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Education Committee
January 19, 2016

[LB692 LB726 LB734 LB773]

The Committee on Education met at 1:30 p.m. on Tuesday, January 19, 2016, in Room 1525 of the State Capitol, Lincoln, Nebraska, for the purpose of conducting a public hearing on LB734, LB773, LB692 and LB726. Senators present: Kate Sullivan, Chairperson; Rick Kolowski, Vice Chairperson; Roy Baker; Mike Groene; Bob Krist; Adam Morfeld; Patty Pansing Brooks; and David Schnoor. Senators absent: None.

SENATOR SULLIVAN: This is the Education Committee, just to make sure you're in the right place. I'm Senator Kate Sullivan, Chair of the committee, I represent District 41, I'm from Cedar Rapids. I would like you to also meet other members of the committee and have them introduce themselves. We'll start with the Vice Chair.

SENATOR KOLOWSKI: Rick Kolowski, District 31: southwest Omaha.

SENATOR SCHNOOR: David Schnoor, District 15: Scribner.

SENATOR PANSING BROOKS: Patty Pansing Brooks, District 28, right where we're sitting.

SENATOR MORFELD: Adam Morfeld, District 46: northeast Lincoln.

SENATOR KRIST: Bob Krist, District 10: Omaha and Bennington.

SENATOR BAKER: Roy Baker, District 30: Gage County and part of southern Lancaster County.

SENATOR SULLIVAN: Thank you, Senators. And Senator Mike Groene will be joining us shortly, I presume. We also have a couple of staff people that are helping us with the committee. To my immediately left is LaMont Rainey, who is legal counsel for the Education Committee and to my far right is Mandy Mizerski, committee clerk, who makes sure that we have adequate record of this hearing. We also have two pages helping us: Brook Cammarata from Omaha, she attends UNL, studying advertising and political science; and Caitlin Welty, also from Omaha, who is attending Nebraska Wesleyan, studying political science. We have four bills before us today: LB734, LB773, LB692 and LB726. If you are planning to testify with any of those bills, please pick up a green sheet that should be a sign-in sheet at both entrances to the room. If you do not wish to testify, but would like your name entered into the official record as being present at the hearing, there is a separate form for doing that as well. Regarding the green sheet, we ask that you fill it out in its entirety. Please print and then when you come up to testify, simply give

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the sign-in sheet to the committee clerk. If you have handouts, please make sure you have 12 copies and give those to the pages, who will hand them out to the committee. When you do come up to testify, please speak clearly into the microphone, that helps the transcribers have an easier job of it. Tell us your name and spell both your first and last names, to ensure we get an adequate record. Perhaps I don't need to say this, but please, please turn off all cellphones, anything that makes noise. We want to give our full attention to the introducer and to the testifiers. The introducing senator will make initial statements, followed by proponents, opponents and neutral testimony, and closing remarks are reserved for the introducing senator only. After some consideration, I decided to use a five-minute limit today for the testifiers. When you see the yellow light...that's excluding the introducer, we're not going to give you any time limit, Senator Watermeier. But regarding the testifiers, when you see the yellow light come on, that means you have one minute remaining, and the red light means you need to end. And as you testify and listen to those that precede you, please try not to repeat your testimony. We're giving you the five-minute limit, but that doesn't mean you have to necessarily take all five minutes. We truly treasure this committee hearing process and want to use it effectively, as well as efficiently. So without further ado, I think those are all the sort of rules of the road so to speak, and we will start with the first bill, LB734, introduced by Senator Watermeier. Welcome.

SENATOR WATERMEIER: (Exhibit 1) All right. Thank you, Senator Sullivan. Chairperson Sullivan and members of education, I am Senator Dan Watermeier, spelled W-a-t-e-r-m-e-i-e-r, representing District 1, in southeast Nebraska. I'm here today before you to introduce LB734. LB734 would allow nonresident members of the Nebraska National Guard to receive an in-state tuition rates at state educational institutions. Nebraska state tuition assistance policy, which pays for about 75 percent of tuition cost, is a significant benefit which aids the Nebraska Army and Air National Guard in their recruiting and retention efforts. The State Tuition Assistance Program serves as a backup for members not eligible for federal tuition assistance. However, Air Guard members are not eligible for this federal assistance. Furthermore, new limitations were placed on the Federal Tuition Assistance Program of Army Guard members, that limit eligibility for tuition assistance until one year after their complete basic training, and then they are limited to only 16 hours after that. These changes at the federal level have caused about a 25 percent increase in requests for state tuition assistance. State tuition reimbursement is applicable only after all available federal tuition assistance benefits have been exhausted. Section 85-505 in Nebraska revised statutes allows members of the Nebraska National Guard who enroll in any state-supported university, college or community college or independent college for nonprofit, regionally accredited college or university in the state to be entitled to a 75 percent credit of resident tuition charges. Although, at the independent colleges, the credit shall not be more than what they would have received at the University of Nebraska. However, if such a student is not a resident, a 75 percent credit of resident tuition does not go nearly as far as when paying nonresident tuition. Because of legislation signed last August by the president, all 50 states and Washington, D.C. are now providing recently and transitioning veterans and their dependents

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with in-state tuition rates at public institutions of higher learning. LB734 will help ensure that all service members using our state tuition assistance receive this same benefit. I worked with the Military Department on this bill, and have a letter of support to distribute to committee members--which I've already done, from the Adjutant General, also, I've contacted the University, the state colleges, and the community colleges. The University of Nebraska said they have been implementing such policy changes since 9/11. The state colleges and community colleges both indicated their support. Within the State College System, only Wayne State still charges nonresident tuition. I realize that this bill will not effect a large number of National Guard members, but it will be important to those affected. I also feel that it represents a fair policy and that it treats members the same, whether receiving federal or state benefits. I urge you to favorably consider LB734, and if you have any questions, I'd be glad to answer them. But there are people behind me that's going to probably be able to explain it a little bit in more detail. And I do have another bill coming up right away to introduce in Transportation, so I will not be closing. So thank you, Chairman. [LB734]

SENATOR SULLIVAN: Thank you, Senator Watermeier. Are there questions for him? Senator Pansing Brooks. [LB734]

SENATOR PANSING BROOKS: Thank you, Chair. Thank you, Senator Watermeier. I was just wondering about the fiscal note, and you sort of explained it, I think. So is the reason there's no fiscal impact because there's one fund and it's just who gets access to that fund? [LB734]

SENATOR WATERMEIER: Yes, that and also the schools will be picking that up, so indirectly we won't have a direct fiscal note. [LB734]

SENATOR PANSING BROOKS: Okay, thank you. [LB734]

SENATOR WATERMEIER: But it's going to be codifying in policy of what we do in Nebraska--like what the University has already been doing. [LB734]

SENATOR PANSING BROOKS: Okay, thank you. [LB734]

SENATOR SULLIVAN: Senator Baker. [LB734]

SENATOR BAKER: Thank you, Senator Sullivan. Senator Watermeier, do you have any data? Do you know how many nonresident guardsmen are attending colleges in Nebraska now? [LB734]

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SENATOR WATERMEIER: It's going to be a handful is all. It's a very small number. [LB734]

SENATOR BAKER: Fifty? [LB734]

SENATOR WATERMEIER: No, I don't think so. I think less than 10. [LB734]

SENATOR BAKER: Okay, thank you. [LB734]

SENATOR SULLIVAN: Senator Kolowski. [LB734]

SENATOR KOLOWSKI: Thank you, ma'am. Senator Watermeier, do you know how many Nebraskans might be serving in other states as well? Do you have an idea on that because of the geography, it was easier for them to get to a National Guard? (Inaudible). [LB734]

SENATOR WATERMEIER: I don't know that, but I think there may be some people behind me. But I can find that out for you. If I don't hear it in the testimony today, I can find that out. [LB734]

SENATOR KOLOWSKI: Thank you, that's (inaudible). [LB734]

SENATOR SULLIVAN: Any other questions? All right, thank you. [LB734]

SENATOR WATERMEIER: Thank you. [LB734]

SENATOR SULLIVAN: We'll now hear proponent testimony. Welcome. [LB734]

RYAN McINTOSH: (Exhibit 2) Thank you. My name is Ryan McIntosh, M-c-I-n-t-o-s-h. Senator Sullivan, members of the Education Committee, I'm here today on behalf of the Nebraska National Guard Association, which include current commissioned officers and warrant officers in the Nebraska Army and Air National Guards, and a large number of retired officers as well. Today, the Nebraska National Guard is nearly 5,000 members strong. Our organization strongly supports LB734. I approached Senator Watermeier about carrying this bill after a conversation I had with the former tuition assistance manager for the state of Nebraska for the Army National Guard. After our conversation, I began to look at residency clauses used by other states and I drafted this bill after reviewing state statutes in Colorado, Ohio, New Mexico, North Carolina and West Virginia. In many other states, such as Iowa, tuition is waived entirely at state colleges and universities for current members of the Iowa National Guard. This bill does not do

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that, but it will go a long way to ensuring affordability of colleges by those who have chosen to serve in our National Guard, but live out-of-state. LB734 simply allows those currently serving in the Nebraska National Guard, but live out of state, to receive in-state tuition rates, rather than paying an out-of-state rate. This bill will have a minimal fiscal impact on our state. In fact, the University of Nebraska-Lincoln is already following this policy. However, it will serve as a tool for both our state colleges and universities in their out-of-state recruiting efforts, and more importantly, for our National Guard in recruiting its state borders. This will not impact a large number of soldiers and airmen immediately, but it will certainly have a large impact on those who it does effect directly. This is a small step that we can take to facilitate our soldier and airmen receiving postsecondary education. Moreover, I believe that this will serve as a positive example for the private colleges in our state to follow. Thank you. [LB734]

SENATOR SULLIVAN: Thank you, Mr. McIntosh. Was that statement that Senator Watermeier made earlier accurate, that as far as the impact that this legislation would have on guardspeople, how many might be impacted? [LB734]

RYAN McINTOSH: I worked with the Military Department a little bit on this and it's very difficult to gather information on this. For one, it's difficult to track local addresses and many people come from out of state--Iowa, Kansas, mostly neighboring states. And they have a local address and that's what they use for their home of record and their permanent address, because they're attending school here. And the university system has already implemented this policy and it hasn't been an issue. So in working with them, they would be hard-pressed to find accurate data without really just guessing. [LB734]

SENATOR SULLIVAN: Sure. Okay, thank you. Any other questions? Senator Groene. [LB734]

SENATOR GROENE: Thank you, Madam Chairman. So all the schools are doing this already, except for Wayne State? [LB734]

RYAN McINTOSH: The only one I can... [LB734]

SENATOR GROENE: Is that what I heard Senator Watermeier state? [LB734]

RYAN McINTOSH: From my understanding Peru State and Chadron State currently, just by their own policy choices, only have one tuition rate, whether it's in-state or out-of-state. [LB734]

SENATOR GROENE: And UNL is the same? [LB734]

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RYAN McINTOSH: No, UNL is not the same. UNL has made a policy decision, and in speaking with the tuition assistance manager for the Nebraska Army National Guard, she says the University of Nebraska-Lincoln at least, or the university system will call her to verify membership with the National Guard. She confirms it and they give in-state tuition rates. [LB734]

SENATOR GROENE: They don't ask them where they live? [LB734]

RYAN McINTOSH: Correct. They just verify that they are a member of the Nebraska National Guard. [LB734]

SENATOR GROENE: And then as far as the cost, the educational institution just swallows it? But then there's no funding from the state to substitute for the tuition lost? [LB734]

RYAN McINTOSH: Yeah, that's the idea here. I mean, the state of Nebraska is already putting forth the tuition assistance and that leaves a gap. And so this is closing a little bit of that gap. So it's moving... [LB734]

SENATOR GROENE: From the state of Nebraska is already... [LB734]

RYAN McINTOSH: Through the Tuition Assistance Fund, that it's paying for National Guardsman. There's federal tuition assistance and state-level tuition assistance. So it kind of closes that gap a little bit. And currently, as far as people who are currently in the National Guard, but live out of state, the number of people that's currently affecting is very small, particularly those that aren't...that would be receiving out-of-state tuition rates. I think the idea here is that it ensures that that policy that the university is following now, continues into the future, and can possibly be a recruiting tool. I know for...I guess my anecdotal example is when applying around to schools, I received a letter from Ohio State University saying if I were to attend their law school and transfer to the Ohio National Guard, that I could receive in-state tuition rates. It's certainly something I considered, at least for the moment, but I think a tool for both our recruiters and retention of our forces and for the State College System and their recruiting. [LB734]

SENATOR GROENE: Thank you. [LB734]

SENATOR SULLIVAN: Any other questions? Thank you, Mr. McIntosh. [LB734]

RYAN McINTOSH: Thank you. [LB734]

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SENATOR SULLIVAN: Welcome. [LB734]

JODI KUPPER: Thank you. Good afternoon, Chair Sullivan and members of the Education Committee. My name is Jodi Kupper, J-o-d-i K-u-p-p-e-r, and I'm vice chancellor for Academic Planning and Partnerships for the Nebraska State College System. I'm here today to testify in support of LB734, which would allow nonresident members of the Nebraska National Guard to be considered residents for tuition purposes. The Nebraska state colleges believe that it is reasonable to provide in-state tuition rates to those who serve the state in the Nebraska National Guard, whether or not they live in Nebraska. At this time, these individuals, as well as all nonresident students, are currently able to take advantage of the One Rate Any State Program at Peru State, which offers nonresident, on-campus students the equivalent of in-state tuition, the Eagle Rate Program at Chadron State, which offers nonresident, on-campus students the equivalent of in-state tuition, plus \$1 per credit, and the Bridge Rate at Wayne State College, which offers nonresident students who attend the college center in South Sioux City the equivalent of in-state tuition rate, plus \$1 per credit. However, the NSCS is in full support of assuring resident tuition rates at all three state colleges, whether on-campus, off-campus or on-line for members of the Nebraska National Guard. Thank you for the opportunity to testify, and I'll address any questions you may have. [LB734]

SENATOR SULLIVAN: Thank you, Dr. Kupper. What is the in-state tuition and the nonresident? [LB734]

JODI KUPPER: I would have to get back to you on that. I'm not certain--I didn't bring that with me. But I think it would be a significant difference to want the in-state tuition rate versus the nonresident. [LB734]

SENATOR SULLIVAN: Okay, very good. Any other questions? Thank you for your testimony. [LB734]

JODI KUPPER: Thank you. [LB734]

SENATOR SULLIVAN: (Exhibit 3, 4) Any other proponent testimony? I would like to read into the record a letter of support for LB734 from Dennis Baack, executive director for the Nebraska Community College Association. Anyone wishing to speak in opposition to LB734 or in a neutral capacity? Very good. And since Senator Watermeier has waived closing, we will close the hearing on LB734 and move on to our next bill, LB773. And it is Senator Stinner. [LB734]

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JODY GITTINS: Senator Stinner was here. He had to leave for just a moment, but he'll be right back. [LB773]

SENATOR SULLIVAN: Okay we will just stand at ease for a moment. [LB773]

BREAK

SENATOR SULLIVAN: That's all right, Senator Stinner. You don't need to run. Just catch your breath, you're fine, you're fine. [LB773]

SENATOR STINNER: Sorry about that. [LB773]

SENATOR SULLIVAN: No problem. As I indicated, we're now moving on to our next bill, LB773, to be introduced by Senator Stinner. Welcome. [LB773]

SENATOR STINNER: (Exhibit 1, 2) Well, good afternoon. And thank you, Chairwoman Sullivan and members of the Education Committee. And I am a little out of breath right at the moment. But for the record, my name is John, J-o-h-n, S-t-i-n-n-e-r, Stinner, in District 48, which is all of Scotts Bluff County, and I am introducing LB773 to you this afternoon. To start, I want to acknowledge the committee's longstanding work on early childhood issues and initiatives. I think you all understand the value of investing. The important thing about investing though, is to know when to invest. I think the committee also understands that it's the state's responsibility for educating a child starts in kindergarten. And some of the challenges that we're facing today in both education as well as in society, start earlier than that. So it's important, and it's in our best interest to ensure that we are proactive about keeping the cost down as much as possible and getting in front of these issues, instead of later behind those issues. I want to take you through just a little bit of the science, school and work ideas that are out there. I'm sure that most of you are aware of these issues, but as you are already aware, the development of the brain in the first five years literally shapes the learning capacity for the rest of the child's life. Science and research on the developing brain show that early childhood experiences build the foundation for a skilled work force and a thriving economy. Neuroscience has identified a set of skills that are essential for school achievement and for the preparation and adaptability of our future work force. These are the vital skills that Nebraska employers are seeking, and these are the skills that can be developed before a child enters the K-12 education in Nebraska. These are also the skills that enable student achievement, help children remember and follow multi-step instructions, avoid distractions, control rash responses, adjust when rules change, persist at problem solving and managing long-term assignments. But it's not just about student achievement. In early years, our brains form the framework for decision making, teamwork, leadership, critical thinking, adaptability and being aware of our own emotions, as well as those of others. Once again,

