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Education Committee
February 14, 2017

[LB246 LB247 LB525 LB575]

The Committee on Education met at 1:30 p.m. on Tuesday, February 14, 2017, in Room 1525 of the State Capitol, Lincoln, Nebraska, for the purpose of conducting a public hearing on LB246, LB247, LB525, and LB575. 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: Anyway, let's get started. I'm going to remember all the rules off the top of my head, because somehow my sheet disappeared. We will go three minutes today. I'm going to have all the senators introduce themselves, starting with my far right.

SENATOR LINEHAN: Good afternoon. I'm Senator Lou Ann Linehan from western Douglas County, District 39.

SENATOR GROENE: Senator Pansing Brooks I believe will be joining us. She didn't say otherwise.

SENATOR KOLOWSKI: Senator Rick Kolowski, District 31, and it's southwest Omaha. Thank you.

SENATOR EBKE: Laura Ebke, District 32: Jefferson, Thayer, Fillmore, and Saline Counties, and a little piece of Lancaster County.

SENATOR ERDMAN: Thank you. Steve Erdman, District 47: 10 counties in the Nebraska Panhandle.

SENATOR WALZ: Lynne Walz, District 15: one county; all of Dodge County.

SENATOR GROENE: And I'm Senator Mike Groene, the Chairman of the committee. To my left is committee counsel, LaMont Rainey. At the end to my right is committee clerk, Kristina McGovern. And I believe it's Alex and...what's your name, young man?

SAM BAIRD: Sam.

SENATOR GROENE: Sam. Are the pages who will help you if you need help. The order of testimony will be introducer, proponents, opponents, neutral, and closing remarks. If you will be

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testifying, please complete the green form and hand it to the committee clerk. Forms are back in the corner. When you come up to testify, if you have written materials that you would like distributed to the committee please hand them to the page to distribute. We need 12 copies if you have it, or they can make copies for you. When you begin to testify, please state and spell your name for the record. Please be concise. My request that you would limit your testimony to three minutes. If necessary, we will use the light system. Green is two minutes, yellow is one minute. If it looks like...we have four hearings today, that's why we're doing it. If it looks like you need more time, I'll allow it. And Senator Morfeld will start today with LB246.

SENATOR MORFELD: (Exhibit 1) Thank you, Senator Groene. Members of the Education Committee, my name is Adam Morfeld. For the record, that's A-d-a-m M-o-r-f-e-l-d, representing the "Fighting 46" Legislative District, here today to introduce LB246. LB246 would allow school districts to expend funds for and exclude from budget authority expanded learning opportunity programs, otherwise known as after-school programs. Under the bill, school districts with 1,000 or more students would be permitted to expend funds up to \$100,000 per fiscal year on expanded learning opportunity programs. Districts with less than 1,000 students would be permitted to expend funds up to \$50,000 per fiscal year. Schools would be able to spend up to the limits identified and have these funds excluded from the district's budget authority. In other words, schools can spend up to \$50,000 or \$100,000, depending on their student population, on ELO programs--extended opportunity learning programs--and it would not count towards the spending limit. Also, money spent according to this would not count towards the TEEOSA formula and thus not cost the state anything directly. The school district would make a decision about whether or not it wants to spend local resources on an ELO program and make the decision on a local level. Expanded learning opportunities in Nebraska are school-based community partnerships that provide children and their families with services after school, during the summer months, and on weekends when school is not in session. These programs create opportunities to strengthen school/community partnerships that provide students and their family with the support they need to be successful in school and do not duplicate regular school day learning. After school programs have a strong research base illustrating their effectiveness and contributing to student involvement, providing support for working parents, enhancing school engagement, developing character readiness, and contributing to community-wide returns on investment. Recent research shows from Chadron to Omaha ELO programs are helping Nebraska youth get excited about the all-important STEM fields that will drive Nebraska's future economic growth. In addition, in Nebraska and across the nation, law enforcement leaders point to the gap between the end of the school day and the end of parents' work day as critical hours of youth vulnerability, when youth are more likely to participate in or be victims of crime. Expanded learning opportunity programs built on strong school/community partnership can help fill those hours of vulnerability with opportunities for youth to be supported by caring adults in safe, school-based settings with enriched learning. I urge your favorable consideration of LB246 and would be happy to answer any questions. [LB246]

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SENATOR GROENE: Any questions from the committee? Senator Erdman. [LB246]

SENATOR ERDMAN: Thank you, Senator Groene. Thank you, Senator Morfeld. What kind of after-school programs do you have in mind here, Senator Morfeld? What will they be? [LB246]

SENATOR MORFELD: Well, it just depends on the school district. So a lot of school districts actually either run their own after-school programs and have enhanced and enriched learning based on whatever the school objectives are, and then some schools actually contract with private nonprofits or religious-based nonprofits to run after-school programs. So after-school programs can have STEM-based courses; they can have community-based courses; they can also have tutoring programs sometimes to help students get up to par, up to speed with their classmates if they are behind. So it really depends on the school, it's really controlled by the local school district. [LB246]

SENATOR ERDMAN: So in your comments, did I hear you say that it won't cost the state anything, is that what you said? [LB246]

SENATOR MORFELD: Well, it won't cost the state anything, but obviously the local school district is going to have to decide if they want to invest in that. [LB246]

SENATOR ERDMAN: So would this be an unfunded mandate? [LB246]

SENATOR MORFELD: No, it wouldn't, because the school would decide whether or not they want to use their property tax authority to be able to invest in these programs and if it's worth it. [LB246]

SENATOR ERDMAN: So if this passes, the school has to have this program? [LB246]

SENATOR MORFELD: Nope, it's up to them. [LB246]

SENATOR ERDMAN: Okay. [LB246]

SENATOR MORFELD: They would likely have a vote on it and have to decide. [LB246]

SENATOR ERDMAN: So they now would be outside their levy lid, they would have to collect property tax to pay for it? [LB246]

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SENATOR MORFELD: Yes, they would. So that is one consideration. [LB246]

SENATOR ERDMAN: Do you know of any others? [LB246]

SENATOR MORFELD: I'm sure there's several other considerations, but that's certainly one of them. [LB246]

SENATOR ERDMAN: Okay, thank you. [LB246]

SENATOR MORFELD: Also I'd like to note that the hearts were provided by me. So if you guys are not feeling great about one of my bills, just have a heart. Happy Valentine's Day. [LB246]

SENATOR GROENE: Senator Linehan. Oh, were you first? I thought...go ahead. [LB246]

SENATOR LINEHAN: Did you say some are religiously affiliated? [LB246]

SENATOR MORFELD: Pardon me? [LB246]

