraska at many of our small schools. We're either hemorrhaging population or we're stagnant. And what we're asking for today is that we tweak those numbers to allow us to be able to keep this school open. I, I ask you to understand that because of the location and the distance to any other schools, whether it be walk-- whether the amount of time that we're talking about to travel has to be somehow formulated into this because there's a point we can no longer move students and expect them to be able to learn. And this is the dilemma that we have. So this afternoon, I'm going to have a group coming up to explain the situation in Loup County. When they're done or now, if you want, I will be happy to answer any questions and see if we can't find a formula that will work to allow them to continue to stay open. But that said, I'll take any questions and I will be sticking around for a close.

GROENE: Any questions for Senator Brewer?

BREWER: Thank you.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Education Committee February 4, 2020

GROENE: Thank you, Senator Brewer. Proponents.

WAYNE RUPPERT: Good afternoon, Chairman Groene and other members of the committee. My name is Wayne Ruppert, W-a-y-n-e R-u-p-p-e-r-t. I wanted to thank you for allowing me the opportunity to testify here today. I'm here to testify in favor of LB1166. I am presently a shared superintendent. I'm employed one-half of the time at Loup County Public School, located in Taylor, and one-half of the time at Sargent Public School in Sargent. I've been in education 49 years, the first 25 as a teacher and the last 24 as an administrator. This legislation directly affects the district of Loup County. I am not sure what the purpose of state statute 79-499 is, but can only assume that its original intent was to help ensure that all students enrolled in public schools in Nebraska were afforded a high quality of educational opportunities. Although this is an admirable cause, 79-499 fails to achieve that intended purpose. It fails because the statute is based on the idea that high-quality educational opportunities are connected to the number of students enrolled in the school. The idea runs contrary to national research and best practices that have found that a small student/teacher ratio has time and time again shown to be the preferred environment for academic success, no matter the aptitude of the students involved. So since 79-499 is based on student numbers, it must infer that districts with small student enrollment numbers somehow cannot offer the same vigorous curriculum as districts with large student enrollment numbers. This is simply not true in this day and age of technology. Loup County Public School has been on the leading edge of using technology since in the early 1990s. Loup County was a member of the Sandhills distance learning cooperative, the very first group of schools in the state to take advantage of the new technology, synchronous distance learning, which enabled the schools to share class offerings. Classes offered to them were restricted to those nine schools in the cooperative. Now with advances in conductivity, technical devices, schools are able to reach out to almost any school, anywhere in the state, to give students the opportunity to acquire access to almost any specific class they desire. By the way, Loup County presently has students that are enrolled in college credit courses through this technology, such as college English 1 and 2, calculus, medical terminology, and college speech. Furthermore, the 79-499 imply [SIC] that the staff in a school with a small student population puts forth less effort to provide the very best education for their students than those in larger districts. In such schools, those with small student enrollment numbers, teachers have the distinct advantage of knowing every student in the school,

Transcript Prepared by Clerk of the Legislature Transcribers Office
Education Committee February 4, 2020

every student's parents, and more than likely, their grandparents. Talk about a communication advantage in relaying student successes, student challenges, and teacher concerns. It is a communication advantage that encourages an environment of cooperation and trust between the school and home. Loup County Public School is unique, progressive enough to consolidate all of its Class I schools into one countywide school by 1972, long before LB126 and long before June of 2006, when legislation went into effect that eliminated all Class Is statewide; a school district that is progressive enough to work with a neighboring district in order to reduce tax asking on its patrons, by not only sharing teachers, but also a superintendent. They also formed a cooperative of all 7-12 athletics and music program. Loup County is a school district that its patrons have publicly supported. In November of 2017, in accordance with state statute 79-499, Loup County held a district-wide election to see if there was support to continue to operate the high school. The election results were 311 for; 18 against. That's an election that had a 64 percent voter turnout and 95 percent voting in favor of maintaining the school. The Loup County School District consists of 572 square miles of Nebraska Sandhills. If you're familiar with roads in the Sandhills, you know they are few and far between. There is not a road every mile like in eastern Nebraska. Some of the ranches are eight to ten miles off the road. Our route buses go into the ranches to pick up students. School starts at 8 a.m. so this means that some students are getting on the bus by 6:35 a.m. in order to make it on time. If these students were required to attend another district, we would have students, including prekindergarten, three and four-year-olds, traveling on buses, distance ranging from 40 miles if they lived in the western part of the district to 67 miles if they lived in the northern part of the district. If they happen to live in the northwestern part of the district, it's even farther. This is not a good scenario for students to arrive that tired and leave that early to get to school to give out the best effort to learn. By the way, the two closest districts have school levies of 98 cents and 74 cents compared to the combined levy of Loup County of only 67 cents, while getting no equalization aid from the state. The last thing I have to address is academic success rates of students in Loup County. Three years ago, the Department of Education selected Loup County to be one of the first schools to be designated as a priority school in its A QuESTT Program. This past year, Loup County School District earned a classification of excellent by NDE, using its own classification system. This is the highest classification given to Nebraska schools. This is a testament to the combined effort of students, teachers, administrators, along with the support of the

Transcript Prepared by Clerk of the Legislature Transcribers Office
Education Committee February 4, 2020

Board of Education and the district patrons. It did not depend on the number of students enrolled in the district. Now the crux. Last fall, Loup County Public Schools caught in the numbers game of 79-499. The week before school started, one high school student had to relocate--

GROENE: Could you wrap up here?

WAYNE RUPPERT: I will try-- this is pretty important because it talks about the numbers. And I apologize for that. I'm talking as fast as I can. One student had to leave the district as a result of-- the house they were living in was sold during a settling with state. Another one had to leave the district because her father worked for a rancher and that rancher ran into financial problems, had to let him go. Then the first week of school, they lost two more students in a custody settlement. So all those things we have nothing to control about. So they did allow us to follow the 14. The student count was required to be given October 31. On December 11, a new high school student moved into the district, raising it to 15. The student enrollment numbers for next ten years show an average of six students per class. Since 79-49 [SIC] is presently set up to take a one-point-in-time look at student numbers, Loup County Public School is faced with what I feel is an unfair situation. How can a one-point-in-time count be a true determiner of the value of-- a local school district has on its students and their future, an entire community and its future, and yes, the quality of life for an entire county? I bring these facts to you: the remoteness of Loup County, it's the only school in the county; the innovative approaches Loup County uses to offer students vigorous educational opportunities; the success of Loup County students academically-- measured by NDE, by the way-- and the support of the district by its patrons shown by the election results and the fiscal responsibility shown by the district to its taxpayers. As the representative of Loup County schools and patrons, I ask for your support and the passage of LB1166 not to lower the numbers, but to make it consistent with other student count requirements contained within LB79-499 [SIC]. And yes, to continue to raise the bar for Loup County students' academic success. Thank you. Thanks for your indulgence of my time.

GROENE: Any questions? So you dropped below 15 students?

WAYNE RUPPERT: We did. That one-- that first part-- at the start of the school year, it was 18 then because of those circumstances-- I call it the perfect storm-- it fell to 14.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Education Committee February 4, 2020

GROENE: Now--

WAYNE RUPPERT: Now we have 15.

GROENE: --I was here when you came the last time and you agreed to every four years.

WAYNE RUPPERT: That's the-- every four years was [SIC] have that election, you're right.

GROENE: So you will have an election here in the next--

WAYNE RUPPERT: Yep--

GROENE: When is that due?

WAYNE RUPPERT: Yes, we will. Pardon me?

GROENE: When is that up?

WAYNE RUPPERT: Well, the last one was in 2017. So it would be in, in 2021.

GROENE: And your nearest town, Sargent, isn't that far away.

WAYNE RUPPERT: It's ten miles from school to school. And that's adding ten miles on to the ones that had to travel from. So you're adding at least-- bus time, 15 to 20 minutes, possibly, to get there--

GROENE: There--

WAYNE RUPPERT: --to pick kids up and then move on because there will have to be some kids picked up within the town of Taylor if we had to go there.

GROENE: And that's east of you, right?

WAYNE RUPPERT: South.

GROENE: South.

WAYNE RUPPERT: South, yes.

GROENE: And then what's the nearest school in the other direction?

Transcript Prepared by Clerk of the Legislature Transcribers Office
Education Committee February 4, 2020

WAYNE RUPPERT: East is Burwell, that's 14 miles, 15 to the school. If we go west to Dunning, that's 42 miles. If we go north, that's Bassett, that's 60 miles.

GROENE: But if you-- you wouldn't-- the smart thing would be to dissolve and then let the, the families put their land where they wished to and send their children where they went to if you have to, if you have to not, not to consolidate with somebody.

WAYNE RUPPERT: Well, I wouldn't say it's a smart thing to do because in the past history of districts that have dissolved, I think that there's landowners hopping over other landowners because they want this district or whatever. And again, with Loup County being the lowest levy of all of them, I would think that wouldn't be good for our patrons either.

GROENE: Yes, but when you merge with somebody else and their landmass, the levies would drop on the other schools too.

WAYNE RUPPERT: If they didn't have to increase anything, I think if you-- again, if you look back through, I think most school districts that consolidate, there's actually-- at first, at least-- an increase in the levy.

GROENE: So what you're asking is the average of two years-- because it, it made you have an election because you dropped below 15-- sooner than the four year is what, what we're doing here, is that correct?

WAYNE RUPPERT: Well, there's no, there's no election now, the way the law states, if it falls below 15.

GROENE: You dissolve?

WAYNE RUPPERT: Or consolidate, you know, or whatever. So all we're asking is that this is a one-time count, one time during the school year and it was picked in this time. If it had been today, we wouldn't be below 15.

GROENE: What's that?

WAYNE RUPPERT: If it had been today to turn that count in, we wouldn't be below 15.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Education Committee February 4, 2020

GROENE: I understand, but, but nothing would have happened and you still were below 15, you'd probably be here also. It, it is above 15 now.

WAYNE RUPPERT: Oh, yes, yes. I'm just saying that because the law is-- pinpoints this date, OK?

GROENE: All right. Thank you.

WAYNE RUPPERT: You bet.

GROENE: Any other questions? Thank you, sir.

WAYNE RUPPERT: Thank you again.