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Nebraska businesses know how critical these soft skills are for success in the workplace. For society, the outcome is greater prosperity due to innovative, competitive and flexible work force. We can not afford to ignore the cost and consequences associated with not properly developing our young children. One is the most expensive cost comes in the form of crime and increased corrections. And if you want to take a look at one of the budget items that are out of control, look at the 20-year analysis of what the judiciary system is costing us, along with Corrections, it's over 8 percent annual increases in those areas. But also, there is a cost associated with the lack of training and sufficient skills in the workplace, leave the employers bearing additional cost for job training and remediation. High-quality early-childhood education yields more stable communities, reduces crime, less dependency on welfare and greater social cohesion. When it comes to funding education, I'd rather pay less at the front end than to have to bear the cost of remediation later. Brain development begins in early stages of a child's life and if the child is behind before entering kindergarten, it is likely they will remain behind, or else have to catch up with the children later on, and that takes considerable resources. Critical factors to develop these skills--children need to have three critical fact tools to develop both school and workplace skills. And all three of these must be present during early-childhood years. One, they need a solid, stable relationship from adults. Two, they need activities that promote healthy brain development. Three, they need good and safe places to live, learn and play. That's exactly what this bill does. LB773 creates an early-childhood work force development task force, bringing together stakeholders who all have something to contribute to the work force shortage we currently face in early-childhood. I have provided some data from First Five Nebraska showing that all children ages 0 through 5 in Nebraska, who are at risk of failing in school, only 27 percent of them have access to early-childhood experiences that are at a level of quality to close the achievement gap. That leaves 73 percent of the children who are at greatest risk of failing in school without the early experiences that close the achievement gap. Local communities all across the state are making great strides to close the gap before kindergarten, when it is most effective and least expensive to do so. But over and over again we hear the challenges in finding a work force to do it. That's where this legislation comes in. I am also bringing you AM1851, which replaces the introduced copy, and I want to walk through what it does. The task force creates as follows: five voting members, who are heads of agencies whose expertise we need in this work. They are from education, health and human resources, labor, the Commission on Postsecondary Education and the Buffett Early Childhood Institute. There are 18 voting members, appointed by the Governor, and they represent the University of Nebraska, state colleges, community colleges, Nebraska Indian Community College, representatives from private college or university, two teachers from Nebraska schools--including a kindergarten teacher and somebody from either first, second or third grade...and one of the teachers has to be from the public school system, two administrators from the Nebraska Public School districts--one from a district lower than 2,500 and one from one that's greater than 2,500, two licensed childcare providers, two representatives of federal Head Start, two representatives from different philanthropic organizations in Nebraska that currently invest in early-childhood care,

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representatives of the Nebraska affiliation of a national childcare accreditation organization, two representatives of privately owned for-profit businesses not necessarily involved in early-childhood--but certainly somebody that has some expertise in work force development. Also, there will be three nonvoting members that will be from appropriations, education, health and human services. The task force is required to meet 60 days after the effective date of the act. The first meeting will be called by the executive director of the Buffett Early Childhood Institute as acting chairperson and the task force then would select a chairman and vice chair. The task force is required to meet at least once every two months, the task force will be given space at the institute to operate. The institute is required to staff and facilitate the activities of the task force--they're paying for it, Mike. There is no fiscal note in this. [LB773]

SENATOR GROENE: Divine influence, is that what you said? [LB773]

SENATOR STINNER: No, I'm just saying. The task force must complete and submit its report no later than December 1, 2017. The report is advisory and would include a description of local needs regarding the early-childhood work force, findings on the ability of current state systems to meet the needs identified, agreement on competencies necessary to close the achievement gap for children at risk of failing in school, findings and recommendations for preparation and training of early-childhood education. And then what we want is the early-childhood professionals need to consider, to ensure pathways of preparation and training exist, aligns the various pathways of preparation, strength and coordination between higher educational institutions, state agencies, community organizations in preparing and training early-childhood care and educational professionals describes the actions, methods, steps and time lines necessary. The task force will terminate December 31, 2017. This amendment is important, because we've been working with the legal counsel here for Education, to legally put together the right template for this task force. And I just want to add that, you know, 27 percent of the people are covered right now. We're still looking for a way of getting these other 73 percent of the people covered. In other words, we've got a good pilot program. We need to push it out and figure out how we do that right now. To execute that, we need that work force, we need competency, we need a curriculum, we need to take a look at what's really working out there right now and really kind of form that as the template as we push it out to the rest of the state. And you may ask why I'm interested in this subject. I spent 10 years on the Gering School Board, and during that time we had to deal with some of the challenges. And we spent a lot of time looking at special education, and that was a budget item over my 10 years that was just exploding, and we were trying to find some answers for that. We were trying to find answers for teen pregnancy, we were trying to find answers for dropouts, we were trying to find a curriculum that was relevant to our students, that was robust enough to get them to the next level so they'd become productive citizens and be lifelong learners. And when I got involved in the campaign, I happened to bump into Superintendent Miles, and Superintendent Miles is Superintendent of Scottsbluff School System, and he was telling me about the fact that 61 percent of the kids that show up for kindergarten

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don't have the basic skills to be there. So they're starting in the back of the bus. This is the pool of folks that end up in your special ed, so if we can reduce that from 61 percent to 25 or 20 percent, I think we can answer some of these budgetary problems that we have, as it relates to special ed. If kids show up and they're ready to learn, they're not going to have the behavioral problems that we talked about. And that was another area...we talked a lot about behavioral problems, what do you do with problem kids? And that's a cost...that's a social cost as well as anything else. But really what resonates with me is if we get in front of this thing and spend whatever the money is, and I think the last I looked, it was about \$6,000, and you start to push that forward and you take a look at can I reduce my special ed budget. And I think that's part of the answer. The next part is can I reduce that dropout rate? And oh, by the way, it carries on right into your corrections. They're not going to be in front of the juvenile courts, they're not going to be in prison, because when you look at that prison population, it comes through loud and clear that the people who drop out represent your prison population. So there's long term benefits and there's linkage between this. Now all we have to do is find a work force that can execute this program and that...the one thing I do like about this whole situation on early childhood is a private/public partnership. And the one thing I like about the private sector is they want results, they're going to produce data, they're going to give...in fact, every time I talk to the folks at First Five, we've got to continue to have data. We've got to have proof that this is something that really pays off. And I think we will provide that proof, I think we are providing that proof, we just need to figure out how we get it pushed out to the rest of the state. And that's what this work force development bill is about. And it does not include a spending bill or appropriations bill. So in any event, that's my sermon for today. [LB773]

SENATOR SULLIVAN: Thank you, Senator Stinner. I'd like to ask you a couple questions about the makeup of the task force. You indicated there would be two licensed childcare providers. And will they come from different size situations, will there be a large one and maybe just a home-style provider? [LB773]

SENATOR STINNER: You know, we did not specify that. I think that's an appointee of the Governor, and I would presume that we could build some language into this amendment or to issue another amendment to get that type of coverage. [LB773]

SENATOR SULLIVAN: Okay. [LB773]

SENATOR STINNER: Or just talk to the Governor and say that's kind of what we want. [LB773]

SENATOR SULLIVAN: And then are you familiar with who or what the accreditation organization would be that you have on the force? [LB773]

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SENATOR STINNER: I am not. [LB773]

SENATOR SULLIVAN: Okay, there will probably be somebody... [LB773]

SENATOR STINNER: But I think there's some folks behind me that are a lot smarter than me about this. [LB773]

SENATOR SULLIVAN: And then, it's fair to say that some of the people on the task force would have been or are currently parents themselves who have been in childcare situations, but would there be value in having actual position for a parent or parents on this task force? [LB773]

SENATOR STINNER: I think that is something that we could easily add to it, yes. [LB773]

SENATOR SULLIVAN: Okay. And then it's clear that you have a real strong interest in this, but I'm trying to figure out what's the main push? I mean, I think clearly the Legislature has seen the value over the last several years of putting more support into early-childhood education, but is the critical point we have the positions but we don't have people--professionals ready to step into these positions? Or do we have unmet capacity and do we have either the infrastructure or the dollars to increase that capacity of...where's the weak link, I guess is what I'm looking for? [LB773]

SENATOR STINNER: I think first of all we went with a work force and a task force idea, rather than an LR, so it spreads over a longer period of time and we can look at some of those issues that you're talking about, that you're quizzing about. My take on this is that we have an insufficient work force and that we want to sit back and take a look at what does that work force need to look like to get out to the Bayards, the Minatares, the Mitchells, the Morrills, where we're not touching people's lives, and try to measure just what that looks like, what that means, what should the curriculum be, what should their programs look like. Now, we have the Sixpence program in Scottsbluff, it's rated all the time and that's what I like about it, is somebody comes in and independently evaluates what they're doing. And I'm sure that this work force is going to take templates like that and say how do we replicate that, how do we continue to gather the data, who are the people that we can identify to carry out this mission? That's my take on it and I'm sure that there's other folks that can answer that even better than I can. [LB773]

SENATOR SULLIVAN: Okay. Any other questions? Senator Groene. [LB773]

SENATOR GROENE: Senator Stinner, the way I read this, we're just looking at is it's supposed to look at providing work force, describing what hopefully their criteria would be...would a para

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do it? Are they going to...is somebody going to step in and say no, you got to have a four-year degree and we'll give you raises if you get a master's degree and you fit into the pay scale? Are we going to have a situation here where a mother could teach a child a, b, cs or cognitive thinking, but that's what I see here. But you're talking about designing a program and what we're talking in this task force is just defining what the work force looks like, is it not true? [LB773]

SENATOR STINNER: Well, in order to execute what we have today, we have a Sixpence program that actually works with mothers before they have babies, okay? [LB773]

SENATOR GROENE: Good, yeah. [LB773]

SENATOR STINNER: So they're talking about some of that stuff, and there's other programs too that can instruct young moms how to be pregnant, how to have a baby. [LB773]

SENATOR GROENE: But this just... [LB773]

SENATOR STINNER: Then you go through zero through three Sixpence program, then you start to go into your Head Starts and pre-Kindergarten. And actually, it takes it on and out past that period of time. And what you have to look at is is there a gap in that work force, do we have enough to execute this, what kind of towns do we need to service, what's that going to look like and what's the level of competency? Now, I can't answer your question about are we going to demand. Well no, we're not going to demand, we're going to come with a template that here's what the successful program looks like and this is what we're going to try to replicate. And I'm sure that we're going to try to bridge in with the school districts, bridge in with the stakeholders that are local stakeholders, whether they be school districts or ESUs or whatever. But I think that that's the evolution and that's the genius of this task force. [LB773]

SENATOR GROENE: That's the evolution, but this LR (sic) doesn't do that. This LR (sic) just looks at work force and what's necessary. [LB773]

SENATOR STINNER: And competency. And I think it broadens from there. [LB773]

SENATOR GROENE: One last question. It has a termination date, it's over December 31 in advance...2017, it doesn't go on? [LB773]

SENATOR STINNER: It's...yes. [LB773]

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SENATOR GROENE: Thank you. [LB773]

SENATOR SULLIVAN: Senator Schnoor. [LB773]

SENATOR SCHNOOR: Thank you. Senator Stinner, on the third page here it says program environment and professional competency is necessary to close the achievement gap for children at the risk of failing in schools, from birth through third grade. Yet constitutionally, we only educate 5 through 21. [LB773]

SENATOR STINNER: Yes. [LB773]

SENATOR SCHNOOR: So how can you...I mean, how can we justify this, when it goes beyond our constitutional mandate? [LB773]

SENATOR STINNER: Well, I will say this, that as I stated in my summary here of what we were trying to get accomplished, the state--from kindergarten on, has the duty for education, and I get that. But the problems that we're having is that when kids show up for kindergarten, they're not ready. That is...that population ends up being special ed, ends up being your behavioral problems, ends up being your dropouts, ends up being your prison population. How do we solve that? Well, we solve it through taking a look at--an aggressive look at that zero to three, a Sixpence program, teaching parents how to be parents. These young people don't know. And you've got quite a few single moms, but to teach them how to be parents, to elevate that kid's perception, cognitive abilities, brain development in those first three years. But it has to extend and it has to be connected also to when they start school, and what we can do to better that whole thing. So what we want to do is to take that 61 percent that's showing up in Scottsbluff not ready, we want to be able to drop that into the 20s. We're going to use the Sixpence program, we're going to use a Head Start program. But not just in Scottsbluff, it has to be in these other towns. So you have to have some kind of idea about what the work force looks like, what the curriculum and competencies look like and how that connectedness has to happen and then how do you gather the data. [LB773]

SENATOR SCHNOOR: Okay, thank you. [LB773]

SENATOR SULLIVAN: Any other questions for Senator Stinner? [LB773]

SENATOR STINNER: And I can guarantee you there's a whole lot of folks that can answer that better than I can. So... [LB773]

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SENATOR SULLIVAN: Thank you. And did I understand that you will not be here for closing?
[LB773]

SENATOR STINNER: I'm going...yeah I have... [LB773]

SENATOR SULLIVAN: Okay, that's fine. [LB773]

SENATOR STINNER: Appropriations. And I have to introduce some language there as well, so I apologize. [LB773]

SENATOR SULLIVAN: Okay. All right, thank you very much. [LB773]

SENATOR STINNER: Thank you. [LB773]

SENATOR SULLIVAN: We'll now hear proponent testimony on LB773. Welcome. [LB773]

JEN GOETTEMOELLER: (Exhibit 3) Good afternoon, Madam Chair, members of the Education Committee. My name is Jen Goettemoeller, J-e-n G-o-e-t-t-e-m-o-e-l-l-e-r. I'm here on behalf of First Five Nebraska. Thank you for the opportunity to testify today and for the work this committee has done over the years to ensure that young children do have early experiences that close the achievement gap. I think he stepped out already, but I want to thank Senator Stinner as well as the committee counsel and legislative staff that we worked with, who have been very helpful. As you are well familiar, there are more than 64,000 children birth to five at risk of failing in school in Nebraska. These are the kids that will struggle and try, but have an extremely difficult time reading or following along during the math lesson. They live all across the state, not just in the metro areas, and they very likely live in a community who is doing something about closing the achievement gap during the early years, when it is most effective and least expensive to do so. But those communities have been hitting roadblocks in the last several years. This bill is a response to local needs. Some other testifiers are going to take some time to explain in detail why the early-childhood work force is of urgent concern for the state, but I want to tell you what we're hearing from many different voices, all of whom identify an early-childhood work force shortage in their area. Schools are telling us that they simply can't find the early-childhood professionals to staff their prekindergarten classrooms. But it's not just about schools and it shouldn't just be about schools. Childcare centers have a lot of difficulty attracting and retaining workers and frankly, they're often seen as babysitters. Their critical work of nurturing and developing skills in children is often not recognized and they have no way to demonstrate their competencies. We're also hearing from private businesses whose current work force needs more early-childhood environments for their own children. And in some

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communities, the business sector is actually leading the discussions, preparing, for example, the retirement of the two to three licensed childcare providers that are in their community and they're getting folks together saying how are we going to fill this need in our community? And it's the business sector that is driving the momentum in those communities. So you might ask yourself why we need a task force. The task force that Senator Stinner has proposed will bring together stakeholders who don't always collaborate and communicate right now. They all have a piece of the puzzle and we need them to be around the same table. We also don't know what the solutions are, all of the pathways that we need. We need the task force to look at the issues and come up with some of those creative pathways forward. We don't have all of the answers. Fortunately, the task force will have a lot to draw from. The Institute at the University of Nebraska has the ability to convene and help staff the task force, our state agencies have expressed their desire to contribute, colleagues in higher education are currently aligning programs in their systems, including between both two-year and four-year programs. Nebraska's quality rating and improvement system for early-childhood programs has been implemented and the first phase of the independent evaluation is coming in the next couple of weeks. The private sector also remains very interested in partnering with the state on this issue. This is a strategic time to move forward and to plan for the future. I just want to draw your attention, in closing, to a data picture on a handout that Senator Stinner provided. Three-quarters of our most at-risk children have a very difficult road in front of them, he talked about the 73 percent. As a state we're not required to do anything about that. We don't have to intervene. But if we do, thoughtfully and strategically, imagine what Nebraska's economy would look like if that pie chart didn't have any red in it, if the kids that we know are really going to struggle when they get into K-12 had the early experiences, the kind of interactions that we do know close the achievement gap. We can't do it without the proper work force. So I'm happy to take any questions that you have, and urge your advancement of LB773 with the amendment. Thank you. [LB773]

SENATOR SULLIVAN: Thank you, Ms. Goettemoeller. Do you have any information, or maybe there will be someone else forthcoming, about the average salary for an early-childcare professional? I'm talking about in different settings. Both what he or she may have in in-home care or at a childcare center or in an early-childhood program in a public school. [LB773]

JEN GOETTEMOELLER: I'm very glad you brought that up. I don't have those numbers in front of me. If someone else doesn't mention them this afternoon, we can definitely get that to you. One of the things that I think makes it particularly challenging for childcare, as they're dealing with the work force issues, is that they often find their workers hired away by school districts. And we don't want to see this competition necessarily or...I think competition is good, but I don't know if it's helpful for any of us to have school districts hiring away outside of childcare. They are able to oftentimes pay more, and the program that the school district offers is not typically the entire length of the calendar year, whereas childcare is doing that. And so we do have some things that become very difficult challenges regarding the work force, depending on