SENATOR LINEHAN: Did you say some of the programs in school? [LB246]

SENATOR MORFELD: Yeah, yeah. It depends. I know that there are some churches that run some after-school programs in Omaha. But they have to be a nonprofit, so usually it's a nonprofit arm of a church or something like that. [LB246]

SENATOR LINEHAN: But they're religiously affiliated? [LB246]

SENATOR MORFELD: There are some, yeah. [LB246]

SENATOR LINEHAN: So how would that work, considering our conversations yesterday, that there's constitutional concerns? [LB246]

SENATOR MORFELD: Well, you can contract with a nonprofit. Now the difference is, is that it would have to be a nonprofit that isn't religious...it could be religious-based, it could be an arm of a church or something like that, but it would just be a 501(c)(3) nonprofit. [LB246]

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SENATOR LINEHAN: Okay. So are there programs like this where schools are contracting with nonprofits now, to do these programs? [LB246]

SENATOR MORFELD: Yeah. I mean, all over Omaha, Lincoln, into outstate Nebraska, greater Nebraska. [LB246]

SENATOR LINEHAN: Are some of them very well-known programs? [LB246]

SENATOR MORFELD: Yeah, they're fairly well-known. And I think there's somebody that's going to testify that's from the statewide network. [LB246]

SENATOR LINEHAN: Okay, that's very good. Why does it have to be, and this is just my lack of understanding of how all this works, so I'm sorry, I'm still a freshman. [LB246]

SENATOR MORFELD: No, that's fine. [LB246]

SENATOR LINEHAN: Why does it have to be outside the budget authority or given additional budget authority? Why is that? [LB246]

SENATOR MORFELD: Well, I mean, I think that there's a lot of urban schools and some greater Nebraska schools that are up against their budget levy authority and they already have a lot of demands on their funding. So this would give them an extra edge in providing these programs. [LB246]

SENATOR LINEHAN: Why do they have limited budget authority? [LB246]

SENATOR MORFELD: Well, that's a good question. I think that we decided as a Legislature to cap their ability to raise property taxes at \$1.05 a long time ago and so there's a lot of needs. [LB246]

SENATOR LINEHAN: So this would...see I'm really, maybe somebody else can ask a question better. I don't know enough maybe to ask the question. But I don't understand if they have...why we put things outside the budget authority. They still need to spend money, so they still need...they would have to...and we're not giving them money from the state, so it would come out of property taxes, right? [LB246]

SENATOR MORFELD: Yeah, so, I see where you're going with your question, Senator. [LB246]

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SENATOR LINEHAN: Good. I'm not sure I do. Thank you. [LB246]

SENATOR MORFELD: Have a heart. [LB246]

SENATOR LINEHAN: Because I really don't understand. [LB246]

SENATOR MORFELD: No, no, no. And I know you're not being facetious. So some schools, particularly like Lincoln Public Schools and Omaha Public Schools, and I know there's a bunch of other schools that come up their \$1.05 levy, they already have a lot of needs. They get some state aid, but this would give them the ability to go outside of their levy limit to provide for enriched programs that will help their students in other ways. And I think that, you know, there's even some schools in greater Nebraska, which I think maybe some people will be able to talk about a little bit more, that also are up against their levy limit. But these programs would be a real value add for them, and you don't need a ton of money to run these programs either. So \$50,000 to \$100,000 could go a long ways. [LB246]

SENATOR LINEHAN: So it's outside their limit means, so we the state say, okay... [LB246]

SENATOR MORFELD: Here's an exception. [LB246]

SENATOR LINEHAN: We were just kind of kidding about that limit, you can...or not kidding, that's wrong. This is so special that you don't have to have it under your limit. [LB246]

SENATOR MORFELD: Yes. [LB246]

SENATOR LINEHAN: Okay. All right. [LB246]

SENATOR MORFELD: And I think there's a few other examples of that. [LB246]

SENATOR LINEHAN: So what we're basically saying is you can go ahead and spend more than we told you you can spend on this particular program? [LB246]

SENATOR MORFELD: Correct, on this particular program. And remember, it's bifurcated in that 1,000 or less, \$50,000; 1,000 or more students, \$100,000. [LB246]

SENATOR LINEHAN: Okay. Thank you very much. [LB246]

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SENATOR MORFELD: Yeah. Thank you, Senator. [LB246]

SENATOR GROENE: Senator Kolowski. [LB246]

SENATOR KOLOWSKI: Thank you, Mr. Chairman. Senator Morfeld, thank you for bringing this. And just a couple of questions on the...some places do have tuition, do they not? Depending on the program or the combination of things they are doing with the children in those locations? [LB246]

SENATOR MORFELD: Yeah. Some after-school programs do have tuition. [LB246]

SENATOR KOLOWSKI: Minor? [LB246]

SENATOR MORFELD: Minor. I mean, in some cases it's just \$25 a year. In other cases, it might be \$5 a week. In most cases, they actually usually have a sliding scale. And that way nobody is turned away and parents who can't afford it are able to. I would note that in Omaha Public Schools the after-school programs that are run by an umbrella organization, they actually they are free of charge to everybody. Now, they are looking at ways to make that more sustainable down the road. But right now, they are free of charge to all students. [LB246]

SENATOR KOLOWSKI: And let's go back to the reason why these are so important, not just the academic improvement and all the rest. Tell us about the number of working parents in the state compared to all of the states. [LB246]

SENATOR MORFELD: Yeah, well, I mean, I think that, if you look at all the numbers, working families are working more and more, both middle income and lower income. And there's a lot of parents that don't get off work until 5:00 and can't get to the school until 5:30 or 6:00, or sometimes they're working even later than that. And so these are programs...and most of these programs have fairly rigorous academic standards too. They're not just showing up at the gym and kind of rolling the ball. They actually have programs that are working to increase outcomes during the day, based on the needs assessment of that school. So number one, I think it fulfills a real need, an increasing need, for working families, particularly since more and more families, if they have two parents in the household, oftentimes those two parents are both working full-time now. And so it fulfills that need, but then I think it also helps fulfill some of the academic needs for each school. [LB246]

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SENATOR KOLOWSKI: Unless something has changed in the last year, I believe Nebraska had the highest number of working parents percentage, of working parents both mother and father, in the entire country. [LB246]

SENATOR MORFELD: Yeah. Yeah, I think that's based on the current population survey. [LB246]

SENATOR KOLOWSKI: Okay. And that really shows the need for the safety and security of where the kids are. [LB246]

SENATOR MORFELD: Certainly. [LB246]

SENATOR KOLOWSKI: And that's been very well supported. I know in the Millard District, I believe almost every elementary school is used as a...used to be called latchkey program, and there's a waiting list. [LB246]

