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Education Committee
January 31, 2017

[LB175 LB214 LB377 LB457]

The Committee on Education met at 1:30 p.m. on Tuesday, January 31, 2017, in Room 1525 of the State Capitol, Lincoln, Nebraska, for the purpose of conducting a public hearing on LB175, LB214, LB377, and LB457. Senators present: Mike Groene, Chairperson; Rick Kolowski, Vice Chairperson; Laura Ebke; Steve Erdman; Lou Ann Linehan; Adam Morfeld; Patty Pansing Brooks; and Lynne Walz. Senators absent: None.

SENATOR GROENE: We're going to start. We've got a tight schedule and a long one, could be, today. Welcome to the Education Committee public hearing. My name is Mike Groene from Legislative District 42, I serve as chair of this committee. Committee will take up the bills in the order posted. Our hearing today is your public part of the legislative process, you are the second house of this legislative body and it is your turn to express your position on proposed legislation. To better facilitate today's proceedings, I ask that you abide by the following rules. Please turn off cellphones and other electronic devices, move to the chairs at the front of the room when you're ready to testify. The order of testimony is introducer, proponents, opponents, neutral, and closing remarks by the introducer. If you will be testifying, please complete the green form and hand it to the committee clerk when you come to testify. Please try to fill the front rows if it's open or try to keep the front row open for the testifiers so as a committee we can see how many more are planning to testify. If you have written material that you would like distributed to the committee, please hand them to the page to distribute, we need 12 copies for all committee members and staff. If you need additional copies, please ask a page to make copies for you now. When you begin to testify, please state and spell your name for the record. Please be concise. It is my request that you limit your testimony to five minutes, if necessary we will use the light system. We will probably be pretty tight on it today on the last two bills. Depending on how many people wish to testify, we might drop that to three or four minutes, but we'll announce that at that time. And we want everybody to be able to testify at a reasonable time and the press to be able to cover it. So green will be four minutes; yellow light, when you see it it's one minute; red, please wrap up your comments. If you would like your position to be known, but you do not wish to testify, please sign the white form at the back of the room and it will be included in the official records. Please speak directly into the microphone so our transcribers are able to hear your testimony clearly. The committee members with us today will introduce themselves, beginning at my far right, Senator Linehan.

SENATOR LINEHAN: Hi, I'm Senator Linehan from District 39, which is western Douglas County.

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

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SENATOR GROENE: Want to introduce yourself?

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

SENATOR EBKE: Laura Ebke, District 32: Jefferson, Thayer, Fillmore, Saline, and part of Lancaster County.

SENATOR ERDMAN: Steve Erdman...oh, go ahead. Sorry, Adam, go.

SENATOR MORFELD: Senator Groene looked at me, so I didn't know. Senator Adam Morfeld, District 46.

SENATOR ERDMAN: Sorry about that.

SENATOR MORFELD: You're fine.

SENATOR ERDMAN: Steve Erdman, District 47. I cover about 80 percent of the Nebraska Panhandle.

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

SENATOR GROENE: Committee staff, I'll introduce them. To my far right is Kristina McGovern, she's the committee clerk. To my left is LaMont Rainey, he is the committee counsel. He will be...I have to introduce a bill in another committee and committee bill LB377, I will have LaMont present that because it is a Department of Education bill, cleanup type bill. And he knows the background a lot better than I do, and I might be in the other committee yet. So when you see LaMont go up there for the second bill, that is the reason. Then the pages are Alexi Richmond and Sam Baird, both University of Nebraska students. Please remember that senators may come and go, as I just mentioned I will be doing, for I have a bill in another committee. Lastly, you might see some of us looking at our phones or looking at a computer, we sometimes are texting to our staff to get back the information for us so we act like we know what we're talking about when we ask questions to the testifiers. That is it and I will turn the committee over to the Vice Chairman, Senator Kolowski. And I have to go introduce a bill and I'll be back.

SENATOR KOLOWSKI: Thank you, sir. Our first bill this afternoon is LB175, Senator Morfeld. Welcome. [LB175]

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SENATOR MORFELD: (Exhibit 1) Thank you, Vice Chairman Kolowski, 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 LB175. LB175 adopts the 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 noneducational purposes, such as for providing credit or insurance. LB175 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 a profit. It is important to note that the burden for following this law is on the third party for-profit vendors, not the schools. Students today are very 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 LB175 is to avoid inhibiting innovative educational technologies, while ensuring that the privacy of student information is protected. I'd also like to share an amendment to LB175 if the page can hand it out here for me, please, that was brought to me by the members of the industry that brought me this bill. An IP address is a persistent, unique identifier. Every click on a web site sends the IP address from the computer to the site, so that the site knows where to send the content on the page for the user. If the bill includes these persistent, unique identifiers in the definition of covered information, there's a responsibility to secure them and limits on sharing going back to some of those for-profit purposes that we don't want them to be used for. That is not practical when they're sent all of the time. This amendment would take care of that. If you have further questions on the amendment, a representative from the industry will follow me that can also answer your questions. It is my understanding as well that the community colleges are interested in a clarifying amendment that specifically excludes them, which I'm not necessarily opposed to. I don't have that drafted, but I believe former Senator Greg Adams has that with him here today. I would like to also note that last year this legislation advanced out of committee unanimously and did not receive debate on the floor because we could not find a priority vehicle or designation. Thank you for your favorable consideration of this bill and I'd be happy to answer any questions that you may have. [LB175]

SENATOR KOLOWSKI: Any questions, please? [LB175]

SENATOR PANSING BROOKS: Thank you. Thank you, Senator Morfeld, for bringing this bill. I'm just...so other than this amendment, is it pretty much the same bill as went forward 8-0 last year out of this committee? [LB175]

SENATOR MORFELD: Yes. [LB175]

SENATOR PANSING BROOKS: Just this amendment is the new additional change? [LB175]

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SENATOR MORFELD: Yes. [LB175]

SENATOR PANSING BROOKS: Regarding IP addresses. [LB175]

SENATOR MORFELD: Yeah. [LB175]

SENATOR PANSING BROOKS: Okay, thank you. [LB175]

SENATOR MORFELD: And this is fairly...the representative behind me can talk about how common this is in other states, but this is fairly common. And I think the important thing to note is that this places the burden on the third party for-profit vendor, not the public institutions or educational institutions. I would also note that this is meant specifically to apply for the third party vendors and not the public institutions because they may have their own IT and technology needs internally. [LB175]

SENATOR PANSING BROOKS: Thank you, Senator Morfeld. [LB175]

SENATOR KOLOWSKI: Senator Erdman, please. [LB175]

SENATOR ERDMAN: Thank you, Vice Chairman Kolowski. Senator Morfeld, "not necessarily opposed," explain what that means. You said you're "not necessarily opposed." [LB175]

SENATOR MORFELD: Well, I need to look at the amendment fairly closely. I looked over it yesterday, doesn't seem to inhibit the intent of the bill, but I'd like to hear from some of the other stakeholders as well. [LB175]

SENATOR ERDMAN: All right, thank you. [LB175]

SENATOR KOLOWSKI: Senator Morfeld, on the...tell us the number of problems that we've had, do you have any idea if this is taking place in our state and has been detrimental to some students' situations? Or any background you could help us with? [LB175]

SENATOR MORFELD: Yeah, and when I introduced this bill last year, I was a little more well-versed on some of those examples that had happened in other parts of the country. I'm not familiar of any abuses in Nebraska, but I think that the industry representative can talk about some of those abuses. And I think it's great that the industry is trying to self-police and make

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sure that people trust their products and trust that student privacy will be maintained. So I'm going to defer that question to the person behind me. [LB175]

SENATOR KOLOWSKI: And I'm not detrimental of the bill because of needing a head count or something (inaudible). It's a good proactive bill as well. [LB175]

SENATOR MORFELD: Absolutely. Thank you, Senator. [LB175]

SENATOR KOLOWSKI: Any other questions? Thank you very much. Could we have the first proponent, please? Welcome, sir. Please state your name. [LB175]

ANTHONY WILSON: (Exhibit 2) Vice Chairman, my name is Anthony Wilson, A-n-t-h-o-n-y W-i-l-s-o-n. I'm the director of government affairs for Microsoft out of Kansas City, and I'm here to testify in support of LB175. And I appreciate Senator Morfeld bringing this bill back up. This is a bill that has passed in, I don't have the exact number, some form in about 32 states and it promotes and increases student privacy protections for educational technology companies in the classroom. This is a bill that three years ago Microsoft supported and other industry members did not support. We have spent three years working with Google, Facebook, Amazon, and others to get this bill to a place where we think it's ready and good. And 32 states have passed it. The reason we need this is FERPA was passed earlier, the Family Educational Rights Privacy Act, that doesn't include specific things around technology. When I went to school my school record was kept at Grandview High School and after I got out of high school, if I wanted to get all of the bad stuff out of my record, I went and talked to the principal and he gave me the shoebox and I could walk away. Well, that shoebox is now kept in the cloud, which part of that cloud, the Microsoft Cloud, is over in Des Moines, so there's information going back and forth. My high school senior kid, who's got a 3.8, sits and does homework with his telephone and his Xbox and the computer and his Surface all in front of him in my basement. And I gave him a hard time about that until he brought his grade cards home, so I don't give him a hard time. But what he doesn't realize is all that information about him that he is putting into those units is being collected. So, as the Senator said, this imposes obligations on the companies, not the state, not the schools. It tells companies how we're going to treat data. And we have been working for the last five years on these and think that the parents and students should understand what is happening to their data and what is not happening to their data, and we think this bill does that. And I left for the committee a letter that Ryan Harkins presented last year to this committee. He is the subject matter expert, I'm sure he's very disappointed that he's not here today because last year we were here it was snowing and cold, and he'll be very upset that it's a little different today. But he's left some information and some background information. But we strongly urge you to support this bill, and while I'm not the subject matter expert, I'd be happy to answer any questions that you might have of me. [LB175]

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SENATOR KOLOWSKI: Thank you, Mr. Wilson. Questions, please, Senators? Seeing none, thank you very much. Next proponent, please. [LB175]

RENEE HYDE: Guess I might as well. [LB175]

SENATOR KOLOWSKI: Good afternoon and welcome. [LB175]

RENEE HYDE: Thank you. My name is Renee Hyde, R-e-n-e-e H-y-d-e. I'm assistant superintendent for Papillion-La Vista Schools and I'm here also representing the Nebraska Council of School Administrators today. I am here to support, lend our support to this. Under my umbrella is technology for our school district, and I think we are as progressive as any other school district in the state with regard to technology. You do have FERPA protections and COPA protections in place from a federal level, but those truly do put the onus of protection on school districts and people who care about kids. It is very appropriate that we would also have the other set of teeth to help give us support on the private industry side of things so that they also have an onus to take care of the information. Technology changes very fast. And the gentleman who was before me was absolutely correct, in that it's not in a shoebox, it's not in a file cabinet, it is absolutely in the cloud. And we depend more and more all the time on technologies that are web-based, technologies that are app-based. So having a vendor to have to have some of this kind of policy in place, this operational protection, is extremely important to our kids. What gets farmed out there is huge. I don't have examples to give you today that would tell you that we have had major problems with it in our school system, but we certainly understand the vulnerability of it. So with that, I would answer any questions or encourage you to support this bill. [LB175]

SENATOR KOLOWSKI: Thank you. Thank you, Ms. Hyde. Any questions from senators? Thank you. Next proponent, please. [LB175]

JAY SEARS: Good afternoon, Vice Chairman Kolowski and members of the Education Committee. For the record, I'm Jay Sears, J-a-y S-e-a-r-s, and I'm here testifying in support of LB175 on behalf of the 28,000 educator members of the Nebraska State Education Association. This legislation, as you've been told, is modeled after legislation in many other states. It establishes clear expectations about the appropriate and inappropriate use of student data among the systems that school districts might use. It's imperative that Nebraska have legislation that protects students who use technology in schools and for school purposes. The NSEA believes passage of LB175 will protect students from unwanted use of their data. We also encourage the committee to work with the Nebraska Department of Education and clarify and make sure there's no problems as we take on the ACT tests and the process of using computers in classrooms to do that one of these days. So thank you to Senator Morfeld for bringing the bill forward, and we

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encourage the committee to vote it out on General File. And I'm looking forward to hearing the community colleges' amendment also. So thank you very much. [LB175]

SENATOR KOLOWSKI: Any questions for Mr. Sears, please? Thank you for coming. Next proponent, please. Welcome, Jon. Thank you. Identify. [LB175]

JON HABBEN: Thank you very much for allowing my testimony. My name is Jon, J-o-n, Habben, H-a-b-b-e-n, director of Nebraska Rural Community Schools Association. Last year I was glad to see this bill come up. I thought it had the kinds of things in it that helped to address this vulnerability, and maybe it's my age, but this vulnerability that you feel in this fast-moving world of technology. And when it didn't move any farther, disappointment, but then glad to see it come back again because vulnerability is exactly what we're dealing with. We don't always know when, whether it's our data, our persons, our businesses, our schools, we don't exactly know when we're vulnerable. We can't always pick those moments that we can identify, oh, stop that, oh, stop that. But we know they're about. Our technology coordinators sometimes they are part-time technology coordinators, sometimes they are full-time, sometimes they share duties between schools. Rural schools have to figure out how to maintain this new position of technology coordinator and any help we can give them to protect our students and have educational use be educational use we strongly support. Thank you very much. [LB175]

SENATOR KOLOWSKI: Thank you, sir. Any questions, please? Thank you, Mr. Habben. Additional proponents, please? Again, any additional proponents? Then opposition, opponents, please. Again, any opponents to this bill? And neutrals, please. Welcome, Senator Adams. Good to have you here, sir. [LB175]