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where those professionals are at. So it's something that...we'll get you the information on salaries specifically is what you're asking about, but... [LB773]

SENATOR SULLIVAN: All right. [LB773]

JEN GOETTEMOELLER: All of these kinds of things would be helpful information for the task force to take a look at. [LB773]

SENATOR SULLIVAN: Thank you. Any other...Senator Groene. [LB773]

SENATOR GROENE: Thank you, Chairman. You have here that total at risk age zero through five is 73 percent. I looked down below it says you estimated it from the Nebraska Department of Education Preschool Program Enrollment, which includes the Sixpence Early Learning Fund, education for Head Start Enrollment, pre-K student counts in public schools. Every small town in my district, the churches have preschools. I'm sure they're not in there...are you claiming those kids are at risk? My granddaughter is four, she knows her a, b, cs she knows how to read basically, she goes to a Christian preschool. They're not in their number are they? [LB773]

JEN GOETTEMOELLER: So the 73...64... [LB773]

SENATOR GROENE: The 73 percent. [LB773]

JEN GOETTEMOELLER: The 73 percent, those are just the kids that are at risk, so we're not counting every child that's out there. I would guess your... [LB773]

SENATOR GROENE: But the 27 percent is defined by the ones that are in the Sixpence, Head Start, and only government sponsored programs. Those children at risk? [LB773]

JEN GOETTEMOELLER: So the...no, the at-risk numbers are really calculated...there are a number of criteria that the Department of Education has used for decades, really as proxies, to indicate the kids that are going to really have a difficult time when they get into K-12. So what we're able to do is count how many of those that are at-risk are we reaching, and they're not all only government programs, but it's a good question that you're raising, I think, is how do we know who's at-risk and how many we're serving and how many we're not. So I would venture to guess that your granddaughter is probably not at-risk, she would not be in that 64,000 number, 73 percent of which--of that 64,000 we are not able to substantiate it in any way that they have something that is of the level quality. Some of the programs and providers that are out there may very well be doing some great things, but we don't have any way of knowing. And I think that

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actually feeds into the work force issues. Some of the privately, including faith-based programs, are able to participate and are counted in some of those numbers, because they voluntarily participate in something that's called the Step Up to Quality System. I realize we're really in the weeds right now describing all this, and I apologize for that, but I think your point is a good one, that we really need to know what is the actual need is out there and how much good are government programs doing, are public and private programs doing, and how many of the kids who are really going to struggle in school are we able to intervene with early and get them on that right trajectory so we don't have to pay more in K-12 later if they're behind. [LB773]

SENATOR GROENE: Thank you. [LB773]

SENATOR SULLIVAN: Any other questions? Senator Schnoor. [LB773]

SENATOR SCHNOOR: I don't know if you said this or not, but how do you determine whether a child is at-risk or not? Because, you know, you have...well, Dodge County, over half the children age zero to five are at-risk of failing in school. And I guess, what do you determine...I mean, we all know what failing is. [LB773]

JEN GOETTEMOELLER: Right. [LB773]

SENATOR SCHNOOR: But what is your ultimate determination of failing, they won't graduate from high school? [LB773]

JEN GOETTEMOELLER: Right, right. That would be I think kind of the ultimate. If you don't do well in school, then you'll be one of the dropout population. So the criteria...there are a lot of criteria that could certainly put a child at risk right? So if they're in a household that has domestic violence or...I mean, the list goes on, we could name a very long list. What the Department of Education has done is been able to identify the criteria that really act as the proxy for all of those other at-risk factors, so we're not counting all of those. But it is low-income, English as a second language, low birth weight and having a parent who is a teen parent or a parent who has not completed high school. So those are really the indicators that they have seen--the Department of Education has seen as risk. Again, not all of these kids are necessarily...and we don't want to label kids, but they're the ones who are at-risk of having that much more difficult time in school and not being able to graduate. And kindergarten teachers tell us the first day that they're really able to tell who's going to struggle and who's not, who's going to be fine in that system. And it's not about can they write their name yet, right. It's about can they pay attention, can they follow directions and take turns and that kind of thing. So again, lot of risk factors that would impede a child's ability to learn and pay attention and follow along

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with the lesson. But we go back to those four criteria that really act as proxies for all of those risk factors. [LB773]

SENATOR SCHNOOR: Okay, thank you. [LB773]

SENATOR SULLIVAN: Thank you for your testimony. [LB773]

JEN GOETTEMOELLER: Thank you. [LB773]

SENATOR SULLIVAN: Welcome. [LB773]

SAMUEL MEISELS: (Exhibit 4) Thank you. Good afternoon. Madam Chair and honorable members of the Education Committee, my name is Samuel Meisels, S-a-m-u-e-l M-e-i-s-e-l-s. I'm the founding executive director of the Buffett Early Childhood Institute at the University of Nebraska. It's my privilege to appear before you today to speak on behalf of LB773. In my comments today, I'll not only be representing my opinions. At his request, I'll also be representing the position of the president of the University of Nebraska, President Hank Bounds. I want to begin by thanking Senator Stinner, for introducing this important legislation, and Senator Sullivan, for her leadership of this committee over the past four years. In my remarks today, I'll make three points. First, the early-childhood work force is essential to creating quality classrooms and environments for young children. Research tells us that the quality of the teacher or caregiver predicts the quality of children's learning from birth through grade three. Well-prepared teachers are able not only to help children acquire vocabulary, learn to do math and read and write, they are also able to enable children to develop curiosity, communicate and cooperate and acquire the capacity to regulate their emotions and to solve problems. We have strong evidence that children whose teachers know how to help them succeed by kindergarten are more likely to go to college than children from similar backgrounds who did not have high-quality teachers. What's more, those who are exposed to good teaching are less likely to become single parents, more likely to save more for their retirement and earn more money across their lifespans. That's the first reason for supporting this task force. High-quality teachers increase the probability of high-quality learners. The second reason is the crisis we're facing in the early-childhood work force right now. We estimate that at least 100,000 children age eight and younger in Nebraska are at risk for failing in school. The reason that number is bigger than the one that was just discussed is I've extended that into third grade...into the end of third grade. According to First Five Nebraska, nearly half of these children younger than age five do not have access to a quality early-childhood program. First Five Nebraska estimates that the state needs more than 7,900 highly-qualified early-childhood professionals to serve the growing population of vulnerable, young children. This perception is shared not only by researchers and educators. Recently, we completed a survey with the Gallup Company of a representative sample of the

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Nebraska state population. When we asked respondents about their perceptions of the quality of early-childhood work force in their area, fewer than one in five Nebraska residents, that's 17 percent, strongly agreed that the caregivers in the area are highly-qualified. In another survey that we are in the process of completing, 69 percent of early-childhood center directors said they had difficulty filling open positions, because candidates did not have the credentials or experience needed. That's the second reason for supporting this bill. The state desperately needs more highly-qualified early care and education professionals. The third reason is that we at the Buffett Institute are in an excellent position to help this problem and to do something about it. We have two signature programs at the institute, one we call the achievement gap challenge, the other is early-childhood work force development. We need the second in order to achieve the first. In other words, if we do not enhance the quality, quantity and skills of the work force, we will not be able to reduce the gap in achievement between children with few resources in their lives as compared to those with more. Since 2013, the Buffett Institute has completed an inventory of all public and private universities, two and four-year colleges and undergraduate and graduate programs in order to understand and to describe what is available in terms of preparation in early childhood. And we also are doing a survey...a representative survey of teachers and early-childhood caregivers across the state to establish a baseline data regarding the work force. And then also last October, we held the first ever conference of higher education faculty statewide. Twenty-two of the twenty-four Nebraska higher-ed institutions were represented, speaking about how we can bring together all of our ideas, all of our talent and all our motivation to improve the lives of young children. In short, the Buffett Institute views the early-childhood work force as a critical part of its work scope. For this reason, among others, we're willing to undertake the responsibility to raise funds to support the task force that LB773 will bring into existence. Our commitment is clear. The goals spelled out in the bill are of great significance. I ask each of you for your support. Early-childhood development is critical to the growth of young people in this state and to the well-being of all of our citizens. Improving the work force is essential for making this a reality. Thank you, and I'll be glad to answer questions. [LB773]

SENATOR SULLIVAN: Thank you, Dr. Meisels. So did I understand you correctly that the Buffett Early Childhood Institute, under this legislation, would be assuming administrative responsibility for this task force? [LB773]

SAMUEL MEISELS: That's correct. That's the way the bill is written and we are pleased to accept the responsibility. [LB773]

SENATOR SULLIVAN: And that institute is located where? [LB773]

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SAMUEL MEISELS: We are a four campus institute. We focus on research, on practice, on policy, and outreach to the state as a whole. The administrative home of the Buffett Institute is at UNO, we also have space in the college of education at UNL and we work across Kearney and UNMC as well. [LB773]

SENATOR SULLIVAN: You indicated that there is a potential of over 7,000...a need for additional 7,000 early-childcare providers. [LB773]

SAMUEL MEISELS: Seventy-nine hundred. [LB773]

SENATOR SULLIVAN: Is one of the biggest barriers the fact that this is still perceived and the reality is it being a lower-wage profession? [LB773]

SAMUEL MEISELS: Absolutely yes. You asked earlier...you asked Jen about salaries. And off the top of my head, there are a few things I remembered. And we can give you very accurate information. One thing that I remember quite clearly is that the average annual salary for a person with a bachelors degree who works in early-childhood, not in a kindergarten, but in a preschool, is \$29,000 per year. That's it, okay? And kindergarten teachers in the mid \$30 thousands, on the average across the nation...and I don't know exactly how that works out here in Nebraska, whether it's higher. I doubt it is lower than that. And we can look at these numbers, we do have these available and I would be happy to send it on to the committee. So it is a low-paying position, it is not a high-status position. I'm a...previously in my life, in my career, I was a preschool, kindergarten and first grade teacher as well, but I was a lot younger and didn't have children at the time. And it would be difficult for me certainly today to do such a thing and to be able to support my family. And others have that same set of issues. So there are many, many challenges that we face in this field. And certainly salary, working conditions, recognition by the field is important, even though this is such a critically important time of life, perhaps the most critical time in life for children's learning. [LB773]

SENATOR SULLIVAN: Thank you. Senator Krist. [LB773]

SENATOR KRIST: First of all, Doctor, thank you. And I've admired the Buffett's work and your work for several years. And I am new to this committee, so I just want to say that the philanthropists and the folks in Nebraska, we're extremely lucky to have the Buffetts, the Annies, the Stinsons, the Hawks. I mean, those kind of people that come to call when we need their help. And I appreciate your efforts. And I also understand the concept of putting together a task force like this is kind of onerous, and I'm glad that somebody's going to be at the helm, because they're going to need some direction and guidance and mediation, I would think, at some point along the line. But my point or my question...very simple to you. I'm not an educator, but I'm seeing that

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what we have not paid attention to in the past is because maybe some of us believe that we're only interested in K-12 financially. And when the constitution was written, I don't think people could have envisioned both the socioeconomic impact that we would have today in this dynamic world. What we're seeing statistically, if I'm reading this correctly, and just to reinforce it and put it on the record, is the result of our education system does not meet expectations and therefore, we have to look at the early-childhood development and education process to prep those students before they become a fiscal liability in K-12. Now that may be pretty harsh, but am I correct in that assumption? Statistically... [LB773]

SAMUEL MEISELS: I would have a somewhat different point of view, if you don't mind, if you'll excuse that. [LB773]

SENATOR KRIST: Absolutely, go ahead. [LB773]

SAMUEL MEISELS: I think that the public school system, beginning from kindergarten on, is sort of behind the eight ball. That is that they're being given children, or children are coming into that system, who is...several of us have already said, starting with the senator...children who are coming into this system who are already behind. We say behind at the starting gate. If you look at test scores that we can administer--meaningful test scores at preschool and at kindergarten, and you compare children from low socioeconomic status households versus those from more advantaged, you see a difference of one standard deviation, which is a significant, very significant difference between low-income and high-income. Those children will have difficulty being successful in school. They can become successful, but it's very difficult, there's more work to do. We look at two-year-olds, and we look at their vocabulary capacity, what they've learned and what they're exposed to, again by low-income and by mid to high-income, and we see differences of three to one in terms of the ratio. So there are these gigantic differences. We also see differences in the brain structure of children who come from abject poverty, with six percent less...we've been doing a new study this summer...six percent less of surface is available in the brain for children from abject poverty, compared to upper-income and mid-income. So these are really differences the school districts never intended to work with before, they weren't seen before and not seen in this number. So we have to change with that or else we will continue to have failures that none of us really want to have. [LB773]

SENATOR KRIST: May I have one follow-up? [LB773]

SENATOR SULLIVAN: Senator Krist. [LB773]

SENATOR KRIST: Thank you, ma'am. This is a different structure than an interim study, it's not an LR in terms of its parameters. So the only way to extend this process would probably be by

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another action, in terms of an LB or an additional LR. So to that point, is December of 2017 enough time to conduct this kind of information? [LB773]

SAMUEL MEISELS: I think it's enough time to do this work. The work that's spelled out in the bill. What will follow it of course, is another matter. And that's something that the task force will recommend, that the Legislature or public institutions or public/private partnerships will consider, and that we don't know until we've been through it. [LB773]

SENATOR KRIST: Thank you, sir. [LB773]

SENATOR SULLIVAN: Senator Groene. [LB773]

SENATOR GROENE: Thank you, Madam Chairman. I've got a concern here. Now in the original language, it said number 6 through 16 are listed under the section of this act, are to be selected from the applications and selection process administered by the Buffett Early Childhood Institute. [LB773]

SAMUEL MEISELS: And that has been changed in the amendment. [LB773]

SENATOR GROENE: Well, who wrote the original bill? [LB773]

SAMUEL MEISELS: I suspect Senator Stinner. I did not. [LB773]

SENATOR GROENE: You can see some concern out here. We went through Common Core. What it all boiled down to was one very wealthy individual--Bill Gates, was behind it all. I keep hearing the word Buffett. You're passionate. I've got my skepticism, but I think you've got the findings already written. [LB773]

SAMUEL MEISELS: Okay. [LB773]

SENATOR GROENE: I think you've already got the findings written and this is just a parade to say we went through this LR and this committee and we put the people on it we wanted and here we go, we already got it written. I'm sure you've done research and you've got an ideal, but what should be the qualifications of a preschool teacher? [LB773]

SAMUEL MEISELS: Thank you, Senator. First of all, one of the big differences here is that the name Buffett is simply the name. I am an employee of the University of Nebraska. I hope that

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that is better than being an employee of some other rich individual, okay? And so Susan Buffett, who was instrumental in creating the Buffett Institute, has absolutely nothing to do with my day to day activities. None at all, okay? President Bounds certainly does have something to do with that. But I just want to be sure that you know there's a difference between Common Core, which was something done outside of the government and this. This is really quite different. Secondly, I have nothing to do with writing the original or any language, and it has been amended so that the Governor now will appoint those people. Third, yes, I've done a lot of research. My colleague, Dean Kostelnik, has done a lot of research. Others who are present have done a lot of research, but this is a big committee, this is 24...23, 24 people, and the Governor is going to appoint almost 80 percent of it. I think that nobody can walk in on the first day and say I know what we're going to end up with. I think it's going to be a process, I am welcoming the process. And I certainly hope it will be for the betterment of all of our children here in Nebraska. [LB773]

SENATOR GROENE: Thank you. [LB773]

SENATOR SULLIVAN: Any other questions for Dr. Meisels? Thank you for your testimony. [LB773]

SAMUEL MEISELS: Thank you. [LB773]

SENATOR SULLIVAN: Welcome. [LB773]

MARJORIE KOSTELNIK: (Exhibit 5) Hi. Good afternoon. I'm Marjorie Kostelnik, M-a-r-j-o-r-i-e K-o-s-t-e-l-n-i-k, and I'm Dean of the College of Education and Human Science at the University of Nebraska-Lincoln. I'm very honored to appear before you today, and I am here to speak in support of LB773. But I'm coming to you as a former Head Start teacher, as a childcare provider myself, and as an early-childhood center director of 14 years, as well as a teacher, researcher, and administrator in higher education. And I am representing the University of Nebraska's four campuses. And I can tell you firsthand that Nebraska's infants and toddlers and preschoolers have every bit as much a need to interact with highly-qualified practitioners and professionals as do our students in K-12 schools and those in Nebraska's colleges and universities. It was mentioned about the original constitution for the state of Nebraska. When I first began teaching child development, because that was my area of study, I taught students for example that you were born with the brain capacity that you were going to have and that was really a genetic factor. In reality, much has changed in the science in the last 30 years, since I was a beginning person teaching in a university classroom. And we know that in fact, the brain is very plastic, very malleable, it isn't all genetic, and that the social and cultural environment has a tremendous impact. So we are thinking about children in a different way today then we thought about them years ago. And so we have to think about how we map out that early-childhood