SENATOR MORFELD: Yeah. [LB246]

SENATOR KOLOWSKI: It's very popular and has not negated the commercial ventures that are also in the area that are used by parents in the same way. So it's a multiplicity of options (inaudible). [LB246]

SENATOR MORFELD: Absolutely. Thank you, Senator. [LB246]

SENATOR KOLOWSKI: That's it. That's fine, thank you. [LB246]

SENATOR GROENE: Any other questions? Thank you, Senator Morfeld. [LB246]

SENATOR MORFELD: Thank you, Senator Groene. [LB246]

JOHN SPATZ: (Exhibit 2) Good afternoon, Senator Groene and members of the committee. My name is John Spatz, it's spelled J-o-h-n S-p-a-t-z. Believe it or not, but it is pronounced Spatz. I'm the executive director of the Nebraska Association of School Boards. In July of 2015, my legislative committee met in Kearney, Nebraska, and my legislative committee is made up of school board members from across the state. And the issue of property taxes and school funding came up, and we had a long discussion about that. And the result of that discussion was probably what you would expect. There is not a magic wand or a great solution to address property taxes,

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our reliance on property taxes in the state of Nebraska. But what they wanted us to do was really engage on this issue, which is somewhat difficult for a school board association, when you represent equalized and nonequalized school districts. But as we look at some of the long-term problems for why property taxes are high in this state, we've identified two areas, two broad areas, that we're calling it supply and demand. On the supply side, we're too dependent upon the ag industry in the state of Nebraska. So when commodity prices go down, we end up with a \$900 million deficit. So we've got to begin developing a strategic plan for how do we channel kids into high-demand areas in the trades: in software development, in technology? There's got to be a plan to get kids channeled into those high-demand jobs in rural and urban Nebraska. And then on the demand side on that chart I gave you, over the last 20 years, as a percentage of the state budget, the items that are going up are corrections and Medicaid and child welfare. The items that are going down are things like K-12 education, higher education, and special education. The demand is growing in the areas that nobody is happy about, so there's got to be some way for us as a state to address the demand on state resources, because that trend is lose/lose. Urban, rural, everybody loses under that scenario. So as an element to address both the supply and demand, we think after-school programs provide an opportunity to get kids engaged with the local community. And hopefully...yesterday I participated in Campbell Elementary's career club, and we did mock school board meetings. So we think on both that supply and demand area after-school programs provide opportunities for kids to engage in different areas, and we think as an element to this bigger problem, ELOs are part of the solution. They're not the only solution. But to address that demand problem that you see in front of you, we've got to begin thinking long term and identifying the elements which are going to help that. Because if we're going to address property tax, income tax, school funding, this chart has to change. Because even if we did come up with a magic solution to the \$900 million deficit this year, if this trend continues we'll always be having these discussions about property taxes and income taxes. [LB246]

SENATOR GROENE: Thank you. Any questions? Oh, go ahead. Go ahead, Senator. No, my policy, I wait until the end. [LB246]

SENATOR EBKE: I would just say, how exciting was the mock school board? After having been on a school board for 12 years, I'm wondering how... [LB246]

JOHN SPATZ: You'll be pleased to know the third graders at Campbell Elementary voted 5 to 1 to add ice cream every day for lunch and voted 4 to 3 to add two recess periods every day. It was vigorous discussion. [LB246]

SENATOR EBKE: How are they going to get all those hours in, though? [LB246]

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JOHN SPATZ: Well, they had some budget hocks on that ice cream. They're a little worried about how are they going to pay for it. [LB246]

SENATOR EBKE: Okay. I'm done. [LB246]

SENATOR GROENE: Did you give them an object lesson about how to say no? [LB246]

JOHN SPATZ: Well, they are...some of them did. They voted 4-3 on the recess side of that. So it was a great discussion. But just for an example, Campbell Elementary in Lincoln is a wonderful elementary school. My kids go there, they do a great job. But having the ability to collaborate with the community and professionals come in provides another enrichment opportunity for kids. And I'm very pleased my kids participate in the GoNoodle physical activity ones. [LB246]

SENATOR GROENE: I have a question for you. You're talking about property tax, but if we do this, this is a pressure on property tax. State aid is not going to change. [LB246]

JOHN SPATZ: That's right. That's right. [LB246]

SENATOR GROENE: So if they're going to spend money, it's going to property tax money outside the levy. [LB246]

JOHN SPATZ: That's right. [LB246]

SENATOR GROENE: A problem in this state is property taxes. [LB246]

JOHN SPATZ: That's right, yeah. [LB246]

SENATOR GROENE: So now you have a school that's already complaining about they don't have enough funds, so now their school board is going to put pressure on them. Millard keeps saying they don't have enough funds, they can't get enough funds for basics. So now you're going to have parents coming into that school board and saying we want you to spend money on outside...where are they going to get the money? [LB246]

JOHN SPATZ: Well, that's a great question. The good thing about this, this is a local control issue. The state is not mandating anything. Part of the evolution of school board membership in the state is what we're seeing, is that school board members need to be community leaders in that

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community. We do a community engagement process and when we do that, we find from community to community the community needs different things. [LB246]

SENATOR GROENE: How about the community take part? [LB246]

JOHN SPATZ: Yeah. [LB246]

SENATOR GROENE: How about the State Chamber, who wants every childhood development kick in some money and foot up for what they talk? They want tax cuts, but they also put on advertisements they believe in early childhood. So they should foot the bill, stand behind what they say. How about that? [LB246]

JOHN SPATZ: Right. Well, we certainly encourage the local communities to help fund that, yeah. [LB246]

SENATOR GROENE: Instead of the property tax payer over and over and over again. [LB246]

JOHN SPATZ: Yeah. [LB246]

SENATOR GROENE: I'm lecturing, sorry. [LB246]

JOHN SPATZ: I appreciate it. Well, I agree with you. I think in a lot of cases, we've got to find ways to collaborate with the local community to do some of these things. [LB246]

SENATOR GROENE: Well, in North Platte we have the Kids Klub. Works great. Local businesses donate, parents donate. It's a great program. Why not leave it well enough alone? Why not keep that community involvement, instead of running to the taxpayer all the time to pay for it? [LB246]

JOHN SPATZ: Well, that's going to have to be a local decision, by the locally elected tax... [LB246]

SENATOR GROENE: It is already. Without that temptation to spend, to put pressure on the school board to spend extra money. [LB246]

JOHN SPATZ: Right. Well, we're not going to put pressure on them to do that. They're going to be accountable to their taxpayers. [LB246]