GREG ADAMS: Thank you, Senator Kolowski, members of the committee. My name is Greg Adams, G-r-e-g A-d-a-m-s, executive director of the Nebraska Community College Association. I sent LB175 out to the IT people at our various campuses and had them look it over, and we're in a neutral position because most certainly we can see the value of this. But some of our IT people said, this is good stuff, we don't see a problem with it. A couple of others said, yeah, but. Here's the issue for us. We have a lot of contact with high school-age students, whether it be through earlier assessment through the Accuplacer, whether it be through a growing enrollment in the dual credit field. And in addition to that, just simply recruiting of students: guidance counselors contacting the colleges and setting up opportunities for the students on-line. And that caused some of our IT people to say, well, do we really fit into this bill and where do we land? As a result, we're in a neutral position and we understand the importance of the bill. I have provided to Senator Morfeld some very simple, what we believe is some pretty simple language, that would in effect protect the higher education institutions in the state, the ones that are here in the state. And certainly we would hope that, I know the Senator is open to taking a look at it,

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hopefully the committee would be too. And it just simply grants some protection for all colleges, higher ed, not just the community colleges. With that, I'll end my testimony. If you have questions, I'll try to answer them, as long as they're not technology questions. [LB175]

SENATOR KOLOWSKI: Any questions for the senator? Sir, please. [LB175]

SENATOR ERDMAN: Thank you, Vice Chairman Kolowski. Thank you, Mr. Adams, for coming. What amendments are we going to make? Do we have a copy of that, is that what this is? [LB175]

GREG ADAMS: There's not copies for all of you, I just brought it in and gave it to Senator Morfeld. And the one that you have does not include our language. [LB175]

SENATOR ERDMAN: Okay, because I didn't see it. Are you...okay, he's going to address that. [LB175]

SENATOR KOLOWSKI: Any other questions, please? Senator, are the community...you're speaking for the community colleges. Are the colleges under the same umbrella, would you feel they would say about the same thing you did if asked for questions about it? [LB175]

GREG ADAMS: Colleges other than the community colleges? [LB175]

SENATOR KOLOWSKI: Right. [LB175]

GREG ADAMS: I hate to speak for them, but I think that the language would certainly protect them as well. [LB175]

SENATOR KOLOWSKI: I'm trying...we'll cross that bridge when we come to it, as far as the breadth of the bill and what might else be... [LB175]

GREG ADAMS: The testimony that Senator Morfeld has offered to for the record I think would go a long way to help our colleges better understand who this bill is aimed at. [LB175]

SENATOR KOLOWSKI: Thank you. Any other questions? Anyone? About 40 minutes ago in my office I had a phone call, I call it an obnoxious phone call because they were trying to extend a warranty on the service of a vehicle. I don't know where it came from. If you've had those, you know what I'm talking about. And they told me they could extend the warranty on my F-150

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Ford pickup truck, then I told them I don't own a Ford pickup truck, and they quickly dropped the line and were gone. I don't have the number, but those are the kind of things that happen quite frequently for a number of people. And it's very frustrating to see those things take place. [LB175]

GREG ADAMS: It wasn't Metropolitan Community College. [LB175]

SENATOR KOLOWSKI: They'd like to buy it. Thank you, sir. [LB175]

GREG ADAMS: Thank you. [LB175]

SENATOR KOLOWSKI: And Adam, Senator, would you like to close? [LB175]

SENATOR MORFELD: Well, first off, I appreciate Greg coming up and also him giving us a heads-up a few days beforehand. So this is not something that's a surprise, and so I always appreciate that when people reach out and are proactive. I have a copy of it here, I'm going to get it drafted in actual draft form before I start handing it out. And I also want to talk to some other folks and make sure it doesn't have any unintended consequences as well. So I'll get back to the committee on that before I ask that this be expedited on and make sure everything is squared away. I also want to note that the industry has worked with ACT and some of the comparable organizations. And this legislation actually exempts out ACT and all that, so that would be able to still be used as an educational tool and a college entrance exam tool. With that, I'll end my testimony because I know we have a long afternoon ahead of us. [LB175]

SENATOR KOLOWSKI: Any additional questions, please? Thank you very much. [LB175]

SENATOR MORFELD: Thank you very much. [LB175]

SENATOR KOLOWSKI: We will now move on to LB377. And Mr. Rainey, please. Welcome, sir. [LB377]

LaMONT RAINEY: Vice Chairman Kolowski and members of the Education Committee, for the record my name is LaMont Rainey, spelled L-a-M-o-n-t R-a-i-n-e-y, and I am the Education Committee legal counsel here today to introduce LB377. LB377 is an Education Committee bill that was introduced at the request of the Nebraska Department of Education and whose representative will testify to provide the Department's rationale for wanting the change contained in LB377. LB377 would eliminate three of the current six school classifications, with the eliminated classifications being Class I, Class II, and Class VI school districts. This change

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would mean that all Nebraska public schools will either be a Class III, Class IV, or Class V school district, with Lincoln Public Schools remaining as the only Class IV and Omaha Public Schools remaining as the only Class V school district at the present time. This bill will impact 18 school districts that are currently classified as Class II school districts, but they would become Class III school districts upon passage of LB377. The list of the impacted schools should be in front of you. By way of a bit of history, the six school classifications were implemented in 1949, when Nebraska had over 6,500 school districts. Today, we have 245 public school districts. I thank you for your time and will answer any questions that you may in regards to LB377. [LB377]

SENATOR KOLOWSKI: Any questions, please, for Mr. Rainey? Seeing none, thank you. Could we have our proponents, please? Good afternoon, sir. [LB377]

BRIAN HALSTEAD: Good afternoon, Senator Kolowski and members of the Education Committee. For the record, my name is Brian, B-r-i-a-n, Halstead, H-a-l-s-t-e-a-d, I'm with the Nebraska Department of Education. We're here, along with the State Board of Education, in support of LB377. I thought Senator Groene this afternoon when he started off referring to it as a cleanup bill, that is all this is intended to be. It has been drafted to not change any underlying public policy decisions this Legislature has made in any of the statutes, any of the duties there are for Class III, IV, or V school districts, and to merely get rid of some outdated statutes that are no longer needed in the 21st Century as we move forward on education in Nebraska. When we looked at cleaning this up, there are 18 school districts right now that are still classified as Class II school districts. They would, under this bill, automatically become Class III school districts like the others in the state of Nebraska. As Mr. Rainey said, there is just one Class V school district: Douglas County School District 1. And there's one Class IV school district: Lancaster County School District 1. None of those powers, duties, or responsibilities for any of those change under this bill. As you can see from the bill, it's not short. There are a large number of statutes that still exist that reference all of the classes of school districts or some of the classes of school districts, so all of the corrections that are being made in this bill are just merely striking the references to the classes that no longer have any school districts in them. There are no Class I's, there are no Class VI's, there haven't been any for over a decade. With that, I'll stop. I'll take any questions you have on the bill or any language in the bill that you might have. [LB377]

SENATOR KOLOWSKI: Thank you, Mr. Halstead. Any senator questions, please? Excellent job, thank you. Additional proponents, please. Welcome again, sir. [LB377]

JON HABBEN: Thank you, Senator Kolowski and members of the committee. My only comments regarding the bill, sometime ago... [LB377]

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SENATOR KOLOWSKI: Identify your name, please. Thank you. [LB377]

JON HABBEN: Oh, I'm sorry. Jon, J-o-n, Habben, H-a-b-b-e-n, Nebraska Rural Community Schools. Brian asked me about this, oh, it's been several months ago. And my only question was I think the language is outdated, I don't think there's any coming back, rearranging. I don't think there's any of that on anybody's agenda. But I thought maybe I should reach out to those Class II superintendents and ask them if they saw any particulars relative to this change. And except for one, everybody was fine with it. They saw it being streamlined, they saw it being the same rules as everybody else of a similar size, and they saw no issue with it whatsoever. Brian's comment about this being strictly what it is and don't read anything into it, that's what they felt as well. I only had one superintendent decide that, well, you know, if they do this. Other than that, absolutely nothing, totally agree with it. [LB377]

SENATOR KOLOWSKI: So, sir, you didn't feel any need to go further with the one individual? You think that was settled at that time? [LB377]

JON HABBEN: No, no. I think occasionally you get a frustration expressed here and there about, well, they're doing this because, well, they're doing that because. And we work through those. And so, no, I don't think there was anything beyond that. [LB377]

SENATOR KOLOWSKI: So your agreement with a cleanup bill was right on target? [LB377]

JON HABBEN: Yes. [LB377]

SENATOR KOLOWSKI: Thank you. Any other questions, please? Thank you, Mr. Habben. [LB377]

JON HABBEN: Thank you. [LB377]

SENATOR KOLOWSKI: Any additional proponents, please? Again, supporters, any additional proponents? Opponents, then? Those in opposition? Seeing none, and neutrals? Any neutrals, please? Again, any neutrals? Thank you very much. LaMont, would you like to...you're waiving closing. Thank you after yesterday, we'll go from there. Thank you very much. That will be the end of the hearing on LB377. We'll now move on to LB457. Senator Briese. Are we going to send for him? Do you think that would be good? [LB377 LB457]

SENATOR EBKE: Have they called him? [LB457]

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ALEXI RICHMOND: You want us to call him? [LB457]

SENATOR KOLOWSKI: Yes, please. Senator Briese. We'll take a short break as we are making contact and bringing people here. Thank you. [LB457]

BREAK

SENATOR GROENE: I guess we will begin again. Senator Briese will introduce LB457. [LB457]

SENATOR BRIESE: Thank you, Senator Groene. And good afternoon, Senator Groene and members of the Education Committee. I apologize for being a little tardy here but had another hearing over there. I'm Tom Briese, T-o-m B-r-i-e-s-e. I come before you today to present to you LB457. LB457 is a common-sense effort intended to provide more control and accountability in the expenditure of our tax dollars. Under Nebraska Revised Statute 77-3442, school districts are limited to a maximum levy of \$1.05 per \$100 of valuation. This limitation is in place to provide some element of protection for our state's property taxpayers. However, section (2)(d) of the statute takes amounts levied to pay certificated employees for a voluntary termination outside of that limit, thereby erasing those protections for the taxpayers. LB457 puts those amounts back within the total that is subject to the levy lid. Statutes also place limitations on a school's budget authority. However, in its current form, Nebraska Revised Statute 79-1028.01 provides an exception to this limit for expenditures paid for voluntary termination, thereby taking such expenditures outside of the limits on a school's budget authority. LB457 puts those expenditures back within the budget limits. Why were these items at one time placed outside of the levy lids and budget constraints? First, because of the perception that these outlays are necessary to encourage voluntary terminations and the spending reductions that might occur because of it; second, because of the perception that these expenditures actually do encourage and incentivize termination. My reasons for attempting to place these levy and expenditures back within the limits are manifold. First, I served on a school board. We used these agreements to provide compensation for voluntary terminations. Did they incentivize employees to actually retire sooner? I often suspected that they did not. I often suspected they were not effective in encouraging an employee to retire but were, instead, simply extra compensation. But that decision lies in the hands of school districts and administrators and I don't want to second-guess what they're doing. But second, if a board makes a determination that...the board or administrators makes a determination that these are a justifiable use of taxpayer dollars, then I believe that they should be subject to the levy and budget growth restrictions, just like the vast majority of other district outlays. To the extent these restrictions are a factor, in other words, school is up against the levy limit, then these districts will have to prioritize spending and look for alternative ways to fund such expenditures. And finally here, we're not taking money away

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from a district's...or not taking away a district's ability to use this tool. In this environment of angst and concern over tax relief and spending, we're simply asking that the taxing and spending utilized here are subject to the same restraints as most other items. Thank you for your consideration of this. I'd be happy to answer any questions. [LB457]

SENATOR KOLOWSKI: Thank you. Any questions? Oh, sorry. [LB457]

SENATOR GROENE: Go ahead. [LB457]

SENATOR KOLOWSKI: Go ahead, sir. [LB457]

SENATOR GROENE: Any questions from the committee? Way I understand it, Senator Briese, the original idea for this bill was consolidations, right? Where two districts would consolidate and they might have 100 certified staff between them, and then when they consolidated they only needed 25. Your bill doesn't take that situation away, does it? [LB457]

SENATOR BRIESE: No. No. [LB457]

SENATOR GROENE: They can still do that outside the... [LB457]

SENATOR BRIESE: Right. Right. They can still do that. In the event of consolidation or mergers, I believe they can still do that. And like I said earlier, my bill doesn't take away the ability to enter into these agreements anyway. Simply, they have to be within the lid like the vast majority of other district expenditures. [LB457]

SENATOR GROENE: Senator Kolowski. [LB457]

SENATOR KOLOWSKI: Thank you, sir. Senator Briese, do you know how many districts are currently using the early retirement process? [LB457]

SENATOR BRIESE: I believe that roughly 40 districts applied for permission to do that as recently as...I'm not sure what year but very recently. It was about 40 districts, yes. [LB457]

SENATOR KOLOWSKI: Out of 245 districts in the state. [LB457]

SENATOR BRIESE: Yes. Yeah. [LB457]

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SENATOR KOLOWSKI: The information that I've collected from one district in the metro area shows the positive side of why the program is included and how well it does for the district. On the other side they also are concerned about the negative consequences of losing money and being up against very difficult budget times at the current time. So that's... [LB457]

SENATOR BRIESE: Sure. [LB457]

SENATOR KOLOWSKI: ...it's a mixed bag when you look at what they have been saving compared to what they could be losing. [LB457]

SENATOR BRIESE: Yeah. It's my understanding from our research that roughly six...outside of the Learning Community I think there's roughly six, maybe seven districts that are up against the lid that have...that utilize this. And so there are a handful of districts out there that, yeah, this would have an impact on and they would be negatively impacted. But to that point, I guess they would have to look for ways to prioritize their spending to try to bring these amounts back within the lid, like again the vast majority of other district expenditures that they make. But, yes, I can see it posing a little bit of a concern for a very small handful of districts, again, roughly six or seven, plus I think maybe some Learning Community districts. I'm not sure about them. [LB457]