TANNER DUNBAR: Hello. I am Tanner Dunbar, T-a-n-n-e-r D-u-n-b-a-r, and I'm here to represent Loup County Public Schools and community as the agricultural educator at the school, also a resident of Loup County. And I don't specifically own land myself, but my family does and I soon will be. And I'm here in support of this bill. Some of the main things that I want to address, I guess, just while it's fresh in my mind, as he mentions, I mean, currently-- it wasn't brought up. Currently, we do not get any state aid so we are solely funded by the Loup County residents. And the vote that went-- I don't know the exact figures, but I believe it was 95 percent supported having the school, which is a very clear statement to me. Other things I want to address; the exciting part for me, as a 29-year-old resident of Loup County-- and I know it's all relative. Some of you come from very big, bigger districts, so I know that 15 kids in a class, wow-- or in a high school, that's unfathomable. My wife went to Papillion La-Vista South, had several hundred in her class, so it's a change for her, as you can imagine, but-- so this is relative. But just on the, the road alone, one of the county roads that was mentioned, I consider there to be 11 households. Probably ten years ago, I would say there is five seniors, including my grandmother, where I live right now, and maybe one person under the age of 40. Currently, out of those 11 households, I would say there's two senior citizens and five under the age of 40. And I know, again, four households, that's not very much, but it is to us. Part of this, I think, stems from-- I've read in articles and I've always considered-- there's a missing generation in agriculture; people age 35 to 50. There wasn't a lot of them. They graduated in the 1990s, came out of the 1980s and so not a lot of people moved back due to opportunity. Well, farming and ranching has always kind of skipped a generation and a half and it's coming back now. There's more and

Transcript Prepared by Clerk of the Legislature Transcribers Office
Education Committee February 4, 2020

more people like myself coming back. I farm and ranch as well as teach. And so there's, there's more people coming. Evidence of this shows our elementary has grown significantly. And if you look-- if we were to just go with the number count right now, like he said, we're at 15. And if it was today, we wouldn't really have to be here. And it gradually works its way up. And again, it's-- I know it's small numbers, but in 2025, you're looking at 20 kids in the class; 2026 and 2027, you're looking at 23 kids-- not in a class, excuse me, let me rephrase that-- in 9-12. So I have a five-year-old daughter and a one-year-old. So when you're looking at when they're in school, you're looking at 20-some kids in the high school, which again, I know that's, that's not a lot, but it's above the statutes of the law. And as long as the district wanted to, the district would get a chance to vote. If they don't want it, then they would, they would say so. And so I guess to me, my, my frustration lies in the fact that we, we are-- yes, there's nine miles to one school, but our school sits in the very southeast corner of the county and there's many others that travel further than that. The frustration lies in that if we were further from another town, it, it might not be an issue according to the, the statutes of 15 miles and just kind of the arbitrary date of when it selected 15 kids. And I would understand if we were very dependent on state aid, if we were-- if our elementary numbers were smaller. If we were never going to get over 15 again, then yeah, it would probably be pretty hard for me to stand up here and argue for Loup County; but because the community members want the school and because our numbers show growth and I think even more growth than that, because there's going to be even more opportunity for younger members to come back and be involved in school. From a teacher's perspective, it's very hard to have staff on hand when this law is in place and you're just kind of sitting and wondering, well, when is our numbers going to drop below? Am I going to have a job? All those kind of things. So from a teacher's perspective, it, it makes it-- at least moving it to two years, you at least have a little more warning, a little more time to plan accordingly. Now ideally, I, I would like to see it changed beyond that. But the way I understand the change right now, it's just to add another year of the count to give us another chance in the fall. Ideally, I-- since we're so self-funded, I think it would be great if we-- if it was solely a district decision since there's no state aid involved and the community members want it. And with our growing numbers, that's what I would like to ultimately see. But for now, that's as I read it.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Education Committee February 4, 2020

GROENE: Thank you.

TANNER DUNBAR: Thank you for your time. I really appreciate you listening to Loup County. If you have any questions, I'd be glad to answer them.

GROENE: Any questions? Senator Linehan.

LINEHAN: Thank you very much for being here today. So the superintendent mentioned this, but if you could just kind of expand-- is it-- what I worry about in this school because I went to a school-- I now live in a big school district and I went to a really little school-- is the kids getting all the opportunities that you get when you integrate with a school. So how do you ensure that your, your junior who has finished calculus-- what do you do to make sure that they keep going-- they keep getting opportunities to improve?

TANNER DUNBAR: That's a very good question. I think, as Mr. Ruppert mentioned, with technology, it can always be brought in. And I would almost argue that in some cases, we have more flexibility to where if you have a smaller number and you have a kid that's very passionate about a certain area, you can provide it. Now I understand, you know, if we want to have a teacher-- you know, we don't have a teacher that's-- specifically has a doctorate degree in chemistry or something like that if you were to really dive in-- or medical-- but you can bring that in through technology. You have the flexibility with those number of kids. I would also argue that although we may not have a rocket science club, that people can really gain more into that. Our kids are involved in many, many other activities and they are learning how to handle their time. They're learning to be involved and we're giving back to our community. For instance, we raised \$5,000 for the flood relief through our FFA chapter. And that's a drop in the bucket, but they're getting other experiences, although some may be-- we don't have a specific route to go into being a doctor of medicine, but we have avenues that can prepare them to go out in the world and achieve that.

LINEHAN: What's your college-going rate? Do you-- I mean-- it doesn't have to be exact.

TANNER DUNBAR: That's a good, a great question. And we're actually-- I don't know the statistic, but we were looking at some recent material and maybe another person will share that, but I know that we were very, very high, actually, in college, you know, going on to college

Transcript Prepared by Clerk of the Legislature Transcribers Office
Education Committee February 4, 2020

and graduating and achieving. I don't have the exact statistics, but I was actually surprised that we're sitting very good in there.

LINEHAN: OK. All right. Those would be good numbers for the committee to have.

TANNER DUNBAR: Um-hum.

LINEHAN: What--

TANNER DUNBAR: OK.

LINEHAN: --you know, what results for students' lives. Thank you.

GROENE: Any other questions? So they co-op sports right now?

TANNER DUNBAR: Yes, correct.

GROENE: Sargent or--

TANNER DUNBAR: Yep, with Sargent.

GROENE: Do they have them all; football, basketball, track?

TANNER DUNBAR: Yep, that's correct.

GROENE: How many students does Sargent have?

TANNER DUNBAR: I don't know the exact number, but I believe they have about twice as many--

GROENE: But they're--

TANNER DUNBAR: --as we currently have.

GROENE: Then Dunning is probably the same size school too, isn't it?

TANNER DUNBAR: Right.

GROENE: Um, 15 kids-- so let's say three, maybe four in every class. How many teachers are in the high school?

TANNER DUNBAR: There are-- well, this is elementary. There's 17 staff members at elementary and high school. High school wise, I would say it's about-- I don't know the exact number-- I guess about half of that? Now a couple of them are, there are some shared--

Transcript Prepared by Clerk of the Legislature Transcribers Office
Education Committee February 4, 2020

GROENE: About eight?

TANNER DUNBAR: --educators, yep. We have about--

GROENE: With Sargent?

TANNER DUNBAR: --eight. There are two teachers; Spanish and music are shared.

GROENE: They drive back and forth for that class--

TANNER DUNBAR: Correct.

GROENE: --and each--

TANNER DUNBAR: Correct.

GROENE: But science, each one has-- they're each--

TANNER DUNBAR: Yep.

GROENE: --science and math in high school?

TANNER DUNBAR: Correct. And I think that that's one of the biggest concerns, I guess, in our community, in the town of Taylor. Yes, you can see-- together with sports, it would make sense to go ahead and combine. But it's really the only-- it's the main employer in the town of Taylor. And there's potential for growth in Taylor. Again, relatively small, but you shut down the school, you're shutting down families that live there. You're shutting down the community and the county as well.

GROENE: You know, the one thing that bothers me more than anything is since we did this last time-- and I'm not-- I'm just playing devil's advocate here-- of 1,000 school buildings, your school was picked as one of the worst and needed, needed improvement, just two to three years ago, because we go by buildings, I believe, of elementary buildings, high school buildings across the state. And I understand with a small group, all it takes is two kids moving to town that know nothing and they bring down the test scores. But that-- do you know what was fixed there? I shouldn't probably be asking you. I should be asking the superintendent, but I talked to the Department of Ed a year ago about it and they said it was just a lack of focus. But once you

Transcript Prepared by Clerk of the Legislature Transcribers Office
Education Committee February 4, 2020

got refocused, things turned around. But that does-- it is concerning, you know, that--

TANNER DUNBAR: Understandable and I also understand there was many schools beyond just us that were I mean, almost one-third of the school-- I don't have an exact statistic and I should, but there were many schools classified in the same classification as us and we were selected as one of those. So I wouldn't say, necessarily, that we're one of the worst III schools in the entire state. I think we were selected. My-- again, this is a personal assessment, but as a small school with small numbers to be kind of a pilot program to try to show how we can improve small communities and small schools. As far as how we've gotten better, I do think refocusing curriculum improvement and development really--

GROENE: Did personnel change too?

TANNER DUNBAR: Some, but not a great deal.

GROENE: Thank you, sir. You've been very--

TANNER DUNBAR: Yes, I appreciate your guys' time.

GROENE: Anybody else? Thank you.

TANNER DUNBAR: Thank you.

GROENE: Next proponent.

SARAH SORTUM: Good afternoon. My name is Sarah Sortum, S-a-r-a-h S-o-r-t-u-m, and I serve as vice president on the Loup County School Board. I'm here on behalf of our school board, along with a fellow board member, Mr. Kent Lewis, in support of this bill. I was born and raised in Loup County. I left the state after high school, obtained my college degree, was in a management position before returning to Nebraska to Loup County with my husband to raise our family. I realize this is not the first time we've been here in support of our school. So what's different? For us, there are some changes and they are changes for the better. First, to address your concerns, which I think are very valid. For example, part of the-- a big part of the reason that our school is now considered an excellent school is because of our test scores. Last year, the state took our test scores and compared them to similar-sized schools across the state. In-- we were ranked number two in math across the state, number one in reading. In our geographic area, we were number one in both reading and math. I

Transcript Prepared by Clerk of the Legislature Transcribers Office
Education Committee February 4, 2020

think that is a great testament to our school and how far we've come in such a short amount of time. We're excited about that, but I want to invite you to look at this from a slightly different perspective, just for a minute. Before I moved back to Nebraska about 15 years ago, Loup County was rated as the poorest county in the nation according to median household income. I think that was a wakeup call for some of our residents. And, you know, it's, it's playing that rural economic development is a complex challenge, but it is worthy of our time and effort, of our careful planning and our investment for the future of our state. We've been working hard in Loup County over the past several years and I am excited about where we're going and where we're headed. Our county has moved from that poorest county in the nation status to the 12th highest median household income within our own state. We have new businesses in our county. Our town of Taylor has new housing coming in and the valuation of that housing is starting to go up. Our economic backbone will always be agriculture, but our county is also an up and coming tourism destination with over 300,000 visitors just last year. So I'm highlighting a few of these positive community efforts because we're on our own mission of rural economic development. But the families that we need in Loup County need a school to send their kids to. There's so many great efforts across the state in regard to rural economic development, but these investments being made will be severely undermined if young families are not attracted to live in rural Nebraska in the first place. Schools are such an important consideration when families look at where they want to live. Furthermore, I think when a county or a town loses its school, you don't just lose your identity. I think we're teaching our kids to look elsewhere for opportunity. I think it starts a pattern that the kids will start to look outside their own home, outside their own town, outside their region, outside their own state for opportunity first. And I say this from firsthand experience, we want to teach our kids that opportunity is where you make it. In rural Nebraska, it can be a valid opportunity for them and their futures. We're not giving up. We're not giving up on our county, on our town, our school. And I think most importantly, we're not giving up on our students and their families who want the school, as the vote has clearly shown. We've been working hard in the last 10 to 12 years to make positive changes. Those changes don't happen overnight. They don't happen in two years, but they are happening. It is happening. What we need is stability. We don't need a big disruption like our school dissolving in our community to continue these positive trends. So I ask your support to help us continue this positive growth, this positive path that we're on. Help us keep our school and our community

Transcript Prepared by Clerk of the Legislature Transcribers Office
Education Committee February 4, 2020

on a positive track and alive by passing this bill. Thank you very much. I'd take any questions.

GROENE: Any questions? Is Taylor where they have that brewery just around the corner when you turn off?

SARAH SORTUM: Yes, sir. It's the best beer in the state.

[LAUGHTER]

GROENE: I've been there; not for the beer, though. All right, thank you. Any other questions?

SARAH SORTUM: Thank you very much.

GROENE: Any other proponents?

