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Transcriber's Office

Education Committee
February 04, 2013

[LB366 LB367 LB408 LB480 LB481]

The Committee on Education met at 1:30 p.m. on Monday, February 4, 2013, in Room 1525 of the State Capitol, Lincoln, Nebraska, for the purpose of conducting a public hearing on LB480, LB481, LB366, LB367, and LB408. Senators present: Kate Sullivan, Chairperson; Jim Scheer, Vice Chairperson; Bill Avery; Tanya Cook; Al Davis; Ken Haar; Rick Kolowski; and Les Seiler. Senators absent: None.

SENATOR SULLIVAN: Well, good afternoon, everyone. We are still lacking a few senators but I like to keep us to the standard of starting promptly at 1:30, so I think we'll get started since there's a bunch of stuff that I've got to say before anybody else gets to talk. Welcome to the Education Committee. I'm Senator Kate Sullivan. I'm the Chair of the committee and I represent District 41 in Cedar Rapids. I'd like to introduce you to the other committee members. At my far left is Senator Ken Haar from Malcolm, District 21; and to his right is Senator Les Seiler representing District 33 at Hastings; and to my right over here is Senator Rick Kolowski, District 31 of Omaha. And we'll be seeing some of the other senators as well. I know at least one, my Vice Chair Senator Scheer from Norfolk, is out of town and we're not sure if he's going to come back. His plane has been delayed in Atlanta. My far right is my committee clerk, Mandy Mizerski. She'll be recording all the activities of the hearing. And to my left is Kris Valentin, and he's the research analyst for the committee. We have two pages that are helping out today--Phoebe Gydesen from Lexington who's a student at UNL and Sean Miller who's student at Doane in the Lincoln campus. And today we're going to be hearing five different bills: LB480, LB481, LB366, LB367, and LB408. If you're planning to testify, please pick up a green sheet that is on the table in the back of the room. And if you don't wish to testify but would like your name entered into the official record as being present at the hearing, there's a form on the tables to sign as well, and this will be made part of the official record. Before you testify, please fill out the green sign-in sheet. Please print because it's important to complete the form in its entirety. And when you come to testify, give the sheet to the committee clerk. And, again, this will help us make sure that the public record is accurate. If you don't choose to testify but you may submit your comments in writing and have them read into the official record. But please let us know if that's your intent. And if you have handouts to go along with your testimony, please make sure you have 12 copies. When you come up to testify, please speak clearly into the microphone, tell us your name, and spell both your first and last name again so that we have adequate record. And please turn off all your cell phones, pagers, and anything that makes a beep. I really want the conversations and the testimony to be focused on our testifiers. And if you do have to engage in a conversation, please take it out to the hallway. The introducers will make the initial statements, followed by proponents, and then opponents, and those speaking in neutral testimony, and closing remarks are reserved for the introducing senator only. I will say, we've also been joined, now that we have a quorum, my far left is Senator Bill Avery from Lincoln and Senator Tanya Cook from Omaha. We will be using the light system for all testifiers. You're

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going to have five minutes to make your remarks to the committee. When you see the yellow light come on, that means you need to start to wrap up your remarks. And please be cognizant of the red light as an indication that your time has ended. And I don't expect this, but no outward displays of support or emotion or opposition to a bill, vocal or otherwise. And as I said, you know, sometimes we've got several senators moving in and out. We've got one senator that happens to be out of town. Sometimes senators have bills to introduce in other committees, so don't feel like they aren't engaged in your testimony if they happen to get up and leave. Just to my immediate right is Senator Al Davis from Hyannis. So we've got almost a full quorum in the committee. So I think without further ado, we will open up the committee hearing on LB480 and Senator Lathrop. Welcome.

SENATOR LATHROP: Welcome...thank you, Chairman Sullivan and members of the Education Committee. My name is Steve Lathrop, L-a-t-h-r-o-p. I am the state senator from District 12 and I'm here today to introduce LB480. This past fall, the Business and Labor Committee spent a day in Omaha that included a tour of an electrician training center, a manufacturing plant, and then a hearing regarding green jobs. During the day's events, it became obvious to me that we need to do more to attract skilled workers into high-demand, technical positions. As you heard last week from Senator Ashford, businesses are having difficulty finding enough skilled workers to fill a variety of positions. Senator Ashford and others have done a lot of work with career education that targets students in middle school and high school who are interested in working in the various trades. LB480 would like to build upon the efforts of the career education programs by providing an incentive for recent high school graduates and people of all ages to enroll in designated career technical education programs at community colleges and tribal community colleges. Under LB480, the Nebraska Career Technical Education Grant Program would be created and it would be administered by the Coordinating Commission for Postsecondary Education. The program would provide grants up to \$1,000 to students enrolled in designated career technical education programs at community colleges and tribal community colleges in order to prepare the workers for careers in critical industry fields in Nebraska. These careers would be technical fields that currently or are projected to be in high demand of skilled workers. The commission, in conjunction with the Department of Labor and community colleges, would identify those critical industry fields. Under LB480, individuals, businesses, and nonprofit organizations would be able to donate funds for the program and may even earmark the funds for specific programs at a specific community college. This is included in the bill so that the community colleges and the commission could work with the businesses, labor organizations, and others to assist in funding the program. The true emphasis of LB480 is jobs. We need to grow our work force. When we do not attempt to grow our work force, we need to place an emphasis...when we do--pardon me--when we do attempt to grow our work force, we need to place an emphasis on creating quality jobs that can be filled by well-educated and well-trained Nebraskans. LB480 can help us do that. Should this committee decide this is a program that you want to support, I promise

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to work with you to address any potential concerns with how the program is structured in the bill and how it would be funded. Those are my prepared remarks. And I've got a couple of thoughts because before I came down here today I looked at the fiscal note, and the fiscal note would normally be the end of a bill like this. I got a couple of suggestions. As I look at the fiscal note, it seems to be identifying the critical areas. And as I looked at the bill, I think the community colleges probably already know that and the Commission on Postsecondary Education probably already knows that; and, more importantly, I think the market will drive it. So if they're...if we need welders, then you're going to see the community colleges go to the Valmonts of the world and say, put some money into this fund. We'll use it exclusively for scholarships for people going into the welding programs. And I think the bill can probably be amended to take care of the fiscal note and recognize that the community colleges and the businesses in need of workers will probably drive the decision about what are the critical fields. They're the ones that are going to be putting the money into the fund, and the fund can then be used to provide incentives for folks that are trying to find a new career course, whether it's right out of high school or, you know, after they've been laid off or they're just looking for a better career. So I'd be happy to answer any questions you have. [LB480]

SENATOR SULLIVAN: Thank you, Senator Lathrop. You've alluded to Senator Ashford's bill that we heard last week with respect to career academies, which engages K through 12 school districts more so than your approach which is just targeted to community colleges. [LB480]

SENATOR LATHROP: True. [LB480]

SENATOR SULLIVAN: So how...do you see the two overlapping at all or working together or is this more focused strategically? [LB480]

SENATOR LATHROP: I think we're working or pulling the rope in the same direction. When we did a tour, it was up at Behlen Manufacturing. And I've heard from a number of manufacturers since we did that, and that was probably two months ago that we had that hearing. And walking on the floor of this manufacturing concern, they can't find the welders they need. And that's just an example. So if Behlen wanted to participate in this program, they could put money into the fund and then the fund would be administered by the Postsecondary Education.... [LB480]

SENATOR SULLIVAN: The Coordinating Commission. [LB480]

SENATOR LATHROP: ...Coordinating Commission--thank you--and they could provide the scholarship. So that I see it being driven primarily by the community colleges who would try to make those partnerships with various businesses that are looking for skilled labor, and they can work together to put money into the fund, and then the community colleges can use it as an incentive to induce students into those particular careers.

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[LB480]

SENATOR SULLIVAN: Now tell me again as far as the money that would be put into the fund, is that...I can't remember what the bill said, that it's for tuition, full tuition for one...for a student? [LB480]

SENATOR LATHROP: It's up to \$1,000 a year. And that's the other thing I'd say, Senator Sullivan, is that it doesn't need to be limited. If you want to amend the bill and make it \$2,000, that's perfectly fine with me. We can put something in there that we could also say that it's the full tuition cost but no event more than a thousand or two thousand. But it's intended to provide a scholarship towards the tuition. [LB480]

SENATOR SULLIVAN: And I guess the other dimension I'm trying to figure is how this fits in with the current funding formula for community colleges that we have in place. Does this kind of sit out there by itself? [LB480]

SENATOR LATHROP: Yes, because I think all this is, is a way to get tuition in the hands of a student. It's not aid directly to the community colleges. So the community colleges...here's how...this is an example. If you're Metro Community College and you're at some event or another and Valmont is saying, jeez, I need welders something fierce. I could hire 15 of them right now. Metro Community College would say to the Valmont, you put some money into this fund, we will earmark it for welders, we will go out and find students, and we will train welders not committed to Valmont but we will train welders. And this will be the incentive for young people, for example, to get into welding. We'll help you with your tuition. [LB480]

SENATOR SULLIVAN: Okay, okay. Any other questions? Senator Davis. [LB480]

SENATOR DAVIS: Is there any reasons the Valmonts of the world couldn't already be doing that, Senator Lathrop? [LB480]

SENATOR LATHROP: You know, I don't know that those companies are equipped. I suppose they could find some young person off the street, but this allows for the cooperation with the community colleges. And the advantage in this process over just leaving it to Valmont and the market, if you will, is that the community colleges are the ones that have the students come in and say, boy, I'm looking for a different career. And they are the ones that are going to provide the education in the end, or the training. And so I think putting the money into a fund then engages the community colleges, we'd say to Metro or Southeast Community College, whatever community college it is, there is a fund, it's available for welders. It could be CNAs, it could be nurses, whatever the field is where we seem to be short. And that would provide an incentive for the student. And I think it's the community colleges that solicit the funds that have an idea of what the critical needs are and also have access to the students that are trying to find a new

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career. [LB480]

SENATOR DAVIS: And I understand that. I'm just wondering if that process might already be in place with the community colleges. Are we duplicating what might already be there? [LB480]

SENATOR LATHROP: I know Dennis Baack is here and I think he's going to testify, so he might be able to tell you if I'm plowing old ground or not. [LB480]

SENATOR DAVIS: Okay. Great. [LB480]

SENATOR SULLIVAN: Any other questions? Senator Avery. [LB480]

SENATOR AVERY: Thank you, Madam Chair. Senator Lathrop, I'm looking here at the definition for eligible student. It appears to me that they don't have to be full-time students. [LB480]

SENATOR LATHROP: No. And that's something that's subject to some amendment. I think this was somebody from the community colleges kind of proposed that language as a criteria for eligible students. I recognize that some students at community colleges have to do it while they're doing a full-time job. So whatever is the best fit. [LB480]

SENATOR AVERY: Thank you. [LB480]

SENATOR SULLIVAN: Senator Seiler. [LB480]

SENATOR SEILER: Senator Lathrop, while we're doing this, do we need to look at how the community colleges tool up to be able to handle new trades? For instance, if a welder is not a plain hand-welder anymore, it's all computerized, do we need to look over on that other side as maybe amending some of the funding for the community colleges for tooling up to be able to handle these students? [LB480]

SENATOR LATHROP: I think that's probably a challenge that the community colleges face all the time, which is how do we make sure that the training we're providing is up to date or consistent with modern methods, some of which are done...as I saw at Behlen Manufacturing, a lot of the welding is being done by computers there, machinery. So I think that's a challenge they face every day. It's probably beyond the scope of this bill. [LB480]

SENATOR SEILER: Okay. [LB480]

SENATOR LATHROP: But certainly Dennis Baack can answer that. [LB480]

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SENATOR SEILER: Do you think there's enough law there to take care of that? [LB480]

SENATOR LATHROP: Pardon me? [LB480]

SENATOR SEILER: Do you think there is sufficient law now currently on the books to allow... [LB480]

SENATOR LATHROP: Sure. I think that the community colleges have all the incentive in the world to make sure that their training is relevant. [LB480]

SENATOR SEILER: Okay. [LB480]

SENATOR SULLIVAN: Any other questions? Thank you, Senator. Will you be here for closing? [LB480]

SENATOR LATHROP: Yes, because I have the next bill. [LB480]

SENATOR SULLIVAN: Oh, that's right. (Laughter) [LB480]

SENATOR LATHROP: Okay. Thank you. [LB480]

SENATOR SULLIVAN: Welcome, Senator. [LB480]

DENNIS BAACK: Senator Sullivan and members of the Education Committee, for the record, my name is Dennis Baack, D-e-n-n-i-s B-a-a-c-k. I'm the executive director of the Nebraska Community College Association here to testify in support of LB480. I think a lot of the questions that you were asking are very, very relevant to this piece of legislation. One of the things that the community colleges already do is we already have business advisory groups in almost every one of the technical fields that we have out there. We get people from the community and stuff who are involved in these industries; they get together probably once a year or so, look at our curriculum to make sure we're staying up to date with the new industry standards and those kind of things. We do that kind of work already. And in many cases...I know that Senator Seiler, you asked the question about the equipment. In many cases we work with those business partners to try to get them to contribute some of the equipment and stuff that goes with those programs, which I think is really important. And, Senator Avery, I know you asked the question about full time or part time. It's really important that it include part-time students. The majority of our students in community colleges are part-time students. I mean, they really are, and a lot of them have other responsibilities that they have to do. They can't be a full-time student. So I think it's important to put this piece in there. I think this...you know, we're always looking to try to get more and more students involved in the careers, in certain careers. And when we do have critical careers, and one of them is welding, that is one that's got a high demand all across the state, and we have the

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equipment and stuff to do it. We just need more students in some of those programs. And if this provides that kind of incentive for those students, that's great. We do work with business and industry. And right now there's nothing to prevent a business or an industry from contributing funds through a scholarship fund for students. And we have our own foundations. And some of these foundations, some of the businesses and folks contribute funds to those with scholarships designated for a specific field and stuff. So we have some of that already, but I think we can, especially in welding and stuff, we can use more students. And if this provides an incentive, then that's certainly a good thing for us and I think for the students. There are really, really good jobs out there with an associate's degree in welding. Very, very good jobs. Very high-paying jobs. With that, I'd be happy to answer questions. [LB480]

SENATOR SULLIVAN: Thank you, Mr. Baack. And as you said, this fits in with the current role and mission of community colleges. You have business advisory groups already set up. You have a scholarship mechanism. So what does this bill allow you to do that you don't already have the opportunity to do? [LB480]

DENNIS BAACK: Well, I think it...to me it just provides an impetus for some of these businesses and stuff to get more involved with us and it provides an impetus for the businesses and stuff to contribute funds. I don't know that they all know that they can do that. I think the ones that we work with closely do, but I don't know how...I don't know if they all know. And I think it...I just think it brings attention to this issue that we have and that we need to try to do to get a better trained work force. [LB480]

SENATOR SULLIVAN: And then on the other end, you indicate what you really need are students to fill some of those slots available. Is the \$1,000 incentive in turn in tuition enough or is there something more that needs to be done in terms either at the secondary level or just in terms of directing students to career choices that we're not doing now? [LB480]

DENNIS BAACK: I think there does need to be more of that. I think there needs to be more of that and it needs to occur I think in some of the schools where they do direct people into some of these careers. I don't think a lot of people understand what these careers are like. I think when a lot of people look at...and especially even parents and people my age, when they look at welding they think of the guy in his little welding shop that's all dirty, all this. That isn't what welding is about today. And it's very, very skilled, highly skilled, especially when you get into all the specialized metals and stuff that you have to weld. It's a highly, highly skilled profession. And I don't think enough people know about those. And we...you know, we work with school counselors and stuff all the time, but I still don't think enough of the word gets out there to those folks. We still have PR people...PR projects to do, there's no doubt about that. [LB480]

SENATOR SULLIVAN: Thank you. Any other questions? Senator Kolowski. [LB480]

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SENATOR KOLOWSKI: Thank you, Madam Chairman. Mr. Baack, on the...help us with the question of people coming out of the military with welding experience. Many times going into the trade, you need a certificate or levels of proof that you're competent in those particular areas. And a person three or four or five years in the military usually gets a lot of experience in. But how do they transfer into the work force? Would you describe some of that or the use of the community colleges to seek additional certification, all those kind of give and takes? [LB480]

DENNIS BAACK: Sure. And we do have a couple of the colleges are welding-certified testers. [LB480]

SENATOR KOLOWSKI: Yes. [LB480]

DENNIS BAACK: And those folks can come and they can be tested and stuff for their abilities to do this. And if they can show on these welding-certified tests, they then can become certified and then they would have a certificate to go out there to present to business and industry and say, we have these skills. And those skills are very well known across the... [LB480]

SENATOR KOLOWSKI: Sure. [LB480]

DENNIS BAACK: ...across all of the businesses, manufacturers that use welders. So we are able to help them with that. [LB480]

SENATOR KOLOWSKI: Is there a fee for that testing process when they come to you? [LB480]

DENNIS BAACK: I'm sure there is, but I don't know how much it is. But I'm sure there is a fee for that. And that's, you know, maybe part of the grant money could go to pay fees when they do certified testing because there are some fees for those. [LB480]

SENATOR KOLOWSKI: I'm thinking of our veterans coming back and they're... [LB480]

DENNIS BAACK: Sure. [LB480]

SENATOR KOLOWSKI: ...facing those kind of fees if they have to get certification and they're skilled and that perhaps an amendment could be made to somehow to assist returning veterans into the job force. [LB480]

DENNIS BAACK: To allow some of these funds to be used for that. [LB480]

SENATOR KOLOWSKI: Absolutely. [LB480]