SENATOR KOLOWSKI: Thank you. [LB457]

SENATOR BRIESE: You bet. [LB457]

SENATOR GROENE: Senator Linehan. [LB457]

SENATOR LINEHAN: Thank you, Mr. Chairman. Yesterday on the floor Senator Chambers suggested that I go back and read some history, so I did... [LB457]

SENATOR BRIESE: Okay. [LB457]

SENATOR LINEHAN: ...on TEEOSA. And, unfortunately, I didn't bring it with me but specifically when they...in the...whenever they were trying to consolidate schools and increase state funding to keep property taxes down, so it goes back to LB1059 in 1990, it was definitely, as the Chairman said, from what I read this morning, an opportunity for these to kind of push these schools to merge and to help them to be able to bonus-out teachers. [LB457]

SENATOR BRIESE: Yeah. [LB457]

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SENATOR LINEHAN: So that's the history that I read this morning by paper that Leg Research has for all of us if we want to read it. What has disturbed me about this bonus, I've been told, and no one told me I was wrong, that some school districts have...it's not just the \$10,000 bonus but some of the bonuses have been \$50,000 or \$100,000. Have you ever heard...? Do you have any idea what amounts of some of these bonuses are? [LB457]

SENATOR BRIESE: I'm not aware of those amounts. And you might be referring to retirement incentive programs, which maybe are very similar but, again, that's in the event of consolidation and mergers, those retirement incentive, which are still in place and still being able to be utilized outside of the levy limit. As far as these straight termination agreements and as far as amounts, I'm not very much aware of that. When I was on a board 10 or 12 years ago, we were maybe \$3,000 to \$4,000 a year, but I really don't know what those amounts are at this point. [LB457]

SENATOR LINEHAN: I don't think there's any limit on them, right? And it's outside... [LB457]

SENATOR BRIESE: Not to my understanding. [LB457]

SENATOR LINEHAN: ...right now and it doesn't have to...right now you can be outside the limit. [LB457]

SENATOR BRIESE: Yes. [LB457]

SENATOR LINEHAN: There's no limit on the amount of money that it can be. [LB457]

SENATOR BRIESE: Yeah. Yeah. [LB457]

SENATOR LINEHAN: And they don't have to include it in their expenditure in their levy. [LB457]

SENATOR BRIESE: Right. [LB457]

SENATOR LINEHAN: So it's a way to drive around the levy. [LB457]

SENATOR BRIESE: Yes, it is. Yes. Yes. [LB457]

SENATOR LINEHAN: Okay. Thank you. [LB457]

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SENATOR GROENE: Senator Erdman. [LB457]

SENATOR ERDMAN: Thank you, Senator Groene. Thank you, Senator Briese, for being concerned about taxpayers. I appreciate that. Do you know how many dollars that was spent outside that levy limit on those school districts that offered this? Do you have any idea what that was? [LB457]

SENATOR BRIESE: I probably have numbers here as to what was the dollar amount requested but not necessarily used. And so that's a good question. I don't really know what the answer to that would be. No, I don't. [LB457]

SENATOR ERDMAN: Okay. [LB457]

SENATOR BRIESE: But I have numbers for the amount requested, where their levy was, but that doesn't really answer that question. So, no, I can't answer that. [LB457]

SENATOR ERDMAN: I, too, was on the school board. I understand what the situation they're in. [LB457]

SENATOR BRIESE: Sure. [LB457]

SENATOR ERDMAN: Thank you for bringing this. [LB457]

SENATOR BRIESE: You bet. [LB457]

SENATOR GROENE: Any other questions from the committee? I have one more. [LB457]

SENATOR BRIESE: Sure. [LB457]

SENATOR GROENE: I've read the statute but there's no reporting mechanism of how much an individual employee is given, is there? [LB457]

SENATOR BRIESE: Not that I know of. I believe it's simply a contract between the district and the individual and they're free to do any amount they want, I believe. There's no report. [LB457]

SENATOR GROENE: And there's no documentation of proof that one individual was... [LB457]

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SENATOR BRIESE: As per individuals? No, I don't think so. [LB457]

SENATOR GROENE: ...retired and the person that they replaced them with was less money? Just an assumption made? [LB457]

SENATOR BRIESE: I would say it would be an assumption, yes. [LB457]

SENATOR GROENE: Thank you. Any other questions? [LB457]

SENATOR KOLOWSKI: Yes. Thank you. Just wanted, Mr. Briese, the majority of the action today is not in consolidation. [LB457]

SENATOR BRIESE: Right. [LB457]

SENATOR KOLOWSKI: It's in early retirement benefits to a district, which can accumulate quite a bit of dollars between the people that are leaving and the new hires that are coming in. And that's beneficial for the district to be able to find some additional cash to run their districts and do the things that they're successfully doing. So I think our bent has been a little bit toward a lot of consolidation discussion rather than the savings for the district... [LB457]

SENATOR BRIESE: Sure. [LB457]

SENATOR KOLOWSKI: ...and how that money could be used. The formula that I'm familiar with would be uniform across a district depending on the job and the title and the salary where that person is. But in every case they would bring someone in usually much, much below where the person is leaving with a long tenure in the district. So I think our concentration should be on that rather than consolidation, in my perspective... [LB457]

SENATOR BRIESE: Yes. [LB457]

SENATOR KOLOWSKI: ...in looking at that. [LB457]

SENATOR BRIESE: No. No, I don't disagree. And those assumed savings can be very substantial... [LB457]

SENATOR KOLOWSKI: Yes. [LB457]

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SENATOR BRIESE: ...because typically a 30-year teacher is going to be at a much higher pay scale than that new person you replace them with. But we're also making the assumption there that these expenditures for voluntary termination incentivize that retiring teacher to leave. And, to me, it's a cause-and-effect issue, that the causation, I've always suspected, been suspect in my mind there. But, yeah, if it's true that these programs actually incentivize high-dollar folks to leave and get replaced by lower-dollar folks, yes, it can be a savings mechanism. But again, you have to assume causation there and, secondly, I think it's just being respectful of the taxpayers to bring these amounts back within the budget limit. But, no, that's a good point, you bet. [LB457]

SENATOR KOLOWSKI: Would you elaborate on the causation issues in your mind? [LB457]

SENATOR BRIESE: Oh, does the program actually incentivize or cause a teacher to retire? Is that what causes that teacher to retire at that time or are they just deciding to retire and may as well take advantage of the payment on my way out? [LB457]

SENATOR KOLOWSKI: I think most of the plans that I've seen, it doesn't match it in one year. It matches it in a number of years. Whatever the amount was they're retiring for would not be given in a single year. [LB457]

SENATOR BRIESE: Yeah. [LB457]

SENATOR KOLOWSKI: You'd spread that out over... [LB457]

SENATOR BRIESE: Sure. [LB457]

SENATOR KOLOWSKI: ...X, Y, or Z number of years. And that's the prerogative... [LB457]

SENATOR BRIESE: Yeah. [LB457]

SENATOR KOLOWSKI: ...of the district, which brings out that lower amount of payment. [LB457]

SENATOR BRIESE: Yeah, I think that's how we used to do it, too, spread over a handful of years, three to five years. But again, one of the issues there is, did that payment or that stream of payments actually cause that teacher to retire or are they just taking advantage of a perk when they decide to retire? That's what I'm referring to when I talk about causation. [LB457]

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SENATOR GROENE: Senator Walz. [LB457]

SENATOR WALZ: And I...thank you. [LB457]

SENATOR BRIESE: Sure. [LB457]

SENATOR WALZ: I'm just curious, is there any evidence that it doesn't? [LB457]

SENATOR BRIESE: I would say no. [LB457]

SENATOR WALZ: Okay. [LB457]

SENATOR BRIESE: That was...I suspected, I oftentimes suspected that it did not when I was in that role. But evidence of that, no, I couldn't point to it. No. [LB457]

SENATOR WALZ: Thank you. [LB457]

SENATOR BRIESE: Sure. [LB457]

SENATOR GROENE: Senator Briese, when you were on the school board, did you approach an employee and said, we will do this if you retire early? Or did the employee come to you and say, I'm retiring early? [LB457]

SENATOR BRIESE: That's a good question. On the board I guess I wasn't privy to the negotiations there. It was typically the superintendent who would deal with the employee in that situation. So that's a good question. I don't know for sure; can't answer that. [LB457]

SENATOR GROENE: Was that amount of money included in the collective bargaining because it was given to employees? [LB457]

SENATOR BRIESE: I don't recall that it was. [LB457]

SENATOR GROENE: Wouldn't it not be wiser, if you're going to award employees, to do that through the collective bargaining with the union? [LB457]

SENATOR BRIESE: It would seem so, yes. [LB457]

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SENATOR GROENE: Thank you. Any other questions for Senator Briese? Thank you. [LB457]

SENATOR BRIESE: Okay. [LB457]

SENATOR GROENE: You going to close? [LB457]

SENATOR BRIESE: I'll probably waive closing. [LB457]

SENATOR GROENE: Yeah, I mean...well, we'll see if you're here. [LB457]

SENATOR BRIESE: Oh, okay. [LB457]

SENATOR GROENE: Proponents. [LB457]

SENATOR BRIESE: I won't waive closing if I'm still here. (Laughter) I may have to take off. Thank you. [LB457]

SENATOR GROENE: Any proponents coming to the front of the room or...? Opponents? Any opponents to this legislation? [LB457]

RENEE HYDE: Oh, I didn't fill out a green sheet. I'll do it later. My name is Renee Sayler...Renee Hyde, I'm sorry, R-e-n-e-e H-y-d-e. I'm the assistant superintendent for human resources at Papillion-La Vista schools. And it was really not my intention to say anything but just to listen in a little bit. But there are a couple of things that I heard from the presenter's perspective that I think might be informative. Every single person who retires from our district sits across the table and has a conversation with me. The comment about this is not an incentive, they were going to retire anyway, I can tell you that that is absolutely not my experience. This is an incentive. They would not have been capable financially of retiring had this incentive not been there for them because typically when this occurs they're 55 years of age or older. Most of them go between 55 and 60. They may or may not have voluntary...or may not have NPERS benefits available to them but they're not yet eligible for Medicare. These plans typically give them an ability to pay for their insurance between the time they retire until they can get to Medicare age. Now not always is that the case, but that's the case the majority of the time. All of us in the metro district...in the metro area have recently revised our early separation programs, our voluntary separation programs, because they had gotten a bit out of hand in terms of what the benefit might be. But I would tell you, those large benefits that you hear in the news that make a great splash are far and few between compared to the number that are \$30,000 or \$40,000 or less. Those that are getting the large amounts typically are those people who have worked 30-33-35 years within

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a district. And so those big payouts are the splash that make a good headline, but they're not the manner in which they're typically used. We don't have a lot of tools in the world of HR in schools. This is one of the tools that's available to us to manage turnover. You might have noticed a few baby boomers retiring in recent years. This slows down or speeds up that process. We can manage that within a local school board procedure so that we can say, okay, we need to have a few more that go because we've got a supply that's good; or we need to slow it down, and people will stay another year so that they can get that benefit. And perhaps...it's just a really good tool to help us manage the rate of turnover as well as to help people that have been strongly dedicated in serving our students well to be able to walk away and not lose insurance. When...believe it or not, this job of teaching takes a bit of energy and occasionally as we age our energy ebbs, and they might not be the best person to be in that classroom. This gives them the financial ability to walk away and still care for themselves and their families. So I strongly discourage you from taking this out from under the levy limit because I think that it will discourage districts from being able to do this sort of thing. It takes away one more tool for us to manage our budgets and manage our work force. So I strongly encourage you to not approve this, not to move it forward. Thank you. [LB457]

SENATOR GROENE: Questions? Senator Linehan. [LB457]

SENATOR LINEHAN: So just...that's very helpful information. Thank you for jumping up here, appreciate it very much. And I understand, I'm in that age group and you do not have the same amount of energy. I get that. You said it helps them pay for their insurance until they get to Medicare, which is 65, so that's ten years if they retire at 55. Do they get to stay on the...generally, do they get...they have to go out and buy their own insurance. [LB457]

RENEE HYDE: They have to buy their own insurance or they can direct pay through Educator Health Alliance so they can... [LB457]

SENATOR LINEHAN: So is that a group rate? [LB457]

RENEE HYDE: It is a group rate. [LB457]

SENATOR LINEHAN: So about what would that be for a 55-, 60-year-old? [LB457]

RENEE HYDE: You're looking at about \$1,200 a month for a self and spouse. You're looking at about \$7,200 for a single. [LB457]

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SENATOR LINEHAN: Twelve hundred a month; seventy-two hundred would be annual. [LB457]

RENEE HYDE: Seventy-two hundred would be the annual for a single. [LB457]

SENATOR LINEHAN: Okay. So are you saying that the bonuses are enough to pay that for 10 years? [LB457]

RENEE HYDE: No, I'm not. [LB457]

SENATOR LINEHAN: Okay. [LB457]

RENEE HYDE: It helps with it but it doesn't...a lot of times it won't cover it. [LB457]

SENATOR LINEHAN: Okay. So the average amount, did you say \$30,000 to \$40,000 on these bonuses? [LB457]

RENEE HYDE: Thirty to forty would be a pretty typical amount. [LB457]

SENATOR LINEHAN: And it would be dependent upon what they were making when they retired? [LB457]

RENEE HYDE: It depends on how, in our district, it depends on how many years they've worked for the district and what their outgoing salary was. It's based off of those two factors. [LB457]

SENATOR LINEHAN: You're being very kind. Just one more question. So is it kind of automatic? [LB457]

RENEE HYDE: No. [LB457]

SENATOR LINEHAN: It's not? [LB457]