JACK ANDERSEN: Senator Groene, members of the Education Committee, my name is Jack Andersen, J-a-c-k, Andersen, A-n-d-e-r-s-e-n. I am here today to testify in favor of LB1166 and a little bit later on LB1066. I live in an area similar to what they're talking about. I understand what can happen when you close down a smaller school like they're talking about. And one of the things that seems to be pushed now is that they-- kids need to be in sports. My daughter lives ten miles from the school bus. The school bus is 35 miles from the school. My grandson can ride that school bus to the school. But if he goes out for sports, my daughter has got to come get him because the school bus went home when the school closed. So you kind of eliminate him from doing those kind of things unless you've got enough money, you can afford to make those trips. Then when they get to be 14, they get a driver's license. And it's a little spooky when you're driving 90 miles a day just to and from school. Thankfully, my daughter's son did-- after he got his driver's license, they opted into a closer school. But sometimes we need to look at more than just the cost to educate that kid. And you look at the statistics of a school, they show you what a great job that school is doing. But what is it doing for that kid? You know, it's, it's great for the students there, but what is it for that kid? And that's mostly what I wanted to say. I kind of hope some of those that testified earlier will stick around and listen at least to testimony on LB1066. Thank you. Anything I can answer?

GROENE: Questions? The clerk said you forgot to fill out one of those green sheets.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Education Committee February 4, 2020

JACK ANDERSEN: Oh, I'm sorry. I got it here, I just forgot to turn it in.

GROENE: Oh, you filled it out?

JACK ANDERSEN: Yeah.

GROENE: You just forgot to turn it in. If you want your name in print for eternity here in the transcript, you better turn that in.

JACK ANDERSEN: Too many green sheets. Thank you.

GROENE: Thank you. Any other--

WAYNE RUPPERT: Point of clarification.

GROENE: We'll make an exception since you drove so far.

WAYNE RUPPERT: Pardon me?

GROENE: Since you drove so far.

WAYNE RUPPERT: It is. The statement that we were picked as one of the three worst schools in the state was not accurate. There was a group of schools that were listed in that and NDE chose to pay one inner-city school, Druid Hill, one Indian school, Santee, and one rural school, OK, in western Nebraska. OK, that was a whole group. Those are the ones that were picked because of those demographics, not because they're the lowest three in the state.

GROENE: If you're a rural school district, then you were one of the ones they chose.

WAYNE RUPPERT: Correct. Yeah, there was more than that.

GROENE: There might have been some other schools--

WAYNE RUPPERT: Right.

GROENE: --and grade schools in a bigger city that--

WAYNE RUPPERT: Yep.

GROENE: All right, I stand corrected.

WAYNE RUPPERT: No, I'm not--

Transcript Prepared by Clerk of the Legislature Transcribers Office
Education Committee February 4, 2020

GROENE: But you still really didn't like that designation when you got it?

WAYNE RUPPERT: I did not like the designation. Again, small numbers. One student can change a whole if you're going on percentages and we know that does.

GROENE: I totally understand that.

WAYNE RUPPERT: Yeah, I appreciate that. Thank you very much.

GROENE: You sound like you've really worked well with the Department of Ed and they were really happy the way you guys worked with them.

WAYNE RUPPERT: I would, I would, I would say I was there. I can take no credit. It was the staff and the school board, the positive attitude they took for the kids in our district. They're the ones that deserve the credit, any credit.

GROENE: Thank you.

WAYNE RUPPERT: Thank you.

GROENE: Any other-- well, that's it. Opponents? Neutral?

BRIAN HALSTEAD: Good afternoon, Senator Groene and members of the Education Committee. For the record, my name is Brian, B-r-i-a-n, Halstead, H-a-l-s-t-e-a-d. I'm with the Department of Education. We're here in a neutral capacity. I think you've heard the conversation and understand that Loup County, for their fall membership, only had 14 students. The reality is if nothing is done, my boss, the Commissioner, has a duty to notify the state reorg committee to start the proceedings to dissolve the school district under the current law that exists. So we're certainly willing to work with the committee and Senator Brewer. I can tell you the idea of letting landowners pick where their property goes is probably, from my boss' perspective, not good policy. Many of you, if you have school district maps of the entire state, can see the maps of some school districts that are dotted islands everywhere that had choices made decades ago that don't fit the current situation. But at the same time, as my boss said when he went out to Loup County when they were selected as one of the schools in greatest need of assistance, he didn't go out there to close them. He was trying to help them get better and they clearly have turned around their focus on instruction. They clearly have done the work. Yeah, fewer students means greater variability in anything

Transcript Prepared by Clerk of the Legislature Transcribers Office
Education Committee February 4, 2020

you're going to do that's a recognition, but the other thing is if you're going to do something-- this is going to need the emergency clause on it because my boss still has a duty to do it and it won't take effect until sometime-- three calendar months after you adjourn. And that will be after the work that has to be done here. So we're willing to work with the committee, Senator Brewer and the committee, if there's a change in law you want to make.

GROENE: But then we would probably have to make it a-- Senator Brewer would have to ask the Speaker to make it a Speaker priority because if we amended it into our committee--

BRIAN HALSTEAD: I, I don't--

GROENE: I'm just talking out loud.

BRIAN HALSTEAD: Yeah.

GROENE: But anyway, sorry. But apparently, you're going to testify against LB1066 then?

BRIAN HALSTEAD: No.

GROENE: --your comments earlier--

BRIAN HALSTEAD: No.

GROENE: Oh, all right. Senator Linehan.

LINEHAN: Thank you, Chairman Groene. Thank you for being here, Dr. Halstead. How many high schools do we have where they're in this situation, like less than 50 kids in high school?

BRIAN HALSTEAD: I cannot tell you how many are less than 50. There are two other school districts that have less than 35 students in grades 9-12 in their high schools right now; add Loup County, which at the moment has 15, had 14. So there are three school districts under the 35 threshold that you see in the first subparagraph of 79-499.

LINEHAN: That's not so bad, out of 244; three, OK. All right, so it's three total that are--

BRIAN HALSTEAD: --that are within 15 miles of another high school. That's the, the qualifier--

Transcript Prepared by Clerk of the Legislature Transcribers Office
Education Committee February 4, 2020

LINEHAN: Oh.

BRIAN HALSTEAD: --here. That is the 15-mile criteria that this Legislature established decades ago, along with the numbers of 35, 25. And the 15 number was added for this provision back in 2015 when the Legislature created the only high school in a county provision that's bringing Loup County here.

LINEHAN: OK. So there may be more schools with less than 35, but they're not within 15 miles of someplace else.

BRIAN HALSTEAD: Correct, yeah.

LINEHAN: That makes more sense--

BRIAN HALSTEAD: Absolutely.

LINEHAN: --because I thought there were probably-- OK, thank you very much.

BRIAN HALSTEAD: Thank you.

GROENE: Any other questions? Thank you, sir. Any other neutral testifiers? Letters for the records: proponents, the Nebraska Association of School Boards; opponents, none; neutral, none. Senator Brewer, do you wish to close?

BREWER: Yes, sir. This situation is a, is a little bit unique in that Sargent is not in my district and neither is Burwell, so it's, it's in a position where the nearest school that's in my district would be Sandhills, which is the 49 miles one way. So when we got to looking at this, you know, I decided to take it on because of the fact that it's typical of what I'm seeing in the district. The situation is if we don't move forward with this, I guess what you'd call modification to the current law and-- and all we're doing is going to a two-year snapshot instead of that one-time snapshot. So if they would continue to have problems with having the numbers, then obviously, you know, there's, there's not much you can do with that. But the one time is what got them in trouble. The people want it and have voted, you know, in that 90-some percentile to keep their school. They're paying for this school and, you know, I just felt that even though this is going to require an "e clause," I'll gladly talk to the Speaker if that's what we got to do. But I don't want to see them lose their opportunity to continue with the school simply because of the way the current law

Transcript Prepared by Clerk of the Legislature Transcribers Office
Education Committee February 4, 2020

is with the, the one-time snapshot. So with that, I'll take any questions.

GROENE: Senator Linehan.

LINEHAN: Thank you, Chairman Groene. So are you saying that you're fine with the 15 number of students, you just want to do it over two years?

BREWER: Uh, let's double-check here, read through this and make sure. In grades 9-12-- is part of the two-year period. Is that correct? Yeah. OK. Just-- I want to make sure I don't throw them under the bus. That is correct.

LINEHAN: OK. All right, thank you very much.

GROENE: So it's not an average, it's if they are 14 next year, they dissolve. If they're 15 next year, they're fine. It's not an average over two years?

BREWER: Uh, let's see, read through this and make sure-- "an average daily membership in grades nine through twelve of at least thirty-five students or" at least two consecutive years fewer than 15 students, such school district would be dissolved.

GROENE: Yeah. So they better make sure on the last-- whatever that date is, the first day of October or whatever, last day of September, they have 15 kids. That's not the average. All right, thanks.

LINEHAN: I'm going to-- just because I think we need to know this answer, does that include option kids?

WAYNE RUPPERT: General options are ward of state, or wards of states or foreign exchange students.

LINEHAN: OK.

BREWER: Yeah, what he said.

WAYNE RUPPERT: I didn't mean to--

BREWER: No, you did good; you saved me.

LINEHAN: Thank you.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Education Committee February 4, 2020

GROENE: So a good question I'm going to ask through you. I'm going to act like you're a ventriloquist. Do you have any-- do they have any foreign exchange students or option students?

WAYNE RUPPERT: We have some option students, in and out. We have no foreign exchange students.

GROENE: So then you have a net positive-- so you actually have more than 14 students. You had more than 14 on that day?

WAYNE RUPPERT: Not that-- in high school, we have--

GROENE: Oh, all right. Thank you. Any other questions?

BREWER: All right, thank you.

GROENE: That closes the hearing on LB1166. We'll go to LB1131. It's the Department of Education's cleanup bill. The committee research analysis [SIC], committee's research analysis [SIC] Nicole Barrett has been doing the work and working with the, the department on all of their technical changes, so we're going to have her introduce the bill.

NICOLE BARRETT: Good afternoon, Senator Groene and members of the Education Committee. My name is Nicole Barrett, N-i-c-o-l-e B-a-r-r-e-t-t. I'm the research analyst for the committee and I'm here today to introduce LB1131. LB1131 is the technical bill introduced to update statutes primarily due to outdated language. It incorporates changes brought to the committee's attention from both the Nebraska Department of Education, NDE, and the Coordinating Commission for Postsecondary Education, CCPE, as well as updates identified by this committee. It updates references to "regionally accredited" postsecondary institutions to simply "accredited" in order to reflect changes made by the U.S. Department of Education. It provides for a flat fee of \$35 to be paid to a provider (physician, psychologist, chiropractor, dentist, hospital, clinic or any other license health care provider) of electronic records needed by the Nebraska Department of Education Office of Disability Determinations. It harmonizes language related to property tax requests because total budgeted operating expenditures sometimes decrease at some districts. However, current statutory language only references how much total budgeted operating expenditures will exceed the prior year's budget. It amends definition of basic skills competency to include earned college credit as an alternative to taking the Praxis for entry into a teaching

Transcript Prepared by Clerk of the Legislature Transcribers Office
Education Committee February 4, 2020

program. It removes provisions related to income from solar or wind agreements on school lands used to fund a sunseting NDE grant program for effective educators. Beginning in February 2021, the income from solar and wind agreements will be distributed to all school districts as part of the apportionment of the temporary school fund. It provides similar procedures for adjustment of valuation of educational service units due to annexations as currently exists for adjustment of valuations of school districts due to annexation. When property is transferred after valuations are certified, ESUs' taxing ability and core service aid amounts do not accurately reflect current valuations; this change corrects the difference. It eliminates the requirement of the Education Committee to hold a hearing on the report evaluating early childhood education. The report will still be required to be filed with the Legislature by January 1 of each odd-numbered year. It clarifies terminology related to the distribution of funds to ESUs and the ESU Coordinating Council for core services and technology infrastructure, as well as shifts payment dates to the last business day of the month instead of first business day to be consistent with TEEOSA payments. It amends Nebraska's representative membership of the Education Commission of the States to permanently include the Chairperson of the Education Committee, the Commissioner of Education, and the executive director of the CCPE. These members are in addition to the Governor, two members appointed by the Executive Board, and one member appointed by the Governor. It further clarifies that the Governor's appointed member shall either be an elected member of a school board or an employee or board member of a state association of school boards. It changes the dates for two reports to be filed with the Legislature by a learning community from January 1 to February 1 of each year and eliminates language no longer needed in statute. It amends the Nebraska Reading Improvement Act to clarify dates, harmonize and correct statutory language. It strikes language no longer needed due to the enactment of LB377 in 2018, which eliminated three school classifications. It makes several nonsubstantive changes to the statutes related to education. It cleans up language to conform to current law. For example, "high school district" is changed to "school district" because all school districts now have high schools. Finally, it outright repeals two sections of statute related to sunseting provisions. However, upon further review, it will be better to postpone these repeals until next year's technical bill and this would likely be fixed in a committee amendment should action be taken on the bill. Thank you for your time. I'm happy to take any questions,

Transcript Prepared by Clerk of the Legislature Transcribers Office
Education Committee February 4, 2020

although I will defer technical details to NDE or CCPE, who will be testifying after me.