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world in a different way than we have done in the past. Up until now, the state of Nebraska has done a great job of thinking about pieces of the early-childhood puzzle. But one of the things that I think that LB773 will bring to the fore, is that it will look at this in a more cohesive, comprehensive way. One of our real challenges with the early-childhood work force is it's fragmented, it's disjointed, and it has a lot of moving parts. There are childcare providers who are part of that work force, but there are kindergarten teachers as well, first, second grade teachers as well. There are pediatricians, there are social workers, there are infant mental health people, and we haven't even begun to look at all of that. So to me, what I see as one of the most important pieces of this legislation is it's saying that we're going to look at this more holistically, and in a more integrated fashion. That will have a tremendous payoff ultimately for the state. Now I realize I just gave you a piece of paper that has my testimony on it, and none of that was on there. But as I listened to what was being said, that was something that really struck me as sort of the core of this legislation is it's cohesive, it's comprehensive, and it's trying to look at things in a more holistic way. So let me tell you just a little bit about early-childhood research. You've heard a lot already about the benefits of high-quality early-childhood programs. This bill does incorporate a broad array of stakeholders, practitioners, and people from across Nebraska. It includes appointees from the Governor's point of view as well as others. So there's a way to be broadly represented in the bill. Whoops, one minute to go, my goodness. Well, a couple of things I guess else I'd like to tell you. One, quality matters. It isn't just enough to put kids in programs, they need to be in high-quality programs, and the adults that are with them in those programs make a difference. I've included two little stories here that I would like you to have a chance to read, because there are contrasts in quality here in the state of Nebraska. Some children have access to really high-quality interactions with adults in early-childhood settings, but other children do not. It isn't a matter of nice people or not nice people, it's a matter of well-qualified, well-educated people versus people who do not have those qualifications and who do not have that education. Some children have access to the high-quality, some children don't. And the children who don't are the children who are at risk. Even middle class children who don't have access to high-quality can become children at risk, because we know that poor quality can be detrimental to children. It's not neutral, it can be detrimental. And the purpose of this particular legislation is to give us a more standard view of quality, and to help us have a more comprehensive plan for quality in the state of Nebraska, particularly focused on the work force. And thank you for your patience with the red light. [LB773]

SENATOR SULLIVAN: Thank you, Dr. Kostelnik. Any questions for her? All right, thank you for your testimony. [LB773]

MARJORIE KOSTELNIK: Thank you. [LB773]

SENATOR SULLIVAN: Welcome. [LB773]

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MIKE BAUMGARTNER: Thank you. Thank you, Madam Chairwoman. My name is Mike Baumgartner, M-i-k-e B-a-u-m-g-a-r-t-n-e-r. I am the executive director of the Coordinating Commission for Postsecondary Education. The Coordinating Commission strongly supports LB773 and welcomes the opportunity to participate in the task force outlined in the bill. You've heard today the importance of early-childhood education from other speakers who are experts in the field. From my perspective, it's well-established that providing high-quality early-childhood education to all students, with highly trained early educators, will ultimately lead to greater achievement in K-12, better preparation for postsecondary education, and greater likelihood of enrolling in postsecondary education and completing a credential (phonetic). In fact, in a major national study, the Carolina Abecedarian Project, which is a large-scale project from the 1970s, often cited participants completed a bachelor's degree at four times the rate of nonparticipants in the control group by age 30. Now that is a huge percentage for low-income students who had the opportunity to have quality early-childhood education early in their lives. The commission deals with two areas in particular that could benefit the task force: academic programs and financial aid. State law requires that the commission approve or disapprove new academic programs at public institutions, as well as conduct regular reviews of those programs. This includes programs intended for early-childhood education professionals. The commission's responsibility is to determine whether there is a regional or statewide need for a program, whether there is sufficient student demand for the program, whether the program is within the mission of the institution, whether it duplicates similar programs, whether sufficient resources are available to support the program, and whether or not it's consistent with a statewide comprehensive plan for postsecondary education. In the past 15 months, we've reviewed several early-childhood education programs and approved three new programs, one at UNO, one at UNK--a certificate program, and a UNK bachelor's degree program. The commission also administers need-based financial aid programs. The task force, should it be created, could decide to examine some of the financial issues faced by early-childhood education students and professionals, who, as we've heard, often work for comparatively low wages, particularly if employed outside of school districts. We currently don't administer any financial aid programs specifically designed for educators, but we are aware of some legislative interest in that topic, and would be happy to pursue that if it came up within the committee as well. Given our responsibilities, we would be both a contributor to the task force important work and a beneficiary of its conclusions, as we carry out our statutory duties to address the postsecondary needs of the state. Thank you, and I'd be happy to address any questions. [LB773]

SENATOR SULLIVAN: Thank you, Dr. Baumgartner. You indicated that you just recently reviewed three different programs. Can you, without going into a lot of detail, what's involved in that review in determining? [LB773]

MIKE BAUMGARTNER: The program will come to us after it's been adopted by the Board of Regents or the State Colleges Board of Trustees or a community college board, and we look at

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the information they bring to us concerning the nature of the program, what the courses are, is it something that leads to national certification, is it something that leads...if an associate degree program to transfer at a different institution, is there need demonstrated within the state, how much need, looking at statistics from the Department of Labor or any other areas we can get. So in this case, we would look at First Five Nebraska for example, to see what the need is. We would look to see what sort of student demand there is. In some regions of the state, where the population is low, they have a hard time maintaining programs and yet, these are critical programs for that area. So it's a time of looking at that and reviewing with them: how are you attracting students, what's in your history of the students in the past--we look at over a five-year period, how many graduates, do you have sufficient faculty to take care of that number of students, are your students getting jobs, are they being able to have a living wage, is that something that's a problem in that region? And after looking at that, we are a lay organization of eleven appointed members in the commission. They will make a determination of whether or not they believe that the program demonstrates sufficient need, whether or not there are resources available, and whether or not they think that it's to the benefit of the state, which is our constitutional duty, whenever we review those programs. [LB773]

SENATOR SULLIVAN: Did you approve all three of those programs? [LB773]

MIKE BAUMGARTNER: We approved those three programs. [LB773]

SENATOR SULLIVAN: Okay, thank you. Any other questions for him? Thank you for your testimony. [LB773]

MIKE BAUMGARTNER: Thank you. [LB773]

SENATOR SULLIVAN: Welcome back. [LB773]

JODI KUPPER: Hello again. My name is Jodi Kupper, J-o-d-i K-u-p-p-e-r. I'm vice chancellor for academic planning and partnerships for the Nebraska State College System, and I'm here today to testify in support of LB773, which creates the Early Childhood Work Force Development Task Force. We had a chance to look at the amendment prior to the testimony and we are able to testify in support of the amendment that has been brought forth to you today as well. The Nebraska state colleges have a long and rich history of preparing educators who can serve the state of Nebraska. Each of the colleges currently offer early-childhood programs in an effort to meet the growing need and demand for individuals who are trained to provide educational opportunities for young children from birth to age five. Over the past decade, enrollments in these early-childhood programs continue to increase, especially those that lead to Nebraska teacher certification, due to the addition of preschools across the state in some of the

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public school systems that now want to serve three- and four-year-olds. As a result of that, the early-childhood inclusive endorsement and bachelor baccalaureate degree program has been updated and approved at all three of the state colleges, so that we can continue to try to meet that need. LB773 sets forth an ambitious plan: to bring stakeholders from higher education, P12 schools, childcare, private sector, and government together to identify statewide needs for early-childhood care and educational professionals, and to develop a comprehensive statewide plan for the preparation and training of educational professionals who work with the young children in our state. The Nebraska State College System supports this initiative and welcomes the opportunity to be a part of this critical conversation. Thank you for the opportunity to testify, and if you have any questions, I'd be happy to address them. [LB773]

SENATOR SULLIVAN: Thank you, Dr. Kupper. Could you explain...you mentioned that you have an inclusive curriculum or endorsement. How does that work? [LB773]

JODI KUPPER: Over the past several years, there has been a perceived need that early-childhood educators need to be able to meet the needs of all children, including those with identified special needs. And so the Nebraska Department of Education updated the curriculum and the expectations for preparing educators who served those children. They termed that early-childhood inclusive, to identify the fact that there is a combination of early-childhood and special education curriculum that is included in the preparation of those teachers, and the endorsement is birth to age eight or grade three. So those individuals can serve children from birth to taking teaching positions in preschool, kindergarten, first, second, and third grade, and have the ability to more successfully or effectively meet the needs of inclusive students in the classroom. [LB773]

SENATOR SULLIVAN: Does that include special education? [LB773]

JODI KUPPER: Yes. There is a portion of the curriculum, if an institution offers that endorsement program, that must meet specific special education objectives. And so all three state colleges currently offer that endorsement, as well as the supplemental endorsement of early-childhood, which is a kind of a PK that can be added on. I see it as a predominantly an add on for elementary teachers who want to be able to serve in preschools, and currently, their endorsement ends at kindergarten. And so the supplemental endorsement, as well as the large field endorsement, that's early-childhood inclusive, is available in the state of Nebraska. [LB773]

SENATOR SULLIVAN: Thank you. Senator Groene. [LB773]

SENATOR GROENE: Thank you, Madam Chairman. You're a business...a lot six-figure incomes. If you've got another product to sell, you can sell more, get more clients to educate

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them. Isn't that part of the higher-education? If we can have another endorsement, another program, we can sell more product to more students and expand our expanse of what our business does: higher education. It's more of a statement than anything, but...Senator Schnoor alluded to the fact that our constitution says 5 to 21. If a public school does it on their own, has a three to four preschool, that instructor doesn't have to be certified, do they? [LB773]

JODI KUPPER: If it's part of the public school system, that school district is expected to have a certified... [LB773]

SENATOR GROENE: That's a mandate from the Legislature or from the Department of Education? [LB773]

JODI KUPPER: I won't be certain. I can ask some of my colleagues behind me, but I believe that it's an expectation of being an accredited public school. [LB773]

SENATOR GROENE: But they have a curriculum there that has nothing to do with their mandate of educating from 5 to 21-year-olds and kindergarten through...so then how did we get to the point where they had to be a certified staff? [LB773]

JODI KUPPER: I don't know that I'm the best person to answer that. [LB773]

SENATOR GROENE: Thank you. [LB773]

JODI KUPPER: Just with my experience, it is that they look for certified individuals who hold that endorsement if they're going to work in conjunction with the public school. [LB773]

SENATOR GROENE: Looking for them and mandating they have to be is two different things. And that's my question. I guess I can get some information from the Department of Education. Thank you. [LB773]

SENATOR SULLIVAN: Thank you for your testimony. [LB773]

JODI KUPPER: Thank you. [LB773]

SENATOR SULLIVAN: Welcome. [LB773]

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TIP O'NEILL: Thank you, Senator Sullivan, members of the Education Committee. I'm Tip O'Neill, that's T-i-p O-'N-e-i-l-l. I'm president of the Association of Independent Colleges and Universities of Nebraska, a consortium of private, nonprofit colleges and universities which are located in the state. We would be very pleased to be represented on the Early Childhood Work Force Development Task Force. I would hope and recommend that our representative would not be me, but would be an expert on curriculum, the preparation and training of early-childhood education professionals. We have, I think, eight teacher education programs in the state, and I'm sure we have several individuals who would be qualified to represent us on this group. I've learned a lot about early-childhood education today and in past hearings before the Education Committee, and I just think it would be wonderful if we could start every student at the same starting line. And I know that we have significant costs of remediation at every level of education, K-12 and higher, and it would be great if we didn't have that. So I would be happy to answer any questions you might have, but we certainly support this bill. [LB773]

SENATOR SULLIVAN: Thank you, Mr. O'Neill. Any questions? Thank you for your testimony. [LB773]

TIP O'NEILL: Thank you. [LB773]

SENATOR SULLIVAN: Welcome. [LB773]

JULIE MILLER: (Exhibit 6) Thank you. Madam Chair and members of the committee, my name is Julie Miller, J-u-l-i-e M-i-l-l-e-r, and I'm here to support LB773. And I thank you for allowing me to testify. I'm here on behalf of the Nebraska Association of Community Colleges. I am currently the program chair for early-childhood education at Southeast Community College and I have spent most of my life working with young children in some form or another, mostly working with young children, and now I find myself working for young children. And it's a very challenging career, but it's also extremely rewarding. I...this is my first time testifying so... [LB773]

SENATOR SULLIVAN: You're doing fine. [LB773]

JULIE MILLER: ...so I want you to know I'm incredibly intimidated. But I'll just keep trying to breathe. We work really hard to educate people about the field of early childhood and we just...we can't do it fast enough. At Southeast Community College, our placement office reports that we have a 100 percent placement rate, so the graduates of our program have jobs in early-childhood. That's not a problem. And in fact, when our students are taking practicum classes, that's where they go out and they have their first experience working in an infant classroom, a toddler classroom, a preschool classroom, or a school-age classroom...not so much the school-

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age classroom, but the other ages, they are often hired by the people that are supervising their practicum, because they know that when they graduate from our program, they're going to have a quality employee who understands children and understands early-childhood development. And I can tell you, Senator Sullivan, that our placement office also reports from our graduates who report back to their office that the average salary for them in early-childhood is \$10 an hour. And I think that may be part of the problem, in that we don't have enough of a work force, which maybe we need another bill to address that. And we currently have 33 full-time positions and 38 part-time positions posted at Southeast Community College in early-childhood. People are looking for quality workers. I get calls weekly at minimum, people looking for providers. And it might be a parent who needs a nanny, it might be a childcare center who needs an infant or toddler teacher, but they are really having a hard time finding people to fill those roles. We have a seminar our students put on every quarter, and we provide an opportunity for employers to come and meet with our students and try to recruit them. And every time they come, I think currently they're coming every other quarter, we have between 10 and 15 employers that come and speak to our students and try to recruit them. So that there really is a need. There are lots of stakeholders in the early-childhood field, and while we all have a common goal of providing quality care and education for young children, we don't all understand each other's positions or priorities, and sometimes those positions don't mesh. And that can cause problems. And so this task force would be one way for us to all meet and all get together and talk to each other and find out where we're coming from and how we can work together for the good of all children in our state. As I was listening to everyone else speak, I thought I would love to just get up here and teach you about social emotional development in young children, because it's one of the classes that I teach. And I don't know if we understand the importance of that aspect of working with young children. We talk about cognitive development and physical development...and social emotional development is almost more important than those two, because it's hard to learn if you don't know how to get along with each other. So I just want to close by saying that I understand...I'm sure that you do too, that Nebraska has been a leader in educational initiatives. I think that's something that we can be very proud of, and I think it would be nice if we took the lead in providing quality environments and a qualified, educated work force to take care of our most precious and vital resource in our state, and that is our children. And thank you. [LB773]

SENATOR SULLIVAN: Thank you, Ms. Miller. You indicated and you alluded to it a little bit, about the 100 percent placement you have for your graduates. First of all, do they leave your institution with...what, a two-year... [LB773]

JULIE MILLER: An associate's degree in early-childhood education. [LB773]

SENATOR SULLIVAN: Okay, and is there any sort of certification process connected with that? [LB773]

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JULIE MILLER: No. [LB773]

SENATOR SULLIVAN: Okay, and then the 100 percent placement, can you give us just sort of a broad brush of what kinds of positions they move into? [LB773]

JULIE MILLER: It's a variety. They become nannies, they work in childcare centers, they're paras in Head Start programs in school systems, and recently, we've seen many of them open their own in-home childcare. [LB773]

SENATOR SULLIVAN: And what...this is through Southeast Community College? [LB773]

JULIE MILLER: Correct. [LB773]

SENATOR SULLIVAN: And so what should the territory serve? [LB773]

JULIE MILLER: It's a 15-county region of southeast Nebraska, but our program is one of the few that's available completely on-line. And so we have students all over the country, and we currently have a student in South Korea and we have a student in Macau. [LB773]

SENATOR SULLIVAN: Okay. Any other questions? Senator Kolowski. [LB773]

SENATOR KOLOWSKI: Thank you, Madam Chair. Ms. Miller, thank you very much for your testimony today. It probably drives home the issue that we have...I think a structural problem. When our constitution was written, as has been quoted here today, from five-year-olds through 21, or seniors in high school through 21, that was a different world--whenever that date was. What we knew about early-childhood education was infinitesimal compared to where we are. [LB773]

JULIE MILLER: Exactly. [LB773]

SENATOR KOLOWSKI: I say that because I'm married to an early-childhood education major. And if I didn't get this in, I'd be hearing about it when I went home tonight. [LB773]

JULIE MILLER: As you should. [LB773]

SENATOR KOLOWSKI: My wife was the founding principal or teacher of the Westside Early Childhood Education Center in 1968 in Omaha, Nebraska. She is tired of listening to decades of

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discussions of the worth of early-childhood education and the impact on our schools and the impact on those students and their lives. We have this...let's just call it the K-12 box, that we have to stuff things into, yet we don't talk about and don't think about like they walk into our schools blindly--these little kids. And I don't just go from birth, I usually say from conception, because it's a very important nine months in the mother's womb. [LB773]

JULIE MILLER: Yes, you're right. [LB773]