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DENNIS BAACK: And that would be a very good amendment, I think, because there are a lot of military folks and we work very closely with those folks when they do come back. [LB480]

SENATOR KOLOWSKI: Absolutely. Thank you for your help. [LB480]

SENATOR SULLIVAN: Any other questions? Thank you. [LB480]

DENNIS BAACK: Thank you. [LB480]

SENATOR SULLIVAN: Welcome. [LB480]

RANDY SCHMAILZL: Randy Schmailzl, president of Metro Community College, R-a-n-d-y S-c-h-m-a-i-l-z-l. I'm here today in support of Senator Lathrop's LB480. In fact, this adds to a continuation of making it official that career and technical education is an adequate training area and job, especially for jobs in the state of Nebraska. Anything we can do at the legislative level, at the state level to perpetuate the need and the desire for people to enter the trades is important. The conjunction of business and the community colleges working together is also important because we know at Metro with all of our advisory groups and our students, if we can show the student up front that there's a job waiting for you at the end of your training, it's much easier to stay with that job and it's much easier for students that can start at a simple level and get to the higher level of welding. For example, the career education...the career academies that we talked about a week ago, when you're finishing up with your career academy now at Metro, you have a specialist diploma in MIG welding. And that will allow you to get started at Valmont in a very simple level, but it also takes away from the businesses the need to make sure the student is up to speed in math and science and reading. We've already done the preliminary work, so the business can enjoy a finished product that's able to come right into the workplace and start their work. Many of the discussions so far have been revolving around welding. But, you know, the career and technical aspects are far-reaching now. You can start with the computer industry and the technology involved there, you know, auto collision, auto technology, ENT, EMS programs at the college in terms of health. So this is far-reaching. And I'm sure that a majority of businesses if they could find a way to get involved with something and they need workers, that they're going to be willing to rely on the community college that they already know in their area because this may not be just for high school students. This may be for older adults, adults changing career paths. So for us also in the culinary program, this is attractive to our culinary institute where many, many people are in our culinary institute already that are wishing to change jobs and change career tracks. So I see this as an attractive way also to change careers for incumbent workers. So with that, I'll certainly answer any questions and appreciate the time. [LB480]

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SENATOR SULLIVAN: Thank you. I believe in the legislation it talks about identifying the critical fields to have these partnerships. How are those fields identified and who does that? [LB480]

RANDY SCHMAILZL: In the past and currently in the future for Metro, it's working with the Nebraska Department of Economic Development. For example, we came up with a trucking driving program at the college basically based on solely the interests of Nebraska Department of Economic Development and the need for truck drivers in the state. Since that time, our truck driving program is one of the best ones in the nation. And so working with not only the state agencies but local businesses. You know, for our businesses, the utility line program, OPPD, Omaha Public Power District, hires a majority of our utility line students. So it's industry related directly for Omaha. And the same way with our data centers. [LB480]

SENATOR SULLIVAN: Apparently then you already have quite a few business relationships that target certain fields. So how do you see that changing with this legislation? [LB480]

RANDY SCHMAILZL: The biggest drawback in our business relationships is the money it takes to get the student to come to Metro, the tuition, whatever extra support, because some of the...some states when the businesses go to that state or relocate, there's a money angle on training to community colleges in there. And we don't always have that, and so this helps the business support themselves. So I see this as a real key, you know, indicator for the business to show interest. [LB480]

SENATOR SULLIVAN: Even though there is no indication that just because a business puts money into the pool for these students, no guarantee that they'll get that student into their business. [LB480]

RANDY SCHMAILZL: There's no guarantee but I'm going to say it's probably going to be a good chance since they're going to be one of the sole providers that the student is going to know about that business... [LB480]

SENATOR SULLIVAN: Oh, okay. [LB480]

RANDY SCHMAILZL: ...as they go through the program. [LB480]

SENATOR SULLIVAN: Does that involve internships or anything or... [LB480]

RANDY SCHMAILZL: Internships is an excellent way to do this. In fact, that's how our utility line program students are hired all the time. Their last two quarters are internships, and they usually go to work for the person that they've done the internship with. So same way with our auto body internships, our auto collision internships, and the

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computer technology area. Those internships with, you know, the businesses locally, Union Pacific, Mutual of Omaha, and the Med Center are critical in getting the student hired. So it's all about knowing that future employee. [LB480]

SENATOR SULLIVAN: Thank you. Senator Haar. [LB480]

SENATOR HAAR: Thank you. Well this is obviously a good program of training like this. But what is there in this bill that's new, that you can't do already? [LB480]

RANDY SCHMAILZL: We can do...when you say do, we can do what the bill is asking for. But this is a bill that sets it in place for more to be done with additional resources that the community colleges not only can bring forward. The business that wants this job, the business that comes forward and says, you know, I'm willing to put money up to support this, that doesn't always happen. This is a professional, an authentic way that a business can be involved in setting in place a program through their investment, and then that student can follow through the program and end up with a job. So I think it's the official nature of this and it raises the tide for us, so to say. [LB480]

SENATOR SULLIVAN: Senator Kolowski. [LB480]

SENATOR KOLOWSKI: Thank you, Madam Chair. President Schmailzl, the comments on \$1,000 to \$2,000 if the bill was adjusted somehow, could you address that as far as the overall costs as you see your program? Tuition, supplies, materials, all those kind of things, plus other financial support that a student might need, as they are not always the traditional students coming through. [LB480]

RANDY SCHMAILZL: For our students to complete a two-year degree, it's around \$5,000 in tuition. You would add probably, you know, at least 10 percent to 20 percent in supplies and books and fees on top of that. This certainly won't pay for everything, but it allows just another step to gather the students' resources. And for the most part, this is what stops students from continuing their education. Twenty dollars here and a hundred dollars there makes a big difference for the student. So we don't see this to pay for everything for the student but as a supplement to keep the student in college. [LB480]

SENATOR KOLOWSKI: When you have a student in a program such as welding, what other resources do you have at the college that you'd step up with if there was a starting point of \$1,000 or \$2,000 for a student like this and you really saw your counselors would see the potential the student had? [LB480]

RANDY SCHMAILZL: The Pell Grant, the federal Pell Grant program if the student is able to receive that, that will pay for a bulk of their tuition during the quarter. But it also, if it's not paying for tuition, can be used for living expenses, for gas, for food, for rental.

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For us, when we give scholarships out, some of our scholarships support nontuition items, but a majority of our scholarships support tuition and books. So I see the thousand dollars, you know, hopefully being able to use for tuition, books, and supplies for the student, and keep it educational in necessity. Instead of paying for supplementary things like gas and food and that, let the Pell Grant money and the community college money pay for that. [LB480]

SENATOR KOLOWSKI: Thank you. [LB480]

SENATOR SULLIVAN: Thank you for your testimony. Any other proponent testimony? Any opponent testimony? Anyone liking to speak in a neutral capacity? [LB480]

MARSHALL HILL: (Exhibit 1) Good afternoon, Senator Sullivan and members of the committee. I'm Marshall Hill, M-a-r-s-h-a-l-l H-i-l-l. I'm executive director of the Nebraska Coordinating Commission for Postsecondary Education. We are supportive of the need for additional students trained for career and technical education programs, and we salute Senator Lathrop for developing this bill focused toward helping meet that end, especially to the degree that postsecondary education can be involved. We do have a couple of questions or concerns about it, which is why I'm testifying in a neutral capacity. We do have experience administering financial aid programs. We administer the Nebraska Opportunity Grant right now and the Access College Early Scholarship Program. The details of how this would be administered are not spelled out in great detail in the bill, and so we had a little difficulty determining what the fiscal impact for us would be. We did not submit a fiscal note on this indicating that we had a hard time determining what the impact would be to us. It would be something; it would not be much, in my opinion. On a related note, there are a couple of points that I'd like to bring to your attention. They relate mainly to how this proposed program would fit into the idea of financial aid as currently done in statewide programs in Nebraska. And the first point is that Nebraska has, as far as I am aware, always allocated its financial aid resources, its state financial aid resources on the basis of need. And I'd call your attention to the point that this bill does not do that. It allocates on the basis of contributions from nonstate sources and the career paths chosen by students. What we have done up to this point is need-based financial aid provided by the state is provided to students regardless of their choice of career. And this goes away from that. We understand this is not a state-funded program, but it would be a state-administered program. I only have one more comment on this issue that you've asked about full time and part time. Yes, certainly the majority of community college students are working, many of them are attending part time. But it's a trade-off. If a student attends one of our institutions in Nebraska part time, he or she cuts his likelihood of graduation by at least 50 percent, and at the community colleges it's more like two-thirds. So you get the opportunity to provide a greater variety of support to more individuals up front, but if those students are indeed part time, the likelihood that they will complete the credential that they're involved in goes down significantly. And I think that's mainly because life

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happens. Your focus is not upon the one thing of trying to complete the program of study, but is through necessity spread out to many others. That's really all that I wanted to bring to your attention. I'll be pleased to answer any questions you may have. [LB480]

SENATOR SULLIVAN: Thank you, Marshall. So to a certain extent this is sort of new territory for the Coordinating Commission to venture into. [LB480]

MARSHALL HILL: It would be. And I'm not sure the degree to which we would be involved. If we were merely the receiver of funds and the disperser of funds, that would be fairly minimal. We don't have the capacity to be a funding identification agency. We would have to write rules, and rules are an abundantly troublesome process and expensive, but we would go through that. That's a \$1,000 to \$1,500 initiative. If the program were small, which it would likely be at the beginning, we could administer the program without any additional expenses beyond that. If it were to grow to something larger, we would need some additional help in doing that. [LB480]

SENATOR SULLIVAN: Okay. Thank you. Senator Avery. [LB480]

SENATOR AVERY: Thank you, Madam Chair. Mr. Hill, if you know this answer, I'd like to know what is considered full time at community colleges? [LB480]

MARSHALL HILL: Full time is, in American education right now, usually defined as that number of semester credit hours which qualifies a student to participate in federal financial aid programs; it's 12 semester credit hours. [LB480]

SENATOR AVERY: Per semester. [LB480]

MARSHALL HILL: Per semester. [LB480]

SENATOR AVERY: Okay. So this now...the eligible student now is a student with at least 12 or more hours. [LB480]

MARSHALL HILL: Per year I believe. [LB480]

SENATOR AVERY: Per year, that's half time. Do you think that if we change that to full time it might be an incentive for students to be enrolled full time in order to be eligible for this program? [LB480]

MARSHALL HILL: I think what it would mean is you would have a harder time finding a number of students who would qualify for the bill because finding the full-time students will be harder than finding part-time students. But those students that you did find would have a much higher likelihood of completing their credential. It's a trade-off. But they... [LB480]

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SENATOR AVERY: So you could bump that up from 12 to, say, 18. [LB480]

MARSHALL HILL: Yes. Full time would be 24 per year. [LB480]

SENATOR AVERY: Okay. Thank you. [LB480]

SENATOR SULLIVAN: Anyone else? Thank you, Dr. Hill. [LB480]

MARSHALL HILL: Okay. Thank you. [LB480]

SENATOR SULLIVAN: Any other testimony? Senator Lathrop for closing. [LB480]

SENATOR LATHROP: In closing, let me first thank those who were here in support as well as in a neutral capacity. I think you've gotten some good ideas. You also see that we're not wedded to exactly...you get the idea. And I think that the fiscal note that got attached to this was the, how do we figure out what are the critical industries? And in reality this could be a program. And the community colleges know what the critical industries are. They're getting calls: Do you have students? Do you have students? The market will also take care of that. Somebody who's looking for students in the culinary area are going to come to Metro and say, what have I got to do to get more students to come in here so that we have a pool of people to hire from? So that part of it, the identification of the critical areas, I think can probably be taken from the bill, remove the fiscal note, and then we'll have a process in place where the community colleges can work with the businesses. That's already happening. They can identify, which is easy to do just in the course of running the community colleges. Like President Schmailzl said, the truck driving is a perfect example. When those folks are looking for somebody, they're looking for a program, and that's where this would kick in. Whether it's limited to \$1,000 or more, whether it's limited to just tuition or provide some books and tuition-related expenses is also something I'm not wed to. There was one other point I wanted to make. Oh, the full time. I appreciate the statistics on being a full-time student. It's a lot easier for somebody coming out of high school and I've got four daughters and they've all done it or they're doing it. It's a lot easier to be a full-time student, to focus on being a full-time student, and the likelihood of getting your degree or your certification is much higher. And I don't have any quarrel with the statistics. If you're the guy that's working at some job that you regard as low-pay, dead-end, and now you want to become a welder, you may have kids at home, you may have a family you're supporting, and that's sort of the niche that the community colleges fill. So I would caution you against making someone have to be a full-time student, because if you do that, you're probably cutting a lot of the people out who would be the very prospects that the community college would be recruiting under this bill. [LB480]

SENATOR SULLIVAN: Okay. Very good. Did you have something? All right. Oh,

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Senator Kolowski. [LB480]

SENATOR KOLOWSKI: Thank you, Madam. Senator Lathrop, just a simple "or" will do that: full time "or" part time, if we look at it that way. That way we'd have the latitude of taking on students where they are in their life pattern... [LB480]

SENATOR LATHROP: Right. [LB480]

SENATOR KOLOWSKI: ...and have a choice depending on they may shift from part to full or something could happen in their life where they have to shift from full back to a part. But the goal is to get there and get there and get that done. [LB480]

SENATOR LATHROP: I'm not even sure if you wanted to go into welding, for example, or a CNA, I don't think you have to take 24 hours of school in a year to get there. So that's the other piece of it. As soon as you say you've got to be a full-time student for a year, that may be more education than the particular field even requires, so. [LB480]

SENATOR KOLOWSKI: Appreciate that. [LB480]

SENATOR LATHROP: My thoughts. I'm not getting out of this chair because I'm introducing the next bill. (Laughter) So if you don't have any questions, I'll go on to LB481. [LB480]

SENATOR SULLIVAN: That's fine. Okay. Closing on LB480 and we'll open the hearing on LB481. [LB480]

SENATOR LATHROP: Thank you. And Chairman Sullivan and members of the Education Committee, my name is Steve Lathrop, L-a-t-h-r-o-p. I am the state senator from District 12. I'm here today to introduce LB481. After our Business and Labor hearing that I discussed during my testimony just a few moments ago on LB480, I met with Rich Katt from the Department of Education to learn more about what's going on in career education. I learned that there's a lot of activity and discussion taking place throughout the state and that this activity is taking many forms. During our meeting, we discussed the possibility of creating a group to provide the Legislature with updated information and even direction on what's working across the state and where we should direct our resources. As a result, LB481 is being introduced today to establish the Career Education Task Force. That task force would consist of specific members who have an expertise or an interest in career education. They would be appointed by the Exec Board and would include those people that you'll find in the bill. I won't list them right here because you all have probably read the bill. The task force would examine several issues, including the purpose, role, and mission of career education programs, the prevalence of and the need for such programs, the alignment of secondary career education curriculum to the postsecondary career education programs, curriculum and

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entrance requirements, and the role of business and labor organizations in successful career education programs. It would complete its work by the end of the year and report its findings and recommendations for Nebraska policies and potential legislation to the Legislature at that time. The administrative support to the task force would be provided by the Department of Education, the Education Committee, and the Business and Labor Committee, and other legislative staff. The task force likes...task forces like this have been used in the past, including those that looked at vocational education and teacher salaries in Nebraska. These past task forces have provided guidance to senators when moving forward on various issues. If LB481 is adopted, this task force would provide the Legislature with a road map on how to move forward on career education in Nebraska by providing us with key information and recommendations. I have one more thought and that is, when I was at one of the places that we toured, I had somebody make this remark to me that for a generation high schools have been telling their students that they need to get prepared for and go through college, and that's been the emphasis. And so you have the kids that are equipped to do that and have the interest to do that, and those that don't...really don't have...the message is that now take a look at Metro or find a career path or find an associate's degree in something that will work. It's, to some extent the message in the high school has been you're going to college and if that doesn't work for you, then they go out and frame houses or they go out and work at the pizza joint. And what we're missing is that opportunity to show high school students what there is available, what other career paths are, what they pay, what the work looks like, and to let them see if it's a good fit. And this task force is all about trying to...how do we improve that process so that kids that aren't really college material either because they don't have the interest or they don't have the academic ability can still look at something that will pay well and they can support a family with. [LB481]

SENATOR SULLIVAN: Okay. Thank you, Senator. I believe you already have seen notation about, concern about the overlapping of the different branches of government in forming these task forces. You know, you can take that for what it's worth. But I guess my question is, might there be another way to approach this and still accomplish what I would agree with you is something that we need to tackle? [LB481]

SENATOR LATHROP: No. It's my way. (Laughter) No. I don't know the answer to that. I get the task force problem and the concern. Speaker Flood had that concern and now Speaker Adams has expressed that concern relative to this bill and others like it. We're not asking them to legislate. We're not asking them to come up with any rules, just to offer up approaches. And then the Legislature can do with that as it wills. And I think that makes it a little bit different. [LB481]

SENATOR SULLIVAN: In a way it gets back to what Mr. Baack was saying earlier that these programs are there but there's no students to fill some of the slots. And so is it as much a marketing and public relations or education campaign that's focused on the student to get them to think through this process more carefully? [LB481]