GROENE: Any questions? Thank you. Proponents.

BRIAN HALSTEAD: Good afternoon, Senator Groene and members of the Education Committee. For the record, my name is Brian Halstead, B-r-i-a-n H-a-l-s-t-e-a-d. I'm with the Nebraska Department of Education. Ms. Barrett did such a great job on her opening, I'll stop right there and I'll take any questions you might have on any of the proposed changes of the bill.

GROENE: Any questions? Senator Linehan.

LINEHAN: Thank you, Chairman Groene. Can you tell me what we're doing with the reading bill?

BRIAN HALSTEAD: Sure, so--

LINEHAN: I'm trying to find it in here.

BRIAN HALSTEAD: Yeah--

LINEHAN: Do you know where it is?

BRIAN HALSTEAD: --absolutely, Senator. There's-- so what we're trying to do is clarify first the-- they have to have the assessment within--

LINEHAN: Do you know what page it is on?

BRIAN HALSTEAD: Oh, I'm sorry.

LINEHAN: That's OK.

BRIAN HALSTEAD: Let me just get you to it, absolutely. Once I get through all the TEEOSA stuff, I'll find it eventually. It's over-- starting on page--

GROENE: It starts on 98.

BRIAN HALSTEAD: --98--

GROENE: Yeah.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Education Committee February 4, 2020

BRIAN HALSTEAD: --the very bottom of the page. So the-- it currently says you have to do that first assessment within 30 days of the school year.

LINEHAN: Yeah.

BRIAN HALSTEAD: So for the department, the school year starts on July 1, which means on July 31, if you literally mean days of the calendar, every school district is out of compliance and most haven't even had children in school yet. We're just making it clear that the first 30 days that school is in session, that harmonizes it with the compulsory attendance law when you try to start calculating the 30 days. That's all we're trying to do.

LINEHAN: OK, I'm, I'm sorry. I'm very slow today. So I'm not seeing this on page 98.

PANSING BROOKS: I think it's on 99.

BRIAN HALSTEAD: It's over on 99. The act starts on 98, my fault, Senator.

LINEHAN: OK. So, so we're on what lines?

BRIAN HALSTEAD: 8.

LINEHAN: "The first administration for such assessment shall occur within the first thirty days that school is in session of each school year." OK.

BRIAN HALSTEAD: That's all we're trying to do. It's still, uh, 30 days, but we didn't believe you intended that we had to have schools bring kids in for the assessment, even though school isn't in session in July.

LINEHAN: No, I get that, but I don't get the next one. Why, why are we striking "assessment" and putting "a test?" Because it's not a test, you can't test kindergartners.

BRIAN HALSTEAD: That's coming from--

LINEHAN: And this was a big deal during the debate.

BRIAN HALSTEAD: Guess what? That's coming from the experts in reading that what's actually being administered is a single test to identify

Transcript Prepared by Clerk of the Legislature Transcribers Office
Education Committee February 4, 2020

that-- it's not an assessment. What you've defined in another act as being the measurement would differ. And so that, that was what was pointed out to that; that what's really going on with the instruments school districts using [SIC] are actually themselves a test. But you can leave it as assessment, that--

LINEHAN: Well, no, but I would like somebody from the school districts because the school districts were the very ones that didn't want "test."

BRIAN HALSTEAD: So anyway, that-- I'm just giving you the input for it. We're not-- that was--

LINEHAN: OK. I just-- somebody--

BRIAN HALSTEAD: Sure.

LINEHAN: --needs to explain. I think Senator Pansing Brooks would probably appreciate too--

BRIAN HALSTEAD: OK.

LINEHAN: --knowing what we're doing there.

BRIAN HALSTEAD: So you go down to lines 22 and 23 on that page.

LINEHAN: Um-hum.

BRIAN HALSTEAD: I'm just clarifying it's 15 contract days for teachers. There is no definition anywhere in this statute or what a working day is, but we know that all teachers have contracts so their contracts specify their days. That's all we're doing there.

LINEHAN: OK.

BRIAN HALSTEAD: If you flip over, we're just clarifying on line 8 "that students in kindergarten through grade three"-- it's identified in the first sentence, but the second-- just-- that's all we're doing there. And then we're just consistently using the past tense of provided, implemented, made grammatically in that regard.

LINEHAN: OK.

BRIAN HALSTEAD: Then we're using the language that identifies what exactly the assessments are supposed to do. This is, again, coming from the so-called experts as to the proper language. We don't believe

Transcript Prepared by Clerk of the Legislature Transcribers Office
Education Committee February 4, 2020

it changes the whole intent. This is just the current-- what the experts at postsecondary and those who are experts in reading would utilize. It's the same concept, Senator.

LINEHAN: OK. I think it just would be good if they maybe came and we had it this year.

BRIAN HALSTEAD: Sure. I, I, I don't know that they're going to be here before the hearing is over.

LINEHAN: No, no.

BRIAN HALSTEAD: But we'll get you more, absolutely, yeah.

LINEHAN: Before we exec?

BRIAN HALSTEAD: Yeah, absolutely.

LINEHAN: OK.

BRIAN HALSTEAD: We're, we're just trying to clarify; that's all we're doing to the act. It still requires everything that even Senator Pansing Brooks went on and proposed, so.

LINEHAN: So what about-- going back-- and I don't even know where this-- I guess, Section 79-807 amends the definition of basic skills competency.

BRIAN HALSTEAD: So it does add--

PANSING BROOKS: Where are you?

BRIAN HALSTEAD: She's now back in--

GROENE: Page 59.

BRIAN HALSTEAD: Thank you. That was one-- we were asking to provide more flexibility in determining basic skills competency as to whether earned college credit when a student is in a postsecondary institution and can pass courses-- I'm just making this up-- A's and all of that-- they still have to pass a test to show they can read, write, and do math. But again, that's a concept the Commissioner asked to be put in--

LINEHAN: OK.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Education Committee February 4, 2020

BRIAN HALSTEAD: --to provide more flexibility.

LINEHAN: All right.

GROENE: Any other questions?

LINEHAN: No, that's all I got. Thank you very much.

GROENE: Senator Walz.

WALZ: Thank you. I just have a quick question about why the elimination of a requirement for a hearing regarding early education? And it says that a report will be given. I'm just wondering what that report entails?

BRIAN HALSTEAD: That didn't come from the department, the striking of the hearing.

WALZ: OK.

BRIAN HALSTEAD: So I can't-- I, I do know that last November, this committee for the first time in a decade had the hearing on the report. The prior committees failed to do it previously. So I-- that's coming from the Legislature as to whether this body wants a hearing on the report for early childhood. That's still going to be filed electronically. That's what our office of early childhood, along with the private public partnership report on early childhood, that's still going to be filed. I think what's being struck is the requirement this committee of the Legislature has to hold a hearing on that report.

WALZ: Right.

BRIAN HALSTEAD: But that didn't come from us at the department to strike the hearing language.

WALZ: OK.

GROENE: Any other questions? Senator Linehan.

LINEHAN: Thank you, Chairman Groene. So on its-- no, it's here. It's, like, the fifth paragraph down-- harmonizes language in Nebraska Revenue [SIC] Statute 77-1601.02 related to property tax requests because total budgeted operating expenditures sometimes decrease at some districts. However, current statutory language only references how much total budget operating expenditures will exceed the prior

Transcript Prepared by Clerk of the Legislature Transcribers Office
Education Committee February 4, 2020

year's budget. So we have school districts that are actually spending less than they spent the year before?

BRIAN HALSTEAD: There were a couple who actually requested less in property taxes than the prior year. And both the school finance staff and the Auditor's Office had to advise them. How do you show a negative in a positive-- the way that's phrased? So the language here is trying to make it clear that it will still be a positive, but for those who actually-- it goes down and I--

LINEHAN: Well, that would be important if we--

BRIAN HALSTEAD: Right.

LINEHAN: --974 because they've all been taking less taxes.

BRIAN HALSTEAD: Right. I understand that. The way the statute is written, it's presumed everybody's property tax request goes up every year, which was not the case last year.

LINEHAN: OK. All right, thank you.

BRIAN HALSTEAD: So it's just trying to make the language in statute so that if, in fact, it's a decrease, you don't-- that's all that's going on there.

LINEHAN: Perfect. Thank you.

GROENE: Senator Pansing Brooks.

PANSING BROOKS: OK. Well, I thank Senator Linehan for highlighting some of these issues. So I'm, I'm back to the reading on page 101. And we, we worked really hard last year, I think, to, to have specific language in here regarding the reading program and these seem semi-significant when, when it talks about the, the "diagnostic assessments to identify specific skill-based strengths and weaknesses a student may have." We've crossed out "frequently monitor student progress throughout the school year and adjust instruction accordingly." Why have we-- we had purposefully put it in the statute that there will be frequent monitoring of these students.

BRIAN HALSTEAD: Oh, that-- I mean, the, the act requires assessment three times a year. So here's what the experts wrote for me, Senator. I'll just read it to you because this-- chapter [SIC] 79-2605 states that the intensive intervention uses the strategies. However, this has

Transcript Prepared by Clerk of the Legislature Transcribers Office
Education Committee February 4, 2020

led to confusion because what's listed are not strategies: elements of reading content, a description of instruction, a description of the structure of intervention, and how decisions can be made for it. A solution would be the combined one, two and three, as they are all elements that can be included in an IRIP process. This language is most closely aligned with the newly-approved early literacy. So, uh, you're only talking to a lawyer. I'm not the expert in reading, so the, the experts in reading were-- the items you had listed aren't strategies, as I understand it. So they were trying to clarify that what you would do with the assessment is to identify the specific skill-based strengths and weaknesses a student may face, prescribe explicit, systematic, and targeted individual or small group intervention based on the student needs as determined by the, the assessment. So that's the point. I'm more than happy to get you to the experts to sit down and talk through it. We're not-- they were assuring us this did not change anything about the act.

PANSING BROOKS: OK. So I guess I'm also confused because we had put-- up at the top of page 101, lines 1 and 2, basically, "for any student who has been enrolled in grade one, grade two, or grade three or higher." We, we had, we had that in there. So I, I'm not sure-- I mean, so after grade three, there's no need to continue this assessment or intervention?

BRIAN HALSTEAD: Well, that would be on-- go--

PANSING BROOKS: --grade three or higher--

BRIAN HALSTEAD: So at grade three, Senator, as you're well aware, we do statewide assessment in reading--

PANSING BROOKS: Yes.