RENEE HYDE: No. [LB457]

SENATOR LINEHAN: So there's some... [LB457]

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RENEE HYDE: They apply for it each year... [LB457]

SENATOR LINEHAN: Okay. [LB457]

RENEE HYDE: ...and we have a limit of 15 that we allow. [LB457]

SENATOR LINEHAN: Okay. [LB457]

RENEE HYDE: We have a staff of about 900 employees. [LB457]

SENATOR LINEHAN: Okay. [LB457]

RENEE HYDE: And because we're a growing district, we have a number of young ones and we've got a number of those who are more experienced. I don't say older unless I have to. [LB457]

SENATOR LINEHAN: Okay. That's kind of you. So you're limited to 15. You'll only give 15 of them out a year. [LB457]

RENEE HYDE: By board policy we are limited to 15 teachers, yes. [LB457]

SENATOR LINEHAN: Okay. That's important information. Thank you very much. [LB457]

RENEE HYDE: Uh-huh. [LB457]

SENATOR GROENE: Any other questions? Senator Erdman. [LB457]

SENATOR ERDMAN: Thank you, Senator Groene. Thank you for coming. You may help me with this. In my district where we live, we don't get any of that information about these large sums that are in the news. So could you explain to me what you were talking about? [LB457]

RENEE HYDE: There have been times...I live in the Omaha area and we have a paper that buys ink by the barrel, and there are young and hungry reporters that are searching high and low for things that people like to read. We have had some superintendents in our metropolitan area who have retired with pretty big walk-out amounts of money available to them. And they've made a lot of hay over that. And we have been threatened with the loss of voluntary separation programs

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because oftentimes it was through one of those kinds of programs that those high-dollar amounts came. [LB457]

SENATOR ERDMAN: Define high-dollar. [LB457]

RENEE HYDE: Over \$100,000. [LB457]

SENATOR ERDMAN: Okay. So... [LB457]

RENEE HYDE: But those are very much the exception, not the rule. [LB457]

SENATOR ERDMAN: In your program, do you have to be a certain age before you can apply for this? [LB457]

RENEE HYDE: Yes, you must be a minimum of 55 years of age with at least 10 years in the district. Oftentimes they've got 20. [LB457]

SENATOR ERDMAN: Okay. So then at 55 do they get full retirement on top of that? [LB457]

RENEE HYDE: It depends on how many years they've got in NPERS. [LB457]

SENATOR ERDMAN: Do you have a rule of 85, is that what you have? [LB457]

RENEE HYDE: The rule of 85 is the NPERS rule, yes. [LB457]

SENATOR ERDMAN: Okay. So in your experience, those averages, 30 to 40 "k," is that over a period of time or is that one lump sum? How do we do that? [LB457]

RENEE HYDE: It's paid out over three years... [LB457]

SENATOR ERDMAN: Okay. [LB457]

RENEE HYDE: ...and it's typically going into a 403(b) account. [LB457]

SENATOR ERDMAN: Okay. Thank you. [LB457]

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SENATOR GROENE: Any other questions? Thirty to forty thousand? [LB457]

RENEE HYDE: Over a three-year period of time, yes. [LB457]

SENATOR GROENE: Is what you award. [LB457]

RENEE HYDE: In that neighborhood. There's a formula to calculate it and it depends on years of experience and their salary going out. [LB457]

SENATOR GROENE: I have a list here of the districts that did it in 2016 and Papillion isn't on here. Did you say Papillion? [LB457]

RENEE HYDE: Uh-huh. [LB457]

SENATOR GROENE: Just wondered. What I don't understand is this. The purpose of the program is to save money. [LB457]

RENEE HYDE: Absolutely. [LB457]

SENATOR GROENE: So why would you need to do it outside of the lid if you can do it and save money under the lid? [LB457]

RENEE HYDE: Because the lid is...the lid is...how do I describe this quickly and easily? When you are up against the \$1.05 lid, what you pay out for that is often hard to rationalize, for lack of a better word, with your public that you would be spending it on people who are retiring versus spending it on books and computers and teacher salaries for the young ones coming up. So I think it is... [LB457]

SENATOR GROENE: Well, plus also it calculates into the pay raise that you're able to calculate into the new bargaining agreement. [LB457]

RENEE HYDE: The \$1.05 is. [LB457]

SENATOR GROENE: Yes. [LB457]

RENEE HYDE: Yes. [LB457]

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SENATOR GROENE: Well, I mean if you can save money here, you can give higher raises to the rest of them because... [LB457]

RENEE HYDE: Absolutely you could. You could choose to spend it that way. It gives boards of education more choice if it doesn't have to be under the lid. I can tell you that we have property owners who are very vocal with us about not raising their taxes because we're still building buildings. So we have a building levy that people are paying as well. So we don't skate free if we increase the levy for whatever reason. [LB457]

SENATOR GROENE: Those administrators that used it, were given, did they actually hire a new administrator for less than the old one? I have a personal... [LB457]

RENEE HYDE: Yes. [LB457]

SENATOR GROENE: ...experience where that did not happen. [LB457]

RENEE HYDE: Yes, and depending upon your supply and demand. In the North Platte area, your supply is less than our metropolitan area. I can tell you our most recent superintendent is paid significantly less than our outgoing superintendent was. [LB457]

SENATOR GROENE: And your outgoing one took the...was given a bonus? [LB457]

RENEE HYDE: He did but it was not... [LB457]

SENATOR GROENE: How old was he? [LB457]

RENEE HYDE: ...even nearly \$100,000. Wasn't even close. [LB457]

SENATOR GROENE: How old was he? [LB457]

RENEE HYDE: I don't know for sure. I think he was more than 60 years of age. I don't... [LB457]

SENATOR GROENE: That's not the purpose, is it, of this program to give people already planning to retire a bonus? [LB457]

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RENEE HYDE: Oh, and I think he was...I think the incentive did incent him to retire. I don't think he would have retired without it. [LB457]

SENATOR GROENE: Do you, in your collective bargaining, when somebody retires, do you pay them for their sick days that have built up and... [LB457]

RENEE HYDE: We do. [LB457]

SENATOR GROENE: ...also their... [LB457]

RENEE HYDE: We do. [LB457]

SENATOR GROENE: ...also their personal days? [LB457]

RENEE HYDE: We do. We pay them at half the rate of a substitute teacher's pay, not at their per diem rate but half the rate of a substitute teacher's pay. [LB457]

SENATOR GROENE: So that amounts to pretty good, for good teachers who didn't...who showed up for work every day. [LB457]

RENEE HYDE: Who didn't abuse their leave. [LB457]

SENATOR GROENE: Yeah. [LB457]

RENEE HYDE: Yeah. Correct. [LB457]

SENATOR GROENE: It becomes a pretty nice bonus for them also. [LB457]

RENEE HYDE: It's...it would make a nice trip somewhere. [LB457]

SENATOR GROENE: All right. Well, thank you. You've been...could...one last thing. Could you provide this committee from some of your peers in the metro area the plans that you do have... [LB457]

RENEE HYDE: Sure. [LB457]

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SENATOR GROENE: ...so that we have some idea what we're...what the taxpayers are paying for? [LB457]

RENEE HYDE: Yeah, they're board policy. Yeah, they're board policy so you can... [LB457]

SENATOR GROENE: Yeah, that's fine. [LB457]

RENEE HYDE: ...you can see the... [LB457]

SENATOR GROENE: You seem to be a good public servant. I had no doubt you would share it with us. Thank you. [LB457]

RENEE HYDE: Certainly. [LB457]

SENATOR GROENE: Senator Erdman. [LB457]

SENATOR ERDMAN: Thank you again, Senator Groene. Just a follow-up question: So most of these programs that we're talking about...because it's not real prevalent in our area. We don't use it as much as they do in the Learning Community. And as I watched the Legislature last year, the Legislature contributed another \$30 million for state aid for the Learning Community. And so, consequently, about 85 percent of the state aid goes to 65 percent of the students, and they don't live in my district. And so, you know, to stay under the levy lid, you keep getting more state aid but yet you ask for more. And consequently, I think some of this has a contributing factor to that. So I'm having a difficult time understanding why you're struggling so much with your levy lid when you get as much state aid as you get. [LB457]

RENEE HYDE: We have a lot of kids to educate too. [LB457]

SENATOR GROENE: Any other questions? Thank you for deciding to step forward. [LB457]

RENEE HYDE: Thank you. [LB457]

SENATOR GROENE: That was good information from somebody who handles it directly. Any other opponents? [LB457]

LARRY SCHERER: (Exhibit 1) Good afternoon, Senator Groene, members of the Education Committee. For the record, my name is Larry Scherer, L-a-r-r-y S-c-h-e-r-e-r, and I'm

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representing the Nebraska State Education Association and its 28,000 members. We oppose this bill. I think the description of it that Senator Briese gave is fairly accurate that the levy cap exemption, the budget lid exemption, and it also takes this money out of General Fund operating expenditures for purposes of state aid, which means this money, when you have a comparable group of school districts, would not be used as a basis for what's called basic funding. So it does have a state aid impact as well, although fairly low. Just a little historical note: This came in when Senator Warner proposed the levy caps. And as you know, Senator Warner was a pretty wise man. He...I think the rationale that was given at the time was that if we're going to do something that will discourage districts from saving money, then while it comes out of the lid this year, over time it's going to save funds. And so that's been in there since whenever the levy caps came in, probably a good 15 or 20 years. I've attached this sheet from the Department of Education. I took a few liberties with it in terms of adding up the numbers, but there was...from this, the districts now, and in '13-14 this was about to run out and it's been sunsetted periodically. There was a bill to extend it, and the bill to extend it included this requirement that there be a showing of savings over a five-year period. In other words, you don't necessarily get the savings the same years that you get the...make the expenditure. So that's what you see on this. The first group were under the old law before they had to demonstrate the savings. It shows that they're...these districts turned in data to the department which, you know, they believed they could save \$26 million. The amount of the exemptions under the budget lid was \$11 million. So it's basically a 2:1 ratio there. So that's probably the number one reason that you should...school districts can still do this but there's, a lot of times, there's a first-year impact for the incentive money. I've also, working with the NSEA over the years, found...and there used to be a lot more of these in the negotiated agreement, Senator Groene, but we, you know, saw that school boards were using them strategically. They'd pass a policy one year, they needed to reduce staff or...and so they tended to work better when it was left to the board of education. There still are a few out there, I believe, and those would continue despite whatever happens in this law until they're taken out through negotiations. The second point is the loss in the levy cap. It's a little convoluted, but essentially, if you spend \$500,000 as a school district for this, and it would be a fairly large school that did that, that doesn't count for purposes of counting your levy under the lid so it would lower that amount. As I said before, the offset to that is if it does save money so does it actually raise the levy? You know, it's difficult to see that in practice. And I was glad to see the person from Papillion-La Vista come up. The other thing is if they're actually at \$1.05 levy and this is terminated, then this would probably mean a reduction in revenue, as Senator Briese mentioned. The other point, just morale-wise, it's always easier to offer some incentives rather than to have a forced termination, and this would tend to discourage school districts from doing that. There's a lot of expense, sometimes legal expense. NSEA provides legal support sometimes in these. But mostly, these are the early retirement, voluntary separation, not, you know, the firing situation. So it just, in terms of the staff, it's a much more...or much less volatile situation. And you know, we do believe it saves money and it does incentivize the teachers. I'm

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quite sure of that. Not sure about administrators--we don't represent them--and, you know, the sums they get are negotiated. [LB457]

SENATOR GROENE: Thank you. [LB457]

LARRY SCHERER: Are there any questions? I would be pleased to try to answer. Or if you need further information later on in terms of what our contracts provide or policies, I'd sure try to get that for you as well. [LB457]

SENATOR GROENE: I don't see Papillion on this list either. You... [LB457]

LARRY SCHERER: No, I didn't either. I didn't either. [LB457]

SENATOR GROENE: Forty districts out of two hundred and forty-five, so there's a lot of teachers out there that might want to retire at 55. What happens in that small town or community that isn't on this list? [LB457]

LARRY SCHERER: Well, they may still offer an incentive. They just haven't applied to the State Board of Education for exemption. There are...I mean that does happen. They might not need it, you know? If you're a district that has a 60-cent levy, they're not going to worry about the levy cap, and there are those out there. If you're a district that doesn't have a budget limitation problem, you're not going to worry about it. You're not even going to apply for that. So we don't actually know how many actually use it. [LB457]

SENATOR GROENE: Well, of these 40 districts that did report only 10 of them, what I would consider, is against the levy lid at \$1.05 or more. So what you're saying is--maybe Department of Ed or somebody will answer this--these other folks didn't even have to file it if they didn't want to. [LB457]

LARRY SCHERER: They...some of the smaller districts may have been against the budget limit. Generally speaking, their budget limits have been about 2.5 percent, whereas the larger districts it's based on state aid and needs, which is quite a bit higher percentage. So, yeah, it affects the smaller districts on the budget side... [LB457]

SENATOR GROENE: But limitation on the levy. [LB457]

LARRY SCHERER: ...but the larger districts on the levy side. [LB457]

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SENATOR GROENE: Yeah. So they report it to get around it. Do you know of any teacher in the state of Nebraska that walks into the office and says, I want to retire at 55, doesn't get a bonus? [LB457]

LARRY SCHERER: I don't know what goes on out there. I would guess... [LB457]

SENATOR GROENE: I'm just asking because... [LB457]

LARRY SCHERER: ...you know, it depends. I don't know. You know, I don't know the answer. [LB457]

SENATOR GROENE: ...it's become common practice. You know, some things just become common practice. [LB457]

LARRY SCHERER: I don't know the answer to that. I think it probably does happen a lot that they don't get a bonus. [LB457]

SENATOR GROENE: All right. Well, thank you. [LB457]

LARRY SCHERER: I mean they...I could easily imagine they have the rule of 85 and maybe a working spouse. [LB457]