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SENATOR LATHROP: You know what, there's people that understand the dynamic of the community college student better than I, and you've heard from two of them today. But I'll give you my two cents' worth, and that is so many of the students coming out of high school it's either they're headed to college or I'm not headed to college. And I'm not headed to college doesn't mean I'm going to a trade or I'm going to learn how to, you know, weld or be a nurse or something in a two-year program. It's, okay, I guess I'll go work at the pizza joint or I'll go frame houses or get on a cement finishing crew, something that's more or less unskilled labor. And what's missing is the exposure of those high school students to what Metro Community College in my community has to offer and the fact that those aren't low-paying jobs that might be a little more interesting than working at the pizza joint. They're good jobs. They're good jobs that you can support a family on. And getting through to them, getting them to realize that these are good jobs and there's no shame in this, you don't have to be a college...you don't have to have a college degree to make a good living and there are opportunities there. And I don't think we're exposing the high school student to that. I think that would probably be the frustration of the community colleges and it's certainly the frustration I think with today it's in manufacturing, it might be in nursing, it might be truck drivers, so. [LB481]

SENATOR SULLIVAN: Thank you. Senator Kolowski. [LB481]

SENATOR KOLOWSKI: Thank you, Madam Chairman. Senator Lathrop, I couldn't agree with you more. Your comment on the last decade or more that we have lost our sights in public education, and I'm talking about P-14 or 16. As President Schmailzl was up here, he talked about having those welders have sufficient English, math, science backgrounds. We're not talking about creating theoretical physicists here; we're talking about developing welders, and we've lost in high schools and in many districts around the country and they're in the state as well. We took our eyes off of those areas like industrial technology that we had full programs on but we didn't expand when we had a chance to do some expansion. And we jumped on the No Child Left Behind bandwagon and pushed on all students to work in those capacities, to raise the number of courses in each one of those areas. That isn't bad, but we should also have all options alive for all students. I support what you're asking for because I think we need again to have the visibility that this career, these career areas need to have equal footing for us with our students, because not all students need to go to college. Not all students need a four-year degree. There are plenty of things they can do if they're not directed to that particular area of a four-year program or beyond to graduate school and that can provide a very good life and a very good upbringing for raising a family and being a contributor to our society. So I commend you on the idea for this and I know what the community colleges are doing. We dropped the ball in K-12 education in the last decade because we lost track of the target of all the kids. That also leads back to having counseling services in the schools that develops a personalized learning plan with every student so you have counselors and teachers working with you to look at those paths

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that are available that we've dropped the ball on. And I'll be...as a sitting high school principal from my last 15 years, I saw that happen. And I'm telling you this is a correct move and we need to do something to rectify this to help a lot of students do a lot better. Thank you. [LB481]

SENATOR SULLIVAN: Senator Seiler. [LB481]

SENATOR SEILER: Thank you, Mrs. Chairman. Senator Lathrop, in your section (6) you suggest a secondary teacher there be on that task force. I would submit to you that you might want to change that to counselor. They work more with the students on their career than just an ordinary teacher. And I think if you've got anybody you've got to turn around, that's probably the group of people that need to be turned around is the counselors. [LB481]

SENATOR LATHROP: Right. I appreciate that. Okay. I thought of another way to do it, (laughter) which is I'd really like you to move my bill and I think this would be a great approach. But I suppose if we had an interim study that looked at the very same subject where this committee brought in those folks and heard from them about what shifts in policy need to happen, perhaps that's a way to accomplish this without putting together a task force that the Speaker will oppose. (Laughter) But I think I make a valid point. [LB481]

SENATOR SULLIVAN: Okay. I do too. Thank you. [LB481]

SENATOR LATHROP: Okay. Thank you. [LB481]

SENATOR SULLIVAN: Be here for closing? [LB481]

SENATOR LATHROP: Pardon me? [LB481]

SENATOR SULLIVAN: Will you be here for closing? [LB481]

SENATOR LATHROP: You know, I'm going to go up...I've got to chair Business and Labor and we got a few things up there I've got to attend to. [LB481]

SENATOR SULLIVAN: Okay. All right. [LB481]

SENATOR LATHROP: So if it's okay with you I'll skip that. [LB481]

SENATOR SULLIVAN: Thank you, Senator. [LB481]

SENATOR LATHROP: All right. Thank you. [LB481]

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DENNIS BAACK: Ready for proponents? [LB481]

SENATOR SULLIVAN: Yes. [LB481]

DENNIS BAACK: Okay. Senator Sullivan and members of the committee, my name...for the record, my name is Dennis Baack, D-e-n-n-i-s B-a-a-c-k. I'm the executive director of Nebraska Community College Association here to testify in support of LB481. And it's really interesting, Senator Seiler, that you would mention that. That's the one thing I wrote on my sheet of paper that that's one of the people that you need to have involved are counselors. You need to have those folks involved because that is where a lot of students get their advice from as to where they're going to go. And we have found that that's not...they don't necessarily advise them for going into careers that we have at community colleges. And we need to get that word out there that that's important because there are really good jobs out there with the community college degrees. I just want to say that we support the bill. We will certainly work with the committee whether it's through an interim study or a task force, whichever way it is. I think we would be very involved in that and I think it's important. I think it's...you know, one of the pieces it talks about is making sure the curriculum is aligned, and I think that is really important. You know, when I was going through school way back in the Dark Ages when I was in high school, if you couldn't go to college, people talked about maybe being a mechanic or doing something like that. In this day and age, that's a very, very highly skilled job anymore. You have to have a reading level of at least a junior in high school to even get started in the manuals that deal with auto mechanics. So there's some pretty high standards there. And one of the things that, you know, the State Board of Education has put into place standards, even students who are going to community colleges should follow that same college prep curriculum. They really need to have a high level of math, they need to have a high level of reading, writing, all of those kinds of skills are very important even in these technical fields today. So there's...and I think that this would bring again, bring some more attention to career education and I think that's an important piece. I'd be happy to answer questions if there are any. [LB481]

SENATOR SULLIVAN: Thank you, Mr. Baack. Senator Seiler. [LB481]

SENATOR SEILER: When you talk about the ancient...or Dark Ages, I just finished reading a biography of President Eisenhower. And when Sputnik was sent up by the Russians, we switched our entire education program to four-year colleges... [LB481]

DENNIS BAACK: Yes. [LB481]

SENATOR SEILER: ...and did away with the...so it's not No Child Left Behind or that. It goes clear back to when the Sputnik era when we changed our direction; and now we've got to get back in the program. [LB481]

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DENNIS BAACK: There was a lot more emphasis on industrial arts and stuff when I was in school than there is today. [LB481]

SENATOR SEILER: Right. [LB481]

DENNIS BAACK: And part of that is funding and all the other stuff that goes with it. But I think we need to start getting back to some of that. [LB481]

SENATOR SEILER: Thank you. I have nothing further. [LB481]

SENATOR SULLIVAN: One other group in terms of communicating with are parents. [LB481]

DENNIS BAACK: Yeah. [LB481]

SENATOR SULLIVAN: I wonder if they have a misguided impression of what careers are needed in today's world and maybe push their children away from career and technical education. I don't know. Do you have any experience with that? [LB481]

DENNIS BAACK: Well, I don't know how many parents know how many good jobs are out there with a two-year degree. I think there's a lot of parents that don't know, and I think they have some misconceptions about what a technical career is. Because some of them think like I used to think. You know, mechanical, well, that's something anybody can do. But that's not true anymore. And I think we need to start changing those attitudes in the schools, too, and I think that's why counselors are important. And even teachers are important from the standpoint that they have parent-teacher conferences and all those kind of things that go on, too, and they do have contact with parents in those cases. And so they are still important in this process. [LB481]

SENATOR SULLIVAN: Okay. Thank you. Any other questions? I guess not. Thank you. [LB481]

DENNIS BAACK: Thanks. [LB481]

SENATOR SULLIVAN: Any other proponent testimony? [LB481]

JOHN BONAIUTO: Senator Sullivan, members of the committee, John Bonaiuto, J-o-h-n B-o-n-a-i-u-t-o, registered lobbyist representing the Nebraska Association of School Boards and the Nebraska Council of School Administrators. And as we looked at this bill, my clients felt very strongly that this is something that needs to be discussed. It's a good idea. And as you heard Senator Lathrop mention in the ensuing discussion, for many years high schools focused on sending students to four-year institutions to get a degree. And I think that having a counselor on this task force or involved is essential.

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If you look at the trained people in high schools, they're reflecting on their own experience, what we know as going to school and getting a four-year degree. And so that's our background. And so I think that when you have the discussions with the P-16 task force and looking now at making sure students understand their options to go on after high school. It's going on for training. It's going on to something that will help you. And if you get a two-year degree, that doesn't mean that you can't go back to do the four years. So there are options out there. But I'm not sure that as we talk about having high schools get involved with this, that the individuals in the high schools really have the background. So having some help is going to be essential. So, again, it's a good idea. I would venture now to move onto the other challenge, and knowing that when you deal with task force appointments that that is a hot button. And if you're not going to look at this as possibly an interim and you want to have a group that's going to be involved on a longer-term basis, possibly keeping the Legislature, the executive branch, out of the appointment process. But I think you could go to the Commissioner of Education, the head of the Department of Labor, people that are in the agencies that would be involved with career and technical education. And if you had those individuals, invite participation, I think that would have the same impact as coming from the Legislature or the Governor's Office. I mean, it's a matter of trying to help students understand what their options are. And so that's a...that may be a way to get around the difficulty of mixing elected officials and lay individuals on a task force. With that, I'll conclude my testimony. [LB481]

SENATOR SULLIVAN: Okay. Thank you. Any questions for Mr. Bonaiuto? [LB481]

JOHN BONAIUTO: Thank you. [LB481]

SENATOR SULLIVAN: Letting you off easy. [LB481]

JOHN BONAIUTO: I appreciate that. [LB481]

SENATOR SULLIVAN: Any more proponent testimony? Any opponent testimony? Anyone speaking in a neutral capacity? [LB481]

BRIAN HALSTEAD: (Exhibit 1) Good afternoon, Senator Sullivan, members of the Education Committee. My name is Brian, B-r-i-a-n, Halstead, H-a-l-s-t-e-a-d, here on behalf of the Department of Education and the State Board of Education. Although I'm appearing here in a neutral capacity, the State Board fully supports what Senator Lathrop intends with this bill. But the State Board is also one who's read the memos of the Speaker of the Legislature on task force and if in fact you believe that it's warranting a task force, we're going to participate. If this is an interim study, we're going to participate. It's an ongoing discussion that the State Board and the department have been having for about the last six years and it's a conversation that needs to continue on. With that, I'll stop and I'll answer any questions you might have. [LB481]

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SENATOR SULLIVAN: Thank you, Mr. Halstead. Any thoughts on who might be some key players to make sure we involve in just the whole process, whatever the process might be? [LB481]

BRIAN HALSTEAD: Well, you know, I've heard guidance counselors mentioned. And, first of all, you're going to have to find time of the guidance counselor to do this activity because one of the...unfortunately what's gone on is in budgets and tight budgets, guidance counselors at the high school levels are handling 200, 300, 400 students at a time. Well, that's not good counseling, we all know that. But at the same time, we also understand that there's only so much money available. I think the bill identifies most of the participants, but we're certainly open. I'm sure Rich Katt, if he had had time, might be able to give you other suggestions. I know he shared his suggestions with Senator Lathrop when he drafted the bill. But I think what's named in the bill is certainly many of the key players in all of this. [LB481]

SENATOR SULLIVAN: If we focus the outcome being what the student decides is the track they're going to go on, has there been any review of the participation in some of the career and technical leadership, student leadership organizations to know if they follow in some of those career paths or do they go on to a four-year college? [LB481]

BRIAN HALSTEAD: Well, if Mr. Katt could be here, he could show you the data. If you've decided you're going to take a course in career education, whatever that is, and--I've got to remember the correct terminology--if you're going to take more than three of those courses, they call them a concentrator, you're going to graduate from high school in the high 90 percent range, you will go on to college whether that be community college or it be a postsecondary institution for a four-year degree at higher rate and you will graduate from those at higher rate than any other students in our schools. So in the sense of it reinforces the three R's--rigor, relevance, and relationships--and for some students they need to see what's this relationship for me in my future, which is what a large number of these courses do. It also keeps them interested in the course because it gives them some real-world experiences as they're learning it, but there is still the rigor because we expect of them to meet the same standards in reading, math, and science. So in the sense of the old days when Mr. Baack went to school or even as far back as when I went to school in the seventies, career education was kind of considered the...this is where...well, if you can't make it in school, this is where you go. And today, that's clearly not the case. You need to know knowledge and skills not only in reading but also in mathematics and science as you work in these trades, whether it's in the building industry, auto body, electricians, all of that takes far more learning than beyond the high school diploma. [LB481]

SENATOR SULLIVAN: Thank you. Senator Kolowski. [LB481]

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SENATOR KOLOWSKI: Thank you, Madam Chair. Brian, I couldn't agree with you more in your three R's. Having been trained in the Breaking Ranks program through the secondary school principals, as one aspect of reform of education that we can look at, an important piece of this that has not been mentioned, and the counselors are extremely important in this, but your numbers are correct: 300 and 400 students per counselor is a very difficult thing when you're trying to personalize counseling services to a student. The teacher as advisor is extremely critical at the middle-school level and the high-school level as students are going up through those grades and those ranks, especially in the high school because it's a forgotten item for the most part. We just think it happens by osmosis or something, and that's so false and so wrong. And the better we put together advisement programs where every teacher also acts as an advisor in a building, I know the difference that makes. [LB481]

BRIAN HALSTEAD: Yeah. [LB481]

SENATOR KOLOWSKI: And it truly delivers counseling and life services to students that have never been there before. Thank you. [LB481]

SENATOR SULLIVAN: Any other questions? Thank you, Mr. Halstead. Anyone else in a neutral capacity? This closes the hearing then on LB481 and we now go to LB366. Senator Cook. Good afternoon. [LB481]

SENATOR COOK: Good afternoon, Madam Chair, and good afternoon, fellow members of the Education Committee. My name is Tanya Cook. That's spelled T-a-n-y-a C-o-o-k. I appear before you as the introducer of LB366, the Remedial Adult Education Innovation Act. The intent of LB366 is to, first, recognize the vital challenge in preparing an adult work force in which all individuals possess adequate basic skill levels in reading, writing, mathematics, and computer skills; second, it establishes and funds a new statewide system for providing general education development, or GED, certification; and third, requires the Nebraska Department of Education to adopt rules and regulations for institutions to apply for aid pursuant to the act. Studies have shown that workers who have a high school diploma or a general education development certificate, or GED certificate, have both greater employment opportunities and greater earning potential than those who do not. In order for the state to continue to attract employers that provide reliable and gainful employment, it is important that we continue to provide easy access to educational opportunities to all Nebraskans. Again, the purpose of LB366 is to review, establish, and fund a new statewide system for providing GED education. Beginning in 2014, there will be two major changes in the federal requirements for the general education development process. First, the national standards for attaining a GED will become more strict, with the expectation that the exam will become more challenging for students to successfully complete. Second, administration of the exam will be entirely via computerized testing and will require that authorized testing centers acquire and maintain the necessary computer hardware and

software for administration of the exam. LB366, the Remedial Adult Education Innovation Act, is a bill that requests the Legislature to allocate funds to the Nebraska Department of Education to reimburse providers of GED preparation classes for the costs of providing the program. All providers of state-approved GED programs would be eligible to receive funds. This includes local school districts, community colleges, and other authorized providers. Each provider of GED preparation classes would receive a designated amount per student at the time the student enrolls in the GED preparation class and would receive a designated amount when the student sits for the first part of the GED exam. Each provider would also receive a designated amount for each walk-in student who does not engage in the preparation class at the testing center, who registers for and takes the exam. The bill, as drafted, includes a performance-based structure of reimbursement. Providers would not receive additional funds for a student who fails the exam and continues in the class and/or retakes the exam. Additionally, this bill also provides a one-time payment of state matching funds to GED preparation and testing providers for acquisition and upgrade of computer equipment, establishing computerized testing centers, and software necessary to come into compliance with the new GED standards and regulations set to take effect in 2014. Following my introduction there will be testimony from community colleges to the need for implementation of the act, the stiffer federal regulations on the issuance of GED certification, and the current status of the state's GED support. I appreciate your thoughtful consideration of this proposal and ask for your support for the advancement of LB366. Thank you. [LB366]

SENATOR SULLIVAN: Thank you, Senator Cook. Is this legislation driven in part by some of these changes that are being...coming down the pike from the federal government as to how GED testing will be needing to be taking place? [LB366]

SENATOR COOK: Yes, Madam Chair, the suggestions, the bill proposal is driven in part by that. But it also takes into consideration some of the factors that have been observed within...particularly within Metropolitan Community College about students' need for remedial work once they arrive on campus or once they set their intention to take part in community college courses. So there's more testimony to that effect. [LB366]

SENATOR SULLIVAN: So where are GED exams and tests given now? Where are they available? [LB366]

SENATOR COOK: Right now they are available at community colleges. There are some school districts still around the state of Nebraska that administer them as well, and I cannot enumerate them at this time, but primarily within school districts, no longer in the Omaha Public School District, but also among the community colleges across the state. [LB366]

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SENATOR SULLIVAN: And with this federal legislation then, it would impact anyone or any place giving a GED test. [LB366]

SENATOR COOK: Yes, absolutely. [LB366]

SENATOR SULLIVAN: Okay. All right. Any other questions? Senator Haar. [LB366]

SENATOR HAAR: Thank you. This is learning for me. The GED standards are federal? Is that correct? [LB366]

SENATOR COOK: There are some federal guidelines that are going to become in place in 2014 and they are, yes, federal standards for that. [LB366]

SENATOR HAAR: And there are currently federal standards for GED? [LB366]

SENATOR COOK: Yes, that's my understanding, that they're federal standards. [LB366]

SENATOR HAAR: Okay. Thank you. [LB366]