BRIAN HALSTEAD: --which that-- those instruments and that information would continue to inform you as to whether the student is or is not proficient and you would be addressing their needs using that. So I think the--

PANSING BROOKS: What about grade six?

BRIAN HALSTEAD: Excuse me?

PANSING BROOKS: I don't see how grade six is covered if some child is still having trouble, that there's something--

Transcript Prepared by Clerk of the Legislature Transcribers Office
Education Committee February 4, 2020

BRIAN HALSTEAD: We do assessment three, four, five, six, seven, and eighth grade in reading every year. That's already covered under the Quality Ed Accountability Act. So I believe--

PANSING BROOKS: OK, thanks for explaining to me.

BRIAN HALSTEAD: --they were thinking this is for the early grades and at grade three, you'll start [INAUDIBLE] just from these to also using the state tests and all of the other tests aligned with that. NWEA maps to inform where the child is and what you're going to do to make sure they're proficient.

PANSING BROOKS: It just-- from here on, if there is a bill that some senators have brought, it might be good to talk to them ahead of time so that we don't feel consternation about the fact that there are major portions of the bill that we've brought being changed.

BRIAN HALSTEAD: I hear you, Senator. I appreciate that. It, it-- I understand.

PANSING BROOKS: Thank you.

GROENE: Could you tell us who these experts are? Are they 50 miles from here?

BRIAN HALSTEAD: Uh, no, there are a couple at the department. There were others so I can't identify them all.

GROENE: Could, could we get them to have a little more talk with senators?

BRIAN HALSTEAD: Absolutely. I'll make sure that you all get a briefing or have the opportunity to have a conversation--

GROENE: Bring them by my office or--

BRIAN HALSTEAD: --with those individuals for the changes. This--

LINEHAN: Just for clarification, I feel like I need to say this. The people that-- actually, Senator Pansing Brooks and I didn't write this language. We had reading experts work on this language. It was cleared by people who do reading in Nebraska already. So, yeah, we need to go back and make sure that these experts are--

GROENE: So we'll be contacting you soon.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Education Committee February 4, 2020

BRIAN HALSTEAD: Absolutely. I'm more than happy to work with you.

GROENE: Any other questions? On the basic skills competency, you're talking the Praxis test there, aren't you?

BRIAN HALSTEAD: Currently the--

GROENE: Basic skills competency means either proficiency and then we changed it to "earned college credit for success of completion of an examination."

BRIAN HALSTEAD: Right. The state board has selected the Praxis basic skills test. That's currently being utilized, yes.

GROENE: So this change as demonstrated by earned college credit or successful completion of an examination-- the Praxis-- designated by the board, how does that apply? Is that-- does that apply only where they have to pass it before they get into teachers college or is that also when they go out into the world after they graduate?

BRIAN HALSTEAD: So the definition that's being amended applies to getting a certificate or permit to be a teacher or an administrator.

GROENE: They also have to take it, then pass it.

BRIAN HALSTEAD: The state board has put that into the regulations for any of the preparation programs they approved for teachers and administrators. But that definition doesn't require that at the postsecondary institution. It's a-- you've got to pass the tests to get the certificate of basic skills.

GROENE: So you're saying-- I was under the assumption that in order to get into the teachers' path, that you had to pass the Praxis in certain areas to be-- to go on to even be into the teachers' program.

BRIAN HALSTEAD: By state board rule, not by state statute.

GROENE: All right.

BRIAN HALSTEAD: That's-- yes--

GROENE: And that's--

BRIAN HALSTEAD: --and the board has put that into a rule.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Education Committee February 4, 2020

GROENE: So that would, that would change that and give them a path that they could say if they couldn't pass the English language proficiency in written use of the English language-- if they took an English class and got straight A's in it, that would substitute or pass as a substitute for taking the test? Is that what it says or--

BRIAN HALSTEAD: That's a possibility.

GROENE: --to demonstrate that earned college credit?

BRIAN HALSTEAD: Senator, that would be a possibility for the board if they amend any of the rules and regulations to include this. This does not mandate that the rules and regs that the state board have include earned college credit. It's written in a way to give the state board some flexibility with the rules and regulations they would promulgate. It's possible the state board would leave this alone, do nothing, and still mandate the Praxis basic skills test.

GROENE: You're talking statute versus state board--

BRIAN HALSTEAD: Right.

GROENE: --regulatory decisions?

BRIAN HALSTEAD: Right.

GROENE: Does statute-- do we have a statute that says you cannot be a certified teacher unless you pass an examination?

BRIAN HALSTEAD: There is not a statute written that way, no.

GROENE: So the board could say you can--

BRIAN HALSTEAD: No, not--

GROENE: If you got your degree, you can become a teacher if they wanted to?

BRIAN HALSTEAD: Right now, the legislature, by that definition--

GROENE: Implies?

BRIAN HALSTEAD: No, uses that and then when it goes to-- the first certificate or permit you receive requires basic skills competency there--

Transcript Prepared by Clerk of the Legislature Transcribers Office
Education Committee February 4, 2020

GROENE: But that's a board decision, not a legislative decision.

BRIAN HALSTEAD: That, that's correct. So as to how one shows basic skills competency can also be done by work experience under that definition, which the board has a regulation that says if you're coming from Colorado and you taught in Colorado, that work experience counts. So you don't have to take our basic skills competency.

GROENE: You don't take the Praxis?

BRIAN HALSTEAD: You do not if you're-- as it's currently constructed, no-- from out of state.

GROENE: So presently, they have to pass all three to be a teacher; English, math, and--

BRIAN HALSTEAD: If you're in Nebraska and you're attending a Nebraska standard institution of higher ed and getting your first certificate in Nebraska, yes, the basic skills test is a requirement.

GROENE: Math and English and then you can take the-- whatever your area of expertise is, there's another test for you, right?

BRIAN HALSTEAD: For the content areas, it's a separate Praxis test, yes.

GROENE: Thank you. Any other questions? Senator Linehan.

LINEHAN: Thank you, Chairman Groene. I think you were here last year, Dr. Halstead. Did we not have somebody who was licensed not in Nebraska; they taught Spanish for a number of years and then they had to take this test so they couldn't teach Spanish and the school was without a Spanish teacher? Do you remember-- is that--

BRIAN HALSTEAD: I, I don't--

LINEHAN: OK.

BRIAN HALSTEAD: --particularly remember that, but is that a possibility? Yes, that is-- that could have been a factual-- I don't know that one for myself.

LINEHAN: Because right now, if you come in from out of state and you have experience and you have a college degree from an accepted university--

Transcript Prepared by Clerk of the Legislature Transcribers Office
Education Committee February 4, 2020

BRIAN HALSTEAD: --your work experience of teaching--

LINEHAN: --you still have to take this practice [SIC] test, is that the way it works?

BRIAN HALSTEAD: Not, not if you worked and were certified as a teacher in that state and worked as a teacher in that state. You don't have to take the basic skills competency test under the current regulations of the state board.

LINEHAN: I thought we had a conversation last year about how--

BRIAN HALSTEAD: That might have been about whether they could pass the competency test for the endorsement of--

LINEHAN: Maybe that was it.

BRIAN HALSTEAD: --the foreign language, which they apparently could not. That's a different test than this one.

LINEHAN: OK. All right, thank you.

GROENE: Also on your-- the Education Commission of the States, what did you find wrong with the way it was-- the way it had presently chosen members-- why, why did you think it needed to be changed?

BRIAN HALSTEAD: There's nothing wrong with its currently written language. The Commissioner of Education thought that the constitutional officer for K-12 Education Commissioner and for postsecondary education, the Coordinating Commission's executive director should just be on this as the Nebraska team because that's just an ongoing-- currently, they're both appointed by the Governor to that position, so. And again, not everything that's in here came directly from us. I think somebody over here edited some of the language in that section. And we're, we're willing to talk with anybody about what that should be and if that's next session, we address it or--

GROENE: It's common sense those two people-- the Education Chair, whoever it may be, should be on it, and it should be the Commissioner of Education, that I understand. And the CCPE-- Baumgartner should be on it. But I don't understand it-- these members are in addition to the Governor-- two members appointed by the Executive Board and one

Transcript Prepared by Clerk of the Legislature Transcribers Office
Education Committee February 4, 2020

member appointed by the Governor. Why-- the Executive Board, who is the Executive Board?

BRIAN HALSTEAD: Of the Legislature.

GROENE: All right. Instead of-- all right, instead of the Governor. The Governor used to do three, right?

BRIAN HALSTEAD: The Governor has been doing this since 1964.

GROENE: But he's-- only gets one, one appointment now instead of three, is that correct?

BRIAN HALSTEAD: Well, he's still on it. And then he-- I believe the language here has him appointing someone from a school board or a representative of the school board is what the language before you proposes.

GROENE: So the Governor, he doesn't go to those meetings. He sends one of his-- have you ever seen the Governor there besides when it's giving a keynote?

BRIAN HALSTEAD: I have never been the ECS Commissioner for the state of Nebraska so I have no idea who attends those meetings for the state of Nebraska. So I can't speak to the Governor going or not.

GROENE: [INAUDIBLE] But anyway, no, I just wondered if the Governor sends somebody else, but that's fine. We'll find out. Thank you. Any other questions? Thank you, sir.

BRIAN HALSTEAD: You bet.

GROENE: You've been very helpful.

MIKE BAUMGARTNER: Good afternoon, Chairman Groene, members of the Education Committee. My name is Mike Baumgartner, M-i-k-e B-a-u-m-g-a-r-t-n-e-r. I'm the executive director of the Coordinating Commission for Postsecondary Education. I'm here today to support LB1131. Specifically, I'm here to answer any questions you have about the change from "nationally accredited" and "regionally accredited" to "accredited." Boy, that's the only thing I'm here to talk to you about so this is the briefest testimony you'll ever get from me.

GROENE: Could you explain why?

Transcript Prepared by Clerk of the Legislature Transcribers Office
Education Committee February 4, 2020

MIKE BAUMGARTNER: Yeah, the federal government has recently promulgated new rules that are going to go into effect July 1, 2020, and they are doing away with the distinction between "regionally accredited" and "nationally accredited." It's, it's something that the U.S. Department of Education has been, been working on for several years. They had their own negotiated rulemaking session over the past year. And I can just read you from the, from the federal register exactly what it says because this-- I think this will clarify it for you. The department will no longer categorize agencies as regional or national. We will instead include them under a combined umbrella identified as institutionally or nationally recognized. The terms "regionally accredited" and "nationally accredited" related to institutional accreditation will no longer be used or recognized by the department. So if they're not using or recognizing them anymore, anything we have in statute refers to "regional accrediting body" doesn't make any sense because they're the ones that recognize or have designated them regional or national. Since they no longer are, we need to change those in the statutes.

GROENE: So, our institutions-- do some of them have both?

MIKE BAUMGARTNER: Um--

GROENE: Or are they all regional or all national?

MIKE BAUMGARTNER: They are-- almost all of them are regional. There are a couple of those that are programmatic, but almost everything, as, as you heard yesterday, is Higher Learning Commission in Nebraska. There are a couple that aren't, but it's Higher Learning Commission that is a regional accreditor. It was a regional accreditor. It will no longer be a regional creditor in the eyes of the Department of Education after July 1, 2020. They can still market themselves as a regional organization, but in terms of falling back on recognition from the U.S. Department of Education, they will not be recognized as regional anymore. They will just be an accreditor.

GROENE: So who will do it?

MIKE BAUMGARTNER: They will still do the accreditation. They'll still be the accreditor. This is just a distinction that-- and you look in, in the bill, you can see different statutes where we refer specifically to regional accreditation. And now HLC will just be an accreditor recognized by the U.S. Department of Education.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Education Committee February 4, 2020

GROENE: Thank you. Senator Linehan, did you have a question?