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SENATOR GROENE: Well, right now they're accountable. [LB246]

JOHN SPATZ: Yeah. [LB246]

SENATOR GROENE: They got to decide if they want a Latin class or they want to have a kids club. [LB246]

JOHN SPATZ: Right. [LB246]

SENATOR GROENE: They have to decide if they want to put...redo the football field with plastic or have a kids club. I think that's local government. So thank you. [LB246]

JOHN SPATZ: Yeah, you bet. Thank you. Appreciate it. [LB246]

JEFF COLE: Senator Groene, members of the Education Committee, my name is Jeff Cole, J-e-f-f C-o-l-e, representing Beyond School Bells, that's Nebraska's statewide expanded learning opportunity network. And I really thank you for the opportunity to speak in support of LB246. We're very supportive of this bill because we feel it's the right tool at a critical moment in the development of Nebraska's ELO programs. Now, I thought I had five minutes and I have three minutes, so I'm going to jump around a little bit to play off some of the things that I heard you guys ask. And, you know, one of the most important things I think that maybe hasn't been mentioned is that these dollars are really heavily leveraged dollars right now. For example, in Kids Klub, they do receive federal support from the 21st Century Community Learning Center Program. But you're exactly right, Senator, those are leveraged with parent fees, they're leveraged with community contributions, the State Chamber could step in and support that program. We find that in Nebraska those federal dollars are leveraged around about a 4 to 1 basis. When you look at the federal formula for what Nebraska gets to support 21st Century, they estimate that about 5,500 kids would be supported by our grant program. Well, in Nebraska, because we're efficient with these funds, we're serving around 20,000 kids on a high-quality program that brings in community partners to provide those engaging, hands-on activities that support and complement the school day learning but provide opportunities for concerned citizens to get involved. So there are some religious organizations that are working in CLCs, providing tutoring for example. Nondenominational services just engaging the volunteer energies that religious organizations have. So you see that in communities across the state. CLCs become a platform for other concerned citizens to get involved, when they couldn't during the school day. We know that young people need these kinds of activities. When you look at the research base, young people who regularly participate in these programs show improvement at attendance in school day programs, their behaviors improve, and ultimately their course work improves. And what's so important about these programs is when low-income kids participate in quality

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programs over time, so between kindergarten and fifth grade, that achievement gap in math scores disappears. So if young people regularly participate in high-quality programs, really good things happen. Because it's not during the school day that these differences in educational outcomes occur, it's the out of school time learning experiences that are so different for kids from different income levels, that these programs are so important to address. And so we're seeing great things in Nebraska right now, but not every community is large enough or has the demographics that allow them, like North Platte, to apply for the 21st Century grant funds. We think this is a great local control solution that will allow those communities with very small numbers to provide some seed funding to get these programs started and then to create a mechanism for local matching funds. So we feel like, especially at this moment...and one thing that I think I would like to mention is that we recently received an Innovation Fund grant from the Department to develop some programs that would serve rural communities and think that with the kind of programming start that we can provide, these dollars can fill a much-needed kind of kick-start to get these programs started. [LB246]

SENATOR GROENE: Thank you. Is there any questions from the committee? Senator Kolowski. [LB246]

SENATOR KOLOWSKI: Thank you, Mr. Chairman. Mr. Cole, the last year we had some funds that went to the program. I think it was half \$1 million, \$500,000, is that correct? [LB246]

JEFF COLE: I think it ended up being \$250,000. Yes, sir. [LB246]

SENATOR KOLOWSKI: After that it was cut. [LB246]

JEFF COLE: Yeah. [LB246]

SENATOR KOLOWSKI: Albeit to \$250,000. And that dependency and need is across the state as you have all described. I hope we'll be able to do the things you're talking about, as we have done them in so many different places. [LB246]

JEFF COLE: Right. [LB246]

SENATOR KOLOWSKI: To mix dollars from lots of different locations to provide for these families. You have no idea the impact this has on the families that have dual parents both working very hard to try and do their job and raise their kids in a hard economic time. They really provide a tremendous service with not just childcare, but also the academic enhancement that goes along with many of the classes they have. So I'm told it works. [LB246]

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JEFF COLE: Well, those grants you mentioned were matched on a 1 to 1 basis with local dollars and they went to programs that have existing...communities that have existing programs, which is, you know, really important to continue to grow the quality of those. What excites me about this grant is that it could be taken advantage of by communities that don't have anything. We can them after school deserts. They're communities where kids are going home to the latchkey syndrome. [LB246]

SENATOR KOLOWSKI: Sure. [LB246]

JEFF COLE: Or are not able to go anywhere after school. So we think this meets a really important need that builds on those investments that you've made in the past. [LB246]

SENATOR GROENE: Thank you. Any other questions? How many schools are you in...programs that you are associated with in right now? [LB246]

JEFF COLE: Yeah, we support a coalition of communities that are probably around 100 after-school programs. North Platte is a really good example of a community that's taken their initial investment and then through efficient use of those dollars has expanded. [LB246]

SENATOR GROENE: How many of those programs do the...there's nothing stopping a school board right now... [LB246]

JEFF COLE: Right. [LB246]

SENATOR GROENE: ...to using money with inside their spending limits to help fund it. [LB246]

JEFF COLE: Right. [LB246]

SENATOR GROENE: How many of those schools are doing that now? [LB246]

JEFF COLE: You know, it really varies on a site-by-site basis. A lot of the principal level decisions are made about how they use Title dollars, and a lot of those Title dollars are going to support after-school tutoring in a CLC. So it's a lot of blended dollars, so it's hard for me to say a precise number. But I would estimate, I know in Lincoln, and I know there are people from Lincoln here, a large number of those programs do utilize some existing school dollars in addition to the grant dollars. [LB246]

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SENATOR GROENE: So nothing is stopping them now to give some funding within the lid. [LB246]

JEFF COLE: Right. [LB246]

SENATOR GROENE: Yeah, it's a local decision. It's a local, you said. [LB246]

JEFF COLE: Yep. [LB246]

SENATOR GROENE: And Kids Klub is wonderful. [LB246]

JEFF COLE: It's a great example, yes. [LB246]

SENATOR GROENE: But there's a lot of people involved probably because they realize they can't rely on government to fund it for them. [LB246]

JEFF COLE: Right. Yeah, it's a great example of a community coming together and partnering. [LB246]

SENATOR GROENE: Thank you. Next proponent. Opponent? We have one letter of support from Ralston Schools. There are zero letters of opposition, in case I forget after we get done here. Thank you. Go ahead, Bryce. [LB246]