SENATOR SULLIVAN: Okay. Thank you very much. [LB366]

SENATOR COOK: Thank you. [LB366]

SENATOR SULLIVAN: You'll be...well, you've got the next bill. Okay. Proponent testimony, please. [LB366]

RANDY SCHMAILZL: (Exhibit 1) Randy Schmailzl, Metro Community College president, R-a-n-d-y S-c-h-m-a-i-l-z-l. I'm before you today to discuss and testify in support of LB366. On behalf of the Metropolitan Community College Board of Governors, this is an initiative that our board spent many months talking about and working on, and landed on the fact that, as many students as we have at Metro and the micro of Metro and what it relates to in the rest of the state, there must be similar situations that exist in GED education throughout the rest of the state. And I'll discuss those situations today. So our board is 100 percent behind this as a board, has made this one of their LB initiatives for the year. The handout, the one-page handout, there's verbiage on the back, three testimonies from students that talked about the GED program at Metro. And on the front of the page is a detail I want to discuss with you. In the last six quarters at Metro Community College, we provided GED service to over 6,600 students. Last year the Omaha Public School District dropped their GED program, and working with our partners in Nebraska Department of Education, we were able to acquire the funding that OPS used for GED to be transferred to Metro Community College, and we were very grateful of that. As you can see, the last two quarters, in the fall and the winter, our numbers jumped about 500 students per quarter, and that was due to the Omaha Public

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Schools shutting down the GED program. The budget below is our current budget and I only included the adult education budget for Metro in terms of staffing. It's not in...there's a little equipment in there, but the college budget is \$1 million in its own operating expense annually for the GED program. Then through the state of Nebraska Department of Education, in '11 and '12 we received \$359,000, and then our amount increased this next year to \$582,000 because of the \$230,000 moved over from the Omaha Public School District. So I can tell you, from 20 years of budgeting at Metro Community College, \$1 million is not enough money to carry the GED program and I worry about the future of GED because I, as a president, and our current board support the concept of the GED but you're not required as a community college to have to levy that type of support towards GED. But in the community of Omaha, we have in our four counties around 42,000 individuals that should have received a high school diploma that did not receive a high school diploma, so there's not many cities in Nebraska that have a larger population than 42,000 and that number exists within our four-county area of service. The Nebraska Department of Education uses a process to distribute the money throughout the state and we're certainly not here to poke holes in the process they use. Our bill supports the reviewing of a process associated with the new way of doing business, and that's going to be computerized testing. Metro will be a site this year to pilot computerized testing at this level. It's going to move the charge from \$55 a student to \$120 a student, which the college does not receive. That's what the student pays to the tester. I'm going to also have two staff members testify today on behalf of the details on how the program works at Metro, because I want to make sure you understand the detail of GED education, at least as it works at Metro. We're the only tester in the Omaha area. Anyone that wants to take a GED test needs to come to Metro Community College. We most recently set up a Metro Express in south Omaha. This was a designated site for GED and developmental education. It's down on 24th and Vinton and it's heavily used by not only the population from that area but throughout Omaha as a place to come to, to discuss what you need for GED education, plus it has a computer set up to handle the testing. I would stop at that because we have a number of other people to testify and my red light went on. And so any questions? [LB366]

SENATOR SULLIVAN: Thank you, Mr. Schmailzl. Just trying to get the...some of the parts fit together. The GED needs, in particular in your area, you're telling me have increased dramatically. [LB366]

RANDY SCHMAILZL: Yes. [LB366]

SENATOR SULLIVAN: And you are shouldering that and trying to meet that need partly with your current role and mission, and you're getting support from the Department of Education... [LB366]

RANDY SCHMAILZL: Yes. [LB366]

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SENATOR SULLIVAN: ...to help you, but it's still falling short of that. [LB366]

RANDY SCHMAILZL: It is. And the quandary you land yourself in is, you know, the revenue that you use for GED education from the taxpayers and the students' tuition can also be used at other places at the college. And we don't expect someone to foot the whole bill for this, but not often is the public policy discussion raised to this level, and we thought an LB would help raise the public policy discussion on GED education in Nebraska,... [LB366]

SENATOR SULLIVAN: Uh-huh. [LB366]

RANDY SCHMAILZL: ...because it's really important and it doesn't get enough window time on discussion,... [LB366]

SENATOR SULLIVAN: Uh-huh. [LB366]

RANDY SCHMAILZL: ...because we're discussing all kinds of other educational facets. [LB366]

SENATOR SULLIVAN: Uh-huh. [LB366]

RANDY SCHMAILZL: So that's why we're here today to discuss it. [LB366]

SENATOR SULLIVAN: Okay. And then in addition to that, just the practicalities of the testing, does that create another level of requirements, if you will, because of some of the new computer requirements? [LB366]

RANDY SCHMAILZL: It does. It creates security issues. It creates platform issues as to what type of computers you run. There's not just laptops you can throw in front of people. They need to be hooked up to secured mechanisms for the tests. So we're very confident at Metro that within our Metro buildings proper we can handle the testing and handle it really well. I don't believe across the state, except for some of the community colleges, that this situation is replicated readily, so that becomes a concern, how many places are going to have this type of secure system to test the students on. [LB366]

SENATOR SULLIVAN: When a student sits for a GED test, do they pay for that themselves or how does that work? [LB366]

RANDY SCHMAILZL: That's the only item they pay for. Right now it's \$55 to take the pen-and-paper test, and it will go up to \$120 to take the computerized test. [LB366]

SENATOR SULLIVAN: Thank you. Any other? Senator Haar. [LB366]

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SENATOR HAAR: Yes, thank you. Is this also used by some people basically as an English language learning tool? Do you see that happen? [LB366]

RANDY SCHMAILZL: It could be. I mean if you came to the United States and you had a degree already and you needed to at least profile yourself as a competent person educationally, you might take the GED and have that GED to get a job in the United States. We also offered the GED in Spanish for those that wanted to demonstrate, you know, their ability to get a GED and then get a job, if they didn't want to go through the English as a Second Language. So, yeah, it could be a credentialing, it could be seen as a credentialing at a lower level. [LB366]

SENATOR HAAR: Uh-huh. Okay. Thank you. [LB366]

SENATOR SULLIVAN: Senator Kolowski. [LB366]

SENATOR KOLOWSKI: Thank you, Madam. President Schmailzl, what percent of your GED participants would be high school dropouts? Any idea? [LB366]

RANDY SCHMAILZL: I do not have that. Maybe Sue or Mona, as they come up, might have that. Yeah, I don't. [LB366]

SENATOR KOLOWSKI: Is it 40s and 50s or 60 percent? [LB366]

RANDY SCHMAILZL: Well, ultimately, everyone dropped out of high school, but most recent high school, you know, I'm going to say 20-25 percent might be within the last three or four years. [LB366]

SENATOR KOLOWSKI: Recent. [LB366]

RANDY SCHMAILZL: We traditionally always sent the Omaha Public School District student back to Omaha Public Schools for remediation,... [LB366]

SENATOR KOLOWSKI: Okay. [LB366]

RANDY SCHMAILZL: ...because we didn't want to get into business recruiting high school dropouts to bypass their last years in high school, and we do that with Millard yet. They have a small GED program. And so... [LB366]

SENATOR KOLOWSKI: Sure. [LB366]

RANDY SCHMAILZL: ...we attempt to send the students back to Millard for remediation if at all possible. [LB366]

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SENATOR KOLOWSKI: Just that it begs the issue of the success of students in those high schools, what would it take to keep them there to be successful, and not socially promote them, not just handing a diploma, which means nothing because when they test with you for entrance they still do poorly. [LB366]

RANDY SCHMAILZL: That's right. [LB366]

SENATOR KOLOWSKI: And so it's a matter of competency. It's a matter of skills and a skill level that would be extremely important. Thank you. [LB366]

RANDY SCHMAILZL: And this does relate to the judicial system too. [LB366]

SENATOR KOLOWSKI: Yes. [LB366]

RANDY SCHMAILZL: When students are in high school, they land up in the youth detention center and they're in there for six, eight weeks and they're behind in high school and they have nowhere to go. [LB366]

SENATOR KOLOWSKI: Yeah. [LB366]

RANDY SCHMAILZL: So the only option at that point becomes take the GED. [LB366]

SENATOR KOLOWSKI: Thank you. [LB366]

SENATOR SULLIVAN: Senator Haar. [LB366]

SENATOR HAAR: Thank you. So is there anywhere in state law or State Board policy or anything that speaks to community colleges or the public schools saying you have to do GED, or is this just something that your board has identified as being important? [LB366]

RANDY SCHMAILZL: This is something our...to answer your first question, I'm not sure. I would guess that there's probably nothing that requires you to have to take a GED. I think in Nebraska you're required to go to high school till a certain age but... [LB366]

SENATOR HAAR: No, no, I'm saying to the institution itself. [LB366]

RANDY SCHMAILZL: For Metro, if you want to receive federal financial aid, we require you to have a GED or a high school diploma. If you don't, then you have to show an ability to benefit, by taking a test that shows you're capable of coming into the college and doing the work. Our board's interest is making sure that students are prepared at some level before they start at Metro, because we've had a checkered past over the last 35 years of students starting and not being prepared, and we've cleaned that all up in

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the last 10 years. And our board is really all about making sure before they start any classes at Metro, let's make sure that we know where they're at and what they can do. [LB366]

SENATOR HAAR: Uh-huh. [LB366]

RANDY SCHMAILZL: And this helps that. [LB366]

SENATOR HAAR: But...and do we in state law instruct a particular institution to do that GED training and testing? Like do we say that somewhere within the, you know, the K through 12 public school system there has to be this? Or could there be whole school systems where it just isn't available? [LB366]

RANDY SCHMAILZL: There could be whole school systems where this is not available. [LB366]

SENATOR HAAR: Okay. [LB366]

RANDY SCHMAILZL: Yes. [LB366]

SENATOR HAAR: And then is...how would I get a GED then if I...? [LB366]

RANDY SCHMAILZL: Well, you'd have to go to...hopefully, there's a local, somewhere close, a community college or an arm of the community college. Like in Omaha, for example, Papillion has a small program, Bellevue has a small program now, small meaning less than 100 students or 50 students. [LB366]

SENATOR HAAR: Uh-huh. Uh-huh. [LB366]

RANDY SCHMAILZL: Millard has a small program now and they're, I think, getting ready to do away with that program. And then Metro has the lion's share of everything. And we use their locations, though. I mean we go to Papillion. [LB366]

SENATOR HAAR: Uh-huh. [LB366]

RANDY SCHMAILZL: We go to the Omaha Public School locations so that we're providing this service on site. It becomes harder when you have to provide testing and computers on site... [LB366]

SENATOR HAAR: Uh-huh. [LB366]

RANDY SCHMAILZL: ...because they may not be available. And that was why we came up with this Metro Express where you could go in and it's not a college campus. It's

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designed for GED, developmental ed, help you get started without going onto a college campus. [LB366]

SENATOR HAAR: Sure. [LB366]

RANDY SCHMAILZL: And the results have been phenomenal, and you'll hear that from one of our staff, in terms of the number, the sheer number of people coming to the center. [LB366]

SENATOR HAAR: Uh-huh. Thank you. [LB366]

RANDY SCHMAILZL: Yep. [LB366]

SENATOR SULLIVAN: Any other questions? Thank you. [LB366]

RANDY SCHMAILZL: Thank you. [LB366]

SENATOR SULLIVAN: Welcome. [LB366]

SUSAN RAFTERY: Good afternoon. [LB366]

SENATOR SULLIVAN: Good afternoon. [LB366]

SUSAN RAFTERY: My name is Susan Raftery. I'm the dean of literacy and workplace skills at Metro Community College. It's S-u-s-a-n R-a-f-t-e-r-y. And I wanted to speak a few minutes about the changing role that we've experienced in adult education over the last ten years and that this is not just within our state but certainly across the nation; that we've been aligned much more with training folks for today's workplace than maybe what was done traditionally in adult ed. We're looking at reading, writing, math, and computer skills, but we're also looking at getting people to take some of those next steps into postsecondary. That's been a big push as we see that the GED is an important credential. But in order to get actually a bump in, a significant increase, in wages, it takes a GED or high school diploma and about a year of postsecondary training. We have been looking at some changing demographics in terms of our student population. We see at Metro most of our students at below the 9th grade level in those basic skills, and we're also seeing a number of folks coming to us who don't have technology skills, certainly up to the point where the work force expectations are. There may be some social media kinds of things that everyone is doing, but as far as actually being able to do the things that are now expected of an adult ed student, such as passing that computerized GED exam, there's quite a ways to go in terms of working with individuals so that their skills are at that level. We're looking at some innovations in terms of what we're doing at Metro right now and have looked at some of the promising practices across the country as a way to kind of tailor then what we're doing. We do

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offer, as Randy had mentioned, a very large program. We have about 100 sections of adult ed per quarter, and those span across our four-county service area. We're going to talk a little bit more about the MCC Express, which is one comprehensive facility, but we do offer programs and classes throughout different schools, different agencies, and within all of our Metro system. Some of the things that we have found are that it's much better to have that full continuum of adult education remedial services so that you've got things from the very basic literacy level up through the GED prep level. And the noncredit English as a Second Language will take folks up to a very survival English area, but then we need to get into those basic, adult basic skills. Adult basic ed is actually from about 6th grade on up through the 9th grade. And then GED prep would be from 9th grade on up. It's also important that we have multiple pathways that students can reach that diploma, that diploma equivalency, and having something where they can then transition on to that accessible occupational training that they're interested in. We've done some things to couple the programming so that they're doing basic skills and occupational programming at the same time. We've individualized some of our services, and we've provided some extra support, such as transition specialists, in order to try to meet the individual needs of all the different students that we do serve. Thank you. [LB366]

SENATOR SULLIVAN: Thank you. Thank you for your testimony. When you said that there are 100 sections of adult ed, can you tell me a little bit more about the curriculum in the adult ed? [LB366]

SUSAN RAFTERY: Yes. The GED program either runs where it will teach all five areas, which would be reading, writing, math, science, and social studies, and some of our programming actually is done where students are in a classroom and they'll have those five subjects taught within a week's time. Usually our programs are three hours twice a week, for a total of six hours a week. We've also implemented just recently where something we call subject-specific GED, and that actually targets where a student's needs are. So if they're needing writing and math, those are the two subjects that they take, and they're not taking then, at that time, reading, for example. Or if reading happens to be their lowest that they're scoring on a placement test, is the test of adult basic education, then we encourage them to take that lowest level as well. There's noncredit English as a Second Language, there's several levels of GED, and all of those comprise the roughly 100 sections. [LB366]

SENATOR SULLIVAN: Can you give me an idea of, of those 100 sections, I don't know if demographics is the right term I'm looking for, but what's the student population look like? I mean are they...? [LB366]

SUSAN RAFTERY: Our average student age is 25, and so other than that, we get a full range. We have folks coming to us who are recently dropped out of high school and we do have considerably older individuals who are in their 40s, even 50s coming to us. As I

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mentioned, we're seeing more people at that lower level, so their skills are adult basic ed, not GED prep at the point that they enter with us. Our goal, of course, is to get them through the adult basic ed and into the GED prep and then obviously on to where they pass the GED test. [LB366]

SENATOR SULLIVAN: Uh-huh. Okay. Thank you. Any questions? Thank you for your...oh, Senator Haar. [LB366]

SENATOR HAAR: Yes, just checking back, you said the majority who enter, is this Metro, have a 9th grade in basic skills or...? [LB366]

SUSAN RAFTERY: It's below 9th grade. [LB366]

SENATOR HAAR: So the average student coming to Metro, wow, is below. [LB366]

SUSAN RAFTERY: The...to the adult ed program. [LB366]

SENATOR HAAR: Oh, to the adult. [LB366]

SUSAN RAFTERY: Yes. [LB366]

SENATOR HAAR: That's what I wanted to clarify,... [LB366]

SUSAN RAFTERY: Yes. [LB366]

SENATOR HAAR: ...yeah, not to Metro itself. [LB366]

SUSAN RAFTERY: Yes, I'm sorry. No, I was just speaking of that program. All right? [LB366]

SENATOR HAAR: Okay. Thank you. [LB366]

SUSAN RAFTERY: Welcome. [LB366]

SENATOR SULLIVAN: Thank you. [LB366]

MONA DOWDING: Good afternoon. [LB366]

SENATOR SULLIVAN: Good afternoon. [LB366]

MONA DOWDING: I'm Mona Dowding, M-o-n-a D-o-w-d-i-n-g. I'm the director of adult education for Metropolitan Community College and I'm here today to discuss with you MCC Express, which is a model that we have recently implemented that would further