SENATOR GROENE: Do you see the fear of some elected officials as this became common practice? It's no longer a management tool. It's just accepted that if you retire you're going to get it. And it has nothing to do with their budget; just take care of your employees. [LB457]

LARRY SCHERER: Yeah, I think it depends on how they want to use it. I see Millard especially was hit hard a few years ago with the changes in the state aid formula where the teacher education allowance, instructional time, millions of dollars, they used this tool quite a bit to reduce their costs. And I believe Fremont has used it quite a bit as well. Just the changes in state aid that, you know, come about, that it's been a tool for that. But, yeah, if it becomes a common practice, I'm not sure then you need an incentive to do it, if that's your point. [LB457]

SENATOR GROENE: Yes. [LB457]

LARRY SCHERER: But I think it still is in most cases a real incentive, as... [LB457]

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SENATOR GROENE: All right. Thank you. [LB457]

LARRY SCHERER: ...the woman from Papillion testified. [LB457]

SENATOR GROENE: Any other questions from the committee? [LB457]

LARRY SCHERER: Thank you. [LB457]

SENATOR GROENE: Any other opponents? Neutral? Senator Briese. Oh, letters, is there letters, Kristina? Did you give them to Senator Kolowski or...? Is it a handwritten note or is it a...? Oh, thank you. [LB457]

SENATOR KOLOWSKI: Yes, sir. [LB457]

SENATOR GROENE: (Exhibit 2) Senator Kolowski and I got to share these notes. They disappear. This is LB457. Letter of opposition from Nolan Beyer, Millard Public Schools . Thank you. And do you wish to close, Senator Briese? [LB457]

SENATOR BRIESE: Thank you again, Senator Groene and members of the committee. I believe that LB457 is a common-sense effort to add additional protections for the taxpayers of Nebraska. And although I can sympathize with the concerns of those districts who may be up against the levy lid, they're attempting to utilize voluntary termination agreements, I don't think it's too much to ask on behalf of our taxpayers that such expenditures are placed within the lids. Districts using these programs must ask themselves, number one, are they a sound use of the taxpayer dollars by actually incentivizing voluntary termination? And if so, I don't think it's too much to ask that such payments are within the limitations. But thank you. [LB457]

SENATOR GROENE: Thank you, Senator Briese. Are there questions? Thank you. [LB457]

SENATOR BRIESE: Yeah. Thank you. [LB457]

SENATOR GROENE: We will go to open the hearing on LB214. Senator Halloran, would you like to introduce your bill? [LB214]

SENATOR HALLORAN: May I stand? Good afternoon, Senator Groene and members of the Education Committee. For the record, thank you, for the record my name is Senator Steve Halloran, S-t-e-v-e H-a-l-l-o-r-a-n, and I represent the 33rd Legislative District. I'm here today to

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introduce LB214 to the committee for your consideration. I intend to keep my remarks brief this afternoon, allowing for more time for individuals that will follow me and allow committee members to ask questions. LB214 would terminate the Master Teacher Program. The program provides for the payment of a \$5,000 annual bonus to teachers who qualify and the opportunity for a registration reward to pay for application and registration fees associated with obtaining these credentials from the National Board for Professional Teaching Standards. The Master Teacher Program was implemented by LB1399 during the 96th legislative session in 2000. I repeat that, the Master Teacher Program was implemented by LB1399 during the 96th legislative session in 2000. The program was finally appropriated \$500,000 in the year 2015. I'm going to briefly digress from my notes. As just a side note, the state's economy 2014-2015 was very vibrant and as a result the moneys generated by the state reflected that. We're under a different set of circumstances today. But currently, the Governor and the Appropriations Committee as part of the 2016-2017 deficit budget proposal, are suggesting the deletion of funds for the Master Teacher Program. While we all see the benefits of teachers enhancing their educational training, we need to make sure such programs maximize the positive impact on our teaching communities across the state. According the National Conference of State Legislatures, in review of board certification for teachers, less than 3 percent of the teaching profession is board certified. Given the state's current financial situation, this program is not a prudent use of our resources. Thank you for your time, I would be happy to attempt to answer any questions. [LB214]

SENATOR GROENE: Any questions from the committee? Senator Pansing Brooks. [LB214]

SENATOR PANSING BROOKS: Thank you for coming, Senator Halloran. Nice to have you here. Okay, I can't...I don't think there are many issues over which I've had more letters, so you've hit a hot spot among teachers who feel that, you know, encouraging excellence in teaching is important. You know, as we heard today, Appropriations said we're able to discuss anything that's on those revisions, so it isn't that the full body has decided this by any means. I understand the Governor has. I just, I'm interested in how you decided to supplement the cut by the Governor. How did you go forward and come to decide to do this? [LB214]

SENATOR HALLORAN: Well, again, I don't believe it's a prudent use of state funds. There's a plethora of professional certification programs for all kinds of professions. You can all do a Google search yourself to find out how many of these certification programs are available for various professions, the list is endless. And to my knowledge, none of those are provided from the state, or any state for that matter, funding to help...a bonus to do these certification program. [LB214]

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SENATOR PANSING BROOKS: Okay. Thank you for that. I was just interested in, you know, was this...did a group come to you to bring this, or how did you decide to come forward on this? [LB214]

SENATOR HALLORAN: No. Early on, Senator Groene brought this to my attention, asked if I would consider sponsoring it. I didn't say yes right away, because through orientation we were told many times to be careful about picking up any bills too quickly. [LB214]

SENATOR GROENE: Noted. [LB214]

SENATOR HALLORAN: So I read the bill several times, studied the bill, researched it, and drew the conclusion that this was something in light of today's economy. The intent of the bill is fine, the intent of the bill is good, the intent of the bill is strong. But under the circumstances with, whether it happens or not, with the Governor's proposal to do away with the funding, at least this doesn't do away for the funding to the balance of this biennium, through July 1. The funding is there to account for all of the bonuses that have been applied for, and the application fees, with the exception of about six. Because the application fee is done in four quadrants, four separate sections that teachers go through to apply for and get the certification, some of those, about six of those, that have applied for it, who have not completed their certification, will still be...will have some out of pocket expense. But there are 70 total in the state, out of the whole state, that applied for it. Those will be accommodated through the end of this year. This bill just says after the end of this biennium that the program would cease. [LB214]

SENATOR PANSING BROOKS: This biennium speaking...which by... [LB214]

SENATOR HALLORAN: July 1. [LB214]

SENATOR PANSING BROOKS: Okay, yeah. All right, okay. Thank you, Senator Halloran. [LB214]

SENATOR HALLORAN: My pleasure. [LB214]

SENATOR GROENE: Did you have your hand up earlier, yes? Senator Kolowski. [LB214]

SENATOR PANSING BROOKS: Go ahead, go ahead. [LB214]

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SENATOR KOLOWSKI: Thank you, ma'am. Senator Halloran, thank you for bringing this forward and being here today. I want to make sure I'm reading the bill summary correctly. You said 1996, LB1399, or was it 2000 where that came? [LB214]

SENATOR HALLORAN: The year 2000, it was the 96th legislative session. [LB214]

SENATOR KOLOWSKI: 96th legislative session, thank you. And in the year 2000. And am I correct in looking that we had no funding in the program until 2015? [LB214]

SENATOR HALLORAN: That's correct, Senator. [LB214]

SENATOR KOLOWSKI: So we had 15 years of a handshake? Here's your certificate and this is what you get for being a national board certified teacher, is that correct? [LB214]

SENATOR HALLORAN: Well, 15...yes, on the merits that people applied for, I'm sure on their own, before there was any state funding for it. Teachers applied for it on their own. Now, they didn't have the benefit because there was no appropriated funds during those 15 years. They applied for and I think for justifiable reasons. Teachers should do what they can and should be compelled and encouraged to do what they can to improve their teaching status or ability to perform, but they were doing it on their own. So yes, to your question, for 15 years there was zero appropriations. When the economy was relatively flourishing, it was funded half a million dollars and that's where we are today. [LB214]

SENATOR KOLOWSKI: When you go to a medical doctor, is it good to see an American Medical Association certificate on the wall? [LB214]

SENATOR HALLORAN: I do, sir. And he earned it and bought it himself. [LB214]

SENATOR KOLOWSKI: And does it make that much of a difference to you whether a teacher has or doesn't have additional learning and certificates of this nature? [LB214]

SENATOR HALLORAN: It's very challenging I believe to quantify whether or not that really improves on a good teacher's performance. I think a solid teacher will probably be able to study for the exam for the certification and then, as we see with some arguments about testing students, will be able to answer the questions. They will study for the exam, they will answer the questions to satisfy the exam. So does that make them a better teacher, I don't know. That's kind of a qualitative question that I can't answer. [LB214]

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SENATOR KOLOWSKI: Okay. [LB214]

SENATOR GROENE: Senator Linehan. [LB214]

SENATOR LINEHAN: I didn't do any history reading on this. Do we know whose bill it was in 2000 or why it got stuck in and then it wasn't funded? [LB214]

SENATOR HALLORAN: Is that a Jeopardy question? [LB214]

SENATOR LINEHAN: No, no, I'm sorry. [LB214]

SENATOR HALLORAN: No, I just...I'm sorry. [LB214]

SENATOR LINEHAN: Because it strikes me as odd that the state, I mean, we hear, going back and forth and whenever we talk about accountability. There's big pushback on the state having, you know, accountability or standards what the state should be doing when it comes to public education versus what the local school boards could do. But here we've got a program the state decides that we will pay the teachers this bonus, so it just seems odd. Maybe there are a lot of programs like that, but why would...if the school boards, the local school districts, think that this is a certification that they want most of their teachers to have, they could do that, right? And they could give them a bonus? I think some of them do base their salaries on their education and certificates. So why would the state being doing it? It's very odd to me, that this, out of all of these programs. [LB214]

SENATOR HALLORAN: Well, thankfully, that's a great question, Senator, thankfully I didn't propose the underlying legislation, so I can't answer those questions. [LB214]

SENATOR LINEHAN: Okay. I do have one study about the program, and I'm sure there's others. One study that said there's not...I don't think nationally there's been enough certified that they can really judge how effective it is. It does seem to be math teachers, it helps with math, which we all know there's difficulty in finding good math teachers, so it could be there. I did talk to a senator who was in the body at that time, and it's his recollection that this program was put in place to help fill shortages where we didn't have maybe enough math teachers, should I say very popular, very recognized good math teachers. So it was an effort to kind of improve where we had some deficits. But that seems to fall away from the conversations we're having right now, right? Because I too have gotten a lot mail on education and on this program too. And it seems there's misunderstanding, I've got mail thinking that they're going to get a \$5,000 bonus every year if they complete this program. [LB214]

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SENATOR HALLORAN: That's correct. And that is true. [LB214]

SENATOR LINEHAN: That is true? [LB214]

SENATOR HALLORAN: That is absolutely... [LB214]

SENATOR LINEHAN: That's not the way Senator Vargas was explaining it, and he's not here to defend himself so that's not fair. [LB214]

SENATOR HALLORAN: That's not fair. I think if you look... [LB214]

SENATOR LINEHAN: But it is every year? [LB214]

SENATOR GROENE: It's every year? LaMont says it's every year, I've read the statute. [LB214]

LaMONT RAINEY: Every year that we fund it for those who qualify. [LB214]

SENATOR HALLORAN: As long as there's funding, appropriated funding. [LB214]

SENATOR PANSING BROOKS: For a teacher? (Inaudible). [LB214]

SENATOR HALLORAN: Yes. [LB214]

SENATOR LINEHAN: So I would circle back to why does it become the state...why is the state even in this? I don't understand that. [LB214]

SENATOR HALLORAN: Well, just as the state shouldn't be involved in paying payroll salaries to teachers, I believe it's the same kind of logic, where they shouldn't be involved in bonuses for teachers. [LB214]

SENATOR LINEHAN: All right, well, I'll go back and do some more history. [LB214]

SENATOR GROENE: I might have to leave, so I'm going to...did you ask a question yet, Senator Morfeld? [LB214]

SENATOR MORFELD: I haven't asked a question. [LB214]

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SENATOR GROENE: Why don't you go ahead. [LB214]

SENATOR MORFELD: To a certain extent, Senator Halloran, I've got a competing bill with this a little bit as you know. But to a certain extent, one of the issues that I've seen is recruiting and attracting teachers, and some areas that can be tougher than others, and some professions...or excuse me, areas of expertise, whether it be math, science, other things like that that might be tougher in rural areas. And sometimes it's even tough in urban areas. I mean, to a certain extent, doesn't this additional amount of funding from the state provide assistance to local areas that otherwise may have to use property tax funds to be able to provide these incentives to recruit these teachers? I mean, isn't it just putting more pressure on local schools and property tax? [LB214]

SENATOR HALLORAN: It's an excellent hypothetical question, and I can't answer a hypothetical question, but it may. It may not. I think...teachers I think are...unfortunately, I think teachers aren't given enough credit for being in their profession for all the right reasons. A lot of teachers are in the profession of teaching because it's in their soul, it's what they want to do. And good ones do it well, good ones don't get paid enough and bad ones get paid too much. [LB214]

SENATOR MORFELD: Yeah, and I think you could say that about really any profession. [LB214]

SENATOR HALLORAN: You certainly could. [LB214]

SENATOR MORFELD: I've known plenty of horrible attorneys that get paid too much and plenty of really good attorneys that probably get paid too little. But my concern is that I've, you know, granted this program has not been funded up until '14-15 and I get that and I realize. But I was actually pretty happy that it started to get funded because I think that this provides a little bit more a competitive edge for certain school districts or all school districts to take advantage of this or have teachers that take advantage of it. And it's only, it's just another tool in the toolbox to keep those teachers and to also be able to alleviate some of the burden of property taxes on the local level, while retaining and attracting high-quality teachers. I guess that's my concern, but you're not as concerned obviously, because you introduced a bill to eliminate it. [LB214]