BRYCE WILSON: All right. Well, Senator Groene, Education Committee, I'm Bryce Wilson, B-r-y-c-e W-i-l-s-o-n. I'm the director of finance and organizational services for the Nebraska Department of Education. I'm testifying in support of LB246 on behalf of the State Board of Education. The State Board believes that expanded learning opportunity programs are important programs at high need school districts. This bill allows school districts to access additional spending authority to provide for these programs if the district has the available funding. Some of these school districts receive grants for expanded learning programs that require a local match. It is entirely possible that some districts may not be able to take advantage of the grant, due to the district being up against their spending limit. This bill would address that issue, at least to some degree. So and there was discussion earlier that what this bill does is adjust the levy limit. I just wanted to clarify, this bill does not affect the levy limit in any way, it affects the spending limit. Again, we control school district in the state two ways, either the spending limit or the levy limit. This bill does not address the levy limit, it does not change the \$1.05 in any way, it does not allow schools to levy more. It does allow schools who are up against the spending lid, which are a lot, primarily your rural school districts, to access additional spending authority. A lot of

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them have, you know, you've heard the situation of a 60 cent levy or something like that. So their levy is low, but they cannot spend any additional money because they're up against that spending lid that we certify to them every spring before they start putting their budget together. So I would be happy to answer any questions. [LB246]

SENATOR GROENE: Let me clarify something, you're a proponent, right? [LB246]

BRYCE WILSON: Correct. [LB246]

SENATOR GROENE: All right. [LB246]

BRYCE WILSON: On behalf of the State Board of Education. [LB246]

SENATOR GROENE: All right. I went to opponents, but make sure in the records that you're a proponent. Senator Kolowski? Senator Linehan. [LB246]

SENATOR LINEHAN: So where does the money...so are you saying that Millard, I think Millard is up against their levy limit, Westside is up against their limit, I think OPS is up against their levy limit, so none of these schools can do this program? [LB246]

BRYCE WILSON: They can do it, but a lot of the larger schools across the state, like in LPS, Omaha, Millard, they're up against their levy limit, like you said. And so their problem, they have a large amount of unused budget authority. This only adds to their unused budget authority, so this is not going to necessarily do them any good in their current situation, where they're not using all of their budget authority anyways. The districts where it's going to do them some good is if they're already up against how much we say they can spend for their general fund. [LB246]

SENATOR LINEHAN: Unless they would get like a windfall of money somehow, some miraculous windfall? [LB246]

BRYCE WILSON: If they got some miraculous windfall of money, it would probably be through a grant or something like that. And then we provide...they can apply for an exception to the budget authority limit anyways. So that's really probably not going to... [LB246]

SENATOR LINEHAN: I'm really focused on big schools. So they don't have a budget authority problem you just said, right? [LB246]

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BRYCE WILSON: The majority of them do not. The majority of them have a resource problem or a levy situation. [LB246]

SENATOR LINEHAN: I'm going to, because I'm so glad you're here today, because there was a meeting at the Douglas County Board this morning. And I don't know if you're aware of this, but western Douglas County, which I represent, has had anywhere from 15 to 20 percent increases in their valuations. And according to the board meeting this morning, a good friend of mine, who has been a county board member for a long time, said that the valuation increases were the Legislature's fault. So now obviously if we have 15 to 20 percent valuation increases and the levies don't go down, that will be a lot more money for everybody who is taxing. [LB246]

BRYCE WILSON: Maybe. Because of how TEEOSA works, what happens then is they, TEEOSA, then recognizes more resources locally, and the amount of TEEOSA then in theory would be reduced. So it may not result in a lot more of actual dollars for that school district to spend. [LB246]

SENATOR LINEHAN: It may not, but... [LB246]

BRYCE WILSON: It's not a 1 to 1, so there's a little bit of... [LB246]

SENATOR LINEHAN: Right. It most likely will raise property taxes rather significantly. [LB246]

BRYCE WILSON: It would raise what that school district could generate locally for property taxes, correct. [LB246]

SENATOR LINEHAN: Right. And again, a county board member said this morning that that would be the Legislature's fault. [LB246]

BRYCE WILSON: If that's true, mine went up 25 percent, so I also have a bone to pick with you guys I guess. But no, I don't know how that...what they mean by that. I'm not sure. [LB246]

SENATOR LINEHAN: So it would...all right, so this money then could be spent. It would be, if they have extra budget authority and they got extra money then they could spend the money on this program. [LB246]

BRYCE WILSON: Correct. [LB246]

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SENATOR LINEHAN: Even if they're up against the limit. [LB246]

BRYCE WILSON: Correct. They would be...there are a handful of things that are outside of the both the levy lid and the spending lid. We have a handful of exceptions to those and this would be added to the exceptions to the spending side, correct. [LB246]

SENATOR LINEHAN: Okay. Thank you very much. [LB246]

SENATOR GROENE: Bryce, so I was correct when I said this wouldn't help in Millard when they're up against their...they're on the income side, they're up against it. They have spending authority, but they can't raise any more funds. [LB246]

BRYCE WILSON: That is correct in their current situation, yes. [LB246]

SENATOR GROENE: Yeah. So those schools that are up against the revenue side of their limits, at their highest, it wouldn't help them at all. [LB246]

BRYCE WILSON: Correct. [LB246]

SENATOR GROENE: Because they have the ability to spend more. So it's a local decision. [LB246]

BRYCE WILSON: Yeah. [LB246]

SENATOR GROENE: They can still fund this program, help fund it, but it's within... [LB246]

BRYCE WILSON: And any time...and to clarify, too, any time you have a spending authority exception, that doesn't necessarily mean that that additional spending authority is coming from property taxes. Now, if you're trying to find additional resources, that's probably where it's going to come from, but it just means that a school district can spend more where that resource comes from. But it's probably likely going to be property taxes. [LB246]

SENATOR GROENE: If a private organization grants a school \$100,000 is that automatically outside of the spending limit where they spend that, because it's not considered a state aid or property taxes? [LB246]

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BRYCE WILSON: Not automatically, but the school district can apply for what we call special grant fund to the State Board of Education, and the State Board then can approve that request. So basically any time...we wouldn't want to tell schools, hey, you just got a giant grant to do something great at your school district. It's not costing the state anything, it's not costing your property taxpayers anything, we want you to be able to use that money coming into you, you know, you applied for the grant. So that is an exception to the spending authority. [LB246]

SENATOR GROENE: Already. [LB246]

BRYCE WILSON: So it's outside of the limit, correct. If they apply and the State Board approves it. [LB246]

SENATOR GROENE: So what you're talking about is rural schools that are funding themselves with all property taxes and they're up against their spending, that the school board could spend more money outside of their spending limit if we pass this? They could raise the mill levy? [LB246]