LINEHAN: I did, but it got answered, thank you very much.

GROENE: Thank you. Are there any other questions? Next proponent. Any opponents? Neutral? Letters from the record: NASB, Nebraska Association School Boards, a proponent; opponent, none; neutral, none. And unless somebody has a question for me or Nicole, I'm going to waive closing. Thank you. That ends the hearing on LB1131. We will now go to LB1066. Senator Erdman, welcome to the Education Committee.

ERDMAN: Good afternoon, Senator Groene and Education Committee. My name is Steve Erdman, S-t-e-v-e E-r-d-m-a-n. I represent District 47, which is ten counties in the Panhandle of Nebraska. I come to you today with a bill that is common sense for some people that are stranded-- their land is stranded in a district in which their children don't receive education from. I have a couple of maps that I would like to have passed out if, if you would. I think it's important that we discover and understand where, where these people live and-- one more, thank you-- and how they're affected by this. Jack Andersen will be testifying after me. Jack Andersen is a friend of mine. I met Jack 15 or more years ago and he was a county commissioner from Sheridan County. He and I served on the NACO Board together and I had an opportunity to work in that regard in making commonsense decisions. And I appreciated Jack's leadership there. You will know from his testimony-- you will hear him say that he has no children or grandchildren that attend these schools, but he understands the burden that is on those people who do as well as anybody that wants to move to this community, may find it difficult for their children to get an education because of the distance between the schools. So we, as a Legislature, back in 2005 or whenever it was, eliminated Class I schools. And when we eliminated those Class I schools, we put Mr. Andersen and those people in Lakeside, Nebraska in a peculiar position. So what Mr. Andersen has asked-- and he's asked me a couple of years now and I have not taken it up until this year-- that we make an opportunity-- we afford him an opportunity to join a district in which his children would go to school or the children from that district and their taxes would then go to that district. So let me call to-- your attention to the map of the state of Nebraska, if you would. The handout that I gave you there, there is a dot on there in Sheridan County that says Lakeside. That is where Mr. Andersen resides. Now, as you notice, that's a little ways from Lincoln. So for us, in our district, to get involved in their government, it takes

Transcript Prepared by Clerk of the Legislature Transcribers Office
Education Committee February 4, 2020

some time and effort. So the Andersens drove in last evening to be here today to testify. And as I said earlier, Mr. Andersen is doing this for the future of those kids in that district. That location, Lakeside, Nebraska, is about 400 miles from Lincoln. So Mr. Andersen has taken the time to come and share his story with you and he will do that, but what-- I want to draw your attention to that same map. You'll notice there's Lakeside and then north of Lakeside, and that's about 60 miles, 50 miles, there's a town called Rushville. And then east of there, and it doesn't show up on this map, is another town, Gordon. And several years ago, I think in 2014 or 2015, those two schools merged. Gordon and Rushville merged into one school. And at that time, there was a community school in Lakeside that the Gordon-Rushville School District operated. And there were about 20 kids-- my understanding, there were about 20 children there. And then several years later, the school district decided to close the community center, the school, and they offered an opportunity for those children to go to Rushville, the school, grade school, and they would have to travel into Gordon, which was another 12,15 miles past that. And so they would pay a mileage to bring their kids to school. So think about this: you have a, a first through eighth grader that you're taking to school that's 50 miles one way and you do that twice a day. So to take your child to school and pick them up, that's a 200-mile trip. And so what they've done is they have had an opportunity-- there's a, there's a school east of there, Hyannis, you'll see it on this, on the map. Hyannis is in Grant County. Grant County has one school district and it's Hyannis and they run a bus service to Lakeside. So that is where their children go to school, is Hyannis. But their property is in the Gordon-Rushville School District, OK? And so you notice on that map, it's quite a ways apart. And there's-- the city of Alliance is west of there. That would have looked to me like-- on the map, that would have been the logical place to put those people when they consolidated. That's not what they did. So the second map I have for you is the one that shows-- with the GR, the Hs on it-- what that map is, it shows-- the GR is those plots of land or those residences are in the Gordon-Rushville School District. The H stands for the Hyannis School District, OK? And so what Mr. Andersen is going to share with you is the fact that he would like those Gordon-Rushville properties in this location to be transferred to the school in which those kids are getting educated, which is Hyannis. Now the bill-- the way it's written would be he would submit an application to the school board and then it would be approved. They've had a difficult time having the school board make a decision about moving that land to the school district in which the kids live

Transcript Prepared by Clerk of the Legislature Transcribers Office
Education Committee February 4, 2020

because everybody's concerned about losing valuation. And you'll notice the bill says 640 acres or less. So it is a situation. In this case, now most of those properties are a residence on a city block or in a small community. Now the, the dots with the stars on it are houses where people live or houses that could be inhabited. That's what those are. So it's-- we're not asking to transfer 50 sections of land away from Gordon-Rushville to Hyannis. We're asking to make a commonsense decision and allow them to do what is most opportunistic for those young people to move to Hyannis School District. As I said earlier, the Lakeside children, if they went to Rushville until eighth grade, when they went to high school, then it's another 15, 20 miles over to Gordon. So we're talking a 120-mile round trip or more. It, it doesn't make any sense that we left them stranded there. And so the goal today is to share with the Education Committee a commonsense approach to solving the issue that they've been dealing with for nearly 15, 16 years or more. And I would be glad to take any questions, but I just-- I want to bring it to your attention how far the Andersens have come and how committed they are to making a difference in other people's lives. They, they don't have any children here in this school district now. Their kids are all grown. But looking to the future, that's what they have come to testify about and asked me to help them with. It's, it's not unusual-- it's not peculiar for me to get that kind of information from Jack Andersen because that's the way he managed as county commissioner. He took people's considerations at heart and he did what he could to make a difference. And so that's the gist of the bill today. And I would ask for you to advance this to the floor so we can help them solve their issue. And I would take any questions you might have.

GROENE: Senator Kolowski.

KOLOWSKI: Thank you, Mr. Speaker. [SIC] Senator, could you explain this map, as far as the Hs and the GRs and the mixture, why they are the way they are and what's the dividing line between the two?

ERDMAN: Senator Kolowski, the GR-- at the bottom, there's a chart at the bottom; GR stands for Gordon-Rushville.

KOLOWSKI: I know that, I see that.

ERDMAN: That's the school that--

Transcript Prepared by Clerk of the Legislature Transcribers Office
Education Committee February 4, 2020

KOLOWSKI: That's not what I'm asking. Why is there such a mixture that-- GRs and the Hs are mixed together. Is it--

ERDMAN: Right.

KOLOWSKI: Are they overlapping school districts?

ERDMAN: Yeah. Well those districts, GR, are those-- they are in the Gordon-Rushville district, in that community. That's the way the land was transferred. When they transferred the Class I school and they eliminated it, that's where the land went. These properties here went to the Gordon-Rushville property and the one with the Hs went to the Hyannis property. And that's what he's asking to do; he's asking to put those in the proper district. That was beyond their control, Senator. He wanted-- those people in this area wanted to go to Alliance. If you'll notice on the other map, Alliance is the closest location to where they live. That would have been the appropriate thing to do. And Alliance has a bigger school. And those children could have went grade school through high school at the same school, but they've been trapped here because that's the way the land was transferred back in 2005.

KOLOWSKI: And no school board or no body in any way, shape, or form has redirected these lines and said, you go here, you go here, and that's it?

ERDMAN: That's the way it was set up, but that question can be answered by Jack Andersen. He's here to testify and he'll be after me.

KOLOWSKI: Thank you.

ERDMAN: Thank you.

GROENE: Senator Brewer.

BREWER: Thank you, Mr. Chairman. Well I just-- as kind of a reference here-- and I, I can't help answer your question because it doesn't make sense. I'll give you an example. Where it says the H is for Hyannis, in reality, those should have been flipped because Hyannis would be at the bottom of the page to your right. So see the direction of the lake--

KOLOWSKI: Um-hum.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Education Committee February 4, 2020

BREWER: --just keep going that way and eventually you will hit Hyannis. You might hit the big town Ellsworth first, but if you went straight north, you would eventually hit the general vicinity of Rushville and then to the north and back to the east would get you to Gordon. But those Hs should be on the bottom, GR should be on the top if you were adding any logic to this. But to Senator Erdman's point, the, the easiest straight shot for them to go to get an education would be to Alliance. That's the, the nearest place to where they're actually at here. And I would love to hear Jack's reasoning why they, they came up with this, but--

ERDMAN: Yep.

BREWER: --it makes no sense.

ERDMAN: Senator Brewer, when I visited with Jack about this, he said not only does the Hyannis School District go here, it goes eight miles past Lakeside. And so there's a, a discrepancy there that goes-- that school district goes quite a ways out there, but that was beyond his control. He did everything he could to get it transferred to the right place and it just didn't happen.

GROENE: Alliance is the closest?

ERDMAN: Yes, sir.

GROENE: They got about five-- and they're equalized, so why would anybody in their right mind go to Alliance, transfer the land?

BREWER: That might be--

ERDMAN: That's a, that's a question for Jack to answer.

GROENE: But the way I look at this-- so if you live in that house on the right side of this map, of this map--

ERDMAN: Go ahead.

GROENE: --there's one person, they got a house that's GR, Gordon-Rushville.

ERDMAN: Go ahead.

GROENE: To the west, there's two houses, but they're in Hyannis. So when they go to the polls-- if you're voting for a school board at

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Education Committee February 4, 2020

Gordon-Rushville and these other folks are voting for a school board at Hyannis.

ERDMAN: Exactly, you're exactly right.

GROENE: I'm assuming-- I've been there to the big city, to Lakeside. I'm assuming this is the town?

ERDMAN: That's it.

GROENE: Yeah.

ERDMAN: You're exactly right, Senator Groene. And then, you know, Jack and his wife vote for people in Rushville and it's 60 miles from there.

GROENE: Wouldn't it just-- does your bill allow each individual to move their land where they want? Or would it be--

ERDMAN: It's not asking to do the whole district. It's the-- if the petitioner asked that we have their land moved according to what we've written in the bill, their land should be moved to the district they're asking to move to.

GROENE: This map could even look worse than this then?

ERDMAN: Pardon me?

GROENE: This map could even look worse, then, after that's done because someone might go Alliance, some to Gordon-Rushville, some might go-- I mean, it couldn't be more polka-dotted.

ERDMAN: That would be their choice.

GROENE: Senator Kolowski.

KOLOWSKI: No, thank you.

GROENE: Any other questions? Thank you, Senator Erdman.

ERDMAN: Thank you.

GROENE: Are you going to wait around to close?

ERDMAN: Yes, sir.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Education Committee February 4, 2020

GROENE: Proponents?