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be supported and expanded through LB366. This facility that we have, it's a community-based facility that offers accessible adult education services, and we also support work force and college readiness through our students. We're able at this facility to provide a coordinated, individualized approach to adult education, and we offer a variety of services there. We have a fully staffed computer center, 32 student computers that students can come in and get basic services and skills for math, reading, language, and language acquisition. And we are also working towards offering on-line computer-based assessments at that location as well. That computer center can also accommodate whole class instruction, so our instructors who are working with students in a traditional classroom environment can take part of their classroom time and go into that computer lab and work on keyboarding skills or work on whole class instruction in any of those core content subject areas. Other services that we provide are very individualized for GED students. We have the traditional classroom environment where we offer subject-specific classes where students can come in and get further work on math, reading, writing in a traditional classroom setting. We also offer some self-paced GED study for our students where, for those students that the traditional classroom is not something that's desirable for them, they can come to this facility and receive self-paced services. That means they're going to work on their own time at their own schedule but they can get instruction in math, reading, language in our computer center, working with skills-specific software. But there's not any instructor-led activities for our self-paced students. We also have an independent study option for GED students. And again, those students who are highly motivated but don't have the ability, whether it's family commitments or work commitments, to attend regularly a traditional classroom setting, they can do independent study at that facility as well. We also have an innovative program that we've just recently started. It's called GED fast track and this is for those students who are scoring 10th grade and above on a pretest. They can come in and it's in a three-week accelerated program, and at the end of that three weeks the students will have received instruction in all five content areas and taken their official GED exams at the end of the three weeks. We have a 92 percent success rate with that program right now, and 20 percent of those students are transitioning into credit programming, and that's higher than the national average. So we're thrilled with the success that we've been able to provide those students at the MCC Express facility. We also offer an on-line hybrid option for students for distance learners, so on-line and some instructor-led. At that facility, we also have the ability to provide math tutoring and writing workshops. We offer a full continuum of English as a Second Language courses there. And we have a special emphasis at that facility on reading skills as a foundational skill for working towards their GED requirements. This facility has been in existence for about seven months. About 48 percent of our students attend at this location and we're finding that the retention and success rates of those students has been very high. So this facility represents a model that we're hoping can be used in other adult education programs and would receive support through this legislation. Thank you. Any questions? [LB366]

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SENATOR SULLIVAN: Thank you very much, Ms. Dowding. What was I going to ask you? Oh, it slipped my mind. (Laughter) Anybody have any questions for...? Senator Haar. [LB366]

SENATOR HAAR: Yes. As you work with students, why are there so many students that don't have, you know, a high school education? What do students tell you? They're not kids anymore either, I take it. [LB366]

MONA DOWDING: They're not. I have a lot of students who come in and will talk to me and explain that family commitments may have gotten in the way of them finishing high school; peer pressure. A lot will come in and say, I wasn't very smart back then; I did things I shouldn't have been doing and I wasn't thinking. So a lot of students will come to us knowing full well that they're trying to now fix things that they should have done before. And so they've got their family situations in a place where they can attend classes. They're very intent on trying to finish and get done. And they do come with high motivation. So...but, you know, it's just a lot of different reasons that we get. [LB366]

SENATOR HAAR: Uh-huh. Uh-huh. [LB366]

MONA DOWDING: But students are very passionate about trying to finish and trying to overcome those hurdles, and that's what we're there for. And at MCC Express, we're able to do that because we have so many services available in that one facility. We have people, staff, in the computer center. We have transition services at that location who can help those students navigate. Even if they aren't sure about how do I sign up to take the official exam, we've got staff there who can help them navigate the paperwork, navigate financial aid if they want to move to credit programming. All of those things that can be intimidating to a student, we can help them and support them at that facility. [LB366]

SENATOR HAAR: So is there any potential, or do you do this already, of like if you have a distance learning kind of GED program, that you would share this with Lincoln, Grand Island, etcetera? Is there some cooperation going on between the cities, because you're not really talking about school districts anymore? [LB366]

MONA DOWDING: Right. The distance learning option is a statewide program that's used by a number of adult ed programs throughout the state. It is a stronger program in more rural areas. It's not a very strong program for us; however, we do have several students who are very successful with that distance learning option. But I think it's a stronger program in the rural areas. We do, all of the directors of adult ed programs in the state, we meet quarterly and we do try to share best practices. I'm in constant e-mail, it seems like, with Southeast Community College and we're trying to see what's working for you, what's working, what's not working for you, so that we are trying to share best practices and ideas. [LB366]

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SENATOR HAAR: So do you see public schools kind of just shirking off this responsibility? It sounds like the community colleges play a bigger role. [LB366]

MONA DOWDING: There is such a great need in the community for these services, for adult education services, whether it be GED or ESL. There is a huge need. And I don't say I don't think that public schools are shirking their responsibilities. I think it is a daunting task and it requires a lot of resources in order to be able to have an adult education program that is successful, that is looking at the students' needs and trying to overcome those obstacles for those students. [LB366]

SENATOR HAAR: So that's part of the purpose of this bill is to produce resources that are badly needed and just don't exist, right? [LB366]

MONA DOWDING: Yes, absolutely. I think those resources exist in lesser...because of the limited resources that are available, I think that we've been very fortunate to be able to provide this MCC Express facility, but this is a model that is not used anywhere else in the state. [LB366]

SENATOR HAAR: Hmm. [LB366]

MONA DOWDING: And this is working. We know it works. And I think through the support of LB366, more adult ed programs would be able to create these environments for their students. [LB366]

SENATOR HAAR: Would there be a fight then about who administers them? I mean, yeah, who gets the money, community colleges or public schools or...? [LB366]

MONA DOWDING: I think...I don't know that there would be a fight, whoever is interested in having the adult education program. As Metropolitan Community College, we are so ingrained in the community and the community service that this is something we naturally will provide. And I think the motivation, depending on the...whoever is wanting to provide those services, we do have to look at the motivation. [LB366]

SENATOR HAAR: Well, thanks and good work. [LB366]

MONA DOWDING: Thank you. [LB366]

SENATOR SULLIVAN: Senator Avery. [LB366]

SENATOR AVERY: Thank you, Madam Chair. Would you say that your situation is unique in the state or is it fairly typical? [LB366]

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MONA DOWDING: Our situation in terms of the students, the program? [LB366]

SENATOR AVERY: The...yeah, the...well, you made a fairly stunning comment when you said that most of your students arrive without even reading at the 9th grade level. [LB366]

MONA DOWDING: Yes. [LB366]

SENATOR AVERY: I mean, I don't mean all of your students but in this program. [LB366]

MONA DOWDING: Yes. [LB366]

SENATOR AVERY: Is that fairly typical? [LB366]

MONA DOWDING: Yes, I think that is fairly typical across the state, yes. [LB366]

SENATOR AVERY: Wow. [LB366]

MONA DOWDING: It's a frightening statistic. [LB366]

SENATOR AVERY: Yes. [LB366]

SENATOR SULLIVAN: I thought of what I wanted to ask you earlier. Do you have waiting lists? [LB366]

MONA DOWDING: We do not. We have made a commitment that if our sections during enrollment are full, I have the ability and I have enough instructors on staff that I can typically open another section. We are, at the MCC Express facility, I will tell you though that we are getting very full. There is not much space left for us to open more classes. [LB366]

SENATOR SULLIVAN: Uh-huh. [LB366]

MONA DOWDING: But I currently do not have waiting lists. [LB366]

SENATOR SULLIVAN: Okay. [LB366]

MONA DOWDING: But I do know that that's not the case across the state for some adult ed programs. [LB366]

SENATOR SULLIVAN: Okay. Thank you. Senator Haar. [LB366]

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SENATOR HAAR: And then, finally...thank you. Do you find some people who really can't learn this stuff or is the majority just a matter of motivation and so on? [LB366]

MONA DOWDING: There are some students who will come to us that may have dropped out of high school because it was difficult for them. They may have had an undiagnosed learning disability. And so we will see those students come to us and we will continue to work with those students to see if we can increase their skills so that they are able to pass the official GED exams. But we do see some of those students come to us. [LB366]

SENATOR HAAR: Okay. Thanks. [LB366]

SENATOR SULLIVAN: Senator Davis. [LB366]

SENATOR DAVIS: A couple questions and the first one is, as a percentage of the total number of GED students in Nebraska, do you have any idea how many of them you educate? [LB366]

MONA DOWDING: I would say we may have approximately a fourth of the students for the state. [LB366]

SENATOR DAVIS: And what kind of fees do the students pay? [LB366]

MONA DOWDING: We assess a \$25 annual student registration fee. It's paid one time, beginning our fall quarter, and it's paid just once a year, \$25. That gets them services for the whole year and that's not...that's instructional services, that's services in our computer center, those are the transition support services that we provide at our MCC Express, that's everything for \$25 a year. [LB366]

SENATOR DAVIS: So that's their entire cost. [LB366]

MONA DOWDING: That's their cost until they are ready to sit for the official exams. [LB366]

SENATOR DAVIS: And then when they take that, there's a fee of...? [LB366]

MONA DOWDING: \$120 will be the fee for them to sit for the official exams. But just for the classes and the support, it's \$25 a year. [LB366]

SENATOR DAVIS: And I'm assuming they have the ability to test out of some of the things they might be stronger in,... [LB366]

MONA DOWDING: Sure, absolutely. [LB366]

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SENATOR DAVIS: ...so there's not much redundancy to it. [LB366]

MONA DOWDING: Absolutely. We encourage students to sit for the official exam as soon as they're ready in a given subject, so we don't encourage them to wait until they're ready to test in all five. If their reading skills are strong, we encourage them to go ahead and sit for that reading exam and then continue to work on their other skills, their math skills or their writing skills. As soon as they're ready in any subject content area, we encourage them to go ahead and test and get those tests out of the way, yes. [LB366]

SENATOR DAVIS: Okay. Thank you. [LB366]

MONA DOWDING: Uh-huh. [LB366]

SENATOR SULLIVAN: Senator Haar. [LB366]

SENATOR HAAR: Yes, thanks. Do you use volunteers in your program for the teaching end of things? [LB366]

MONA DOWDING: Our instructors are all paid instructors. [LB366]

SENATOR HAAR: Okay. Do you know in the state, like I would think maybe sparse communities, where they could do this sort of thing and be volunteers or...? [LB366]

MONA DOWDING: I believe in other parts of the state they do have volunteers in their program. Whether they're acting in an instructor capacity, I would not be able to speak to that. But I do know that other programs have volunteers that are working with their students. [LB366]

SENATOR HAAR: Good. [LB366]

SENATOR SULLIVAN: Senator Kolowski. [LB366]

SENATOR KOLOWSKI: Thank you, Madam Chair. Congratulations on your program. [LB366]

MONA DOWDING: Thank you. [LB366]

SENATOR KOLOWSKI: It's really rewarding to hear how you're looking at the whole person, the whole student and sometimes the whole family that surrounds them, in order to have that kind of success. I know the learning community takes the same approach with what we're trying to do in the Omaha area, and that certainly strikes a

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chord as far as success. And you really hit on a key point also with the students--their readiness. They know their past got them to where they are and they were held back by some of those decisions in life, that things happened to them. But having various safety nets to try to help them and catch them at different spots where their readiness is ready to take it to a new level is really important. So thank you for your success in that. Thank you. [LB366]

MONA DOWDING: Thank you. [LB366]

SENATOR SULLIVAN: Senator Scheer. [LB366]

SENATOR SCHEER: Thank you, Madam Chair. Just out of curiosity on the testing, the \$125 testing. When they would sit for the reading or math or whatever discipline it is, do they get numerous tries at that? I mean if someone just doesn't test well so they have difficulty with that, do they get more than one shot at that? Or is there a limitation on the number of times before they have to pay the whole fee over again type deal? [LB366]

MONA DOWDING: In the computerized testing environment that is coming, the students will be able to pay per test, so they will pay...next year, the test, there will be four official exams. They will pay \$30 each time they test. If they fail that test and they need to retest, they will pay the full \$30 again in order to retest. There is a 60-day waiting period before they're able to retest, and that is a period of time that is for them to receive further instruction and to gain more expertise in that core content area before they test again. We want to ensure their success. We want everyone to pass the first time they do, but unfortunately, not all will. But they do have a 60-day waiting period; they can retest again. [LB366]

SENATOR SCHEER: And is the 60-day waiting period Metro's ruling or is that a ruling regardless of where they would be testing? [LB366]

MONA DOWDING: That's regardless of where they would be testing. [LB366]

SENATOR SCHEER: Okay. Thank you. Thank you, Madam Chair. [LB366]

SENATOR SULLIVAN: Anything else? Thank you, Ms. Dowding. [LB366]

MONA DOWDING: Thank you. [LB366]

SENATOR SULLIVAN: (Exhibit 2) Any others speaking as a proponent? I'd like to read into the record a letter of support from James Goddard with the Nebraska Appleseed association. Anyone speaking as an opponent? Anyone in a neutral capacity? Welcome. [LB366]

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JAY SEARS: (Exhibit 3) Good afternoon, Madam Chair, members of the committee. For the record, I am Jay Sears, J-a-y S-e-a-r-s, and I'm here today representing the 28,000 members of the Nebraska State Education Association. NSEA is testifying in a neutral capacity for the following reason, and I would like to interject we're not opposed to what the legislative bill would do. We're testifying in a neutral capacity to kind of bring something to your attention that's probably coming in the next three or four committee meetings that have to do with the Education Innovation lottery funds. As I said, our concern with LB366 is not with the substance or the intent of the bill. We have a concern with designating use of Education Innovation Funds for the next three years for the operation of the program. I would also add that this may be a wise use of those funds. But the issue becomes one of NSEA intends to support LB497, which has an interim study for the use of the Education Innovation Funds. As you know, most of the programs that are being funded currently will sunset at the end of 2015-16, basically runs up to, what, June 2016. And in that time, through an interim study, I'm sure the Chair hopes that we can figure out what's the best public policy for the use of the Education Innovation Funds. And that's one of the things that NSEA will support. But as we know and support very strongly, this Legislature can decide how to use those Education Innovation Funds right now. And if this is a program that you see that fills a gap, that might be a good use of the funds. But again, the caution is there's more bills coming. In fact, one of those bills would direct all of the funds to be directed for technology applications in 2016, and our concern about that bill will also be let's have the study to find out what are the best public policy issues that we need for using the limited funds that we have in the Education Innovation Fund and what parts do the state General Funds need to take a part in funding our K-12 and our higher ed institution. And in filling that gap, as you've heard, not all of the students who are K-12 and graduate get their high school diploma, for many different reasons, and so we've got a gap there. And if we don't have the skills, the basic skills that our populace needs, they can't take on the jobs that are coming to Nebraska, or the jobs won't come to Nebraska. So again, we leave you with, and the reason we're testifying in the neutral position is, well, everyone wants some of the Education Innovation Funds. We're interested in what those priorities...and want to have a decision about that also, being as we kind of got involved in the initial process of getting Education Innovation Funds out of the lottery for K-12 purposes. So thank you very much for the opportunity to testify. [LB366]

SENATOR SULLIVAN: Thank you, Jay. Senator Haar. [LB366]

SENATOR HAAR: Thank you. So if we said to you, why don't public schools...why do we even need this, why don't the public schools get the job done, how would you respond to that? [LB366]

JAY SEARS: I would first say, given the thousands of students who come through the public schools, many of them have different motivations for staying or not staying. Last year the Legislature passed an age limit on which you have to stay in school no matter

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what, and I think that may create some issues for some students. They don't fit in high schools. We don't have enough alternative programs. One of the things that you've heard earlier in the past weeks are some career academies that may attract kids to, ah, there are jobs out there and there is a way I can learn math and science and all the content areas that I need in the vocational areas where I can get a real job. And so, you know, to me there's multiple reasons and, you know, schools aren't failing kids. It's we don't have enough pathways and alternatives to get the skills for all of our populace, so. [LB366]

SENATOR HAAR: Thank you. [LB366]

SENATOR SULLIVAN: Thank you, Mr. Sears. [LB366]

JAY SEARS: Thank you. [LB366]

SENATOR SULLIVAN: Anyone else in a neutral capacity? Senator Cook to close. You waive closing. Okay, that closes the hearing on LB366, and now we go on to LB367. Welcome back. [LB366]

SENATOR COOK: Thank you. Fellow members of the Education Committee, my name is Tanya Cook. That's T-a-n-y-a C-o-o-k. I appear before you as the introducer of LB367, the Twenty-First Century Developmental Education Act. The purpose and intent of LB367 is to: number one, recognize the importance of preparing a Nebraska work force where all individuals possess adequate basic skills in reading, writing, mathematics, science, and computer technology; two, require Nebraska's community colleges, in concert with the Coordinating Commission on Postsecondary Education, develop an initiative to ensure Nebraska's work force develops the skills needed to enroll and succeed in college-level occupational training opportunities; third, require the Nebraska Department of Education to promulgate rules and regulations to implement the act. Nebraska faces many challenges in preparing a work force where all individuals possess adequate skills in reading, writing, mathematics, science, and computer technology. Students in school districts across the state drop out of high school or graduate without being academically prepared to enter the work force or successfully complete college-level academic or career training classes. This limits their ability to get a job or enroll in occupational training programs that allow them to earn a self-sustaining wage. Many of the state's four-year colleges and universities are advising students whose basic skills are below college level to enroll in developmental courses which are only offered at the state's community colleges. The state must develop strategies and practices to increase the number of individuals who attain the necessary basic skills to enable them to enroll in college-level academic or occupational training courses. A developmental education initiative at the community college level will have far-reaching effects that will prepare individuals in the state of Nebraska to train for and be hired for jobs at the forefront of today's economy. LB367, the Twenty-First Century

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Developmental Education Act, is a bill that asks the Legislature to allocate funds from the state General Fund to the Nebraska Department of Education each fiscal year to pay for: number one, student assessment; two, full tuition for up to 30 semester credit hours or 45 quarter credit hours of developmental education classes. Eligible students must be 16 years of age or older and test below college level on the ACT COMPASS college-placement test. The funds will be appropriated by the Legislature to the Nebraska Department of Education, which would act as fiscal agent and distribute the money on to the community colleges providing the developmental education. The Department of Education would develop rules and regulations enabling community colleges to apply for payment under this act. This committee understands that education is the gateway to productive citizenship. Education and hard work serve as the primary vehicles to fulfilling life when one's vocation and compensation is commensurate with their abilities and commitment to success. Passage of the Twenty-First Century Developmental Education Act will evidence the Legislature's commitment to every Nebraskan willing to make the effort to better themselves and the institutions playing the crucial role of providing this training. Thank you in advance for your thoughtful consideration of supporting LB367. Thank you. [LB367]