SENATOR SULLIVAN: And the same at the other end of that spectrum, whatever postsecondary might be. If we don't extend our thinking on this, we'll keep a cubbyhole mentality. And that doesn't work. This is not a cubbyhole world. And I hope we will be able to take your advice and the other's advice that we heard here today, as far as backgrounds and inclusiveness of thinking, broader than where we have been. Because when that was made, we didn't know. We do now know we need to apply it. Thank you. [LB773]

JULIE MILLER: Exactly. [LB773]

SENATOR SULLIVAN: Any other questions? [LB773]

JULIE MILLER: I'm sorry. Can I respond to that? It wasn't a question. [LB773]

SENATOR KOLOWSKI: No, it was a statement. [LB773]

JULIE MILLER: Yeah, and you're exactly right. We are learning more and more about early-childhood development and prenatal development and the importance of brain environment. And the environments those children are in are paramount to that brain development, and that's why we need to make sure that they are in an environment that is safe and nurturing and developmentally appropriate. Thank you. [LB773]

SENATOR SULLIVAN: Thank you, Ms. Miller. Thank you for your testimony. [LB773]

JULIE MILLER: Thank you. And Senator Sullivan, thank you for your service. [LB773]

SENATOR SULLIVAN: Welcome. [LB773]

BRANDEE LENGEL: (Exhibit 7) Thank you, Chairperson Sullivan, and members of the Education Committee. Thank you for the opportunity to provide testimony today in support of

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LB773. I would also like to thank Senator Stinner, for introducing an important piece of legislation. My name is Brandee Lengel, B-r-a-n-d-e-e L-e-n-g-e-l. I have been working in the field of early-childhood education for over 25 years. I started my career in a family childcare home as an assistant caregiver, and have worked as a teacher--a lead teacher, in various childcare programs here in Lincoln. I continued my career in early-childhood as a local and national trainer and an education specialist. Currently, I am the co-executive director for the Nebraska Association for the Education of Young Children. The Nebraska Association for the Education of Young Children is a state affiliate of the National Association for the Education of Young Children, which offers a voluntary accreditation system for childcare facilities. The Nebraska Association for the Education of Young Children offers a variety of projects and services to enhance the early-childhood field. Our largest project is the TEACH Early Childhood Nebraska project, and we do collect data on wages of participants in our program. And when we did our wage analysis in August of 2015, the average provider on our program made \$10.60 an hour. And please keep in mind that those are teachers and assistant teachers who either have a degree in early-childhood education or are working towards a degree. And I think that's an important aspect. Our family childcare providers had a wide range of salaries, ranging from \$2 an hour to \$6 to \$7 an hour. Most of our family childcare providers don't meet minimum wage standards. One of our other projects also includes an accreditation facilitation project, which provides training, resources, and technical assistance for programs who wish to enter into volunteer accreditation. Our overall agency mission is to strengthen and support the early-childhood work force. Recognizing that significant work has already been undertaken in the past by state leaders in early-childhood, policy makers, businesses, philanthropic communities, advocacy organizations, and other nonprofits, this task force provides an opportunity to align and maximize efforts. Current early-childhood systems to support the early-childhood work force will provide a solid framework from which this task force can begin its work. This will make the task force more effective and strategic. The Nebraska Association for the Education of Young Children is also in support of LB773's effort to include a diverse population on the task force. This includes not only state leaders, higher education, Head Start, but licensed childcare providers. The licensed childcare community is an important part of the early-childhood work force and they hold valuable expertise and knowledge. They will be an important voice on the task force. Thank you for your consideration, your attention, and the opportunity to provide testimony in support of LB773. And I would be happy to try to answer any questions. [LB773]

SENATOR SULLIVAN: Thank you, Ms. Lengel. Just so I understand it a little better, there's a difference between being licensed and being accredited? [LB773]

BRANDEE LENGEL: Right. [LB773]

SENATOR SULLIVAN: And so your association offers an accreditation, but that's all voluntary? [LB773]

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BRANDEE LENGEL: Yes. [LB773]

SENATOR SULLIVAN: So how does that fit in with the Step Up to Quality? [LB773]

BRANDEE LENGEL: The accreditation system can be a part of Nebraska's Step Up to Quality, but it is separate from that. [LB773]

SENATOR SULLIVAN: I see. Okay, and then in this task force makeup, it refers to having a representative from an accrediting organization. So you would be an example of one of those? [LB773]

BRANDEE LENGEL: We would be an example of one of those. [LB773]

SENATOR SULLIVAN: I see. Are there others? Other entities like you in the state? [LB773]

BRANDEE LENGEL: There is family childcare accreditation. So...and they have a national accreditation system. [LB773]

SENATOR SULLIVAN: Okay. All right, thank you. Any other questions? Thank you for your testimony. [LB773]

BRANDEE LENGEL: Okay, thank you. [LB773]

SENATOR SULLIVAN: Welcome. [LB773]

TIFFANY JOEKEL: (Exhibit 8) Thank you. Good afternoon, Chairwoman Sullivan, and members of the Education Committee. My name is Tiffany Seibert, T-i-f-f-a-n-y S-e-i-b-e-r-t, and I'm a policy director at OpenSky Policy Institute. I'm here today to speak briefly in support of LB773, creating the Early Childhood Work Force Development Task Force. We see investments in...systemic investments in early-childhood as investments in long-term state and local economic development to the extent that we can develop our local work force and create more skills as adults that will pay off in more and better jobs in our local economies and higher wages for the entire community. We really build upon the foundation of research that demonstrates the effectiveness of early-childhood investments for children and then their success as adults, and take that research and expand it to the economic development research, which really shows that highly skilled work force attracts better and higher-paying jobs. And so to the extent that we can make those investments early, we think it will lead to better economic

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development for communities as a whole down the line. So it is from that perspective that we support this effort to begin to examine the work force, the availability, and the needs of the work force to continue to make those investments in early-childhood. And we would encourage you to advance LB773. And I'd be happy to answer any questions. [LB773]

SENATOR SULLIVAN: Thank you. Just wanted to clarify for the record, did you introduce yourself as Tiffany Seibert? [LB773]

TIFFANY JOEKEL: I did. And thank you for catching that. I've been married now two years. And I got nervous and forgot my married name, so nobody tell my husband. Sorry, if he's watching. It's Tiffany Joekel, J-o-e-k-e-l, is actually my married name. Thank you, Senator Sullivan. [LB773]

SENATOR SULLIVAN: Sorry to get you into trouble. [LB773]

TIFFANY JOEKEL: That's a fair catch. I was hoping nobody caught it. But I'm sure my husband is watching, so I'm never going to live this one down, I'm certain of it. Any other questions? [LB773]

SENATOR SULLIVAN: Senator Groene. [LB773]

SENATOR GROENE: I guess you do research. [LB773]

TIFFANY JOEKEL: Sort of. Sometimes. [LB773]

SENATOR GROENE: I hear we are going to have students go to college and end up with a \$40,000 student loan bill, they're going to be certified. I heard you talk about higher wages, I heard the last testimony talk about higher wages. The question is who pays those higher wages? I talk to young middle class families that are struggling to pay their childcare bill now at their preschool. If we increase the wages, we limit the work force to somebody who has to be certified in a childcare. We drive up the cost. Is there a guy named taxpayer going to pay for this? Have you done any studies? [LB773]

TIFFANY JOEKEL: Well, Senator, to be fair, I'm not approaching this issue from a...as an expert in early-childhood education. The perspective we're really taking is based upon the research of an economist, Timothy Bartik, at the Upjohn Institute. And what he shows is that when you invest in a child in the early-childhood education, they become a worker with better skills, and local economies that have a higher concentration of highly skilled workers tend to draw more

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jobs, better jobs. And this is broadly, not just within the childcare and education profession. So I can't speak specifically to that, but I'm speaking more broadly to local economic development research. [LB773]

SENATOR GROENE: Thank you. [LB773]

SENATOR SULLIVAN: Any other questions? Thank you. [LB773]

TIFFANY JOEKEL: Thank you. [LB773]

SENATOR SULLIVAN: Welcome. [LB773]

JOSEPH YOUNG: (Exhibit 9) Thank you...I was going to say welcome to you as well. Madam Chair, and members of the Education Committee, for the record, my name is Joseph Young, that's spelled J-o-s-e-p-h Y-o-u-n-g. I'm the executive vice president of the Nebraska Chamber of Commerce and Industry, here testifying today in support of LB773, on behalf of our organization, the Nebraska Chamber, and as well as the Nebraska Early Childhood Business Roundtable, and an organization called ReadyNation. And I've shortened my verbal comments, I'm handing out my written, which is a little longer, but we've been here for a while, so I'll keep it a little shorter. By way of context, the Early Childhood Business Roundtable is a statewide network of business leaders that believe that early-childhood education should be a top priority of the state of Nebraska. ReadyNation is the preeminent business leader organization in the United States, working to strengthen business and the economy through effective and strategic investments in children and youth, consisting of about 1,300 business leaders from across the country. I've been a member of the Nebraska Early Childhood Business Roundtable for several years now, and I have seen firsthand how the roundtable travels statewide and discusses these issues with local chambers of commerce, from Omaha, Lincoln, to Scottsbluff, Columbus, Norfolk, North Platte, and pretty much anywhere there's a local chamber. And actually, I'm moderating a panel this Thursday at noon, hopefully all of you can make it in here...directly from some business leaders, about why early-childhood education is important to them, not only for the children, but also from the standpoint of our work force shortages and needs in the future. The lack of skilled workers for the jobs of tomorrow is a major cross cutting issue of concern to our state's employers. If we don't have enough quality early-childhood educators to reach children at the pre-K level, we are unlikely to improve that situation, because today's science indicates that if kids are not prepared to start kindergarten...they start kindergarten behind and they are unlikely to catch up, at least unless there's some substantial resources put behind them. And when less than half of Nebraska's 2014 graduating high school seniors who took the ACT met their college readiness benchmarks in reading, math, and science, and 28 percent failed to meet benchmarks in English, we do know that we need to start earlier to prepare our kids to

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fulfill our work force needs in Nebraska. So between the efforts of state government, the Legislature, the business community, the Buffett Early Childhood Institute at the University of Nebraska, and other various entities and providers, great potential exists to make our state really a national model for solving these issues. And Senator Sullivan, I couldn't resist. You mentioned earlier about including a parent or two on this task force. I appreciate that. There's probably going to be parents on there, but anecdotally, I can tell you I have a 10 and an 8-year-old, and when my son started kindergarten five years ago, we put him on the list for before and after school and he was denied, because they didn't have enough employees--early-childhood education employees to fulfill their demand. I'm also, since then, have been on the board of directors at Family Service of Lancaster County, who runs all of the Lincoln Public Schools before and after school programs. And we actually served less kids in 2015 than we did in 2014, because of the work force shortages, because there was a quota that you have to meet--a teacher per child. So we're actually serving less kids than we did the year prior to and that's a big deal. I know that we're not talking about pre-K in this instance, but the folks that teach before and after school programs at LPS are the same folks that teach zero through five education. So with that, this is an exciting new prospect for the business leaders in the state, and that's why we support this bill. And I'd be happy to answer any questions, if you have them. [LB773]

SENATOR SULLIVAN: Thank you, Mr. Young. Aside from supporting the concept of and the importance of early-childhood education, what conversations has the Early Childhood Business Roundtable had, with respect to raising the pay for these professionals? But also, what specifically does the business community see as their role in supporting programs for early childhood, whether it's in their work place or other circumstances? [LB773]

JOSEPH YOUNG: We are supportive. It depends on...it's kind of hit and miss from business to business. We're obviously supportive of this. I think that some of the money will probably come from a lot of the private businesses around the state to support this effort. But really, statewide, when you talk to folks...you know, we travel the state, we hit 30 different communities in the fall on our legislative forums, and the number one issue we hear is work force. Taxes and regulation are close behind, but it's work force, first and foremost. So businesses are to the point where we are supportive of funding some of this privately, and of course we believe that K-12 education and other education is well-funded in this state, but we think they do a great job too. So we're generally supportive of it when there's strategic investments that can be effective, like I said, and help students be more ready. Not only when they're in kindergarten, but when they graduate from high school to take either a community college or a four-year degree or just go directly into the work force. Which we're not doing really well at right now, either. But we also, as a business community, make large investments in career academies throughout the state, both in Omaha and Grand Island, Lincoln. There's good private partnership when it comes to especially nontraditional education. [LB773]

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SENATOR SULLIVAN: Thank you. Thank you for your testimony. [LB773]

JOSEPH YOUNG: Thank you. [LB773]

SENATOR SULLIVAN: Welcome. [LB773]

JAY SEARS: Thank you. Good afternoon, Madam Chair, members of the Education Committee. I'm Jay Sears, J-a-y S-e-a-r-s, and I represent the educators of the Nebraska State Education Association, and I'm here before you in support of LB773 and the amendment that Senator Stinner has attached to it. And I appreciate the communications and the work that the Buffett Institute and First Five have done, and their communication with all the stakeholders in the process of working with our youngest children in Nebraska, and giving them a leg up, so that when they get into our K-12 education, they're prepared and ready to receive the education that they get there. It's been a long afternoon, and that's my testimony, and I'll stick to it. Thank you. [LB773]

SENATOR SULLIVAN: Thank you, Mr. Sears. Any questions for him? Thank you for your testimony. Any other proponent testimony? I would...oh, excuse me. Welcome. [LB773]

MELODY HOBSON: (Exhibit 10) Thank you, Chairperson Sullivan, Education Committee. My name is Melody Hobson, M-e-l-o-d-y H-o-b-s-o-n, and I'm here to present a letter of support from the Nebraska State Board of Education. The letter is pretty succinct and I certainly won't read it for you, but if you have any questions, I'd be happy to answer them. [LB773]

SENATOR SULLIVAN: Thank you. I wonder if you might respond a little bit to...referring back to Senator Groene's comments and question about... [LB773]

MELODY HOBSON: Teaching certification? Yes. Early-childhood programs, which are defined in statute as programs offered by school districts or educational service units for children from birth to kindergarten entrance age, are required to have certified teachers. And that is part of state law, I can't give you the exact citation, but essentially, the law states that all teachers employed by school districts must have certified teachers. And it's regardless of the age of the student. [LB773]

SENATOR SULLIVAN: Yes, Senator Groene? [LB773]

SENATOR GROENE: Somebody...Senator Morfeld told me he found in Rule 10...Rule 11 from the Department of Education, not state law. [LB773]

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MELODY HOBSON: Yes, and Rule 11 is based...I mean, but that originally came from state statute. [LB773]

SENATOR GROENE: Could you give me that state statute or the committee? [LB773]

MELODY HOBSON: I can get it for you as soon as I go back to my office. Yes. [LB773]

SENATOR GROENE: That's fine. Could you get it to Senator Sullivan and she can disseminate it? [LB773]

MELODY HOBSON: Be happy to. [LB773]

SENATOR SULLIVAN: (Exhibit 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21) Any other questions? Thank you for your testimony. Any other proponent testimony? I would like to read into the record several letters in support of LB773 from M. Jane Franklin, dean of social sciences at Metropolitan Community College; Jennie Cole-Mossman, co-director of Nebraska Resource Project for Vulnerable Young Children; retired major general Mark Musick of US Air Force for Mission: Readiness-Military Leaders for Kids; Douglas County sheriff Tim Dunning for Fight Crime: Invest in Kids; Sara Watson, global director for ReadyNation; Mike Lucas for STANCE: Schools Taking Action for Nebraska School Children; Sarah Ann Kotchian, vice president of education and early childhood policy at Holland Children's Movement; and John Cavanaugh, co-chair of Nebraska Child Health and Education Alliance. We will now have opponent testimony on LB773. I would like to read into the record that we have several letters in opposition: one from Amber Parker of Omaha; another from Amelia Den Hartog; and thirdly, Gwen Easter of Safe Haven Community Center and Early Childhood Academy. Anyone wishing to speak in a neutral capacity? Welcome. [LB773]

NATE GRASZ: Thank you. Senator Sullivan, members of the committee, my name is Nate Grasz, N-a-t-e G-r-a-s-z, and I work for and am here representing the Nebraska Family Alliance, to make a brief comment for the record, as well as express our appreciation for the current efforts being made and already underway by the Nebraska State Board of Education. Our organization has some concerns about this bill. While creating a early-childhood work force development task force seems great in principle, why do we need a separate committee run by the Buffett Foundation to tell us what to teach young children? The idea, as stated in the bill, to develop a comprehensive, statewide plan for the preparation and training of early-childhood care is cause for concern, not knowing the objective or the curriculum that will be used. Lastly, an education professional from right here in Lincoln related to us that there is already funds and programs in place for the purpose of early-childhood care from birth on up. Therefore, we question the purpose and necessity of this task force, when there is already existing funding and programs, as

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well as hardworking individuals working at addressing early-childhood care. Thank you. [LB773]

SENATOR SULLIVAN: Thank you, Mr. Grasz. Any...Senator Krist. [LB773]

SENATOR KRIST: Just for the record, your comments are based upon the green copy, and you have not seen the amendment to the bill, is that correct? [LB773]

NATE GRASZ: Correct. [LB773]