SENATOR HALLORAN: No, I'm concerned about all those concerns you had. [LB214]

SENATOR MORFELD: Okay. [LB214]

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SENATOR HALLORAN: I'm just not saying that this is an avenue or a venue to solve those issues. [LB214]

SENATOR MORFELD: Okay, I understand. Thank you, Senator. [LB214]

SENATOR HALLORAN: You're welcome. [LB214]

SENATOR GROENE: You're not eliminating the program, this is a national program by a private organization, is that correct? [LB214]

SENATOR HALLORAN: The certification board will continue on their own, they're a private nonprofit. [LB214]

SENATOR GROENE: And this isn't a matter of the state of Nebraska licensing or saying that this is accepted certificate in the state of Nebraska. They can still do that, any teacher can still try to improve themselves if that's what they deem they want to do. Is that not correct? [LB214]

SENATOR HALLORAN: They certainly do. Now, the question is, is it prohibitive for them to do it? It's \$1,900 for application fee and there's a, you know, I think it's a \$75 annual fee to recertify. But aside from that, to your question, Senator, no. That program is in place. If they wish to do it, they certainly can. Or if the schools wish to offer that or if the teachers' union wishes to put together a fund that funds it. [LB214]

SENATOR GROENE: Do you know is there any tie-back, we give you \$5,000 a year? Is there any requirement that you...in your local school district do they have any authority to say now you have to start a mentoring program, now you have to sit in classrooms and encourage other teachers to use what we are paying you for, \$5,000 a year, to help the school system that you work at? Is there any requirement at all to receive the \$5,000 that the state of Nebraska and your local school district benefits from? [LB214]

SENATOR HALLORAN: To my knowledge, no. [LB214]

SENATOR GROENE: Yes. One last thing. Last year, Senator Sullivan, my predecessor, fought this on the floor. And is part of your reasoning that if we come up with \$500,000 or \$1 million it should be put into the TEEOSA formula and shared by the entire state and not just a few districts? [LB214]

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SENATOR HALLORAN: I think that would be a better priority use for the money, yeah. [LB214]

SENATOR GROENE: Thank you. Senator Pansing Brooks. [LB214]

SENATOR PANSING BROOKS: Thank you. We all received a really good letter from a physics instructor from Westside Community Schools. Her name was, and everybody received it, Judy Stucky, and it talks about the current costs are \$1,975 to attempt certification. She went on to say that the current...that the average teacher's salary in Nebraska is approximately \$49,820. So she said that the cost of attempting certification is about 4 percent of an experienced teacher's annual salary, and the cost is two-thirds of her monthly take-home pay and is the equivalent to two of her house payments and that that's an expense that most teachers wouldn't take lightly or do very easily. And especially if her district had paid half the fee and the state paid the other half, which at that point was \$2,500, now it's \$1,975. So again, I don't know where the \$5,000 per year is coming from because that's not what I'm getting...that it's available up to that amount, is that correct? [LB214]

LAMONT RAINEY: When we appropriate, they can get up to \$5,000 annually (inaudible). [LB214]

SENATOR PANSING BROOKS: Up to that amount, but they would have to show that they needed that amount. That's not for the amount of the certification. [LB214]

SENATOR EBKE: Once they've certified. [LB214]

SENATOR PANSING BROOKS: Okay. Oh, once they're certified. Excuse me, okay. [LB214]

SENATOR HALLORAN: And the application fees. [LB214]

SENATOR PANSING BROOKS: Okay. [LB214]

SENATOR HALLORAN: After the fact. I mean, after they become certified they can apply for enumeration for that as well. [LB214]

SENATOR PANSING BROOKS: So there basically would be no reason for anybody to ever get extra education if they can't apply to get further additional funding or dollars for their income, is that correct? Is that...I'm still trying to understand this. Yes, Senator Ebke. [LB214]

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SENATOR GROENE: Let's get back to...Senator Ebke. [LB214]

SENATOR EBKE: Well, yeah. I mean, I think we're talking about different things here. This isn't...there's no reason why people still can't go and get more education. And they are benefited in the salary schedules of all of the schools that I know of by virtue of education and years and experience. The certification, I looked into this when I was on the school board in Crete and we were trying to figure out a way to integrate that, the certification is separate from that. It's completely separate from this, it's a process that they go through at the national level. They have to...it's not so much classes as it is they have to send in videos of themselves. I mean, there's all sorts of things that they have to do in order to be certified as a master teacher. So it's different than getting a master's degree and getting your master's plus 16 and all that sort of stuff. It's that people still go back, go to school, and move up the salary schedule without becoming master teachers. [LB214]

SENATOR PANSING BROOKS: We can have further discussion of this. [LB214]

SENATOR HALLORAN: There is confusion...there is some confusion rather narrowly that this is somehow a master's degree. It's not that, of course. I mean, it's a private, nonprofit that certifies teachers once they go through this process, on-line process pretty much. [LB214]

SENATOR PANSING BROOKS: Thank you, Senator Halloran. [LB214]

SENATOR GROENE: Any other questions for the senator? Senator Kolowski. [LB214]

SENATOR KOLOWSKI: Senator, again, are you aware of all the tests and different exhibits the student taking...this teacher, as a student in the National Board certified program, has to produce and how that is all accumulated to a final passing or a failing grade with that particular program? Are you familiar with all the pieces of how this is done? [LB214]

SENATOR HALLORAN: Now again, this is not certification to be a teacher. [LB214]

SENATOR KOLOWSKI: No, it's a National Board certified program. Certification program. [LB214]

SENATOR HALLORAN: Right. Right. [LB214]

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SENATOR KOLOWSKI: I understand that. You have your degree and you have your certification, part of your undergraduate situation. [LB214]

SENATOR HALLORAN: Right. [LB214]

SENATOR KOLOWSKI: These are usually master's or higher teachers that are going for this particular honor and privilege of being in this kind of program. And to answer an earlier question as to how a district would use them, the district would be foolish if you don't have a place where you might be able to use these graduates in a very productive way within your district, to inservice your staff to a higher level of understanding and abilities in their classrooms. [LB214]

SENATOR HALLORAN: I can't disagree and my hopes would be they would do that. The only issue at hand here is, is whether the state should fund a bonus program for them to do that. That's the nature of this very specific bill. [LB214]

SENATOR GROENE: Senator Erdman. [LB214]

SENATOR ERDMAN: Thank you, Senator Groene. Senator Halloran, this is not a college accredited program, is that correct? [LB214]

SENATOR HALLORAN: That's correct. [LB214]

SENATOR ERDMAN: It's a for-profit organization that sponsors this and gives that certificate? [LB214]

SENATOR HALLORAN: It's a nonprofit, but they do make a profit. [LB214]

SENATOR ERDMAN: A nonprofit, okay. So then they apply for this. And so in your opinion, and I know you might not know the answer to this, Senator Kolowski may, but if they get the certificate, does that move them on the pay scale on their amount of education to get a higher pay at their school? [LB214]

SENATOR HALLORAN: It potentially could, but that would be dependent upon the respective school boards if they wanted to apply that as a means of increasing the salary. [LB214]

SENATOR ERDMAN: Just as a point of history, this may have some history back in the early 2000s. There was an idea that the state ought to pay teachers and at that point in time it was

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kicked around that they should become state employees. And maybe this was an offshoot of that and they just never funded it. I don't know. But that's what they tried to do back in the early 2000s. [LB214]

SENATOR HALLORAN: I'm very familiar with that, yes. Are we going to save any questions for the proponents behind me? [LB214]

SENATOR MORFELD: You're such a popular guy, Senator. [LB214]

SENATOR GROENE: Thank you, Senator Halloran. [LB214]

SENATOR HALLORAN: No, I will continue to try and answer. [LB214]

SENATOR GROENE: Who has questions? Any more questions or do we want to start asking questions of somebody who actually knows the answers? We're all answering our own questions up here. But anyway. No, you did a good job, Senator Halloran. Thank you. [LB214]

SENATOR HALLORAN: I wasn't shopping for a compliment but...it will work, though. [LB214]

SENATOR GROENE: You'll stay for closing? [LB214]

SENATOR HALLORAN: I may. I can, I will. [LB214]

SENATOR GROENE: Proponents, please. Any proponents? I thought we would be here until 8. Any opponents? [LB214]

MADDIE FENNEL: (Exhibit 1) Good afternoon again, Senator Groene and members of the Education Committee. My name is Maddie Fennell, M-a-d-d-i-e F-e-n-n-e-l-l, and I am here to speak on behalf of the Nebraska State Education Association in opposition to LB214. I've taught for the Omaha Public Schools for 26 years, 26.5 to be exact. I have a master's degree in elementary education with a specialization in math and science, an endorsement in assessment, and a certificate in urban education. I am also one of the 120 Nebraska teachers who is a National Board certified teacher and I was a recipient of the master teacher stipend last year. I am here today to tell you of the impact that National Board Certification has had on my practice, the practice of my colleagues, and most importantly the success of my students. I began the National Board process after serving on the National Commission on Effective Teachers and

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Teaching. Through that process, I met many Board certified teachers and was encouraged by how the process had impacted their teaching. Even though I had my master's degree, I decided to begin the process. Fortunately for me, financial assistance was available through OPS and a federal grant. And if I may add here, I know that there's a lot of discussion around teachers can use their money to pursue additional training, I want you to know it took me 17 years to get my master's degree because I was caught in a catch-22 situation. I couldn't afford to go to school, and since I couldn't afford to go to school I couldn't move forward on my salary schedule. And that's where many teachers find themselves. At that time, when I started the National Board process, the process required four in-depth reports, analyzing my classroom, my practice, my community, my students, and an on-line component that tested my content mastery in six areas. Due to time limitations, I want to focus on how National Board Certification affected just one area, which was writing. As a fourth grade teacher, helping my students to learn key writing skills is crucial. At the time, if my students didn't pass the NeSA writing exam, our whole school would be considered a failing school. That was a lot of pressure, but my kids did well. Miller Park Elementary is in one of the highest poverty and gang areas of Omaha, yet, our students placed among the top 10 schools in Omaha. As part of my National Board process, I was required to conduct an in-depth analysis of how I taught writing, compare students' work, determine the factors that drove success, and identify ways to remediate when necessary. Going into this process, I thought that the reason our kids did well was because of a process that was called "Four Square Writing." But as I analyze my students' work, I talked with my fellow fourth grade teacher, I realized that she wasn't using "Four Square" but was getting the same results. So I had to look deeper and find the golden nugget that was really driving both our classes forward. Through my National Board analysis, which included sharing my artifacts and talking with colleagues, we realized that it was the individual student editing sessions we were doing with teachers and peers that was really driving the writing success. The following year, I moved to a literacy coach position and we had two brand new fourth grade teachers. I shared my learning with them, as well as with others, and we incorporated more editing sessions into our teaching. That year, our fourth grade students had the second highest scores in the Omaha Public Schools in state writing. These were kids with a 95 percent poverty rating. I credit that success to what I was able to share from the National Board process. National Board Certification is not easy. In fact, quite honestly, I didn't make it on the first try. It's not like going to class and completing assignments; it's about looking deeply at your practice; how it impacts your students; and what you need to do to bring about greater learning and better relationships with your students, parents, colleagues, and community. I also want to note another way this is different than a master's degree. I know many teachers who receive a master's degree in administration or computer science but never actually use that information to drive student learning. The work you do as a National Board certified teacher directly draws from and impacts what you do in the classroom. You have to provide clear and compelling evidence that you know your students and can meet their needs from remedial through gifted, while maintaining my own professional learning. I've attached to my testimony today some information that you might find worthwhile.

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The first document outlines the number of research studies that show the impact of Board certified teachers on student achievement. We need more nationally Board certified teachers in Nebraska because the research proves they are more effective at improving student learning. The second document explains how the process has become even more conducive to team learning. While I only had one year to take the on-line assessment and complete four detailed components at a cost of \$2,500, candidates can now take four components, all still aligned with the standards and requiring rigorous reflection and evidence, over three years at cost of \$475 per component. Many teachers across the country are now choosing to go through the National Board processing in cohorts, supported by their principals and districts, as part of their professional learning community work. One other major change is that you used to have to recertify every 10 years. Now you must recertify every five years. Since the process can now be over three years, you could get your certification and then begin the process of recertifying in just two years. It becomes a continual learning process. The final document I have provided gives a state by state analysis of support for National Board Certification. In closing, let me say that the Master Teacher Program is the only support the state gives towards teaching excellence, and must be maintained. We won't have the kinds of teachers our kids need and they deserve if we lower the bar on the teaching profession. National Board raises that bar. I thank you for your time, and I'd be happy to answer any questions you have about the process. [LB214]

SENATOR KOLOWSKI: Yes, Senator, please. [LB214]

SENATOR ERDMAN: Thank you, Senator Kolowski. Thank you for coming today. What year did you become a Board certified...or a master teacher? [LB214]

MADDIE FENNELL: 2014, I think. Last year was the first year I got my stipend, so I think it was 2014. [LB214]

SENATOR ERDMAN: Okay. Well, congratulations. So when you made an application and you decided to do that, at that point in time there was no funding for it, correct? [LB214]

MADDIE FENNELL: I received funding through OPS and through a federal grant to be able to do it. Otherwise, I could not have afforded to have done it. [LB214]

SENATOR ERDMAN: So they funded you and you were hoping to get something from the state if they ever funded it? [LB214]

MADDIE FENNELL: I was hoping. But I did it because I knew it would...because the process was taken care of and because it would drive my students' learning. [LB214]

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SENATOR ERDMAN: Have you been compensated from the state? [LB214]