BRYCE WILSON: If they're under 1,000 students, they would get an additional \$50,000 for these programs, correct. [LB246]

SENATOR GROENE: Farmers would really like that. Thank you. Any other questions? [LB246]

SENATOR LINEHAN: I'm sorry, I do have one more. [LB246]

SENATOR GROENE: All right. [LB246]

SENATOR LINEHAN: I'm sorry, I'll be very quick. Did the Board of Education vote this was their...this was a vote on the Board of Education to support this bill. [LB246]

BRYCE WILSON: This was one of the bills that the State Board of Education voted to support. [LB246]

SENATOR LINEHAN: Okay, thank you very much. [LB246]

BRYCE WILSON: Thank you. [LB246]

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SENATOR GROENE: Any other questions? Thank you, Bryce. Proponents, any more? Opponents to LB246? Neutral? [LB246]

NATHAN LEACH: Mr. Chairman, members of the committee, my name is Nathan Leach, that's N-a-t-h-a-n L-e-a-c-h. I reside in District 27 in Lincoln, but I grew up in Kearney and graduated from Kearney High School in 2015. I'm speaking on LB246 in a neutral capacity. It's a fascinating bill, but I couldn't quite decide whether or not I supported the bill or opposed the bill. And so I thought to myself, what are some statements that could help this committee and help the Legislature consider the bill as it moves forward. And so I flipped through the Nebraska State Legislative Journal from 1937 and I fell upon some statements from the late U.S. Senator George Norris, who actually skipped the opening day of the U.S. Senate to speak to the Unicameral on the first day that they met as a Unicameral. And he said to the body: You are members of the first Legislature of Nebraska to hold your positions without any partisan obligation to any machine, to any boss, or to any alleged political leader. Your constituents do not expect perfection. They know that it is human to err but they do not (sic) expect, and have the right to expect, absolute honesty, ultimate courage, and a reasonable degree of efficiency and wisdom. The people of Nebraska will not condemn you even if they do not agree with your official actions. We realize that honest...disagreements on things which are not fundamental is an evidence of courage and independence. We expect an economical and efficient administration and, above all, an honest administration free from any partisan bias, political prejudice, or improper motives. And as you consider this bill and as you move it to the floor, I think it is important to place these statements into the record, as well as some others, related to the behavior of this Legislature over the past two months, and its inability to pass even the most simple of motions, like the motion to adopt the rules. I think the late U.S. Senator George Norris would be appalled by this body, its foolishness, and its inability to even operate on the most base of levels. So as you consider this bill, I think it's important, and I mean this with all-due respect, but I do think that these statements are important to be placed into the record as you move forward. Thank you, Mr. Chairman. And thank you, members of the committee. [LB246]

SENATOR GROENE: Thank you. Any questions? Senator Kolowski. [LB246]

SENATOR KOLOWSKI: Just a statement. Thank you for the historical perspective and for sharing that with us today. It's very important for all of us to hear that with what we are going through, working on at the current time. Thank you. [LB246]

SENATOR GROENE: No more questions? Any other neutral? Do you wish to close, Senator Morfeld? [LB246]

SENATOR MORFELD: Very briefly, Senator. Then I can open up the next one. [LB246]

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SENATOR GROENE: Well, don't say anything foolish. [LB246]

SENATOR MORFELD: No guarantees on that, you guys all know me. In any case, I want to first off...well, first, I thought the Department of Education was going to testify against my bill. I was going to go over and take away Matt Blomstedt's conversation hearts. But I'm glad they were in support. I do want to...I'm glad that they clarified, we learn something new every day, even as members of the committee. There is a difference between the spending limit and the levy limit, so those that are up against their levy limit would not be able to utilize this. But their spending limit is a different story. So there is a distinction there, and I apologize for the confusion on that. And I'd be happy to answer any questions. [LB246]

SENATOR GROENE: I appreciate your helping out small schools. This bill doesn't help the big ones. Thank you. Any other questions? You want to open on LB275, Senator Morfeld? [LB246]

SENATOR MORFELD: I can make myself useful. We are on LB275. [LB246]

SENATOR GROENE: LB247. [LB246]

SENATOR MORFELD: LB247, okay. I was going to say, I don't have a LB275 but I can wing it. [LB246]

SENATOR GROENE: I'm dylexic (phonetic). [LB246]

SENATOR MORFELD: (Exhibit 1) Dyslexic? Oh, we've got a bill for that. Okay. Senator Groene, members of the Education Committee, my name is Adam Morfeld, for the record, A-d-a-m M-o-r-f-e-l-d, representing the "Fighting 46" Legislative District, here today to introduce LB247. LB247 would allow school districts to use funds from the Qualified Capital Purpose Undertaking Fund, otherwise known as QCPUF, for the purposes of addressing and abating cybersecurity vulnerability. This would include paying vendors to make an audit of current cybersecurity measures and taking action to improve those measures and protect school districts from hacking. Currently QCPUF can be used for school districts for emergency purposes, such as mold abatement, fire safety, and so on. It is appropriate to add the use of these funds for cybersecurity issues as well. In this day and age, hacking into a school's computer system is as much of a threat and an emergency as that of a leaking roof or maybe even a fire. Cybersecurity vulnerability means any potential data compromised resulting from the loss, theft, or accidental release of personally identifiable information that is not publicly available. This includes information relating to the children being educated, and also the educators and administrators employed by the district. Cybersecurity is an issue that affects all of us, including school districts

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and students. This bill was brought to me by the Nebraska Association of School Boards as a way for schools to fund efforts to address cybersecurity issues. I urge your favorable consideration of this bill and I would be happy to answer any questions that you may have. I would also note that somebody from the organization will testify behind me with some details and specifics. [LB247]

SENATOR GROENE: Any questions for Senator Morfeld? Senator Linehan. [LB247]

SENATOR LINEHAN: So they could add...so instead of their levy being \$1.05, it would be \$1.08? [LB247]

SENATOR MORFELD: Well, with QCPUF I believe it's outside the levy limit, but I'm learning the distinction between the levy limit and the spending limit today. So yeah, they would be able to use funds outside of that. But somebody behind me can answer that question more specifically. [LB247]

SENATOR LINEHAN: Somebody can? [LB247]

SENATOR MORFELD: I hope so, unless they didn't come to testify on their own bill. [LB247]

SENATOR LINEHAN: Okay, thank you. [LB247]

SENATOR GROENE: Any other questions? Senator Kolowski. [LB247]