SENATOR KRIST: Okay, thank you. [LB773]

SENATOR SULLIVAN: Any other questions? Senator Morfeld. [LB773]

SENATOR MORFELD: Just for the record, did you say the Buffett Foundation? [LB773]

NATE GRASZ: Yes, the Buffett Foundation or the Buffett Institute. [LB773]

SENATOR MORFELD: Okay, I just wanted to note that this is not the Buffett Foundation, it's the Buffett Institute... [LB773]

NATE GRASZ: Correct, the Buffett Institute. [LB773]

SENATOR MORFELD: ...which is an entity of the University of Nebraska. [LB773]

NATE GRASZ: Correct. [LB773]

SENATOR MORFELD: Thank you. [LB773]

NATE GRASZ: Thanks. [LB773]

SENATOR SULLIVAN: Any other questions? Thank you for your testimony. Anyone else in a neutral capacity? And since Senator Stinner has waived closing, this closes the hearing on LB773, and we will now move on to LB692, introduced by Senator Morfeld. Welcome. [LB773]

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SENATOR MORFELD: Good afternoon, Senator Solomon...Sullivan, jeez. First bill of the session, that's not a good start. In any case, Senator Sullivan, members of the Education Committee, my name is Adam Morfeld, that's A-d-a-m M-o-r-f-e-l-d, representing the "fighting" 46th Legislative District, here today to introduce LB692. LB692 adopts a Nebraska version of the Student Online Personal Information Protection Act, which prohibits technology companies who are invited into schools from using student data for targeted advertising or creating student profiles for noneducation purposes, such as for providing credit or insurance services. LB692 recognizes that technology is a key and critical tool for use in the classroom and should be used for educational purposes that further support student learning and success only. Not for targeted advertising or creating student profiles for profit. Students today are incredibly tech savvy, but they are also very vulnerable to targeted advertising. Student privacy is critical, and it is imperative that adequate safeguards are in place to protect that privacy. The intent of LB692 is to avoid inhibiting innovative, educational technologies, while ensuring the privacy of student information is protected. Nationwide, legislation is being enacted to protect student on-line privacy. As of 2014, 21 states have enacted similar legislation. In 2015, an additional 15 states passed legislation. I ask you to strongly support LB692, and would be very happy to answer any questions. There are some people that will follow me from the technology industry, including Ryan Harkins from Microsoft, and other local legal experts that can answer technical questions that you may have, that I cannot answer. Thank you. [LB692]

SENATOR SULLIVAN: Thank you, Senator Morfeld. I presume in some of those testifiers that will be coming forward, we can actually hear some actual examples... [LB692]

SENATOR MORFELD: Yeah. [LB692]

SENATOR SULLIVAN: ...since I'm trying to get a sense of what that actually means. Rather than you... [LB692]

SENATOR MORFELD: Absolutely. I could provide some too right now, but they would probably be better at providing them. [LB692]

SENATOR SULLIVAN: Okay, very good. Senator Baker. [LB692]

SENATOR BAKER: Thank you. Senator Morfeld, could you clarify me of what you mean by operator? [LB692]

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SENATOR MORFELD: Yes. Operator would be the provider of the software or the company that provides that software that the schools contract with to run academic programs on-line or otherwise. [LB692]

SENATOR BAKER: So operator means someone who has software in the schools? [LB692]

SENATOR MORFELD: Yeah, absolutely. And that is defined in the proposed legislation. [LB692]

SENATOR SULLIVAN: Okay, any questions? All right. And you're going to stick around, right? [LB692]

SENATOR MORFELD: I will stick around. [LB692]

SENATOR SULLIVAN: Okay, great. [LB692]

SENATOR MORFELD: I'm not going anywhere, Senator Sullivan. Thank you. [LB692]

SENATOR SULLIVAN: We'll hear proponent testimony. Welcome. [LB692]

RYAN HARKINS: (Exhibit 1) Good afternoon, Madam Chair, and members of the committee. My name is Ryan Harkins, for the record, that is R-y-a-n H-a-r-k-i-n-s. I am the director of state affairs and public policy at Microsoft, and I'd like to thank the committee for the opportunity to be here today. I'd like to provide just a few key points from the written testimony that I am submitting. Microsoft supports LB692. We support it and we've supported legislation like it, because we think it strikes the right balance. On the one hand, we think it addresses privacy concerns that have been raised and would strengthen trust in educational technologies by making sure that educational technologies that are brought into schools have to abide by basic rules and safeguards to protect the privacy of information they collect about students, to require them to refrain from using data they collect about students for commercial practices that really have no relation to education. So things like targeted advertising, like creating profiles about kids that could be used for things like providing a family with credit or insurance, to prohibit them from selling information about students. And on the other hand, we also think that it would enable innovation. It would clarify that companies can use data they collect about students in order to provide personalized learning. In order to continue to improve the kind of educational technologies that they are developing, that can improve education and ultimately help kids learn. Now this has become a very important issue in the last couple of years, because there's been a growing recognition that schools all across the country today are adopting on-line services or

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cloud computing. And that means, in short, a couple of things. It means that rather than running software in computers that are maintained inside a school, and rather than storing data that they collect on computers inside a school, you're using services that are accessible over the Internet, using servers that a company like Microsoft maintains. And that means a couple of things. It means that number one, we can collect more information about kids than ever before, think as textbooks and assignments and tests move from the page to the screen. It also means that we're transferring increasing amounts of data about kids outside of the classroom into the hands of technology companies. And that has raised real privacy concerns. There are concerns, number one, that schools have been transferring data to technology companies without adequate safeguards in place to protect the privacy and security of the information. There are also concerns about the capacity of existing laws, like federal laws like the Family Educational Rights and Privacy Act or FERPA, or other federal laws to address the situation. Existing federal laws were passed decades ago, they are out of date, they have not kept pace with technology, and they have significant gaps that could allow companies who are brought into schools to use information they collect about kids for commercial practices that really have no business in the classroom. For us, this is fundamentally a question about trust. People won't use technology they don't trust, they certainly won't let their kids use technology they don't trust. And if they don't trust educational technologies, it could mean that schools and ultimately, students, won't get the benefit of new and innovative technologies and services that our industry is providing. A lot of people are concerned about this: parent groups, educators, privacy advocates are concerned, lawmakers are increasingly concerned. According to the Data Quality Campaign, which is a nonprofit that tracks this type of legislation, just over the last couple of years we've seen the number of student privacy bills introduced in state legislatures increase from 1 in 2013, to 110 in 2014, to over 180 just last year, and that includes over 30 bills that have passed into law and about a dozen bills which are very similar to the one you have before you, which have passed into law. A few other key points I would make about the bill, I mentioned it would close gaps in existing law. One of those gaps is that laws like FERPA don't apply to the technology companies, they only apply to educational institutions. This bill would change that, it would apply rules directly to educational technology companies. Number two, is it does not impose any new obligations on schools, it's only imposing obligations on technology companies. And number three, is it would ban a number of practices that virtually everyone agrees don't belong in the classroom: ban the use of student data for targeted advertising, ban the use of it to create profiles about kids for noneducational purposes, ban the sale of student data. So we think the bill is a common sense solution to a problem that has been identified by a growing range of stakeholders. In our view, student data should be used to help kids learn, it should not be used for commercial practices. We support the bill, and I'd be happy to answer any questions. [LB692]

SENATOR SULLIVAN: Thank you, Mr. Harkins. You gave a list of about three or four abuses, is that happening now? Is there targeted advertising, is there selling of student data? [LB692]

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RYAN HARKINS: There has been. There has been targeted advertising. So in the last couple of years, part of the growing consensus behind this type of legislation nationally sprung from a particularly prominent technology company, I won't name names, that they run a search engine that you would have heard of, that was using data that they were collecting through their educational services. They were scanning it for targeted advertising. You know, we have seen...or we know that the data broker industry is interested in any and all information it can get. And think about the kind of information that, you know, schools collect. Sensitive information like whether a child has a learning disability, information about whether there is abuse going on at home, even basic information like whether they struggle with literacy or with math. All of that could be of value to folks who want to use data for things like determining whether a child is going to be a good credit risk when they get older. So those are the types of concerns that, you know, thoughtful people have started to respond to. And you know, I have to say that while I was sort of picking on one of our counterparts in the technology industry, the industry as a whole has come a long way on this issue. And whereas a couple of years ago, the general response to this type of legislation was we don't want to see any new rules in place, we just don't want to be regulated, we're worried about unintended consequences, a lot of folks in the industry have changed their practices and have gotten on-board to where they are supporting legislation like this. Because they recognize the threat that this growing distrust in technology in schools could pose to our ability to provide the kinds of technologies we think could help improve education. [LB692]

SENATOR SULLIVAN: So if this were to be enacted, what are the controls? Is it something that would then become part of a contract, where you got to check the box if you're developing a relationship with the school district? Or what are the consequences if you don't adhere to it, because I don't know that there's anything in the bill that identifies that. [LB692]

RYAN HARKINS: So there are a couple of things. It's a good question. You know, the first is that we think this bill is a step in the right direction, and it would impose rules where none exist today. And that's why we've been supporting legislation like it in other states and why we support this bill. You know, the bill is modeled off of a similar law that passed initially in California and that has now passed in other states, as well as a student privacy pledge that we helped created, that the industry got together and basically committed themselves to abiding by the rules in the pledge. There are arguments I think today that I've heard them in other states that if you pass a law like this and you don't abide by your commitments, the Attorney General in a particular state may be able to go after you for a violation of that state's Consumer Protection Act. I mean, I would be interested to hear from Nebraska lawyers about whether that's true in this state. The student privacy pledge I mentioned is enforceable by the Federal Trade Commission in Washington D.C., which I think is important. And the other thing is that most contracts that schools have with vendors at minimum require you to comply with law. And in a lot of them, we've seen in states that have passed these types of laws will also then say, oh by the

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way, that also means the student privacy bill that just passed. So I would imagine that if this law passed in Nebraska, it would become a breach of contract issue for contracts with most schools in the state, because that would become a part of their contract. [LB692]

SENATOR SULLIVAN: Thank you. Any other questions? Senator Baker. [LB692]

SENATOR BAKER: Thank you, Senator Sullivan. I wanted to press a little bit further on what Senator Sullivan asked earlier. Mr. Harkins, what would you deem as an appropriate remedy in Nebraska if someone violated this, and you answered it to a certain extent. A breach of contract doesn't go quite far enough for me. What ought to be a remedy for someone who captures that data and uses it inappropriately? [LB692]

RYAN HARKINS: So we have seen and we've supported in other states' legislation...that expressly makes a violation of the bill a violation of that state's Consumer Protection Act and enforceable by the Attorney General. And we think in principle that is a fine concept. You know, my only comment would be that I would love to see this bill pass in Nebraska now. And you know, if it passes and we think that there's an issue or you determine that there is an issue with enforcement, that you know, perhaps we come back and address that. But in principle, I think that kind of remedy is just fine. [LB692]

SENATOR SULLIVAN: Senator Kolowski. [LB692]

SENATOR KOLOWSKI: Thank you. Mr. Harkins, just as a hypothetical, say I'm a high school principal, all of our kids have a tablet--we give one to use while they're going through school, the student has this...or the district has this contract agreement like this law is attempting to put into place, yet those students take their tablet home and they hook up to their connectors at home and they're doing some homework and working on things. What's to stop the company from gleaning what it wants from that home connection compared to that school connection? [LB692]

RYAN HARKINS: So the good thing about this bill is it is not premised upon where the student is sitting when the student is using technology, it simply covers educational technologies, regardless of whether the student is using the technology at home or at school. So in that type of scenario, you have a tablet or something, an educational technology, the law would apply to any information that is then being collected. [LB692]

SENATOR KOLOWSKI: Okay. [LB692]

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RYAN HARKINS: Now, you know, one thing that the bill does not do, and it tries to be very careful, is that it does not apply to general audience technologies. And by that we mean basically it's intended to cover educational technologies, it's not intended to regulate the entire Internet. And that's one issue that, you know, I think has been a concern in the past from some technology players. In other words, that you wouldn't want to pass a bill that would essentially require every web site on the Internet to authenticate people, to try to make sure they're not dealing with a student in Nebraska or California or Washington State. You really want to try to make sure it's only applying to educational technologies. [LB692]

SENATOR KOLOWSKI: So that tablet would be singled out in that home, compared to any other devices used? That would signal that's a deal with that school district, we don't look into anything with that particular tablet? [LB692]

RYAN HARKINS: It wouldn't even depend upon there being a deal with a school district in fact. If, you know, a company produced an educational tablet or if they produce like...our seminal education product is Office 365 for Education. If a student is using Office 365 for Education, the law would apply, regardless of whether the student is using it at home or at school or at a coffee shop. [LB692]

SENATOR KOLOWSKI: Okay, thank you. [LB692]

SENATOR SULLIVAN: Senator Krist, do you have a question? [LB692]

SENATOR KRIST: He answered it, thank you. [LB692]

SENATOR SULLIVAN: Any other questions? Thank you for your testimony, Mr. Harkins. [LB692]

RYAN HARKINS: Thank you. [LB692]

SENATOR SULLIVAN: Welcome. [LB692]

KAREN HAASE: Good afternoon. My name Karen Haase, first name is K-a-r-e-n, last name is H-a-a-s-e. I'm an attorney in private practice here in Nebraska. I appear on my own behalf and on the behalf of my law firm, I'm not here on behalf of any particular education client. KSB School Law is my firm, we represent about 170 different school districts across the state. As I've sat here this afternoon, I believe I have personally been in a school district in every one of your districts, talking to students about digital citizenship, and talking to staff members about student privacy. I

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had some prepared remarks, I think what I'll do is jump in and start answering questions, and then I'll flow through my remarks. And if the Senators have additional questions, obviously I want to be helpful to you. I want to start with Senator Kolowski's question about one to one, because a lot of our school districts in Nebraska are leveraging technology by providing students with a one to one device. We don't have to buy textbooks, we can keep things currently updated, all that kind of stuff. What happens with most of those devices, because most schools are paying that through their e-rate funding, which means that the school is directing the students back to the school's Internet connection even when they're home. The school provided device is running through a school-moderated connection to the Internet, which is one of the ways we'll be able to control or keep track of what kids are accessing. The other question that you are asking is basically how...what if the kid is using a home computer? Usually what we're talking about here are Google Apps for Education, Microsoft 365, which is an education app. Those are all pieces of software that the kid gets through the school, the school has either purchased or accessed a license through the school account, which is kind of what this technology...is what this legislation would apply to, okay? It's not going to apply to Snapchat, which a kid downloads on the phone that mom and dad bought for him or her, Facebook, that sort of thing. I do think it's important for us to note that operator is a provider of software for an educational purpose, so it won't apply to operators like Amazon, the Apple iStore, it's going to be education-targeted software, either a software service or an education-specific app. The Microsoft representative was sort of careful to talk about examples of abuse, Senator Sullivan, I'll give you some specific examples. The Federal Trade Commission has filed a complaint against Google Apps for Education, alleging that Google Apps for Education is scanning every piece of e-mail that students send and receive through the Google Apps for Education e-mail server, looking for data collection and targeted advertising. There is also a complaint against the popular service Blackboard, which is sort of like a Facebook page almost...it's a collaboration tool that educators are using with kids. And the allegation is that Blackboard is also using student responses to questions on the system to gather data about how to better program and how to better market to students. There's a great example of a bankruptcy case for the company ConnectedEDU. The company went bankrupt, in the bankruptcy court, one of the things that the creditors were fighting about was access to 20 million student records that had been amassed by this app that was an asset of the company that the federal bankruptcy court ultimately awarded to some creditor. The FTC filed an amicus brief in that bankruptcy, saying that student data should be protected and that it shouldn't be a fungible commodity that creditors fight over, and the bankruptcy court said that there's no provision in state or federal law that would protect the student data. I believe under LB692 there would be a provision in state law that says we as a public policy in the state of Nebraska have said student records should not be commoditized and available for fighting over by third parties. There are companies that are using student's on-line habits and how they are answering like sample test questions, how long the student's mouse hovers over a particular answer to figure out how students are responding. Now if this is all being used for educational data collection, I think that's awesome, but what we don't want is

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some third party commercial vendor being able to leverage their relationship with schools in a way that gives them an unfair advantage with their competitors in the marketplace. The final thing that I want to mention about questionable habits is a situation that arose in New Jersey about 18 months ago. Parents in New Jersey discovered that information that New Jersey Department of Education officials were collecting was also being used for commercial purposes. Parents then started opting out of the statewide data collection service, and it actually really damaged New Jersey's ability to do data collection. And their equivalent of our NeSA testing was undermined by the fact that so many parents had opted out. So I think it's important that we send a message to parents in Nebraska that this committee and that the Unicameral cares about the privacy of student data. Okay, now I got to wrap...hurry. FERPA is not adequate, it only governs schools. This bill would govern vendors, not just school districts. We do have Nebraska Student Privacy Act, 79-2,104, it also does not govern vendors, it only governs schools. And so that's why this legislation fills a gap in our current legislative structure. The benefits to schools: it allows schools to use a variety of vendors without having to dig through the terms of service for every single vendor. I have negotiated...sorry...I've negotiated contracts with Microsoft, with Google. This will give schools a much better point of leverage for making sure that the contract includes important privacy protections. And I think that if there is a breach, we'll be able to enforce it through a breach of contract claim, without having to get the Attorney General or other law enforcement officials involved. So with that, thank you so much for your time. And I'm happy to answer questions. [LB692]