SENATOR SULLIVAN: Thank you, Senator Cook. Any questions for her? [LB367]

SENATOR HAAR: Yes. [LB367]

SENATOR SULLIVAN: Senator Haar. [LB367]

SENATOR HAAR: Thank you. Well, we've heard a number of things from Senator Ashford and so on and then just this, your previous bill, and then Jay Sears said that we don't provide enough pathways for students. Do you see this as another pathway or do you see this as a substitute for some of the other things that have been talked about? [LB367]

SENATOR COOK: In answer to your two-part question or each of your parts of the questions, I would not see it so much as another pathway or another option as a recognition of the kinds of students that are showing up for education beyond high school, recognizing that they may show up with the credential but still not be prepared to enter into training programs or enter into the level of rigor, be prepared for the level of rigor, or have the knowledge base to be successful in the postsecondary education coursework. So ideally, just drawing on my own direct experience in working, in a previous part of my career, directly with high school students and younger students to offer them the full range of what careers they might be interested in, with or without a four-year postsecondary commitment, I see this as a recognition that here's your four. For the last, say, generation of education, we have promoted a primary pathway, which would have been essentially on to a four-year postsecondary institution, and not advertised or made fully aware the other options. And along with other societal issues

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that have emerged or have remained prevalent among our population, they arrive unprepared to participate, even if they may have a credential. [LB367]

SENATOR SULLIVAN: Senator Seiler. [LB367]

SENATOR SEILER: Senator Cook, I don't see a fiscal note on this. Has there been one prepared? [LB367]

SENATOR COOK: You don't? [LB367]

SENATOR HAAR: Yeah, it's in here. [LB367]

SENATOR COOK: I saw one. [LB367]

SENATOR SEILER: I don't have one in mine, that's what. If somebody has got one, can I look at it? [LB367]

SENATOR HAAR: For a million bucks. [LB367]

SENATOR SEILER: Thank you. [LB367]

SENATOR COOK: Yes. It's got a narrative. You can enjoy that. [LB367]

SENATOR SULLIVAN: Senator Scheer. [LB367]

SENATOR SCHEER: Thank you, Madam Chairman. Senator Cook, can you explain how the additional classes through the community colleges work, because you're stating at age 16 and up, 16 technically they're still supposed to be enrolled in high school. So how do we mesh that or combine that? Can you just sort of give me a brief example how that would sort of work? [LB367]

SENATOR COOK: I think the best example that I could offer you for why we would want to consider including 16-year-olds is that, let's say, she has dropped out. Perhaps she's a teen parent. She's dropped out. She wants to reengage in her educational experience at the community college, but she is not eligible for federal grant monies because she is 16. That would be the best example of why a proposal like this would be a good idea, because, let's say, the college determines that here, we'll offer you a scholarship to kind of get you on your way. She might use that for tuition and books, but the federal money is not available and to compel her to utilize that scholarship for these developmental classes, we're still not helping her get through a program of study and on to the kind of career that she would need to get into. [LB367]

SENATOR SCHEER: Thank you. I just wanted clarification to the extent that we're not

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utilizing students that are still in high school and using this program. It's really a different program that would be using students that were not full term in their high school career and helping them find avenues. [LB367]

SENATOR COOK: Right. This is a different student from a student that we might have talked about last week, like a dual enrollment student who might be interested in taking a college-level science course. Perhaps she's already taken up through physics or chemistry at the highest level in school and wants to show up. This is a different student. This is a student that needs to start a few steps back. [LB367]

SENATOR SCHEER: Okay. Thanks for the clarification. [LB367]

SENATOR COOK: Thank you. [LB367]

SENATOR SCHEER: Thank you, Madam Chairman. [LB367]

SENATOR SULLIVAN: Thank you. Senator Cook, need just a definition in your mind. "Developmental education," is that the same as remedial? [LB367]

SENATOR KOLOWSKI: Thank you. [LB367]

SENATOR COOK: Is that synonymous with the term "remedial"? In this context, I would be comfortable in using the two terms as synonymous. In the wider world of the definition of "remedial" and "developmental," I probably wouldn't go that far. We'll have some more testifiers that can clarify what "developmental" means. [LB367]

SENATOR SULLIVAN: Okay. Now in your proposal, Coordinating Commission...no, let's see, NDE promulgates the rules? What role is the Coordinating Commission? [LB367]

SENATOR COOK: I wish I could tell you that off the top of my head. [LB367]

SENATOR SULLIVAN: Okay. And then it's the community colleges that receive the funds, and the fiscal note is not...just shy of \$6 million per fiscal year that you're suggesting come out of the General Fund. [LB367]

SENATOR COOK: Correct. [LB367]

SENATOR SULLIVAN: Is that right? [LB367]

SENATOR COOK: That is what the current fiscal note would say. [LB367]

SENATOR SULLIVAN: Okay. All right. [LB367]

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SENATOR COOK: And revisiting, Madam Chair, my testimony, the Coordinating Commission, along with the community colleges, would develop the initiative, which we would term the "Twenty-First Century Developmental Education Act." So that would be the role of the Coordinating Commission. [LB367]

SENATOR SULLIVAN: And what role is the NDE, Department of Ed? [LB367]

SENATOR COOK: To promulgate rules and regulations about the... [LB367]

SENATOR SULLIVAN: Oh, they promulgate the rule, okay. All right. [LB367]

SENATOR COOK: ...the distribution. [LB367]

SENATOR SULLIVAN: But then the Coordinating Commission and the community colleges carry it out. [LB367]

SENATOR COOK: Correct. [LB367]

SENATOR SULLIVAN: Okay. You know, there have been a lot of...there's obviously a lot of concern about this right now. Are we treating the symptom or are we really getting to the underlying problem or...I mean I'm not even sure I know. I'm just kind of posing that question, is that obviously there's a need out there and are we really drilling down to maybe to ask ourselves why there is such a big growing need. [LB367]

SENATOR COOK: I agree that this...each of these proposals, in addition to some of the other proposals we've heard today and last week, are indicative of something that may be systemic. Our challenge is that, while we think about it and consider what to do, there are students who are already behind or unprepared to fully participate or participate at all in earning the kind of living they need to earn to...so that we don't see them in another part of our work. So I understand your question. I'd ask us to thoughtfully consider this proposal, as well as my previous proposal, and kind of think about that in the larger context as we talk about K-12 as well. [LB367]

SENATOR SULLIVAN: Okay. Thank you. Senator Scheer. [LB367]

SENATOR SCHEER: To piggyback on Senator Sullivan, would it be a fair assessment or logical to assume that this program is here and now, and that perhaps with the intervention of more and better early childhood education, this may minimize in a number of years? But this is treating a product that is already here, not trying to assume that we'll always have to have that if other things are put in place that may benefit the outcome. Is that a fair and logical assumption? [LB367]

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SENATOR COOK: I would consider that statement fair and logical. I'm rather an idealist and believe that the decisions and the conversations that we have here, when we choose to think in the long term, can have an impact so that we might work our way out of this kind of dilemma, if you will. But what we have right now is this issue that needs to be addressed. This is my idea. [LB367]

SENATOR SULLIVAN: Senator Davis. [LB367]

SENATOR DAVIS: Thank you, Madam Chairman. Senator Cook, I'm just looking at the fiscal note and I'm following up on something that was said earlier. But the fiscal note for Metro is \$3,739,000, but I'm assuming that this is a statewide program and we heard earlier that Metro maybe dealt with 25 percent of the GED issues. Wouldn't we have a much higher figure than that if we added all the other community colleges into the mix? [LB367]

SENATOR COOK: Yes. And I understand where your challenge might be with that number, because it doesn't seem like it's a fourth of what we talked about before. What we talked about before is related to the GED program and these are students that might be coming in and from...as I said in my testimony, they already have a high school diploma from someplace. And...but it's been demonstrated, through an assessment or through perhaps their time in classroom, that they need some developmental work. And rather than using a scholarship that they might have or tuition waiver that the community college might offer them, having that burned up or chewed up with developmental work, we're looking at a solution to help them get closer to what their objective is, which is a certification or degree that they can find work with. [LB367]

SENATOR DAVIS: And I recognize that. I'm just sort of trying to figure out if there's more of a fiscal note than the \$3,739,000. [LB367]

SENATOR COOK: Well, I'm looking on the page 2, the narrative, and it is in the last sentence, expanding that to \$5.9 million... [LB367]

SENATOR DAVIS: And so that would be... [LB367]

SENATOR COOK: ...among...statewide. [LB367]

SENATOR DAVIS: That would be involving the other community colleges. [LB367]

SENATOR COOK: Correct. [LB367]

SENATOR DAVIS: Yes. Okay. Thank you. [LB367]

SENATOR SULLIVAN: Uh-huh. Senator Kolowski. [LB367]

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SENATOR KOLOWSKI: Thank you, Madam Chair. Senator Cook, my comments are probably more directed toward myself because I'm trying to seek clarity on the bill and what you're recommending here, but...and I'm tripping over a couple of things within the literature, especially the twenty-first century skill development aspect of what you're talking about. That's being used across all literature in education today as far as twenty-first century skills. And this isn't talking about those skills that are imported in the literature but it's there in the name. And that's my problem to get past that. But I also, as our Chair had mentioned, the developmental, use of the word "developmental" also means something entirely different to much of the education population. And the task of working with 16-year-olds raises the issue of why not within their home school districts rather than connecting with the community college on this. So I'm just, like I said, I'm trying to get clarity for my own view of this entire bill, and that's...so I'm listening and I'm trying to figure out more of what this is asking and where it wants to head, compared to...part of my major question is, where are the school districts and what's their role? Is there a role or are they entirely separately left out of this right now? [LB367]

SENATOR COOK: They're certainly engaged in terms of their...they're certainly engaged in the conversation in terms of their engagement with the community colleges as their students pass along to community college or pass to a four-year year institution and then are obliged to go back to a community college for the work. I would defer to another testifier to be more specific about perhaps your first question, why the use of the term "Twenty-First Century." It could be just a nice way to recognize where we are right now. [LB367]

SENATOR KOLOWSKI: Sure. Sure. [LB367]

SENATOR COOK: And I would absolutely at this point entertain a conversation with the committee about how to identify language where we are specific about a role for the school districts to minimize the need for a proposal like this. [LB367]

SENATOR SULLIVAN: Senator Scheer. [LB367]

SENATOR SCHEER: Well, just a...thank you, Madam Chairman. Just to clarify again, Senator Cook, we had talked earlier about the 16-year-old and my recollection was you were talking about the 16-year-old that had opted out of school for whatever reason it might have... [LB367]

SENATOR COOK: That example was. [LB367]

SENATOR SCHEER: And so again, the 16-year-old really is not part of a school district at that point in time if he or she has already opted out, you know, with the parental signature and so forth; that they've already left the school district. Is this just trying to get

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them back into a process to get them skills training to make them viable in the work force? [LB367]

SENATOR COOK: If I understand your question and if it's perhaps building on the question that Senator Kolowski asked in terms of engagement of the school district,... [LB367]

SENATOR SCHEER: Uh-huh. [LB367]

SENATOR COOK: ...I would welcome a dialogue or a conversation or some language about moving forward so that you don't have a high school graduate or, revisiting my LB366 proposal, somebody who's 50 years old who wasn't able to get a high school diploma at all, to minimize that possibility. I'm not certain if that's getting at your question. [LB367]

SENATOR SCHEER: Well, I'm... [LB367]

SENATOR COOK: Your question to me right now is what? [LB367]

SENATOR SCHEER: I don't know. (Laughter) And I was... [LB367]

SENATOR COOK: That makes it harder for me to answer. [LB367]

SENATOR SCHEER: Well, no, I...but I understand where Senator Kolowski is coming from and I'm just trying to find out where... [LB367]

SENATOR KOLOWSKI: Clarity. [LB367]

SENATOR SCHEER: ...a clear definition of how we get the age limit back to the age of 16 if they are part of a school system, a school district. [LB367]

SENATOR COOK: Which mandates that they stay up, at this point, we changed that law that they... [LB367]

SENATOR SCHEER: To 18. [LB367]

SENATOR COOK: ...to 18. [LB367]

SENATOR SCHEER: So that's...I think both of us are struggling how that individual is worked within the system or is the language then not specific enough to talk about someone that is no longer part of a school district. I guess that's all I was trying to find out, from your thoughts, which one it would be. [LB367]

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SENATOR COOK: My intent, as the introducer, is for a student that is taking classes at a community college, toward a degree program, that he or she not, pardon the terminology, not use up time, tuition money, scholarship money, as much of it toward the developmental portion that the state reengaged to ensure that they are prepared to take college-level coursework and training, career training. So that's my intent with the bill. [LB367]

SENATOR SCHEER: Okay. Thank you. [LB367]

SENATOR COOK: I hope that...I certainly hope that helps. [LB367]

SENATOR SCHEER: I'll pick your brain a little later, so okay. Thank you. [LB367]

SENATOR COOK: Well, I'll be here. [LB367]

SENATOR SULLIVAN: Okay. Any other questions? All right. Thank you, Senator Cook. [LB367]

SENATOR COOK: Thank you. [LB367]

SENATOR SULLIVAN: Uh-huh. Proponent testimony. Welcome back. [LB367]

RANDY SCHMAILZL: (Exhibit 1) It's great to be back, truly is. Randy Schmailzl, R-a-n-d-y S-c-h-m-a-i-l-z-l, president of Metro Community College. I'd like to start out by thanking Senator Cook for her willingness to take on and understand the plight behind not only LB366 but LB367, which many of your questions hit on already the complexity of what this bill brings forward. Our board of governors discussed this many, many times over the years, not just months, and developmental education is indeed synonymous with remedial education. We call it "developmental" at Metro because it's easier for our students to understand what the word "developmental" means--we're developing your skills so you can move on into full range of college classes--instead of using "remedial." They don't always understand what the word "remedial" stands for. So that's actually a discussion our board of governors had--remedial, developmental--and we landed on "developmental" simply because that was our own term. And we don't have any pride of authorship in that. So I can assure you whatever direction the senator wants to go, we'll support that. Let's go back to the 16. That was a question that came up. Many of our developmental students now are part of the 12 percent that come from high school directly to Metro. Annually, Metro enrollment, about 12 percent of the students come directly out of high school, and some are going to think, well, that's not too many students. Well, it's 4,500 when you...about 5,000 students when you have 4,500 you serve annually....45,000 you serve annually. Many of those students have developmental needs and they have a high school diploma, and that doesn't counter their high school diploma or say anything bad about their high school diploma because,

as Senator Kolowski will tell you, there's grade point averages associated with high school diplomas. And they can range anywhere from 2 to 4.0 plus. And at Metro and all your community colleges, we're open access. We do not have admissions requirements set up to make sure you're not admitted. Everyone is allowed to try to get in and get to the point in education where they can start at Metro. Now I say "try to get in." When we do the ACT COMPASS test, it's the test that all of the community colleges and everyone except the University of Nebraska-Lincoln uses as a placement test. It's strictly a placement test. And the ACT test that you take in high school is good for one year, but the ACT COMPASS test tells us what level you're capable at, your currently at in math, English, and reading. And so we use that as a baseline so that we're starting you in the right set of classes. Recently, we've been working with Avenue Scholars, a group in Omaha that's working with students that have not done well in high school for a variety of reasons, and I don't blame that on the high school. There's other reasons besides the high school why students don't achieve. This week we have 100 students that will be on campus not only this week but till the end of May and they're currently high school students. There are 100 high school students from a variety of the districts, sponsored by Avenue Scholars. They take their afternoon classes at south campus at Metro, and their first 11 weeks is set up so that they can have career exploration. People come in and talk about jobs, careers. And the next 11 weeks...they've already taken their COMPASS test and all 100 are not college ready--100 for 100 are not college ready--so they're going to be taking developmental math classes, developmental English classes. And hopefully they're all over 16 but it could go back, if you remediate this in high school far enough, that 16-year-olds could be actually going through the remedial process of developmental education. So the idea is, for a high school student, either Metro has to pay their tuition, their parents or someone has to pay their tuition, or we do a combination of scholarships and discounting their tuition. So we've discounted the classes to \$25 per class and most of the time we have to end up "scholarshipping" that. But this is a combined effort to help the high schools and the community colleges work together to remediate some of these problems before they get to graduation. Now there's many ways you could do this, and certainly putting them in class again, when they've not succeeded in high school, is not always the desired way. But we came up with modules in math and other ways that we can help the student by coming onto the community college campus to remediate these classes. So our idea is to have the students ready when they get out of high school, even if at some time in high school they decided they weren't going to go on to college, and this is our best shot, we feel, to get them ready. And tuition stands in the way. And the fiscal note, \$3.7 million is the amount of tuition dollars that's generated at Metro in developmental education in a year. We generate \$3.7 million at about \$50 a credit hour. And that's how our end of the fiscal note was calculated when we asked for it. And the sheet I gave you just now, it shows the number of credit hours for last year with math being 40,000, English being 17,000, and then it shows you the next year, our current year that we're in. And in '11 and '12 we had 8,000 unduplicated students fall into this category and this year we already have 6,251 developmental students that take developmental classes. And some only take

one. And the reason math is so high, we're known as an institute that has a tremendous math faculty, that has a tremendous math program. So a number of UNO students or students going on to the university come to remediate their math skills and get up to college algebra, which is the admissions requirement for the universities, beyond their ACT. So that was just kind of a quick overview and my red light is on and I'll answer any of your questions. [LB367]

SENATOR SULLIVAN: Thank you, Mr. Schmailzl. Okay, getting back to your comment about Avenue Scholars, you said you currently accept 100 students that come from a variety of different buildings within the...or school districts within the Metro area. [LB367]