MADDIE FENNELL: I received my bonus last year. Of course, I won't receive it this year because I left mid year. And I would like to clarify that it's up to \$5,000. The amount is dependent upon the number of teachers we have. Right now we only have 120 Board certified teachers in the state and that's why it's around \$5,000. But as we grow, for instance we have 29 teachers right now, it's my understanding from my conversations with the National Board, we have 29 teachers that are in the process. So the amount will go down, which is okay with me. But I think it's very important that we continue to support people in their learning and recognize how important this is. [LB214]

SENATOR ERDMAN: Yeah, when the teacher's getting over \$200 then it's a proration. I understand that, thank you. [LB214]

SENATOR KOLOWSKI: Other questions? Yes, please. [LB214]

SENATOR LINEHAN: Thank you very much for being here, and I am familiar with your work at Miller Park, and you should be very proud. [LB214]

MADDIE FENNELL: Thank you. [LB214]

SENATOR LINEHAN: I am proud of you and your principal that was there. [LB214]

MADDIE FENNELL: Little slice of heaven. [LB214]

SENATOR LINEHAN: Yes, it's very impressive. And, you know, if we could emulate that that would be...across lots of districts, let alone OPS. Am I right in that the Nebraska Department of Education has a loan program for teachers who are currently teaching if they want to get their master's? It was...I think the Department has a student loan program, at least that's what Brian told me. [LB214]

MADDIE FENNELL: Jay would know more about that than I would. I know that I didn't have that available to me when I was looking at teaching...or to get my master's degree. [LB214]

SENATOR LINEHAN: Well, maybe it's new. I need to learn more about it. But if they have a loan program through the Department of Ed, and the way I understood it, and this could not maybe not correct, is that if you keep teaching, you don't have to pay it back. And it's a way to

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keep people getting higher education. So could this program not be...it's not, you're saying no, but it could be maybe. It can't be? Well, we could change rules. Thank you. [LB214]

JAY SEARS (FROM AUDIENCE): I'm sorry. We'll talk later. [LB214]

SENATOR LINEHAN: Yeah, it's okay. So one of the options listed, aside whether your studies are right or my studies are right at how effective the teaching program is, if it is effective, one option would be to see if there's not a way you could get a loan program through the Nebraska Department of Education loan program which they already have, and then if you stay in teaching you wouldn't have to pay it back. And that doesn't cover the bonus, but again, I don't think any of us...at least I'm not arguing that a teacher that goes through this might deserve a bonus. But what I'm arguing, what I'm confused about actually, is why the state's doing it, why not the local school boards. [LB214]

MADDIE FENNELL: And I understand that completely, and I wish there were more local school boards that did this. In fact, I sat on the negotiations team for Omaha Public Schools for a number of years and tried to bring this in. I think it's because there's a lack of accurate and appropriate information about National Board process and about its impact on teaching. And some of the studies you may have referenced have been a little bit older. In the last five years the National Board has significantly opened their reserve of information and they've actively requested people to come in and to do analysis on them. And so the research I provided for you is the most up to date on what people are finding on the impact that National Board Certification is having on student learning. And so I think the more we can get that information out, but districts are also under all the lids and the levies and all the rest of this and some just don't see this as...I think some people, until you've actually gone through the process you don't realize how hard it is. It was so much harder for me than getting a master's degree and so much more beneficial to my students. But quite honestly, I also have to say that within our profession sometimes we have this green-eyed monster of jealousy. And sometimes when peoples' boat gets lifted... [LB214]

SENATOR LINEHAN: It's not unique to teachers. [LB214]

MADDIE FENNELL: I know, but when people's boat gets lifted and other people will say, well, who do you think you are because you're National Board certified? They don't understand sometimes that people went about that because I needed to do better for my students. I felt what I was doing for my students, although it was good, it wasn't good enough. It's not good enough until I never see another student go to jail and every student is at or above grade level. So I will always try to do better. But if people haven't seen the process, don't understand the process, don't understand how arduous and rigorous, and I bought a new wig, I pulled my hair out. I mean, it

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was just so hard. But boy, did I learn. I learned so much and it really prepared me for next year when that fabulous principal, Lisa Utterback, at Miller Park said, Maddie, I see what you did, I think you need to become the literacy coach now because of what you learned. I was able to take all of that learning and drive the success of all of our teachers forward. But too many people haven't had the opportunity to see that because we don't have enough teachers in Nebraska yet. We haven't had any kind of market penetration around this to be able for them to see that. And what really hits...I'm from North Platte, I went to junior high and high school in North Platte, and I know how hard it can be in our rural areas to be able to take college credit courses. National Board is accessible to anyone, anywhere because it's you and your colleagues and the things that you need to do are all packaged and handed to you quite nicely. And people will reach out to you and help you so that this is really much more accessible even than college credit. And it's done on your time, when you put your kids to bed, or when your husband takes them somewhere for the weekend, when you can really work on it. [LB214]

SENATOR LINEHAN: Again, I think nobody is...at least I'm not, I can't speak for anyone else, I'm not arguing that it's worthwhile. And clearly, you're a great example of where it actually shows improvement, which would be wonderful. But it's a matter of who pays for it. And another thing I noticed, on the leading research from states and districts, several of these states that are listed here are where reform has been...they've been doing all kinds of reform in Florida, Arizona. Is this part of the reform, do you know, that has taken place over the last 10 years in Florida or Arizona? I'm not as familiar with... [LB214]

MADDIE FENNELL: Well, for instance, the Hillsborough one did specific research around NBCTs. While they're doing a lot of other things there... [LB214]

SENATOR LINEHAN: Right. [LB214]

MADDIE FENNELL: This research was specific around what was the difference with NBCTs, so it isolated it. (Inaudible). [LB214]

SENATOR LINEHAN: If you know of all the reforms they did in Florida, was this part of their reform package? [LB214]

MADDIE FENNELL: No. [LB214]

SENATOR LINEHAN: Okay. [LB214]

MADDIE FENNELL: No, it was not. [LB214]

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SENATOR LINEHAN: Thank you. Thank you very much. [LB214]

SENATOR KOLOWSKI: Other questions at this time for Ms. Fennell? Ms. Fennell, I have a few things that I wanted to ask you yourself. A lot of your work, as you brought it back to the local school and community, has a lot of supports like professional learning communities trying to construct and deal within a particular building. And that certainly is echoed in the success that you've had and the things that make a difference in the building. Another area of growth in our country right now is a program called Educators Rising through Phi Delta Kappa, which I'm very deeply involved in, being on that board. And what's happening in that particular area, and we have well over 20,000 students nationwide now coming up through that program with desire to become a teacher and how that work of that group right now is building into a huge amount of interest and positive direction built on the National Merit aspects of the certification program that you're dealing with. So I think we're turning some very interesting corners right now in teacher ed preparation and how that's being looked at and the direction that's going. I think it echoes a lot of what you're...you're a pioneer, you're on the early cusp of what we're all about and what we're trying to do. The other aspect for me was what I've seen in Board certified individuals and the stories they've said, they've talked about and repeated to others, the aspect of all that work going into student improvement. It's not, I'm going to get this master's and it's going to be in technology and I hope I get a tech job someplace. Or I'm going to get the master's and be an administrator, but I've got to get a position, or if I can get a leadership position do something of that nature. It's not disconnected, but it's connected to what you're doing because you're dealing with kids on a daily basis. And that's a huge transformation, compared to a lot of people when I was in a doctoral program and what they were doing compared to what I was doing in a fast-growing district, trying to make things happen in a positive way. So I commend what you've done and I hope our understanding will not be clouded because of the lack of funding in our state. Even if there was a one-year payback of \$5,000, that would try to break even with the money you spent over time, rather than a \$5,000 every year. One time would be better than none. But we're not talking about that right now. [LB214]

MADDIE FENNELL: Right. [LB214]

SENATOR KOLOWSKI: But there's a lot of ways we could look at it in different ways. So I thank you for your contribution. [LB214]

MADDIE FENNELL: Right. And as we know, teachers on average spend over \$1,000 of their own money. In fact, I at one time didn't get a house because they looked at my taxes and said, you spend too much on your classroom, we will not approve you for this house. So but I also wanted to comment on what you said about Educators Rising. NSEA is investing quite a bit in

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Educators Rising, because we do want to recruit teachers, especially teachers of color, into our profession. And so we've got a great plan for that. [LB214]

SENATOR KOLOWSKI: Yes, correct. [LB214]

MADDIE FENNELL: But I really like the way at the national level Educators Rising, which is looking at those who want to become teachers; and then CAPE, which is looking at people who are actually in college who are taking certification; and then National Board are all working together to develop this streamlined process of what it means to go from, hey, maybe I want to be a teacher, to I'm actually practicing to be a teacher and now I want to be a National Board certified teacher. They're working together to align that. [LB214]

SENATOR KOLOWSKI: Nearly half the students in education, in Educators Rising, right now are of color. [LB214]

MADDIE FENNELL: That's fabulous. Let's get them to Nebraska. [LB214]

SENATOR KOLOWSKI: That's a tremendous penetration to urban scenes, as well as...yes. [LB214]

MADDIE FENNELL: Get more in Nebraska, grow your own. [LB214]

SENATOR KOLOWSKI: Thank you. [LB214]

MADDIE FENNELL: You bet. [LB214]

SENATOR GROENE: This might have been asked, but you were motivated to improve yourself. I think you said, quote me if I'm wrong, there's 120 in this state that have that. [LB214]

MADDIE FENNELL: Currently 120. [LB214]

SENATOR GROENE: Now they did that on their own, never expecting to be repaid. I'm giving a compliment here, that they wanted to improve themselves. [LB214]

MADDIE FENNELL: Right. My fees though, were paid for. My fees were paid for by OPS and by a federal grant. [LB214]

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SENATOR GROENE: OPS had their own program. [LB214]

MADDIE FENNELL: And some of the other teachers, their fees were also paid for through grants and other things. [LB214]

SENATOR GROENE: Through the budgeting process at OPS? It was a program for improvement? [LB214]

MADDIE FENNELL: Yeah, there was some small amount of money that was made available, and I don't know if OPS matched it with federal grant or something like that. [LB214]

SENATOR GROENE: I'll use the sheet metals because I have a nephew in the sheet metals union. They have a shop, they have classes that the union does for welding fabrication. They certify their members and then they go out with that certification by the union and get higher pay scale by the contractor. Has NSEA ever thought of doing that through your own dues process? [LB214]

MADDIE FENNELL: You know, it's very interesting you mention that. The national convention that I mention in here was actually that was one of the big pieces that we talked about in our national commission was how do we look at how we pay teachers. And because teachers are in such a quasi-public/private, you know, most of us practice in public schools and so there's a role for government in what we do. But still, teaching is a private practice. So it's kind of a handshake that we have to do around them. And the commission that I actually worked with said that it should be the job of people like yourself, CAPE, and others to take someone when they come out of college and say, okay, they've done enough at this point. We're going to say that they're a good beginning teacher. But in our view, to take a teacher from that level to a level of...we tiered it in four levels, which was a beginning teacher, and then you had a teacher at a professional level, we said the people who should say that this person is good enough to reach professional status, that conversation should take place between the teachers and the administrators of that area. And in some places, they have very strong peer assistance and review programs, which we've again had great conversations about that in Omaha; they've got in Columbus, Ohio, and many other places where it really becomes a dual responsibility of the administration and of the teachers to determine who advances forward when it comes to salary, but also just sort of certification. In Baltimore they have, I believe it's a four tier schedule. And you start as a beginning teacher, you can move to a professional teacher, but then in order to move from professional to mastery, you actually have to have a portfolio that is peer edited by others. And then there's a significant salary bump if you pass your portfolio. And then they have master teacher above that also. [LB214]

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SENATOR GROENE: Then they don't just use these steps where if you go take nine credit hours all of a sudden you're a better teacher? [LB214]

MADDIE FENNELL: No, and you know... [LB214]

SENATOR GROENE: To me that might prove you're a better... [LB214]

MADDIE FENNELL: I'd be happy to provide you with copies of that report, because I don't believe in the current salary structure. I don't believe in steps and lanes. I believe that we can do better by our kids. [LB214]

SENATOR GROENE: So you agree, there's no relationship between a good student sometime and being a good teacher? [LB214]

MADDIE FENNELL: Well, I don't agree with that. I think that I've had students who have done well because of me. [LB214]

SENATOR GROENE: I was trying to put words in your mouth. [LB214]

MADDIE FENNELL: And I've had students who have done well in spite of me. I've had...when I moved from first to sixth grade, I had one little kid that was much smarter in math than I was. And I finally said, mea culpa, here's the math book, we're going to do it together from this day on. I mean, he was just...he's brilliant, he was a brilliant student. [LB214]

SENATOR GROENE: But what I'm saying, it doesn't mean because he was brilliant you could turn the class over to him. That's what I'm saying. [LB214]

MADDIE FENNELL: No. Yeah, no. [LB214]

SENATOR GROENE: Levels of education don't always translate that gift of teaching. [LB214]

MADDIE FENNELL: No, it doesn't. It doesn't. Teaching is a very complex mix of art and science. And I always say, you know, the science is learning the content and the art is being able to deliver it to 13-year-olds. [LB214]

SENATOR GROENE: Thank you. Any other question? Thank you. [LB214]

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MADDIE FENNELL: Thank you. [LB214]