SENATOR SULLIVAN: Thank you, Ms. Haase. So to your last point, that's where there will be leverage, in terms of consequences, if there is no follow through? [LB692]

KAREN HAASE: Yeah. Our plan is to send out to all of our schools, and I'm sure...there's another law firm in town that represents probably the other half of schools in the state. I'm sure we will both send out form language that will encourage our clients to place into every technology contract. [LB692]

SENATOR SULLIVAN: Got you. Okay, very good. Senator Krist. [LB692]

SENATOR KRIST: So several of us are on the Judiciary Committee as well, and what came to mind when people asked questions about is this enough, is this enforceable, I carried a bill three years ago for the Attorney General that clearly specified that he had the jurisdiction he needed to go after certain parties. And you're suggesting that the current law firms, your law firm would now have, as long as it was subject to the contract, the jurisdiction you needed to go after the problem. Ultimately though, this really gives the AG, as the chief law enforcement officer in the state, an option to go after them. So I don't know that we have to specify you're in charge of doing that, because the system will work the way it works. One specific question for you, in my

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district, I was confronted with a group of parents that because of test scores and because of reading test scores in particular, they started becoming inundated with send your child to this...and I'm not going to name the name. And they found it almost precarious that they just found out their child wasn't reading, and yet, now they're getting the advertisements. So in terms of those kinds of examples, do we see those here in Nebraska? Have you seen them in Nebraska? [LB692]

KAREN HAASE: Oh sure. We see targeted advertising happening in Nebraska all the time. Now the question to ask those parents...and the unknowable is did the vendor discover that the child has reading difficulties based on information that they gathered on data through an apps for education, or were mom and dad googling how to help you kid read better, right? And mom and dad Googling how to...or searching, sorry, how to help your kid read better, there's going to be targeted advertising that will come as a result of that Internet search. So we can't prevent that, at least this bill wouldn't prevent that. But it would give those parents the assurance that that targeting is not happening because of the student's use of the Google...the app for education. [LB692]

SENATOR KRIST: Which again puts the trust into the system that is there for the educators to do their job. [LB692]

KAREN HAASE: That's right. [LB692]

SENATOR KRIST: Okay, thank you. [LB692]

SENATOR SULLIVAN: Senator Schnoor. [LB692]

SENATOR SCHNOOR: Karen, does this help protect, you know, the physical safety of kids? Are they in any kind of harm right now from this data that's being collected? [LB692]

KAREN HAASE: I cannot say that I've had any experience or...and I read broadly on this. I don't think any of these apps for education vendors are targeting kids physical safety. The Internet safety issues that we really worry about are from...would not be really addressed by this bill or, you know, Kik and Snapchat, and that sort of thing. This is more basic privacy of academic, cognitive, socioeconomic data that is currently being gathered by some education app providers. [LB692]

SENATOR SCHNOOR: And they use this for their own marketing tool to help sell their product? [LB692]

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KAREN HAASE: So their product...how to figure out how to better target, you know, the age group that they're looking for. They use it for...sometimes they use it for internal benefit to make the software better, which...they use it for a whole variety, some legitimate and some what I would think is illegitimate purposes. [LB692]

SENATOR SCHNOOR: Okay, thank you. [LB692]

SENATOR SULLIVAN: Senator Groene. [LB692]

SENATOR GROENE: I'm out of the loop here. So a student goes to school and they give him a laptop or a personal device. Does the school then keep it in the loop that their e-mail address that that student has is assigned by the school, or did the student, if he has one at home, put his personal one in there. [LB692]

KAREN HAASE: It depends on how the schools set up. Let's say a school is using Google Apps for Education, the school probably provides that student with a Google e-mail address that is internal to the school, that allows the school to control kind of what kids are sending among themselves. They submit, you know, assignments to teachers or whatever... [LB692]

SENATOR GROENE: Okay, second question, then. [LB692]

KAREN HAASE: ...but he could, the student could log in to a Yahoo account and have a separate e-mail account. And the school is going to try to block that, but we can't guarantee that that won't happen. [LB692]

SENATOR GROENE: So you got to close the loop there? [LB692]

KAREN HAASE: Yes. [LB692]

SENATOR GROENE: How does the parent get an e-mail? [LB692]

KAREN HAASE: The...I think every district that I can think of also includes access for parents through those apps for education. [LB692]

SENATOR GROENE: That's how the targeted ends up from the enclosed system to the parent's personal e-mail? [LB692]

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KAREN HAASE: Oh, it may not...the targeting advertising may not come in the form of an e-mail, Senator Groene. It may be in terms of...you know those adds that show up down the side of Facebook? Like I looked for shoes last night, this morning on my Facebook there's adds for Shoe Company showing up on Facebook. So that targeting, it may not be as obvious as an e-mail that comes to a parent, it may just be in push advertising that comes on the news sites that you're reading or social media sites that you're looking at. [LB692]

SENATOR GROENE: That's on the student's government issued laptop? [LB692]

KAREN HAASE: If the student has accessed information using a web browser that was part of the education environment and that education log on is part of their social media account, it certainly could have push advertising based on what the students... [LB692]

SENATOR GROENE: Second question. In the law here, it says "gathered by an operator through the operation of its site...middle school...student...information in the student's educational record or electronic mail, first and last name, home address, telephone number." Why in God's name would anybody...any school have the students put that kind of information into their individual account. How do they access from that loop? How do they get to this? [LB692]

KAREN HAASE: Well, that information that you rattled off is considered directory information under FERPA. And parents and schools actually like the fact that schools can release that information. For example, if the kid is playing football and the local newspaper shows up, we want to be able to tell the newspaper what the kid's name is so that they can get the caption right in the news. When the kid takes the ACT, lots of times they call the guidance counselor and they want to talk to a student, so the guidance counselor will provide the student's e-mail address and phone number. So there are really legitimate reasons that schools would have that data. What this does is it says schools can use it, but vendors can't use it for their personal commercial purposes. [LB692]

SENATOR GROENE: Right now could a school district sell that information to somebody without this law? [LB692]

KAREN HAASE: A school district can release it pursuant to FERPA, there's no doubt. I do not believe FERPA...I think FERPA is silent on the sale of that information. We don't sell it. We have vendors who ask for it...senior picture photographers, for example, will contact a school and ask for a list of all the student...seniors and their home addresses. And most schools in Nebraska...there's a few that don't, but most schools in Nebraska would provide that to a vendor. [LB692]

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SENATOR GROENE: Now there's vendors out there that will do this work for the school district, instead of being a server in the school district? [LB692]

KAREN HAASE: Right, the cloud based... [LB692]

SENATOR GROENE: And that's the cloud...now it's out there on the cloud? [LB692]

KAREN HAASE: Right, it's cloud-based services. [LB692]

SENATOR GROENE: They contract with a vendor that put all this information...gather it all? [LB692]

KAREN HAASE: Right, and then they run all kinds of metrics on it that are sometimes really helpful for schools. [LB692]

SENATOR GROENE: Can a parent opt out of this? Go to the superintendent and say, I don't want any of this information on any of your computers. [LB692]

KAREN HAASE: A parent can opt out of directory information. All of the schools that we've worked with, to put together cloud-based or one to one applications, we do allow for parent opt out. The problem, Senator Groene, is it's becoming increasingly difficult for that child of the parents who have opted out to keep up with the school district. Like...I'll just use Logan View, because I know Logan View is one to one, and they do amazing things with their technology. So if a parent opts out, everybody else has a chromebook and then that child is working with paper and pencils. It gets tricky, but we still do allow parents to opt out. I would suspect that most parents would think that's not a viable choice at this point. And I think they have... [LB692]

SENATOR GROENE: Well, they need to have a laptop and learn to write with it and do research it, but I don't know why you...anyway, that's another issue. [LB692]

KAREN HAASE: Right. I think that's why LB692 fills a gap that protects privacy that parents may be more comfortable with letting their students use these technologies. [LB692]

SENATOR GROENE: Thank you. [LB692]

SENATOR SULLIVAN: Thank you for your testimony, Ms. Haase. [LB692]

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KAREN HAASE: Thank you so much. [LB692]

SENATOR SULLIVAN: (Exhibit 2) Any other proponent testimony? Anyone wishing to speak in opposition to LB692? Anyone in a neutral capacity? Senator Morfeld to close. [LB692]

SENATOR MORFELD: Thank you, Senator Sullivan, members of the committee. I just think that it's critically important to be able to protect student's private information, while fostering the use of technology. And so if there's any other questions, I'd be more than happy to answer them. I'm also willing to work with the committee on any concerns that they may have. [LB692]

SENATOR SULLIVAN: Any questions for Senator Morfeld? Thank you. [LB692]

SENATOR MORFELD: Thank you. [LB692]

SENATOR KOLOWSKI: We will now move on to LB726, Senator Sullivan presenting. [LB726]

SENATOR SULLIVAN: (Exhibit 1) Thank you, Vice Chairman Kolowski, and members of the Education Committee. For the record, my name is Kate Sullivan, K-a-t-e S-u-l-l-i-v-a-n, representing the 41st Legislative District, here today to introduce LB726. LB726 is a bill born out of discussion between my office and the Coordinating Commission for Postsecondary Education, regarding possible ways to decrease the level of debt that Nebraska college students graduate with. As you recall, this committee held a hearing on postsecondary education affordability last fall--September 10 to be exact, at which time, Michael Baumgartner, the executive director of the Coordinating Commission, testified and presented a handout. On that handout, there is mention of financial literacy program that the state of Indiana implemented, and according to a July 4, 2014 on-line Bloomberg Business article, a copy of which I think you have in front of you, the result of the Indiana Financial Literacy Bill resulted in federal loan disbursements at that public university in dropping by \$31 million from the previous year. By taking less in student loans, these Indiana students will have a lower amount of total loans that they will have to repay. And all of this was possible by simply providing students with the necessary information to make a more informed choice as to the amount in loans that they need to borrow. LB726 is my attempt to implement a student financial literacy program here in Nebraska. This program would simply instruct required institutions to provide federal individual student loan data to their students on an annual basis. Private and parent loan information would not be required under this bill, as we cannot be assured that every required institution receives notice of those loans. But they do receive notice of federal loans. It's my belief that providing this information to students, we will assist students in making sound financial decisions, which should lead to a decrease in the overall amount of loans that some students will take out. I ask for your assistance in helping students get the information they need to make sound financial

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decisions. We know that the level of student debt that students are leaving college with has risen dramatically, and I think that we can start to reign this in by voting to advance LB726 to General File. Thank you very much. [LB726]

SENATOR KOLOWSKI: Thank you, Senator Sullivan. Any questions from the committee as a whole? Senator Groene, please. [LB726]

SENATOR GROENE: Basically what you're doing is what a bank does now. You come in for a loan, he says, well, you owe this much already. It's going to cost you this much to repay it, are you sure you can...is that basically what you're doing here, giving this... [LB726]

SENATOR SULLIVAN: Well, a bank might do that at the time of application. And I will say that that's a requirement under federal law now, that to apply for a student federal loan, the student is given that information at the time they take the loan out and then upon graduation. We're talking with this bill, that an institution has to inform the student on an annual basis of what their amount is. And so if they choose to borrow more, then next year they're going to see a larger amount that they owe. [LB726]

SENATOR GROENE: I guess I didn't read it clear, but what timing would they get the information? [LB726]

SENATOR SULLIVAN: They'll get the information prior to making the decision to take out additional borrowings on an annual basis. So they will know on an annual basis what they have borrowed, what that additional amount would be, and then not only that...what it would take them to pay off that loan going forward upon graduation. [LB726]

SENATOR GROENE: So every student that has a loan already would get this statement, even though they haven't applied for more? They'll have time to think and contemplate how they're going to repay existing loan. [LB726]

SENATOR SULLIVAN: Exactly. [LB726]

SENATOR GROENE: And maybe they might decide to get a part-time job. [LB726]

SENATOR SULLIVAN: Exactly. [LB726]

SENATOR GROENE: Thank you. I like it. [LB726]

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SENATOR KOLOWSKI: Senator, on the article that you handed out, what were the savings? Where did the \$31 million less on an Indiana University campus end up coming from when they did that? [LB726]

SENATOR SULLIVAN: Well, it basically is the amount that the students didn't borrow, they chose not to borrow. [LB726]

SENATOR KOLOWSKI: Just the recognition of I didn't need it that much. [LB726]

SENATOR SULLIVAN: Exactly. [LB726]

SENATOR KOLOWSKI: And let's hone this down and be more careful in (inaudible)? [LB726]

SENATOR SULLIVAN: They realize that there wasn't a blank check. And that not only that, they were going to have to pay it back, and this was how long it was going to take them to do that. And so it made them, as Senator Groene said, think twice. That maybe it was going to be smarter for them to get a part-time job or spend less, whatever means they decided they could do that. [LB726]

SENATOR KOLOWSKI: Thank you. Any other questions? Yes, Senator Morfeld, please. [LB726]

SENATOR MORFELD: Thank you for introducing this, Senator Sullivan. I think that this would have been helpful for my, you know, just four or five years ago, to realize exactly to what extent each year I'm taking that out. And I apologize, I had to step out for a minute right after my hearing. Does this also include Parent Plus Loans that are taking out on behalf...okay did you... [LB726]

SENATOR SULLIVAN: No. We don't have any idea to accurately track those. So these are just the federal loans that are coming directly to the student. [LB726]

SENATOR MORFELD: Okay. Okay, great. Thank you. [LB726]

SENATOR KOLOWSKI: Any other questions? Senator Groene, please. [LB726]

SENATOR GROENE: There's a lot of research that shows if you can do it in four years, long-term you're way ahead. It's that fifth year that would...it doesn't interpolate into the kid who's a

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freshman and says you can go 17 hours or 16 hours and get out of here in 4 years, it's going to save you? [LB726]

SENATOR SULLIVAN: No. But I think that this whole process makes them give pause and lets them process that a little bit more. Because money talks. When you see those dollars and cents and how they add up, then you're going to probably think about ways that you can cut the amount of time you're in that institution. [LB726]

SENATOR GROENE: Thank you. [LB726]

SENATOR KOLOWSKI: Any other questions? Thank you, Senator. Any additional proponents of this bill, please? Good afternoon. [LB726]

JUSTIN BROWN: (Exhibit 2) Good afternoon and...members of the Education Committee, Chair and Vice Chair, my name is Justin Brown, J-u-s-t-i-n B-r-o-w-n. I'm the director of the Office of Scholarships and Financial Aid at the University of Nebraska-Lincoln. It's a pleasure to appear before you today as a new Nebraskan and representative of the University of Nebraska in support of LB726, which would require public universities and colleges to provide information to students relating to federal student loans. I would like to extend my appreciation to Senator Sullivan and her staff, as well as the co-sponsors of this bill, for seeking the financial aid expertise of me and my colleagues in crafting this bill. It is well-established that attending college generates significant public and private returns, and by facilitating college attendance, a robust student loan system produces important benefits, including access and opportunity. Unfortunately, student loans have become controversial as the national debt level has reached \$1.3 trillion, and borrowers are reporting increased difficulty in meeting their debt obligations. Nationally, delinquency rates on student loans have nearly doubled in the last decade. And while default rates have begun decreasing lately, they are at historic high levels. Contrary to popular belief though, most students who default have relatively low balances, and there's no empirical evidence that over-borrowing for an undergraduate degree is an epidemic. But perhaps if colleges notify a student annually about how much he or she owes in student loans, the student will recognize the financial commitment and learn to borrow more wisely. I consider this to be a simple and low-cost intervention that will provide students with additional consumer information with which they can make actual decisions, such as borrowing or seeking advice from their financial aid advisor. Today's federal student loan environment is unnecessarily complex for students, who are my primary concern. While I support this bill, I might suggest modifying the language to remove the lines that require informing students of the percentage of the aggregate borrowing limit the student has reached. This particular measure may contribute to further misinterpretation of federal student loans in three ways: it may further confuse students who are subject to annual loan limits and cost of attendance limits by the federal government; it may

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erroneously give students the impression they have remaining loan eligibility; and it may have the unintended consequence of increased debt, as most students currently borrow well below the aggregate limit. The University of Nebraska has an obligation to notify students about their education debt in a way that is helpful and reduces confusion, rather than exacerbates it. With slight revisions, this bill could realize that vision. As an illustration, please see the chart comparing the median debt levels at the University of Nebraska to the federal aggregate limits. We can provide students information about typical debt levels, but a percent of aggregate, as you can see, may not be as informative as you might think. If you'll look at the gray areas that signify the federal aggregate loan limits, they're much higher than the median federal loan debt at the University of Nebraska. If a dependent undergraduate student at UNL has reached the typical debt level, which is a measure of how he or she compares to his or her peers, the aggregate percent would calculate at 72.5 percent, which may lead a student to believe that he or she could borrow a greater amount. However, students are limited to annual limits and cost of attendance limits imposed by the federal government. While I support this bill, which would provide helpful actual information to students, I believe it would be more helpful to focus on how a student compares to a typical borrower and remove the aggregate borrowing information from the language. I thank the committee for the opportunity to appear before you today, and for considering this testimony. [LB726]