RANDY SCHMAILZL: Right. We really have about 450 Avenue Scholars attend the college after they graduate. So for the last two years, we've had about 225 students from that program start at Metro. This 100 is still in high school, but they're going to be Avenue Scholars, in that program, when they graduate from high school. [LB367]

SENATOR SULLIVAN: How are they selected? [LB367]

RANDY SCHMAILZL: They're selected by the Avenue Scholars based on grade point average, based on interviews, based on hope, credentials. We don't select them into the program. The Avenue Scholars group selects them. [LB367]

SENATOR SULLIVAN: But 100 of them come to you while they're still in high school. [LB367]

RANDY SCHMAILZL: That's true. [LB367]

SENATOR SULLIVAN: Would they be covered under this proposed legislation that you're talking about? [LB367]

RANDY SCHMAILZL: Yes. [LB367]

SENATOR SULLIVAN: Okay. But if they're still considered students at their respective school districts, they're considered being enrolled in that school district, part of their student count and they...and figured into their funding for that school district...that... [LB367]

RANDY SCHMAILZL: This is similar to career academies when you send the students off. The same question would pertain to career academies. The same question pertains to any type of high school dual-enrollment program. Any time there's dual enrollment, the student is still attached to the high school... [LB367]

SENATOR SULLIVAN: Uh-huh. [LB367]

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RANDY SCHMAILZL: ...and they pay tuition to go to whatever college. [LB367]

SENATOR SULLIVAN: Okay. Okay. [LB367]

RANDY SCHMAILZL: So yes. [LB367]

SENATOR SULLIVAN: Okay. Okay. Okay. All right. Senator Scheer. [LB367]

SENATOR SCHEER: Thank you, Madam Chairman. On the remediation, and more strictly to the high school students, are you...are...the reason it's successful is because you're not...because you said, obviously, that they haven't been successful in their high school career at least to the level that they need to be. [LB367]

RANDY SCHMAILZL: Uh-huh. [LB367]

SENATOR SCHEER: Is that because you offer them an avenue without the stigma of the remediation at a high school versus...so their peers see them doing things differently so this is sort of off-campus, in a different format, so that they're more agreeable or they perhaps are more engaged? I mean I'm just curious. [LB367]

RANDY SCHMAILZL: That's partly true. We also offer it in cohorts so that all the members of that cohort have the same deficiency, like so all of the math students will be working on math deficiencies where, you know, in high school classes you may be, you know, in the middle or at the lower end and there's upper students in your...because there's a number of variables within that high school class that, you know, may not allow you to bring up your deficiency. So, yeah, we also offer in reading, for example, three to four different reading techniques to help you improve your reading comprehension. It's not that these students can't read. They can read. It's hard for them to comprehend, for whatever reason. [LB367]

SENATOR SCHEER: Well, I'm just wondering if there would be a benefit for better communication between the school districts and your assessment, to the extent because the high schools that I'm familiar with would have well more than one math course that would... [LB367]

RANDY SCHMAILZL: Sure. [LB367]

SENATOR SCHEER: ...work with students in like abilities, moving up the ladder in the efficiency. So I'm... [LB367]

RANDY SCHMAILZL: And we've had conversations with the Governor, with J.B. Milliken, with all the learning community superintendents, myself, and Senator Adams

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has been there to discuss just what you're talking about here and the need for more communication, not less communication. And I think the early childhood development that you talked about and that will this be in place forever, hopefully it won't be needing to be in place at the level it's in now. But in addition to the 12 percent students that we get right out of high school, that means 88 percent of our other students, adult learners, when they come and fall into this category, right now only 45 credit hours in their financial aid package can be used towards this. And some of these students require 90 credit hours to get through. [LB367]

SENATOR SCHEER: Well, I'm just looking, and really, if we're only talking about 100 high school participants versus the 4,000 or whatever that you mentioned earlier, I mean it's a relatively small number of the total base. I've been just curious about that part of it. But thank you. [LB367]

RANDY SCHMAILZL: I think if you look at that pilot program and it catches on and there's some funding attachment, I think you'll see more school districts say, you know, if we could partner with a community college in curriculum and get this done, then more of our students can go on to postsecondary and have a better experience than starting and washing out for some reason. So I'd see this as a real win-win for K-12 and community college and education overall in the state of Nebraska. [LB367]

SENATOR SCHEER: Thank you, Senator Sullivan. [LB367]

SENATOR SULLIVAN: Senator Haar. [LB367]

SENATOR HAAR: Do they come during the regular school day, the high school kids? [LB367]

RANDY SCHMAILZL: In the afternoon, uh-huh, from 12:30 to 3:30. [LB367]

SENATOR HAAR: But in a more...in a sparsely populated community, the model wouldn't work of really working with the junior college, would it? [LB367]

RANDY SCHMAILZL: You probably would have problems with the model we're using, but there's on-line models. And there's also, you know, smaller models within the high schools or two or three high schools because, as always in Nebraska, the distance does create a problem. [LB367]

SENATOR HAAR: Uh-huh. Well, in my mind, I sort of see this, you know, sausage ballooning. We all did this as kids. You press on one end; it gets bigger on the other. So you have K through 12, you have college, and then get this bubble in the middle. And you're trying to deal with that bubble in the middle that have come through the education system and they're not just passed through but they're not really ready for college or

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even junior college. [LB367]

RANDY SCHMAILZL: And, you know, whether it's good or not, as a committee this year, you have been the chosen committee to have all these little blocks. (Laughter) And I've been here quite a bit so far and I'm very proud of that because it's not a lot of cantankerous testimony on my part of that. But all these blocks, you're right, all these blocks: GED, career education, you know, career academies, now developmental ed, all these blocks are laid out to create a continuum that has really never been discussed in this way as public policy and trying to put this all together. So that's why I thank Senator Cook for taking this on as...be a part of this because there's more questions than answers on this, which is good. [LB367]

SENATOR SULLIVAN: Does it beg the question that perhaps, from a policy standpoint, we do need to take a step back and decide how best to put all the blocks together? [LB367]

RANDY SCHMAILZL: I think you need to step back and look at the whole and not the parts. [LB367]

SENATOR SULLIVAN: Uh-huh. Uh-huh. [LB367]

RANDY SCHMAILZL: I really do. [LB367]

SENATOR SULLIVAN: Uh-huh. [LB367]

RANDY SCHMAILZL: But it was our board chose two parts that we're adamantly involved in to bring forward our two parts and it's for the whole state of Nebraska. [LB367]

SENATOR SULLIVAN: Sure. [LB367]

RANDY SCHMAILZL: This is not just for Metro Community College. [LB367]

SENATOR SULLIVAN: I realize that. [LB367]

RANDY SCHMAILZL: And the GED...don't want to mix in testimony here, but the GED is the basis where a lot of this starts for us. Because once you're done with a GED, you heard that 20 percent of those students now are going on, and they all require developmental education. [LB367]

SENATOR SULLIVAN: Uh-huh. [LB367]

RANDY SCHMAILZL: They're not ready for prime time yet. [LB367]

SENATOR SULLIVAN: Uh-huh. Okay. Senator Scheer. [LB367]

SENATOR SCHEER: Well, just to clarify in relationship to Senator Haar's comment, that there may be the sausage component, but when we look at, for example, the Department of Education with their state requirements for high school graduation, their statutes or their rules will say four years of math. It does not dictate what that math might be. Each local district has the ability to have 10, 12 different math classes that it offers the students. The student and the parents then picks those math classes. So part of what you may be seeing, as well as deficiency, is just simply the student may be taking the wrong courses in the area that he may choose to ultimately...or an area that he chooses to move into by interest. So it's...I don't want to throw the child out with the bath water. You know, some of it has to do with the selection of the classes that a student would take during his K-12 education based on his own interests, because right now we as a state just require the classes, not necessarily the specific types of class that is being required, if that helps. [LB367]

SENATOR SULLIVAN: Thank you very much. [LB367]

RANDY SCHMAILZL: Thank you. [LB367]

SENATOR SULLIVAN: Any other proponents? [LB367]

SUSAN RAFTERY: Hello. My name is Sue Raftery. I am with Metro Community College. I'm the dean of literacy and workplace skills; and spelling my name, S-u-s-a-n R-a-f-t-e-r-y. Listening to the discussion, I guess I'd like to add a couple of points that may not have been discussed yet. One really talks more about the older individuals that a community college sees who are coming to us with lots and lots of need in terms of building those foundational skills, developmental skills, remedial skills. And it's that individual that either sometimes is just rusty, hasn't done the kind of math that is necessary to be successful in an educational setting. What our goal is, obviously, is to make that experience in the classroom though be relevant to what's important in the workplace. Some of the other discussion that I think is interesting and was touched on a little bit is the idea that more students are coming to postsecondary and they're being urged, in many ways, to make that leap to postsecondary. And so you have people who they may have had an adequate experience when they were in high school but...especially if enough time has passed, making that next step, even if it's five or six years, seven years after high school graduation, they're going to need some of those foundation skills again built to the level where they can be successful in college. One of the things that we do is the reading comprehension. That was mentioned earlier. And a person can read but they may not be able to read to the level that's required in a classroom in the college level and certainly the kinds of reading that are done on the job. We've talked a lot about trades today. The reading level is very high in something

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like the automotive trades and the computer skills are very high in those areas also. So sometimes it's a matter of timing as well in terms of the developmental. Metro offers, just like any other community college, offers a very comprehensive array of those classes, and part of this bill would address a way to take some of the classes that are unnecessary to get a student to that level and not take away from things like Pell funding. So many of our students are able to qualify for Pell, but they can only take 45 credits at the developmental level. We also don't necessarily want them, if we can help it, to use all of their Pell funding and only get that developmental. So this would answer or at least address some of those issues. We also are trying to do some of those things at Metro by combining some short-term programming and so that we'll be able to get a developmental class or two in with college level classes. Some of this is done in culinary where we have actually math for culinary trades. We have a very introductory trades program that actually introduces things like safety on the job, tool usage, things that someone is actually needing to get skills up to a college level and would have to take that class at a developmental level. Someone, if we're looking at people, I guess I would be a good example, I probably couldn't go into an automotive program and not have some of that foundation in that career area. Someone else who's had a lot of background in that could probably step right into it. So those are the kinds of issues that this bill would also help us address and hopefully give some more innovative programming to where we could do the curriculum innovations that allow us to wed those two, the developmental and the occupational. [LB367]

SENATOR SULLIVAN: Very good. [LB367]

SUSAN RAFTERY: Thank you very much. [LB367]

SENATOR SULLIVAN: Questions? Thank you, Ms. Raftery. [LB367]

SUSAN RAFTERY: Thank you. [LB367]

SENATOR SULLIVAN: Anyone speaking as a proponent? Anyone speaking in opposition? And in a neutral capacity? [LB367]

MARSHALL HILL: (Exhibit 2) Hello again. Senator Sullivan, members of the committee, I'm Marshall Hill, M-a-r-s-h-a-l-l H-i-l-l, executive director of the Coordinating Commission for Postsecondary Education. I think this has been a wonderful afternoon to hear so much discussion on these issues. Try as we might, even though we know college students are no longer exclusively 18- to 22-year-olds, that's the way we tend often to think of them because that's what we were when we were in college. If we watch a basketball game, a volleyball game, a football game, we see 18- to 22-year-olds. That's not the exclusive student body that our institutions serve. It's been confusing today. You've heard a number of terms which talk about readiness or learning or accumulation of learning. You've heard adult basic ed, GED, needing remedial, high

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school graduation, entrance exams at UNL. They're all very, very different and require different responses. There's a lot of good ideas in LB367. The old idea of remediation and colleges was a student shows up, you give them a test, and if they show that they are deficient in mathematics, you put them in a three-semester credit hour math course. If they're deficient in reading, you put them in a three-semester credit hour reading course. That's no longer best practice. There's been a lot of work on this, especially several reports in the last year. Much of what you've heard today outlined as different approaches to blend in ways to teach students reflect current best practice and developmental education, and I'm very encouraged to hear that Metro is incorporating these and hope that all of our other community colleges are doing so or will do so as well. They could do that without this bill. There's nothing in this bill that keeps...there's nothing that keeps them from doing those good things now. What this bill does is bring an additional level of funding beyond the funding level that's currently provided to the community colleges. One other point I'd like to make is we tend to hear the term "remedial" or "developmental" and immediately think of a failing of the high school. Not necessarily the case. We have a lot of people who were fine when they graduated from high school but they have three kids, are out of the education world for five years, come back and find they need some level of remediation. I suspect most of us, if we came and took the COMPASS test, we might find there's something that we might need to do, but we probably wouldn't need a three-semester credit hour course in order to do it. So the greater flexibility is really important. We're not part of the \$3.5 million, or whatever, fiscal note. Our fiscal note for this was very, very small, I think \$600. We're not called on to do much in this, if we were called on to do more. One final point I want to salute very, very strongly is every member of this committee that's been here for a while has heard me lament Nebraska's lamentable data systems for education. This calls for us to finally start doing, in regard to developmental education students, what we should have been doing all along. I'd suggest there are some things that we would always want to know. We'd want to know how many students show up needing developmental education. We'd want to know some demographic breakdowns of those. Are those fresh out of high school? Have they been out for a while? We'd want to know whether they are white, black, Native American, what have you. We'd want to know how many of them successfully complete remediation and we'd want to know how many of them go on to complete a credit-bearing course in that field. This calls for responsible data collection, which we think is entirely important. Remedial education is largely a failure in this country. The success rates are deplorable--are deplorable, and enormous sums are spent without much impact. Complete College America just released a report which looked at that issue, that material we've provided for you a link to that here in our documents. When I left Texas eight years ago, Texas was spending \$185 million a year in support to its public institutions solely for remedial education. That was a lot of money ten years ago. That was a lot of money for Texas. I'd be pleased to respond to any questions you have. [LB367]

SENATOR SULLIVAN: Thank you, Dr. Hill. Senator Haar. [LB367]

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SENATOR HAAR: Just from your vantage point, going back to a point that Senator Scheer made, do you see early childhood as...it seems to me that somehow kids just get "behinder" and "behinder" and "behinder" all the way up the ladder, and talk for just a minute about your view of maybe solving some of these problems with early childhood. [LB367]

MARSHALL HILL: I don't think we can afford to do anything but address problems all along the continuum that we have. I think probably the ultimate long-term greatest bang for the buck is at early childhood education level, but that doesn't mean we could try to fix young people today, children today, and wait and not try and fix--fix, sorry--... [LB367]

SENATOR HAAR: Yeah. [LB367]

MARSHALL HILL: ...remediate, help, assist people who are older. Clearly, our work force needs, if nothing else, don't allow us to do that. And secondly, I think it's a moral obligation. Mixed in, though, somewhere there is a need for students to accept the responsibility to be active learners themselves. Unfortunately, society bears a cost when students don't do that, and the question is, how many chances do you give them to ameliorate past mistakes? I think we have to press on every single portion of this as we move forward. [LB367]

SENATOR HAAR: Thank you. [LB367]

SENATOR SULLIVAN: Any other questions? Thank you, Dr. Hill. [LB367]

MARSHALL HILL: Thank you. [LB367]

SENATOR SULLIVAN: Anyone else speaking in a neutral capacity? (Exhibit 3) One letter I overlooked earlier for, in support of LB367 from James Goddard with Nebraska Appleseed. This closes the hearing on LB367. Oh, excuse me, Senator Cook, did you want to close? [LB367]

SENATOR COOK: Very briefly. [LB367]

SENATOR SULLIVAN: Thank you. [LB367]

SENATOR COOK: I wanted to thank you, Madam Chair, and the committee for your excellent questions. My sense is that many of those direct questions were addressed by the testifiers. And I wanted to let each of you know that if you come up with additional questions, I would be more than happy to follow through to get a complete answer to you between now and when we Exec on the bill. So thank you very much for your time and consideration. [LB367]

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SENATOR SULLIVAN: Thank you. This closes the hearing on LB367. And why don't we just stand up for about three minutes. [LB367]

SENATOR SCHEER: Okay. We will reconvene the committee hearing and we will move to LB408 introduced by Senator Sullivan. [LB408]

SENATOR SULLIVAN: Thank you, Senator Scheer and members of the Education Committee. My name is Kate Sullivan, K-a-t-e S-u-l-l-i-v-a-n, representing District 41 and here to introduce LB408 to you. And it's really quite a simple bill. Now when I say that, that almost could be a red flag for people saying, oh, nothing is ever that simple when it comes to school funding. But it really does do one thing and that one thing only is to move the certification deadline for TEEOSA from March 1 to June 1. In essence what it does, the deadline for the Department of Education to certify to our 249 school districts the state aid that they'll be receiving for the 2013-14 school year, that deadline instead of being March 1 will be June 1. And I'm recommending the state change in order to allow this committee an opportunity to discuss the TEEOSA bills that will be actually coming before us next week. Now I suspect that in testimony that will follow me you're going to hear that June 1 really doesn't work for school districts. And of course admittedly the districts are going to want this information as early as they possibly can get it. Does it cause major problems for them? Well, I think that's a matter of opinion. But I will also tell you, too, that if we put ourselves in a position of certifying too early and then having to go in and recertify, that causes very dramatic problems. And also along with that June 1 deadline, we have an indication from the Department of Education, Bryce Wilson and Russ Inbody who work on these figures and the certification, that they intend to work ASAP, as soon as possible, following the passage of any legislation this session to get that information to school districts as soon as possible. So it's conceivable--very conceivable, in fact--that we would have that certification before June 1. To consider not changing that date, I want to put a cautionary note out there. In my four years of the Legislature, every year we've had to put limitations on the growth of state aid. As you well know, we've come off a deep recession. We had a huge budget shortfall that we had to deal with. And, subsequently, we had to put some limitations on the growth of TEEOSA. All of those provisions that we put in place sunset now under current law. Consequently, under current law, if we make no changes to it, we would see state aid grow over 11 percent the next year of the biennium and 6 percent the second year. I would also suggest to you and perhaps think that you might agree with me that that is not realistic nor is that sustainable; so our challenge is fitting a state aid package into what's realistic, because we are just now coming out of the recession. And not only that, there are unmet needs that we're going to have to deal with, pent-up needs for school districts. And we've got retirement issues that we're going to deal with, too, to keep the retirement package solvent for our school districts. So all of that says that we've got too many moving parts in this whole picture of what we're going to deal with, with state aid, and want to send to school districts. To set