SENATOR KOLOWSKI: Thank you, sir. Senator, the amount of security needed, as every district is growing and its more and more use of technology, laptops for students across the board in some districts, or for seniors in high school or high school students in four grades, all sorts of expansion taking place across the state. Have you had contact with districts that are saying we just can't keep up, or we need to go that extra mile to get some additional dollars to ensure the safety and security of our technology networks? Or what was the impetus of a lot of your movement on this bill (inaudible)? [LB247]

SENATOR MORFELD: Well, the Nebraska Association of School Boards identified it as a need. They represent a lot of the school districts across the state, and so usually when they tell me that there is a need for something like this, I believe them, and I'm happy to assist any way I can. [LB247]

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SENATOR KOLOWSKI: Okay, thank you. [LB247]

SENATOR GROENE: Senator Morfeld. [LB247]

SENATOR MORFELD: Yeah. [LB247]

SENATOR GROENE: You're just adding another field. [LB247]

SENATOR MORFELD: To be qualified under the QCPUF funds. [LB247]

SENATOR GROENE: Yeah, you're just adding one. You're not changing. [LB247]

SENATOR MORFELD: I'm not changing more. [LB247]

SENATOR GROENE: But it still has to fit in under the 3 cents? [LB247]

SENATOR MORFELD: It has to fit into the 3 cents, correct. [LB247]

SENATOR GROENE: Yeah, you're not adding on 3 cents. [LB247]

SENATOR MORFELD: Yep. And if I said that incorrectly earlier, I apologize. [LB247]

SENATOR GROENE: I wasn't clear, but...or I didn't listen well. Probably the case. Thank you. [LB247]

SENATOR MORFELD: Thank you. [LB247]

JOHN SPATZ: Hello again. My name is John Spatz. Senator Groene, members of the committee, my name is John Spatz, J-o-h-n S-p-a-t-z, I'm the executive director of the Nebraska Association of School Boards. One of the entities that we're responsible for is the ALICAP Insurance Program. State statute enables schools to create a pooling mechanism for property, casualty, and workers compensation insurance. There's about 161 school districts in the state that currently utilize ALICAP insurance, and I'm sure that some of you lay awake at night thinking of the issues that are about to come before the Legislature. When I'm laying awake at night, one of the things that keeps me up is cyber liability. The ALICAP Insurance Program is one of the first, if not the first, state pool to cover cyber liability. And we've actually had some other states model

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their insurance after what we're doing here in the state of Nebraska. Currently, QCPUF enables schools to levy up to 3 cents for somewhat of an emergency situation: dealing with mold abatement, fire and life safety issues. We're not asking for that 3 cents to change, that 3 cents is there, what we're saying is to enable school districts to utilize that emergency fund if a grave cyber liability was identified. Now, the ALICAP Program has been very successful over the last few years, because we have very sophisticated loss control programs. This last year we returned \$1.4 million back to schools and taxpayers, the year before that it was \$1.3 million, and the year before that it was \$1 million. We think we have a very sophisticated, very good system for taxpayers out there to protect school districts. This is one of those things that we've identified as a risk, because we are exploring the ability of ALICAP providing low-cost or even no-cost cyber audits...or cybersecurity audits. One of the responses that we've gotten from some of the school districts was well, we don't know if we want to know, because if there is a legitimate cyber risk out there, we don't know that we can afford to fix it. So to keep this insurance program strong, if we do identify what we call severe cyber risks out there, we've got to get those addressed because the potential liability is pretty substantial. And talking to some of my peers in other states, when a breach happens, it creates not just a financial problem for the school district, but really a PR problem. And in 2017, with the use of technology looking forward, this could be a very significant area for school districts. So I'd be happy to answer any questions. [LB247]

SENATOR GROENE: Any questions? Senator Linehan. [LB247]

SENATOR LINEHAN: Thank you, Mr. Chairman. How many schools are already using this 3 percent or percentage (sic) there? [LB247]

JOHN SPATZ: I don't know the answer to that. You know, I don't know how many schools are using that. [LB247]

SENATOR LINEHAN: So does this show up on your property tax statement as a separate line? [LB247]

JOHN SPATZ: I don't know how it looks on the line, on the property tax statement. But there's 3 cents, there's current...the last year it was reduced from 5 cents to 3 cents as part of some of the property tax bills that we had last year. But the issues, and we're not suggesting changing that, we're just saying if we identify a severe risk that this emergency levy authority could be used for something like this. [LB247]

SENATOR LINEHAN: Okay, but you don't know how many are using it now? [LB247]

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JOHN SPATZ: I don't. I don't know that. [LB247]

SENATOR LINEHAN: All right, thank you very much. Could you get that information?
[LB247]

JOHN SPATZ: I'm sure we could, yeah. [LB247]

SENATOR LINEHAN: Okay, I would appreciate it. That would be wonderful. [LB247]

JOHN SPATZ: We'll certainly look into that. I'm sure that's available somewhere. [LB247]

SENATOR LINEHAN: Thank you very much. [LB247]

JOHN SPATZ: That's a good question, I appreciate it. [LB247]

SENATOR LINEHAN: Thank you. [LB247]

SENATOR GROENE: Senator Erdman. [LB247]

SENATOR ERDMAN: Thank you, Senator Groene. Thanks for coming today. So you jogged my memory there a bit when you talked about last year, when we reduced from 5 cents to 3 cents. If I'm not mistaken, help me understand this, but I think they were using that for something besides mold abatement. Is that why they did that? [LB247]

JOHN SPATZ: Well, it's statutorily...there's certain things in statute it's allowed to be used for.
[LB247]

SENATOR ERDMAN: And they weren't using it according to the statute, is that... [LB247]

JOHN SPATZ: Well, I don't know about that. [LB247]

SENATOR ERDMAN: I thought I'd read something about that. [LB247]

JOHN SPATZ: I don't recall that. [LB247]

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SENATOR GROENE: Again, the School Board Association, have they heard from any of their constituents that property taxes are a problem? [LB247]

JOHN SPATZ: Oh yeah, absolutely. Yep. [LB247]

SENATOR GROENE: And within their own budget, I think building fund you can put up the 14 cents into it. You've got a depreciation fund. [LB247]

JOHN SPATZ: Yeah. [LB247]

SENATOR GROENE: I would assume a good manager of a school has this part of their budget to use those funds. So why do we need to go outside of that? [LB247]

JOHN SPATZ: Well, what we're saying is if a severe risk is identified, we've got to address it very quickly and have the ability to address that very quickly. [LB247]

SENATOR GROENE: It doesn't say severe risk in this bill. [LB247]