SENATOR KOLOWSKI: Thank you, Mr. Brown. Any questions for him, please? Yes, Senator Krist. [LB726]

SENATOR KRIST: Thank you for your comments. I mean, it goes without saying that sometimes the clearer the communication, the better. And sometimes it takes a two-by-four, so thank you very much. [LB726]

JUSTIN BROWN: Thank you. [LB726]

SENATOR KOLOWSKI: Any other comments or questions? Senator Groene. [LB726]

SENATOR GROENE: It doesn't dictate how you would do this. Would you do it by e-mail or electronically, or would you mail out? [LB726]

JUSTIN BROWN: The bill doesn't specify how we would do it, so I suspect that different colleges would do it in different ways. At the University of Nebraska, with the resources we have, we would do it electronically through their portal. Whereas smaller schools may have to do it through e-mail or... [LB726]

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SENATOR GROENE: Federal loans you have to give your family's income, is that not correct? [LB726]

JUSTIN BROWN: Correct. To file the free application for federal student aid, which is the application (inaudible). [LB726]

SENATOR GROENE: Should not we be sending this e-mail out to the parents also? Can't do that? [LB726]

JUSTIN BROWN: Can't because of FERPA. [LB726]

SENATOR GROENE: Federally you can ask what the parents make, but federally you can't tell the parents what they can borrow? [LB726]

JUSTIN BROWN: Eligibility...based on the federal government, the eligibility for assistance is based on parental information for dependent students, but FERPA does not necessarily cover a student who would be dependent...it is tricky. But FERPA wouldn't cover that, we wouldn't be allowed to do it. [LB726]

SENATOR GROENE: So if a parent calls you and wants to find out what debt their child has, you can't let them... [LB726]

JUSTIN BROWN: We can let them know if the student has authorized a parent...for us to release information to a parent. But otherwise, no, we cannot. [LB726]

SENATOR GROENE: Thank you. [LB726]

SENATOR KOLOWSKI: Mr. Groene had the same question I had, but I knew the answer. My son went through...both sons went through college. Grades as well as loan issues. Any other questions from the committee? Thank you, Mr. Brown. [LB726]

JUSTIN BROWN: Thank you. [LB726]

SENATOR KOLOWSKI: Appreciate it very much. Any other proponents for this bill, please? [LB726]

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MIKE BAUMGARTNER: (Exhibit 3) Thank you, Mr. Chairman. My name is Mike Baumgartner, M-i-k-e B-a-u-m-g-a-r-t-n-e-r. I'm the executive director of the Coordinating Commission for Postsecondary Education, and I'm testifying today in support of LB726. Nebraska stands out for the level of support that it provides its colleges and universities, which is reflected in the moderate tuition and fees they charge, compared to their peer institutions. Nevertheless, when the full context of attendance is considered, many students find that there is a gap between family resources, grants, scholarships they receive, and what a year of education costs, so like students across the country, Nebraska students borrow. Comparable figures on student borrowing, that include all sources of loans and all colleges are not readily available. I have put some estimates in the testimony here that you can look at. The 2014 public graduates of public institutions in the state averaged \$24,599 in loans, including federal loans and private loans. It's estimated that 70 percent of students at independent colleges and universities who graduate each year will graduate with an average of \$31,163. While this is a good source that I'm citing here, and it's often used, the data don't include all the four-year institutions in the state, and it doesn't include any two-year institutions in the state. And that's an issue that we run into with what debt we can actually look at in a bill like this as well. The federal data is much more readily available to colleges and universities than all sources of loans that a student might have. So if we focus only on direct student loans to the students, not including Parent Plus Loans, and look at federal data, we see that there is still a significant median federal debt at graduation at public institutions. About 50 percent of public four-year institution students borrow every year. The average amount of the median federal debt for graduates is about \$22,000 when they graduate. Borrowing at community colleges varies across colleges, but in general, about 25 percent of students take out a federal loan in any given year, and the debt for the graduates ranges from about \$8,700 to \$13,370. While borrowing is a necessity for many students, national studies have found that most students, even first year students with no other accumulated student loans, aren't sure how much they've borrowed. One very large, nationally represented federal study of beginning students showed that only 24 percent of those students knew within 10 percent how much they had borrowed in federal loans--51 percent underestimated by 10 percent or more and 25 percent overestimated by 10 percent or more. A surprising 28 percent of students with federal loans reported that they had none. Creating state level policy to address debt literacy is important. Federal government requires entrance and exit cancelling for federal loan recipients, but there is no federal requirement to keep students informed of all their borrowing in between, while the students are attending school and accumulating that debt. It's important that this information be presented in proactive and detailed manner described in the bill. Student loan information can be complex and difficult to understand, and it can also be easy to ignore if students or parents have to search for it because it's not immediately available. Student loan debt is not immediately real to students, like a mortgage or an auto loan, because their payments don't begin immediately. As the authors of the report that I mentioned above noted, the problem with the lack of financial savvy among enrolled college students is that the consequences of their decisions come as a surprise to them once it's too late. This is a relatively easy and painless step,

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many Nebraska institutions already do some of what is required in this bill. However, the information required in this bill would offer students a more complete picture of the potential consequences of loan debt at the time that they are borrowing. As Senator Sullivan mentioned, Indiana passed a similar bill in 2015, based on the experience of Indiana University, which it had implemented across its campuses previously. Wisconsin legislators are considering the bill this year, modeled after Indiana's as well, and other states are moving this direction too, with legislation aimed at helping students understand the potential consequences of student loan. LB726 would not make college debt-free in Nebraska, but it would be an important tool for students and their families to make better decisions regarding student loans. I would be happy to answer any questions. [LB726]

SENATOR KOLOWSKI: Thank you, Dr. Baumgartner. Any questions from the committee? Senator Groene, please. [LB726]

SENATOR GROENE: This chart of yours, University of Nebraska Medical Center, that must be for nursing. [LB726]

MIKE BAUMGARTNER: That is nursing, that's correct. [LB726]

SENATOR GROENE: I was going to say. I get my doctor degree if I can get it for \$16,000. [LB726]

MIKE BAUMGARTNER: This is only undergraduate students. And because they only start on a junior level, they're also (inaudible). [LB726]

SENATOR GROENE: All right, so it's two years? But do you have a range? I mean, an average can be...you know, there's the conservative student who does it one year and then works, and then you've got the one who does it four years and takes everything they can get. [LB726]

MIKE BAUMGARTNER: The institutions could develop that and pull that from the information that's available from the federal government from a variety of sources. The IPEDS data sources and the National Direct Student Loan database that's published by the federal government. They give the average and they give the percentage of students who are borrowing. Again, it's hard to get everything that we'd like. I would point out of course, that the median amount borrowed means that half are above and half are below. So there are a number of students, about half of the students at UNL, would have more than \$22,500 in federal debt and half would have below that who had borrowed. [LB726]

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SENATOR GROENE: Because it's the ones that are responsible that need the help, and I'm just curious what the high end was. Thank you. [LB726]

SENATOR KOLOWSKI: Additional questions, committee? Thank you very much, sir. Any additional proponents, please? Could I see a raise of hands any additional proponents in the audience, please? Thank you. [LB726]

VICKI KUCERA: Good afternoon. My name is Vicki Kucera, V-i-c-k-i K-u-c-e-r-a, and I'm the Central Community College area director of financial aid services out of Grand Island, Hastings, and Columbus. And I am here to voice support of LB726. I absolutely applaud Senator Sullivan for the introduction of this bill. At Central Community College, we implemented some extra loan counseling measures year ago, for our students who we felt were starting to borrow an excess of what we considered to be the norm for their programs of study. We've been communicating with students coming to us with at least \$15,000 in prior loan indebtedness, who were just beginning a program of study, telling them pretty much exactly what you're proposing in this bill: that we would communicate with all loan applicants. And I can tell you that it makes a difference. These individuals are required to meet with an aid director in person, for extra loan counseling, before we will certify any additional loans. And a great many of these students, once we put pencil to paper and calculate their needs beyond their grant eligibility and scholarship eligibility, simply cancel their loan requests or adjust the amount requested substantially. But this is incredibly labor-intensive and I do have some concerns that I'd like to outline. First of all, the bill is slated to begin I believe for the 2016-2017 loan applicants. These applications are already coming into our offices, schools will start awarding very soon. Implementation of this would be fairly major for most schools, particularly those who are smaller and do not have the IT resources and available staff to pull something of this magnitude together quickly. I did send communications to the other community colleges in the state last week, to get their take on this bill, and two of the responders, Mid-Plains and Western Nebraska, both expressed pretty big concerns about the practicality of implementation, given their limited staffing and the major gainful employment requirements that are now required of us by the Department of Education. Implementation time will be critical. Second, the bill proposes that the information we provide the student include the estimated monthly repayment amounts and the number of years they would have to repay. There are multiple repayment options for students, the most popular of which right now is income-based repayment. With this plan, students monthly repayment figures are contingent upon their monthly income and the amounts cannot exceed 10 percent of that income. This seriously alters the time frame for which they have to repay, and there is no way our offices can estimate this on behalf of the student, when we have no idea what their potential income and family size might be upon graduation. Schools would be forced to use a standard repayment schedule when providing information to students, that quite frankly doesn't accurately represent what they in all probability will be paying. The Department of Education already has a calculator on their StudentLoans.gov web site, where students can input their filing status, number in household,

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estimated adjusted gross income, and get a great estimate of monthly payments for both standard and income-based repayment options, that includes a number of months that it takes to pay back the entire loan. Perhaps if schools are allowed to just provide an estimate of how much loan indebtedness the students may incur by the end of their program of study and a link to this Department of Education calculator, we wouldn't have to duplicate resources that are already available through other sources. In my opinion, what this bill is proposing schools absolutely should be doing, and some of us already are to some extent. We are in favor of this proposal, however, I would request that an adequate time frame be provided to schools to research the automation possibilities and adjust workloads accordingly. I would also like to express my curiosity as to why the private schools are not included in this bill and would be very curious to hear the logic behind that decision, considering the large loan indebtedness incurred by these students and the reality that these schools also benefit from state grant funds. I do thank you for your time and your consideration. [LB726]

SENATOR KOLOWSKI: Thank you, thank you very much. Any questions, please? Yes, Senator Krist. [LB726]

SENATOR KRIST: Thank you. Did you happen...I mean, thank you for coming in, thank you for your testimony, and thank you for your expertise and your professionalism. Did you communicate any of this to Senator Sullivan prior to this hearing? [LB726]

VICKI KUCERA: I did not. [LB726]

SENATOR KRIST: Okay. I think she might have enjoyed hearing it before. You know, we're always available for comment and suggestions. It's probably the most neutral, negative, positive testimony I've heard, because you have a lot to say about what potentially could be a pitfall to this effort. And I too applaud her for bringing it forward. And of those private institutions that I know personally, Creighton University has the same kind of program in place, where level of indebtedness is a counselor initiative, and obviously is briefed to the student on an ongoing basis. So thank you for your testimony. [LB726]

SENATOR KOLOWSKI: Any other, committee? Yes, sir? [LB726]

SENATOR GROENE: Thank you for that question, because I'm sure Senator Sullivan will answer it in her question. Because I thought of that earlier and forgot to ask. But...and you touched on something that I was concerned about. How much cost is this to the... [LB726]

VICKI KUCERA: To the institutions? [LB726]

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SENATOR GROENE: ...to your bookkeeping? And also a curious question about equal employment. What does that have to do with the cost? It's hard to hire people or what? [LB726]

VICKI KUCERA: Well, in a smaller school it's just going to be...I don't think...in terms of cost, it will probably depend upon what avenue we want to take too. If we're going to do it via...if we want to put some kind of an application on our web portal, which is what we intend to do, hopefully, it's going to take more time by our IT resources. I e-mailed our IT person last week to ask how much time she thought this would take to get something like this up and running, and she said right now I don't have time to tell you or calculate how much time that would take. So it's going to take some effort if we're going to do this via automation. It's going to take a lot of time, probably more than money, quite frankly. [LB726]

SENATOR GROENE: So you already have this information on hand? [LB726]

VICKI KUCERA: We have some of this information on hand. We already have their prior loan indebtedness. Every student that applies for federal financial aid, we see their prior loan indebtedness coming to us, and that's why we start communicating with them early, if we see that they have already borrowed quite a bit coming into our institution. The trickier part comes in estimating in how much they're going to borrow going forward. It's not as hard at our institution, because we're a two-year school, but if they are a part-time student and plan to continue that two-year...what we call a two-year education over a four-year period, it becomes much more complicated. [LB726]

SENATOR GROENE: But you don't have to. That isn't part of this legislation. You don't have to look into the future. [LB726]

VICKI KUCERA: Well... [LB726]

SENATOR GROENE: You just have to tell them what they've loaned to that date, right? [LB726]

VICKI KUCERA: The loan to-date, plus what they're planning or what they may potentially borrow during that year, I believe. If I'm not mistaken. Yes. [LB726]

SENATOR GROENE: Thank you. [LB726]

SENATOR KOLOWSKI: Any other questions, committee? Ms. Kucera, thank you very much. Appreciate it. Additional proponents, please? [LB726]

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JODI KUPPER: Hello again. Good afternoon, Vice Chairman Kolowski and members of the Education Committee. My name is Jodi Kupper, J-o-d-i K-u-p-p-e-r, and I'm vice chancellor for academic planning and partnerships with the Nebraska State College System. I'm here today to testify in support of LB726, which would require that certain information be provided annually by our colleges to recipients of federal student loans. The financial literacy of students, and especially those who are borrowing funds to meet their educational needs, is very important to the Nebraska State College System. During the 2014 academic year, based on IPEDS data that Dr. Baumgartner referenced in his testimony, 55 percent of our undergraduate students received federal student loans, compared to 51 percent on average, both statewide and nationally, for four-year institutions. In spite of having higher percentage of our students receiving federal loans however, the average amount borrowed is lower at \$6,042 per student, compared to \$6,580 statewide, and \$7,263 per student nationally. And that would be an annual amount. The colleges currently provide loan counseling to all borrowers and meet the requirements of the U.S. Department of Education and the Provision of Information to borrowers. This currently includes some, but not all of the information stipulated in the bill. The Nebraska state colleges are working in partnership with the University of Nebraska to create a dashboard intended to meet the specific requirements of this bill. More work remains to be done, but we believe we can meet the requirements of the bill without significant additional efforts. We've been in communication with Senator Sullivan's office to discuss the bill, and appreciate the open dialogue to assure we're meeting the Senator's intent with LB726. And just to address the question that Senator Sullivan gave to me on my first testimony, I was able to confirm that our resident tuition is \$153 per credit, for an annual total of \$4,590 if you were taking 30 credits across an academic year, versus the nonresident cost of \$306, which equates to \$9,180. So I appreciate the opportunity to testify today, and would be happy to respond to any questions. [LB726]

SENATOR KOLOWSKI: Dr. Kupper, thank you very much. Questions from the committee? Mr. Groene. [LB726]

SENATOR GROENE: Are you reimbursed in any way by the federal government for handling the student loans--for administrating them? I mean, I'm just curious how you... [LB726]

JODI KUPPER: I don't know that I specifically can answer that. [LB726]

SENATOR GROENE: No, there's no fee off the top, like one percent or something for handling it? [LB726]

JODI KUPPER: I don't believe so, but I'm not sure. [LB726]

SENATOR GROENE: Thank you. [LB726]

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SENATOR KOLOWSKI: Any other questions from the committee? Dr. Kupper, thank you. [LB726]

JODI KUPPER: Thank you very much. [LB726]

SENATOR KOLOWSKI: Thank you very much. Any other proponents? Opponents, please? Anyone in the neutral category? Senator Sullivan to close. [LB726]

SENATOR SULLIVAN: Thank you, Senator. And I certainly do appreciate the people that did testify on this bill. That's the value of a public hearing, to bring out some things that could conceivably make the bill better. And I will certainly take those under advisement going forward if the committee entertains discussion of this bill. Also, with respect to the discussion of public and private institutions, I feel...now for example, Indiana, I think in their legislation did include both public and private. I viewed this as a first start, but also, if it were deemed to be not particularly onerous for the public institutions, I would think that the private institutions would follow suit. So we'll see how this progresses. Because clearly, I think this committee saw that the burgeoning student debt is a problem. We want to make postsecondary education affordable for students--manageable. And this piece of legislation doesn't answer that in a big way, but I think it chips away at it and helps a student manage and make better decisions, with respect to the debt that they're acquiring as they pursue higher education. So I hope you will consider this bill. [LB726]

SENATOR KOLOWSKI: (Exhibit 4) Any questions? Thank you, Senator Sullivan. [LB726]

SENATOR SULLIVAN: All right, thank you. [LB726]

SENATOR KOLOWSKI: Thank you very much. And that ends the hearings for this day. Thank you very much. [LB726]