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a certification date too early sets us up not necessarily for failure certainly but for some problems. So in my opinion, I think that we need to take the time as an Education Committee. Don't rush it. Do the deliberation that we are supposed to do once we hear the TEEOSA bills next week, and don't give districts false expectations by leaving that certification date on March 1. Tell them that, yes, we're going to get it to you and we're going to get it to you as soon as possible. So I would appreciate your support in advancing this measure to the floor and I look forward to discussing the future of school finance with you. Thank you. [LB408]

SENATOR SCHEER: Thank you, Senator Sullivan. Just one quick note just for clarification for the record as well. This does not...this is not an ongoing change. This is specific just to this year. [LB408]

SENATOR SULLIVAN: Thank you for mentioning that. That's right. It would revert to March 1 after this next year. [LB408]

SENATOR SCHEER: Okay. Thank you. Are there questions of Senator Sullivan? Senator Seiler. [LB408]

SENATOR SEILER: Could you help me just a bit on the TEEOSA economic forecast from our state forecasters. We get it in February and then again in May or April? [LB408]

SENATOR SULLIVAN: I think it's in April. [LB408]

SENATOR SEILER: April. Okay. Thank you. [LB408]

SENATOR SCHEER: Senator Davis. [LB408]

SENATOR DAVIS: Senator Sullivan, we're going to go back to March 1 next year. So why are we going to June 1 this year? Because of the sunset provisions and those things? [LB408]

SENATOR SULLIVAN: Yes, yes. [LB408]

SENATOR DAVIS: Well, you know as a prior school board member and knowing the contracts have to be offered, that's usually the defining aspect of a school budget. I mean it seems to me couldn't we back that up a little bit from the first of June? [LB408]

SENATOR SULLIVAN: Well, first of all, that's ultimately going to be the decision of this committee, so. [LB408]

SENATOR DAVIS: Well, I'm asking you as the Chair. [LB408]

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SENATOR SULLIVAN: Well, I think for the points that I outlined, I'd prefer to leave it at June 1 knowing that it's very likely that we're going to have that information to them earlier. And just from a historical perspective, this isn't anything new. I mean, for years the deadline and the certification date was July 1. Then about the last ten years, admittedly it's been earlier. But then particularly with this last four years having to do with the recession problems, we've had to change it. And I think, let's see, 2009-10 it was June 1; '11-12 it was July 1. So it's...will it cause a great hardship for the districts? I wouldn't go so far as to say that. Is it something they have to deal with? Yes, and history tells me that they will deal with it. [LB408]

SENATOR DAVIS: I mean, I applaud the idea of moving it back from where it used to be. It used to be very difficult. You never knew what your state aid was going to be and it used to fluctuate so much. But, I mean, that is the driving decision, so thank you. [LB408]

SENATOR SCHEER: Other questions for Senator Sullivan? Senator Kolowski. [LB408]

SENATOR KOLOWSKI: Just...may I? Thank you, Mr. Chairman. Just the...as was mentioned, the hiring of staff really is "impactful" on a building. And I know districts really put off as long as they possibly can what your pool looks like and where you're going with how many additions you would take or cuts within your district. And I'm sure that's going to be the loudest voice we hear, I hear from the districts I'm surrounded by in the metro area because that's a very competitive time of the year when we're trying to fill those places--outstate, in-state, anywhere. It's just that way. And it's a real challenge. I hope it...it's probably doable. I don't doubt that anything is doable, but districts will have to do some dancing of funds to make things happen for themselves. [LB408]

SENATOR SULLIVAN: And admittedly, that's the beauty of these public hearings. We'll be hearing I'm sure from either some districts or from associations that will indicate some of those. [LB408]

SENATOR KOLOWSKI: Thank you. [LB408]

SENATOR SCHEER: Thank you, Senator Kolowski. Any other questions, comments for Senator Sullivan? Hearing none, thank you, Senator Sullivan. Are there proponents of the bill that wish to speak? Any proponents? Seeing none, opponents. Are there any opponents to the legislation? [LB408]

LARRY SCHERER: (Exhibits 1 and 2) I feel like Dorothy going before the Wizard of Oz. (Laughter) My knees are shaking. Good afternoon, senators. For the record, my name is Larry Scherer, L-a-r-r-y S-c-h-e-r-e-r, and I am the director of research at the Nebraska State Education Association and have been there about seven years now. By

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way of introduction to my perspective on this, I worked for the Legislature for probably 14 years prior to moving onto the Postsecondary Coordinating Commission for about a dozen years. And I know it doesn't look like I'm that old--I am--heh heh (laughter). And as a legal counsel for Education Committee, it was my privilege to work with Senator Withem, Senator Moore, and a coalition of senators and interest groups to pass LB1059, and that was in 1990. And though I've been gone from day-to-day work with the formula and there are many aspects of it, too, that I probably don't understand as well as I should, I still have a real strong belief in equalization aid as a way to assure educational opportunities to all students in the state regardless of where they live. And that's not always popular but that's what it does, that's what the formula is there for. So that's my background. We are here to oppose the June 1 date in the bill, recognizing that there probably does need to be some adjustment of the certification date again. And just for fun, I made a copy of the bill that...or the section of law that has the certification dates in it, and it's Section 79-1022. It's been amended 33 times since 1990 and in 20 different years. Now I can't tell you how many of those changed the certification date. There was probably at least a dozen, but could be between a dozen and 20. I don't know. But it happened when I was still working for the committee, too, so I bear my share of responsibility for that. And there's always unanticipated things coming up, recessions and little things like you have to deal with. The reasons we oppose the bill, (1) has to do with the new bargaining calendar that Senator Lathrop and the Legislature passed two years ago. And that has...as part of the testimony, you have that calendar before you, it has some dates in it that if you push back until June, there is...the first one is March 21 everything is supposed to be completed, all negotiations done unless...or it's 25 days after state aid is certified. And, you know in retrospect, maybe we didn't need to do that because I'm here to tell you that as of today, we have less than a dozen school districts that have not settled for the '13-14 school year, which is phenomenal. And so I would say LB397, that aspect of it, the calendar, has been successful. And, you know, I don't know whether the settlements have been high or low, but they've been okay and there's a certain amount of certainty. One goal of LB397 was to have bargaining done prior to the date for deciding whether you could hire teachers back, (1) and prior to the date for doing a budget. And, you know, that makes a lot of sense. And if we change the date again to go back, even though the...it allows that in LB397, if we do that, the message we are afraid to, our 265 locals will be, yeah, we did it one time but we really didn't have to. And so next time around at this time of year there probably would not be nearly as many settled. And that creates more uncertainty for school districts and for teachers. So that is the one consideration. I don't know whether it's the primary one to you. So the other ones, of course, are the budget and the school district budget. It's interesting also that there's only 12 out of 249 that were not able to do settlement not knowing their state aid to schools. So do we really need that language in the CIR act? I don't know. Maybe down the road we're not anxious to open up that statute again this year because it hasn't had time to work. But down the road, maybe that isn't needed. So the other reasons for not doing June 1 has to do with the very things that Senator Sullivan so well stated in her opening. And that is, you have a

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lot of tough decisions to make in the next few weeks and few months. And do you want to have to do them in a rush? And I agree with you, with Senator Sullivan, no, you don't want to do it in a rush. And so we've proposed an alternative route, which is to...recognizing that there isn't the money there for 11 percent increase in state aid, whatever percentage is feasible, is realistic, to come up with a rationing device, whether it's LB640 temporary aid adjustment or whether it's the local-effort rate and the cost-growth factor, you know, or something else, whatever you choose, ration the amount of money for '13-14. Then have the hearings on the policy decisions, the teacher education allowance, the averaging adjustment. There's a lot of big decisions there. Have the hearings, pass whatever policy decisions make sense, but don't try to apply them to the '13-14 school year; leave those to '14-15. So that would allow you to address the budget issues. It would also allow you to, in terms of the state budget--I have to assume that everybody on the committee is in favor of state aid and wants to have a good percentage this year--the earlier you can do that in the appropriations process, the better chance that there is to get a good amount of state aid. So that's our concerns. You know, are we opposed to any bill? No. That's not...that's the message, but we're opposed to the route. You know, it doesn't make sense to have a date even in the statute when it has to be changed all the time. You know, maybe there's even...maybe you could even leave it up to the Department of Education to, you know, say 20 days after the Legislature has passed its bill, you know, that's when you have it. Then at least you wouldn't have this sense of certainty out there, but it's not real. So that's the testimony and I'd be pleased to try to answer questions. And thank you very much for your time. I know this is just a surface...the tip of the iceberg that comes next week. So thank you. [LB408]

SENATOR SCHEER: Thank you. Questions? Senator Haar. [LB408]

SENATOR HAAR: Thank you. Are there any other bills in the hopper right now that address some of the other options you're talking about? [LB408]

LARRY SCHERER: Oh, yes. Yeah. Senator... [LB408]

SENATOR HAAR: And I'm just not familiar with all of those (inaudible). [LB408]

LARRY SCHERER: Senator Sullivan's LB417 would reduce the amount of aid in a couple of ways, one is the raising the local-effort rate above what it would fall back to if we don't change the law. And it would also change the cost-growth factors to limit the amount of growth in the state aid. So those are the big two. Those are the big two. The alternative that Senator Raikes did in the, boy, mid-nineties, I don't know I'm kind of lost in that time frame, but we've had these recessions periodically, they come. And the temporary aid allowance in LB640 is an option. One downside to that is if you temporarily reduce aid and say then in the future you're going to fund full needs, you've just created kind of a cliff for yourself that you're going to have to climb all of a sudden.

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And that is not a good way to do things either, so not suggesting that. Senator, you have a bill that would have the cost-growth factor be based on the CPI and an average of school spending over five years as a way to try to level state aid growth and... [LB408]

SENATOR HAAR: Smooth it. [LB408]

LARRY SCHERER: ...smooth it, smooth it, that's the term. So that's an alternative as well. [LB408]

SENATOR SCHEER: Senator Avery. [LB408]

SENATOR AVERY: Thank you, Senator Scheer. You've dealt... [LB408]

LARRY SCHERER: (Laugh) You said Senator Scheer, I... [LB408]

SENATOR AVERY: I was addressing Senator Scheer. [LB408]

LARRY SCHERER: Oh, I'm sorry. That Scheer. That's right. [LB408]

SENATOR AVERY: Yeah, I know your name is Scherer but his is Scheer. [LB408]

LARRY SCHERER: I know we've...that's right. That's right. I was not listening closely, was not attentive. [LB408]

SENATOR AVERY: That's part of the protocol here. [LB408]

LARRY SCHERER: Yes. [LB408]

SENATOR AVERY: You have gone through many of these changes in the certification date. How did you deal with them in the past if you can't deal with this one? [LB408]

LARRY SCHERER: Well, before the bargaining law was changed two years ago, there was not the issue of having to change the negotiation cycle. Before that, there was no deadline for negotiations. They could drag on for years and many of them did. And the longer they drag on, the harder the feelings get. If you go to the CIR, for example, it could take years. So the idea of the new schedule was to get it all done, get it in the budget for the coming year. And that's new. That problem wasn't there the last time you pushed the certification date back. So I don't know how we would have dealt with it in the past. The issues of how the schools deal with the unexpected change, you know, that's always been there and always will be there. Hopefully there's some reserves that can help. [LB408]

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SENATOR AVERY: What was the certification date last year? [LB408]

LARRY SCHERER: Certification date I think was March 1 and it went back to July 1. Is that right? [LB408]

SENATOR AVERY: So that required adjustment. [LB408]

LARRY SCHERER: That required adjustment last year, yeah. Yes, it did. [LB408]

SENATOR AVERY: And you got through that. [LB408]

LARRY SCHERER: Yeah. We didn't have that bargaining law changed then though, Senator. That's a new aspect to it. [LB408]

SENATOR AVERY: That came out of the CIR bill. [LB408]

LARRY SCHERER: Yeah, the CIR bill. Yes. [LB408]

SENATOR AVERY: Okay. Thank you. [LB408]

LARRY SCHERER: Yeah, thank you. [LB408]

SENATOR SCHEER: Senator Davis. [LB408]

SENATOR DAVIS: Mr. Scherer, you've got...you're suggesting March 15. How did you come up with that date? [LB408]

LARRY SCHERER: It would be early enough...first of all, it allows us a little more time to...as a committee to do the rationing work on how much aid is available. And it would allow the aid to be certified before April 15 when the RIF notices must go out. And, you know, as far as the bargaining schedule, it would have some effect pushing it back but not a drastic effect. You could still...for those that have to go to the resolution officer and then the CIR, you still have a shot at going through the process before September 15, which is the date the Commission of Industrial Relations is supposed to make their ruling. [LB408]

SENATOR DAVIS: Right. [LB408]

LARRY SCHERER: So kind of working backwards from that date. Is that the only date that will work? Probably not, but that's... [LB408]

SENATOR DAVIS: I mean, could we go April 1 or... [LB408]

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LARRY SCHERER: Yeah, certainly. And I guess in response to the questioning should there be a later rather than earlier, if it's continually a problem to do it in March, then maybe a date early...later date permanently makes some sense too. [LB408]

SENATOR DAVIS: Thank you. [LB408]

LARRY SCHERER: Thank you. [LB408]

SENATOR SCHEER: Senator Seiler. [LB408]

SENATOR SEILER: Don't we have a difference in what our tax structure is going to look like? If the Governor's bill goes through, doesn't that make a world of difference to our funding? [LB408]

LARRY SCHERER: To the revenue? [LB408]

SENATOR SEILER: And how can we jump in ahead of that? We're just throwing darts at a wall. Well, if the sales tax and the income tax goes away... [LB408]

LARRY SCHERER: I understand the income tax plan is supposed to be revenue neutral. Isn't the tax plan supposed to be revenue neutral? [LB408]

SENATOR SEILER: When he proposes this, what he's proposing being revenue neutral? I don't think so. [LB408]

LARRY SCHERER: That's what the Governor's address... [LB408]

SENATOR SEILER: Well, I know what he said, but (laughter) I also can add and subtract and it doesn't come out that way. [LB408]

LARRY SCHERER: Well, you know, we're not lining up to support those changes either. [LB408]

SENATOR SEILER: I mean, I think Senator Sullivan is asking for one-year throwback. I think the biggest reason to vote for the June 1 is because of the Governor's bill. [LB408]

LARRY SCHERER: And in terms of the amount of aid, I agree with you. [LB408]

SENATOR SEILER: Okay. [LB408]

LARRY SCHERER: The amount of aid, the distribution of aid where you get into the allowances and you get into the adjustments, those types of things, if there isn't the same need to do those in that time frame. So, yeah, I do agree with you on the funding

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aspect of it. And realistically I don't believe the tax plan will be revenue neutral either. It's just... [LB408]

SENATOR SEILER: (Laugh) I have nothing further. [LB408]

SENATOR SCHEER: Okay. Any other questions? If not, thank you, Mr. Scherer. [LB408]

LARRY SCHERER: Thank you very much. [LB408]

SENATOR SCHEER: Any other opponents? Any other opponents? Seeing none, any in a neutral position. Anyone speaking in a neutral position? Seeing none, Senator Sullivan, would you like to close? [LB408]

SENATOR SULLIVAN: Thank you. Thank you, Senator. And I really don't have anything new to say other than just to remind us that we do have our work to do and I think we need to do it expeditiously, and I know we will, but I don't think we need to rush it. And I think by setting that June certification date, it will give us that time. I think it's interesting to note that Mr. Larry Scherer indicated that he worked on certification and with the senator for the Education Committee in 1990, and the certification date then was July 1. And to remove funding from policy discussions, I think that would be a dangerous route to go. So I'm not suggesting that we do that. I think to put a goal, a date out there, I don't know if you're like me, you like to work around goals, and so I think we should have a definite date out there rather than just leave it open-ended, and admit the fact that this is a balancing act. We are balancing and trying to look at an appropriate increase in state aid. The Forecasting Board, while they won't give us a number for TEEOSA, they will predict the anticipated revenues, and it's going to be up to the Legislature that as you well know we require of ourselves a balanced budget. And, of course, TEEOSA plays a big role in that. So I think setting the certification date at June 1 will help us in those deliberations. [LB408]

SENATOR SCHEER: Senator Seiler. [LB408]

SENATOR SEILER: I have one question. Senator Sullivan, we can still certify it earlier. [LB408]

SENATOR SULLIVAN: Oh, absolutely. Absolutely, and I hope we can. [LB408]

SENATOR SEILER: That's just for a deadline. [LB408]

SENATOR SULLIVAN: Um-hum, um-hum. [LB408]

SENATOR SCHEER: Any other final questions? Okay. Thank you, Senator Sullivan.

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And I'll wait for her to regain her Chairman position. And with that, the hearing on LB408 is closed. [LB408]