JACK ANDERSEN: Chairman Groene and members of committee, my name is Jack Andersen, J-a-c-k, Andersen, A-n-d-e-r-s-e-n. I'm here today to testify as an individual in support of LB1066. The handout map of Lakeside that Senator handed out showing the town, it's surrounded by the Hyannis District. Red dots indicate residents remaining. Vacant lots, churches, business, and uninhabited houses, that's the ones that don't have red dots. When we moved to Lakeside in the 1970s, all of those towns had a Class I school. Lakeside District was about 30 miles long and 8 miles wide. The high school closest to the northern part of the district was Rushville. The south part was Hyannis or Alliance, depending on which side of the district you lived on. In 2005, LB126 was passed requiring that land and class school districts be affiliated with high school districts. The old district affiliation was divided between Alliance, Hyannis, Rushville, and Gordon County District. And I'll get to why that happened if I have time in a little bit. In 2006, LB1024 essentially consolidated the land into all the affiliated high school districts and to make them-- became a consolidated district. And then later, Rushville and Gordon consolidated, but Gordon and Rushville will maintain the attendance center in Lakeside until 2015. Now those of us in Gordon-Rushville District living near Highway 2 have little choice other than opt to a district where we have no vote, pay no taxes because our grade school is 48 miles to the north and high school is 60 miles away. Think about that. That's about like living in Lincoln and your grade school is in Omaha, just about the same distance. Parents should not have to move in order to send their children to a school where they can vote for the school board members. If you're looking to buy a home, I think you would look long and hard before thinking about buying a home in a place where your grade school was 48 miles away and opting into another district was your only choice. LB1066 will give landowners the option at transferring residences and a vote to a district that actually provides an education for their students. Now I'll try to get around to answering some of what was up-- and Senator Erdman covered it pretty well. It was actually this grade school in Lakeside. It got down to where it only had three or four students before the school closed it. But a lot of the reason for that was that the surrounding area, a lot of what used to be the original Class I school was in the Hyannis District, the Gordon District, or Alliance District. And they couldn't very well opt into Gordon-Rushville because then they're stuck, you know, they're in our shape. The way we wound up getting to where we are now was that when they were talking about doing this--

Transcript Prepared by Clerk of the Legislature Transcribers Office
Education Committee February 4, 2020

and my brother was on that committee. I kept telling him I want to be in the Alliance District. It's the only one that makes sense; 25 miles, you know, and maybe my wife or myself can be working a job and we can get to hours where maybe we can drop the kid off with a sitter or something. And then they can some way get to school and share the ride back and forth. And at that time, Alliance was having a big boom. They said, we don't want any more kids. We're not interested, you can't, can't opt into Alliance. The next best option then was Gordon-Rushville was going to have the grade school. Why would you opt into a place that didn't have a grade school? Because you can go to the Gordon-Rushville grade school and then opt into Alliance or Hyannis for your high school. Well, it all got thrown to the wind when Gordon-Rushville, through no fault of ours, decided that it wouldn't, wouldn't work for them anymore. So I hope I answered some of your questions and I hope you have some more because this is a subject I've been thinking on for years. And like Steve said, I don't have any kids going to school. I got a grandkid that actually goes to Alliance out at, uh, Hyannis District that I mentioned in that other one. He'll be a senior next year and then I won't have any irons in the bar either way. But yes, the taxes are higher in Alliance. Right now, a smart thing for me to do would be to get into the Hyannis District and then I can opt to Alliance. But I'd go the other way if that was available before being in a position where I am; go to Alliance and opt into Hyannis for grade school.

GROENE: We'll have some questions. Any questions?

JACK ANDERSEN: Any questions?

GROENE: Senator Linehan.

LINEHAN: Thank you, Senator Groene. So do you know what the levy is in Gordon-Rushville or the levy in Hyannis?

JACK ANDERSEN: I do, I've got it here somewhere. Gordon-Rushville is 889.61. Hyannis is 497. Alliance is 101.1. Hay Springs is 101.

LINEHAN: So when the, when the district-- they did away with District 1, would they just let every homeowner or every landowner decide which district to be in? That's what it looks like; they just let everybody decide where they want to go, where they wanted to opt their land into?

Transcript Prepared by Clerk of the Legislature Transcribers Office
Education Committee February 4, 2020

JACK ANDERSEN: To a certain extent, yes. And that's-- prior to, prior to the consolidation, I would say that probably two-thirds of the students that lived in Lakeside went to Alliance High School. The other one-third went to Hyannis. So this, this goes down in the Garden County also and those people are 40-something miles from our school with very poor roads. But it was-- you know, when you had the option, where would you like to go? And Hyannis was never where I thought made sense; go where there is a grade school or the closest high school. And they said, you can't have Alliance, so, so you take Gordon-Rushville and then, to no fault of their own, and they didn't get enough land to keep running the school. There was an agreement between the districts to begin with that they would all split the costs, but that went about two years before Gordon said, hey, the law doesn't say we have to do this; we're not going to pay. And then I think it was the next year that Hyannis-- or no, Alliance, I think, was the following year and Hyannis the year after that said if nobody else is going to pay, we're not going to pay.

GROENE: This map looks like it-- they dissolved the district. They didn't merge because-- or consolidate. It looks like they must have dissolved it and then individuals decided where they were going to put their route because this--

JACK ANDERSEN: I'm not sure how that happened.

GROENE: I don't know how else you could have came up with this.

JACK ANDERSEN: And that's probably the case, I don't--

GROENE: If you dissolve, you decide, I believe, where you want to put your land. And somebody decided they liked Alliance and then the spot there, whoever owns that now gets on his tax bill--

JACK ANDERSEN: That never did make sense to me how that happened. I think what it was--

GROENE: I would assume that they probably had--

JACK ANDERSEN: --they had a, a senior in high school that was pretty damn good football player at the time, I think.

GROENE: Well, it looks like to me when they did this, Gordon-Rushville had the lowest levy.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Education Committee February 4, 2020

JACK ANDERSEN: Hyannis had the lowest levy at the, at the time that they did it.

GROENE: Thank you, sir. Any other questions? Senator Brewer.

BREWER: Thank you, Mr. Chairman. Well, first of all, Jack, thanks for coming here today. I know it's a long haul for you. And thanks for no notice jumping in on the earlier bill with the Loup County-- you didn't, you didn't have to do that. You did it out of the goodness of your heart, so I appreciate that.

JACK ANDERSEN: Well, it's all the same thing, you know, where we need to think about educating the kid, not which one's going to make the most sense financially or the one that's going to give him the most options. It's the one that has the most options. If they're far enough away, they can't go, they don't have any options.

BREWER: What year did Gordon-Rushville consolidate? I remember there was quite a controversy with it because there was such a love between us.

JACK ANDERSEN: You know, I don't remember that. I don't remember what year they consolidated.

BREWER: Sometime in the-- I think early 2000s, wasn't it?

JACK ANDERSEN: I was going to say it was probably maybe even in the late 1990s.

BREWER: Could be-- a general, general time frame. If, if you were to query the people that are in Lakeside now, would it be just as split with where they would want to go, do you think or do you think it'd be about-- a pretty one-sided vote?

JACK ANDERSEN: Quite frankly, I would think-- and part of this is financial and it shouldn't be. But I would say that probably 99 percent of them would say Hyannis if it was-- the prices were a little-- well, and Hyannis runs the bus. You know, if you've got an option between your kid walking across the railroad track and getting on a bus or driving them 25 miles to town, you're probably going to be getting on the bus until they're high school age and now they're-- it's a lot better for them to drive 25 miles one way than 35 miles one way to go to school.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Education Committee February 4, 2020

BREWER: Well-- all right, thank you and thank you for everything you've done, especially as a county commissioner.

JACK ANDERSEN: Well, thank you for all you do.

GROENE: Any other questions? Thank you, sir, for staying in town tonight.

JACK ANDERSEN: No, actually, we've got to be in Cheyenne, Wyoming by 11:00 tomorrow morning.

GROENE: Is there any other proponents? Opponents? Neutral?

JACK ANDERSEN: Oops.

GROENE: Opponent or Neutral?

JOHN SPATZ: Opponent, I'm sorry. Good afternoon. Senator Groene and members of the committee, my name is John Spatz, spelled J-o-h-n S-p-a-t-z. I'm here with the Nebraska Association of School Boards representing NASB in opposition today. And I'll be brief, but there's mechanisms right now going through the school boards or through the voters to change land like this. And this legislation says it shall be approved if there's-- if the criteria in this legislation is met. And it kind of bypasses our traditional approach right now of going through the boards or the voters and going through that kind of local control mechanism. Also, it doesn't really address where a student goes to school. So if you're a landowner with no students, you could qualify for moving your land if it meets the criteria in this legislation. Also, the precedent that this sets-- moving land is-- and, and changing boundaries is addressed in the legislation and it's-- the criteria you put in there are saying the school boards have to weigh in or the voters have to weigh in. By saying that if a person has land in, in an area that meets this criteria, bypassing the boards or that local control mechanism, that sets a precedent of, of individuals being able to change boundaries like that. And, and that's not an area we want to go to. So we do-- we would like to work with Senator Erdman and this committee on situations where there may be some difficulty or some commonsense issues that, that would say a landowner here and the district is a long ways away, we're certainly happy to talk about it. But as written, we do oppose this bill.

GROENE: Any questions? Senator Linehan.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Education Committee February 4, 2020

LINEHAN: Wouldn't you say the landowner is about as local control as you get?

JOHN SPATZ: Well, it is-- yeah, a landowner-- but there's certain structures you need to have as it relates to boundaries and you want to look at unintended consequences as well. When you look at a situation where you say, hey, look, this doesn't make any sense in this particular situation and you create state policy based upon that one situation, kind of a one-size-fit-all, there could be unintended consequences. And like I said, you may have situations where landowners with no children begin changing their boundaries and that could create maps that become very difficult.

LINEHAN: Well, we already have a very difficult map.

JOHN SPATZ: I agree, I agree.

LINEHAN: So somehow we haven't been, we haven't been following that rule. Do you have any idea of how many in this-- I don't-- I can't figure this out right now-- how many of the students that live in Lakeview, whether they are in Gordon-Rushville or they're in Hyannis or they're in Alliance or opting into different schools?

JOHN SPATZ: No, I don't. And I didn't see that map, so-- and I, I don't know that.

LINEHAN: Well, maybe somebody can give you a map because I'd be interested to see how many of the-- you know, because we have situations where through evidently the normal process, we had a school district merge with another school district, but opted all the children into another district--

JOHN SPATZ: Right.

LINEHAN: --or most of their children--

JOHN SPATZ: Right.

LINEHAN: --and that went through your process, evidently.

JOHN SPATZ: OK.

LINEHAN: OK, thank you.

JOHN SPATZ: Um-hum.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Education Committee February 4, 2020

GROENE: Senator Brewer.

BREWER: All right. Well, obviously, this is my district so I got to, I got to chime in a little bit. If you look at that puzzle--

JOHN SPATZ: [LAUGHTER]

BREWER: --and that has to have been that way for a while now--

JOHN SPATZ: Yeah.

BREWER: If you look at, at the timeline with Gordon-Rushville, does that not leave you kind of scratching your head about how the system could be quite so broken and, and over this amount of time, we haven't been able to fix it?

JOHN SPATZ: Well-- and, and again, I'm just looking at this for the first time. I'm, I'm very willing to discuss how do we fix situations like this? From a policy perspective, we're certainly willing to engage in that conversation.

BREWER: OK, thank you.

GROENE: Any other questions? Does the present policy take into any account or just a simple rule that the land shall be attached to the closest K-12 school district?

JOHN SPATZ: What do you mean?

GROENE: If the land is, if the land is closer to Gordon--

JOHN SPATZ: No.

GROENE: --than it is Alliance or then therefore that land is, is part of that district?

JOHN SPATZ: No.

GROENE: Would that be a good policy in future consolidations?

JOHN SPATZ: Well, that's a, that's a big question. And I'd hate to say yes or no because that's, that's a big policy discussion that if this committee wants to have it, we're certainly willing to engage on that. But we've got boundaries that have been there for a long time and, and schools that consolidated. There's been a lot of shifting and changing over the years and you look at-- you can probably find a lot of

Transcript Prepared by Clerk of the Legislature Transcribers Office
Education Committee February 4, 2020

circumstances where you look at something and say that doesn't make sense, but when you change state policy, you've got to look at all the consequences.

GROENE: Well, with option enrollment, it really doesn't make a difference--

JOHN SPATZ: Right.