JAY SEARS: (Exhibit 2) Good afternoon, Chairman Groene, members of the Education Committee. For the record, I'm Jay Sears, J-a-y S-e-a-r-s. I'm here in opposition to...almost forgot, LB214, the conversation was so good. I must first ask your indulgence, Chairman Groene. I was handed written testimony for LB457 from Fremont, can I give that to the page and then you can enter it, even though we've closed the hearing? Thank you. And then on to my testimony. I promised Senator Linehan that I would answer her questions and I thank you very much for the indulgences you've had with the many National Board certified teachers that have sent you e-mails and explained why the Master Teacher Program is important to them. I think you'll note that it wasn't the money that caused them to do the process, it wasn't the money that keeps them in the process. But as you can tell in my written testimony to you, I've been involved in the National Board Certification Program in the support that has happened at the state level and in the initial lobbying for the Master Teacher Program and the hopeful appropriations. So that does, and you've already gotten some of that history, takes us back to 2000, when the first Master Teacher Program was passed by the Legislature. It had an appropriation at that time of \$1 million, that was to be distributed to help pay for half of the fee at that time, which was whatever half of \$2,500 was. I believe it's \$1,250. I remember that number because in the state of Nebraska the National Board had made me the subsidy administrator. And at that time, the federal government had given the National Board dollars to go to states to help fund the application process, because it was just new, it was expensive. But at that time, we had introduced a bill in the Legislature that was passed, but a line item veto took out the \$1 million funding. It was one of those up and down economic times for us in the state of Nebraska, as we seem to go through every four or five years in this state. And so it was never funded. 17, well, 15 years later Senator Bolz introduced in the Appropriations Committee a bill to appropriate the \$1 million one more time. And at that time we probably had almost 80 National Board certified teachers and what we were trying to do was grow those excellent teachers in all across the state. Because the federal dollars dried up, as they tend to do, many districts and their local associations negotiated payments for going through the process, for supporting their professional development, and those kind of have come and gone also as the budgets have come and gone. I think the important piece of history for us to think about is when it was appropriated two years ago in the biennium back in 2015, it was the same time that the Legislature took \$30 million out of the TEEOSA formula for districts who had master's degree teachers. We had that big discussion right here, not all of you were present at that time, but we had the discussion about are master's degrees important in the learning of children. And also we were in that economic time of we don't have all the money we want. In fact, if you go clear back to LB1059 and the original TEEOSA formula, the formula has never been allowed to generate the spending that it should have. Every year the Legislature has tweaked it to fit the budget, and I understand that, that's how that happens. So we were funded for two years, the National Board certified program to pay for the registration fees and the modules. In that time period, the National Board changed

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their modules, broke them down into four separate modules at \$475 a piece. It's a little bit more tenable for districts and teachers to do that process. But the intention was never to give a big \$5,000 bonus to every teacher that gets National Board certified, it was to incentivize teachers to go through the process and to retain those teachers in the state of Nebraska. I think the other important piece to think about is if I have a National Board certificate, no matter what state I got it in, I can come to Nebraska, I can get a professional certificate, the highest level of certification we have in the state of Nebraska. There's no questions asked other than if you haven't been here for five years, you got to do the fingerprint piece. So, you know, there's some important pieces about the program. I thank you for the opportunity to speak with you today and I'd be glad to answer some of your questions. I noticed that some of our teachers couldn't answer your questions about the funding and those pieces, because it does vary. So I'm open for questions. [LB214]

SENATOR GROENE: Senator Linehan. [LB214]

SENATOR LINEHAN: Did you say the intent was never to provide a \$5,000 a year bonus? [LB214]

JAY SEARS: If you look at the legislation, it was "up to," depending upon the amount of appropriation. And in fact, the first year of the biennial '15-16, it was \$470,000. Most of that has been spent on registration fees and some of it actually did pay a \$5,000 stipend because I think it went to 60 teachers who are in the classroom currently in '15-16. The LB22 has taken out the \$470,000 for the biennium, the '16-17 one to deal with the Governor's request to hold back some of the dollars that we have out there so we can make our budget for the next biennium. And so there's some carryover, and I noticed in AM13 on LB22 today the Department of Ed says there's about \$130,000 to carry over into to pay for '16-17. Any of the people who have started the registration process are in it, and then for those who will complete their certification process to pay the other half of their fee. And then whatever is left of that \$130,000 will be the stipend the teachers will get for 2016-2017. Senator Morfeld is carrying a bill that you'll get to hear in a couple of weeks, I'm sure, about funding it in a more stable form out of the lottery funds. I can take you way back to the lottery funds and when we started it in their educational purposes behind that. But I think that fits in very well. It's about professional development for educators. The state of Nebraska does not provide state funding for professional development, that's a local school district funding issue. And as the budgets go down, so do the funding for those types of things. [LB214]

SENATOR LINEHAN: So I'm still confused and nobody has answered... [LB214]

JAY SEARS: Okay. [LB214]

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SENATOR LINEHAN: No, you've been very good. It's not yours. But I think the question why is the state doing this, versus the school boards? [LB214]

JAY SEARS: Okay, well, I've been a lobbyist for 30-some years. And so when \$30 million leaves TEEOSA, the Appropriations Committee gave us \$470,000. Not a very good exchange, I wouldn't do that with any type of deal. But they felt...my sense is the Legislature felt that \$470,000 was an appropriate funding to help start the program in Nebraska. If you look at most of the other states, even around us, there are 400 and 500 National Board certified teachers. Those people are doing just like Maddie talked about in the classrooms, being coaches, being mentors for new teachers, improving instruction for children in the process. What we know from the National Board certified teachers nationwide, those people stay in the districts, they stay in the states where they are being paid. Unlike North Carolina, which is a statewide salary schedule that's paid by the state, and they've gone heavily into National Board certified, and they give I think like a 13 percent bump in salary for every year that they're National Board and they stay there, we at NSEA view it as an incentive and a retention piece for our teachers. And so I can answer your question if you ask it again about the loan forgiveness program. [LB214]

SENATOR LINEHAN: I am going to ask that, thank you. [LB214]

JAY SEARS: Thank you so much, Senator. I appreciate that. [LB214]

SENATOR LINEHAN: Yes, and why don't we? Why isn't it qualified, the loan program? [LB214]

JAY SEARS: Okay, there are two parts in the lottery that go to incentive programs for teachers. One is the Beginning Teacher Program, that provides loans to students who are going through teacher education preparation in the shortage areas in the state of Nebraska. And the Department of Ed does a survey every year to see what the shortages are in Nebraska. They're pretty close to what happens nationally. So there are loan funds for beginning educators to get their bachelor's degree. That then is a loan forgiveness program so that you can take your four years up to \$3,000 I believe a year and have it forgiven over a period of four to five years. And if you teach in a low-poverty school, then it's forgiven twice as fast as if you were in a... [LB214]

SENATOR LINEHAN: High-poverty school. [LB214]

JAY SEARS: High, yeah. I'm sorry. Very good, thank you. High-poverty school. And then the other portion of that that comes from lottery funds, the loan forgiveness program, are for teachers who are currently teaching, already have their bachelor's degrees, and are working in programs,

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which might be master's degree programs in their content areas, or the Legislature just a year or two ago changed that program to also allow...bless you, Chairman, to allow for loan forgiveness programs for teachers who are working in endorsement areas. So if I'm working on an English language endorsement or a special ed endorsement, that would qualify me. And then those loans are forgiven by the state, up to again the four to five year process. And again, if you're in high poverty, it's twice as fast as if you're a low poverty. So that's... [LB214]

SENATOR LINEHAN: And those are...that's by statute? That's (inaudible)? [LB214]

JAY SEARS: Yeah. By statute, those are only allowed to pay for beginning teachers to get their bachelor's or existing teachers who are teaching in school and are working on a program in their content area or in a shortage area for adding an endorsement. [LB214]

SENATOR LINEHAN: One last question, I know that we're all...is there any other program where the state pays the teacher directly? From the state to the teacher. [LB214]

JAY SEARS: None that I know of. [LB214]

SENATOR LINEHAN: So this is the only one? [LB214]

JAY SEARS: This is the only professional development that's paid by the state, yes. [LB214]

SENATOR LINEHAN: Okay, thank you much. [LB214]

SENATOR GROENE: Senator Erdman. [LB214]

SENATOR ERDMAN: Thank you, Senator Groene. Thank you, Mr. Sears, for coming. I was amused by your comment about the TEEOSA fund that never was fully funded...or so it was spent to its full extent. And I would agree, the TEEOSA fund that was never given a chance to be fully implemented. My question is if LB22 passes and the funding is not appropriated, this program will be back in the same position it was before 2015. Is that correct? [LB214]

JAY SEARS: That's correct. And my plea to you as the Education Committee is don't put it out on the floor and kill the whole program because somebody may come up and you may decide as a Legislature some way to fund that. And that's why Senator Morfeld is bringing LB525 to this body, is to talk about how can we fund professional development for our educators that's valuable and also rewards them for staying in the profession here. [LB214]

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SENATOR ERDMAN: Thank you. [LB214]

SENATOR GROENE: Wouldn't it just be enough to pay the expense of gaining the master teacher certificate? Why is the \$5,000 a year necessary? Shouldn't that be something that a local school district would say...because we do, the state does give scholarships. I mean we do through the lottery for teachers to extend their education or to get an education, which you said. But wouldn't it be better to do that and then let the local school district put a value on that master teacher certificate? [LB214]

JAY SEARS: There's probably a number of answers to your question, that some districts have reimbursed their teachers for going through the process. And some have a stipend of such that they've negotiated with their bargaining units to pay for National Board certified teachers. I think the focus that we were looking at is one, we have to get away from there's a big \$5,000 bonus to teachers that have done this. Because it isn't intended to be \$5,000, it should be divided up by...you know, my wish is if we could get to 300 teachers, you all can do the math, I'm a social studies teacher, I can't do the math. But it's the only place where the state actually contributes to the professional development of the teachers in the classroom, there are no state dollars that flow down to districts for professional development. And from research, this type of professional development shows the actual support and improvement of instruction that happens in classrooms because of that. [LB214]

SENATOR GROENE: But I guess it goes back to what I asked the question earlier, if the local school district is doing...putting a value on that, then they can also say for this value and for this, this is what we expect for it. You mentor these schools. [LB214]

JAY SEARS: Yeah, right. And that's... [LB214]

SENATOR GROENE: You do evaluations on these teachers. [LB214]

JAY SEARS: That's correct. [LB214]

SENATOR GROENE: You do a teacher...you help them because you share your knowledge. [LB214]

JAY SEARS: Correct, and I would... [LB214]

SENATOR GROENE: But right now, there's no tie-back to... [LB214]

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JAY SEARS: There's nothing in statute, but I would say to you every district that has a National Board certified teacher using their talents in the best way they can and many of them aren't being rewarded. It's a hope, and also please do this because you're such a good teacher. [LB214]

SENATOR GROENE: Yeah. [LB214]

JAY SEARS: I would make a deal with you, Senator. If you give us back the \$30 million that was taken out for the master's degree piece and put that into National Board Certification, we'll call it even. [LB214]

SENATOR GROENE: But you know why that was taken out. If you were in Kearney or Omaha or Lincoln and you're near a college, the money flowed to where it was easiest for them. [LB214]

JAY SEARS: And National Board you can do any place on this earth, as long as you can get internet service. [LB214]

SENATOR GROENE: And I believe the number was...actually, the appropriation was \$500,000, but you know how it is. Department of Ed had to take their \$30,000 off. [LB214]

JAY SEARS: Yeah, they got to take theirs off the top. [LB214]

SENATOR GROENE: Now you might negotiate with them that you would do it for \$15,000 in the spare time to manage (inaudible). [LB214]

JAY SEARS: Thank you. That's a good idea, Senator. Thank you for the idea. [LB214]

SENATOR GROENE: Thank you for your testimony. [LB214]

JAY SEARS: Thank you very much. I appreciate it. [LB214]

SENATOR GROENE: Anybody else have a question? [LB214]

JAY SEARS: Thank you all for a long afternoon. Not as long as could be, right? [LB214]

SENATOR GROENE: Kind of thought it would have been longer. Any other opponents? Neutral testimony? We'll close the...Senator Halloran, would you like to close? What's that? Letters, did

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we have any letters? Just the one that last testifier brought to us from Fremont Public Schools opposing the bill. [LB214]

SENATOR EBKE: Opposing another bill, wasn't it? [LB214]

SENATOR GROENE: Oh, did you mean it for this bill or LB457? All right, I didn't listen well enough. I never was a good listener. Senator Halloran. [LB214]

SENATOR HALLORAN: I would like to thank the committee for their time today and would ask the committee to support LB214 and advance the bill to General File. Just as a side note, I think it's...there's no question about the merits or quality of the Board Certification process. I do think it might be something that maybe the University of Nebraska should look at as part of their teaching process for new teachers to implement this program, because it would sounds like it would have tremendous merit to get them off to the right foot as teachers. With that, I'm closed. So thanks for the opportunity. [LB214]

SENATOR GROENE: Any questions? Senator Kolowski. [LB214]

SENATOR KOLOWSKI: Thank you, sir. Senator Halloran, thank you again for bringing this forward, and your last comment would be not just University of Nebraska, but the many teacher preparation institutions in our state, whenever and wherever they might be. [LB214]

SENATOR HALLORAN: Exactly. [LB214]

SENATOR KOLOWSKI: And I think there's possibilities that might produce some very good changes in our future if we continue to pick that. Also, are you interested in some continued discussion on what might be modified in your bill that we could talk about that could take on a slightly different flavor? [LB214]

SENATOR HALLORAN: I look at myself as being a very short referee in a professional basketball game. I'm throwing the ball up and letting you folks fight over the ball. So, no, to answer your question. No, I have no suggestions. [LB214]

SENATOR KOLOWSKI: You don't have any...you have concerns that we could do this or...? [LB214]

SENATOR HALLORAN: No, it's up to you. I've thrown the ball up in the air. It's a... [LB214]

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SENATOR KOLOWSKI: Slam dunk. [LB214]

SENATOR HALLORAN: No, play ball. I mean, you know, this is your job. I'm just a testifier.
[LB214]

SENATOR KOLOWSKI: Thank you for you what you've done. [LB214]

SENATOR ERDMAN: Senator Groene, she had a question. [LB214]

SENATOR WALZ: I'll just ask it later. [LB214]

SENATOR GROENE: That closes the hearings for today. There will be no exec hearings today.
[LB214]