GROENE: --where your house is as far as attending the school.

JOHN SPATZ: Right, right.

GROENE: But shouldn't the district be supported by the land that's closest to it?

JOHN SPATZ: Well, that's a big policy-- I'm not going to say yes or no on something. That's a, that's a more complicated question.

GROENE: Thank you.

JOHN SPATZ: Thank you.

GROENE: Any questions?

JOHN SPATZ: Again, thank you.

GROENE: Any other opponents?

BRIAN HALSTEAD: Good afternoon, Senator Groene, members of the Education Committee. For the record, my name is Brian, B-r-i-a-n H-a-l-s-t-e-a-d, Halstead. I'm with the Nebraska Department of Education. I also happen to be the lawyer that advises the state committee for the reorganization of school districts. This map that the Senator shared, I can show you numerous other communities in Nebraska that look just like this. Based on past action of the Legislature, it goes back probably at least to 1990, when the Legislature decided all property in this state, for the first time, should be within a K-12 system. And the law that was written in 1990 did allow each of those school districts to decide. However, they wanted to decide where that property went. So most likely, this diagram is a result of the affiliation of all property in Nebraska in the early 1990s. That was all part of LB1059, TEEOSA, to have a statewide-- you had to get all the property in a K-12 system before you could apply a state aid formula like you have today. So this would

Transcript Prepared by Clerk of the Legislature Transcribers Office
Education Committee February 4, 2020

also-- not Senator Brewer's bill, letting landowners decide if you're using that statute to dissolve will probably produce a map for Loup County, if nothing is done, that's going to look remarkably similar to this because people will pick based on what they want; not that some won't make the right decision, so. We're willing to work with Senator Erdman and this committee if there's a desire to try to update the laws in Nebraska on how school reorganization works. And if you remember, you still have a bill from last session that the department brought forward to try to clean up some of those statutes. This is an ongoing topic for many and Mr. Andersen has a very good point. He just can't get all of his neighbors or his school boards to all agree on where they want to go. So I'd be more than happy to answer any questions.

GROENE: Senator Linehan.

LINEHAN: Thank you, Chairman Groene. Just-- I've heard this before, but I don't know if it's true, but you may be able to answer it. One of the reasons they wanted the, the grade school only schools dissolved is because the levies were incredibly-- not in every case I'm sure, but the levies were considerably lower. Wasn't that one of the reasons?

BRIAN HALSTEAD: I was never in the Legislature--

LINEHAN: OK.

BRIAN HALSTEAD: --but there was conversation about the inequity of that--

LINEHAN: Right because you would have a school district with, like, six kids in elementary school and they had one teacher and their levy--

BRIAN HALSTEAD: Right and then you also had some of the ongoing equity of flight. I don't want my kids in that district because those aren't the right kind of kids.

LINEHAN: Yeah.

BRIAN HALSTEAD: I mean, that inequity probably still occurs today in our society--

LINEHAN: I'm thinking there are probably pretty good examples.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Education Committee February 4, 2020

BRIAN HALSTEAD: --so--

LINEHAN: OK. All right, thank you.

BRIAN HALSTEAD: Um-hum.

GROENE: There's two things here because you let the districts decide, but if a school district dissolves, does the landowner decide where it, where it goes?

BRIAN HALSTEAD: That's only under 79-499; if you have less than 25 kids in a high school that's located within 15 miles of another and that school district-- that's the only statute, currently, that lets landowners decide going forward. This was all done under old statutes at that time that allowed individual landowners to pick it.

GROENE: That's what happened here.

BRIAN HALSTEAD: And now you're living with that decision, most likely in the early 1990s, in that regard. It's currently possible-- without making any changes, if you could get the community of Lakeside and the school boards of-- apparently, it's Gordon-Rushville and Hyannis-- to decide as a community, where would you all like to be; in a single school district? I can't speak for all of the lot owners here, as to whether they'll come to unanimous agreement about where they want to go. That's the inherent challenge, probably, that Gordon-Rushville, Hyannis, and Alliance have had that they don't want to make their patrons mad either. And giving up valuation if you're not getting any equalization aid has not been a good strategy.

GROENE: But if a district dissolved now-- besides Loup County-- dissolved, there wasn't none of that mandate of 15 or less. How was that land split up then?

BRIAN HALSTEAD: That's up to the school board who have agreed to dissolve a school district and merge it with another school district or they both agree--

GROENE: Some or they dissolve?

BRIAN HALSTEAD: Well, there's a, there's a nice word, Senator, that there is nothing in statute that defines dissolve. As it's been used by the courts, it means it no longer exists. Under the current statutes that exist today, that can't happen just independently. It's going to take at least two school districts agreeing to a

Transcript Prepared by Clerk of the Legislature Transcribers Office
Education Committee February 4, 2020

board-to-board petition or having an election of their voters to decide how to change the boundaries, whether you're dissolving one and merging all that territory with another, whether you're getting rid of both districts and creating one brand-new school district; that's just recently what happened with Clearwater, Orchard, and Ewing. They're going to have a brand-new school district starting-- that puts those three communities together as one single school district. But that's because the communities and the boards came together and decided that was the best mechanism and way to move forward.

GROENE: So the school board, on its own, can't dissolve. They've got two students--

BRIAN HALSTEAD: Well, that, that can't happen because once you're below--

GROENE: All right, they've got 15--

BRIAN HALSTEAD: Yeah.

BREWER: Let's do 14.

BRIAN HALSTEAD: Yeah.

GROENE: --and they can't vote on their own to just dissolve?

BRIAN HALSTEAD: Not on their own. They could hold-- they could call for an election of having their district dissolved and merged with another district, which means the voters of those two districts would vote on that proposal.

GROENE: So you could have 15 kids and you could just tell them all to option out and we're going to give each parent \$10,000 on our taxes or \$2 million, that's \$0.2 million. You can do that, couldn't you now, just have the school board it up?

BRIAN HALSTEAD: Because the statute only allows you to contract for one year for all of your students. Before then, 79-499 kicks in and you get dissolved that way.

GROENE: All right. Senator Brewer.

BREWER: All right, so-- and this is kind of running off a little bit of what Senator Groene was talking about. If, for example, in the case

Transcript Prepared by Clerk of the Legislature Transcribers Office
Education Committee February 4, 2020

of Loup County, because they are at 14, they dropped below the threshold. They do it two years in a row even if we change--

BRIAN HALSTEAD: You amend it to two years in a row.

BREWER: Right. Boom, now they're, they're, they're DOA. And, and you're going to come from on high, basically, and say you didn't meet the standard so we're going to dissolve you. So that's not the inaction of the, the school or the grey in between two schools like Clearwater and Ewing and that. So then how do you decide how it's diced up?

BRIAN HALSTEAD: Because the way 79-499 speaks right now?

BREWER: Um-hum.

BRIAN HALSTEAD: First of all, you let landowners decide where they'd like their property to go and if they don't say where they wanted to go, if you look at the bottom language in there, then the state reorg committee is to attach that property-- I've got to find the exact language because I don't want to paraphrase it. For property for which a preference is not provided, the committee shall transfer such property to one or more of the school districts with boundaries contiguous to the district being dissolved in a manner that will best serve children who might reside on the property at the time of the dissolution or in the future and that will, to the extent possible, create compact and contiguous districts. The Commissioner of Education thinks that's probably a better policy than letting individual landowners choose. But that's his opinion and that-- had that language existed when the Legislature mandated the affiliation of elementary-- all property into a K-12 district, you wouldn't see the maps you currently see today. But that was not the-- I'll say it-- political compromise that was taken in 1990 to get that done nor was it the political compromise for the dissolution of all of the elementary-only or high school only school districts under LB126. The political compromise was the methodology the Legislature put into place at that time. And unfortunately, Mr. Andersen has been living for quite some time under old policy that hasn't changed, as are a number of--

BREWER: OK. So what you just read, do you agree with?

Transcript Prepared by Clerk of the Legislature Transcribers Office
Education Committee February 4, 2020

BRIAN HALSTEAD: From a policy perspective, that makes a lot of sense if you're trying to have an organized school system in the entire state of Nebraska.

BREWER: And who wrote that?

BRIAN HALSTEAD: I didn't write that. Someone else wrote that into the statute.

GROENE: Could you read it again?

BRIAN HALSTEAD: It's on-- oh, OK. So it says, "for property for which a preference is not provided in the time and manner required by the state reorg committee, the state committee shall transfer such property to one or more of the school districts with boundaries contiguous to the district to be dissolved in a manner that will best serve children who might reside on such property, at the time of the dissolution or in the future, and that will, to the extent possible, create compact and contiguous districts."

BREWER: And that's on LB1166?

BRIAN HALSTEAD: Excuse me?

BREWER: Which bill are you reading out of here?

BRIAN HALSTEAD: I was just reading that out of your LB1166, that language. I think that it would be--

BREWER: So it was my bill that you like. That's all I need to hear. You're good.

[LAUGHTER]

BRIAN HALSTEAD: Absolutely, Senator. The Commissioner would prefer you strike the first part that gives landowners a preference of choosing if you ever get to that because he envisions that may be what, unfortunately, it would look like.

BREWER: All right. We can talk about it.

BRIAN HALSTEAD: Yeah, absolutely. We're willing to work with the committee on bringing organization policy up to date.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Education Committee February 4, 2020

GROENE: But what you just read, it still started off by if there hasn't been a preference first. There has to be preference.

BRIAN HALSTEAD: Right. There's a preference first so landowners get to pick and then if there is no preference given by landowners, then the community is supposed to use that criteria.

GROENE: Thank you, sir. Any other questions? Thank you.

BRIAN HALSTEAD: Sure.

GROENE: Any other neutral? Are you closing? Letter from the record: proponents, none; opponents, NRCSA, Nebraska Rural Community Schools Association; neutral, none.

ERDMAN: Thank you, Senator Groene. The committee needs to be commended for giving the time that I believe this bill needed and I appreciated the understanding that you don't get any more local control than the landowner. I understand that. So one of the things that we didn't mention and I want to make sure that we talk about that before we go is the fact that what Mr. Andersen is saying and when he asked me is if you are ten miles closer than the school district in which your property is paying taxes to, your other school is ten miles closer, then you would be able to transfer. So he's not asking to do helter-skelter here and there. He's talking about making a commonsense decision about a property that would put transferring a property to a school that's closer to the one that he's supposed to attend. So I heard the comment about local control and that is the greatest comment I hear every time we talk about trying to do something that makes common sense; local control. All right? So I don't know how much more local you get than Mr. Andersen taking the time out of his schedule to come here and testify on a situation that doesn't exactly directly affect him to this day. So I commend the Andersens for coming and testifying. I appreciate the committee listening to the testimony. And I heard those that said, that said that they were willing to work with finding a solution because I knew going in that the situation in Lakeside is not the only one. That's not the only property, the only properties in Nebraska that are stranded, that are in a situation similar to this. There are more and if the school boards really believed that they wanted to make a difference and they wanted to have local control, they would have fixed some of these. And so we need to be concerned about the fact that they have tried to do some of these things and the local control is what stopped them. And that's why we're here today. So I'm willing to work with these people, but I'm

Transcript Prepared by Clerk of the Legislature Transcribers Office
Education Committee February 4, 2020

willing to come to a commonsense conclusion. And that commonsense conclusion may mean that they have to give up some of that what they call "local control." And so we'll go forward with trying to make a decision that makes sense and that the committee would agree with, that we can actually accomplish something. And so that when the Andersens go back home, they can say we went to Lincoln, it took us two days, we had an opportunity to testify, and yes, it did make a difference. And I believe that's what will happen here so thank you for your time.

GROENE: Thank you. Any questions?

ERDMAN: Thank you.