JOHN SPATZ: Well, a cybersecurity risk, if it's identified, could be a very severe risk because the potential liability in some of these is very big. So we run what I'd call very conservative insurance program, and as a result of that, we've been able to return a significant amount of money back to school districts and taxpayers over the years. And we believe if we're securing ourselves from cyber threats out there, in the long-run we're going to be able to return more funds back to school districts. In the long-run, we think this is going to benefit the taxpayer. [LB247]

SENATOR GROENE: Well, why don't you come back to us and say this is such a problem that the state should fund this, not the local property taxpayer, and then see how far that goes. [LB247]

JOHN SPATZ: Okay. [LB247]

SENATOR GROENE: All right. Senator Ebke. [LB247]

SENATOR EBKE: Okay, let me try to get something on the record here. Okay, QCPUF, there's already a fund for that, they're already levying for that. All this is doing is adding another allowable use of that, right? [LB247]

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JOHN SPATZ: That's right, that's right. [LB247]

SENATOR EBKE: Okay. So it's already there, and for abatement of mold and asbestos and all sorts of other things like that, right? [LB247]

JOHN SPATZ: Yep. That's correct. [LB247]

SENATOR EBKE: And now we've just added another thing that it could be used for? [LB247]

JOHN SPATZ: That's correct, that's correct. [LB247]

SENATOR EBKE: Okay, thank you. [LB247]

JOHN SPATZ: Thank you. [LB247]

SENATOR GROENE: Any other questions? Senator Erdman. [LB247]

SENATOR ERDMAN: Thank you, Senator Groene. Does your school have a cash reserve? [LB247]

JOHN SPATZ: I don't have a school. [LB247]

SENATOR ERDMAN: Oh, okay. [LB247]

SENATOR GROENE: Any other questions? [LB247]

JOHN SPATZ: I call LPS my school. [LB247]

SENATOR ERDMAN: Okay. You know if they do? [LB247]

JOHN SPATZ: I don't. I don't know that. [LB247]

SENATOR GROENE: Thank you, Mr. Spatz. [LB247]

JOHN SPATZ: Thank you. Appreciate it. [LB247]

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SENATOR GROENE: Proponents. [LB247]

BRYCE WILSON: Senator Groene, Education Committee, again for the record, I'm Bryce Wilson, B-r-y-c-e W-i-l-s-o-n, and I am the director of finance and organizational services for the Nebraska Department of Education. I am testifying in support of LB247 on behalf of the State Board of Education. It would appear that adding cybersecurity vulnerabilities as an acceptable use to the Qualified Capital Purpose Undertaking Fund would be consistent with the other uses of the QCPUF. Currently, it is used to address concerns that require immediate action, such as mold abatement, life and safety code violations, ADA issues, etcetera, which are all acceptable uses of the QCPUF. There are many districts across the state that do not have the resources available in the general fund to address an immediate issue to the degree cost that an exposed cybersecurity vulnerability would cost. Adding this acceptable use to the QCPUF allows the district to use QCPUF bonds and fix the issue immediately, while not harming the short-term ability of the school district to operate. To answer the question earlier as well about the levy limit at \$1.05, the QCPUF used to the 5.2 cent levy, it just got changed a year or two ago and reduced to 3 cents. That 3 cents in the QCPUF fund is both part of the \$1.05 and not part of the \$1.05. So to clarify what that means is, if a school district is levying in their QCPUF fund and not paying back bonds it counts towards the \$1.05. So you have the general fund, the special building fund, and the QCPUF that all count toward that \$1.05 levy limit. If the school district issues bonds and they're paying back the bonds, it does not count towards the \$1.05 limits like the bond fund...it would be similar to the bond fund in that situation then. So in a situation where a school district has to...has a cybersecurity issue come up and they have to fix it immediately, they may go to an Ameritas or some place like that and issue bonds and to get the money to fix the situation right away, and then they would levy to pay that back. And then in that situation, it would not count towards the \$1.05 but it would still be under the 3 cent maximum levy in that QCPUF fund. [LB247]

SENATOR GROENE: Senator Linehan, did you have a question? [LB247]

SENATOR LINEHAN: So is there a separate line item on the property tax statement? [LB247]

BRYCE WILSON: No. I mean, as far as what fund it's going to. It does separate out which funds they're taxing in, yes, but not the bottom line number. [LB247]

SENATOR LINEHAN: So it's in with the bond numbers. If you're paying back, it would be... [LB247]

BRYCE WILSON: If you're paying back bonds, it would still... [LB247]

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SENATOR LINEHAN: I think most of the schools, almost all my schools in my district have bonds. [LB247]

BRYCE WILSON: It would just be by a fund. There's four taxing funds. They would...on your taxing statement, it would just say what fund they're taxing in at what level. So there's the building fund, the general fund, the QCPUF, and the bond under the four taxing funds that a school district can tax in. So it would just say which one of those. [LB247]

SENATOR LINEHAN: So let's pretend, and hopefully maybe there's some school out there that doesn't have a bond, but all of a sudden they had an issue. You're saying they could go and borrow the money up to this amount without taxpayer approval, or then they could go over their levy by this amount. [LB247]

BRYCE WILSON: By up to 3 cents. [LB247]

SENATOR LINEHAN: Up to 3 cents without talking, without getting taxpayer approval. [LB247]

BRYCE WILSON: Correct. The QCPUF was originally came about because they were all I guess identified as emergency situations that, you know, a school district, if it happens during the middle of the year, a school district can't levy or can't do anything about it to raise those additional funds until the following year. Then when they create their budget and have that passed in August, September time frame, then they can, you know, if it's something they identified ahead of time, they can do that. But if it's something that pops up during the year, like an ADA issue or a fire marshal comes into a school district and says you have, you know, two months to get fire sprinklers in here or we're going to shut your school down, those are the situations they can't wait until it's August or September. And this, in the State Board's opinion, would be a situation very similar to those. [LB247]

SENATOR LINEHAN: And they would never have to go back and ask the taxpayer in arrears if it was okay? [LB247]

BRYCE WILSON: No, but they have to have their budget approved. And so there would be a hearing because they're going to have go back and have that part, yeah. [LB247]

SENATOR LINEHAN: I got it, yep. [LB247]

SENATOR GROENE: Any other questions? Senator Kolowski. [LB247]

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SENATOR KOLOWSKI: Just to make the statement, whatever would be decided on those would be passed by the school board. [LB247]

BRYCE WILSON: Correct. [LB247]

SENATOR KOLOWSKI: So it's a local control all the way, and I think we have to keep that in mind. No one is trying to do anything below board or above board or anything else. It's all right there in the minutes of your school board. [LB247]

BRYCE WILSON: Correct. It would be...there would be a decision made by elected officials, correct. [LB247]

SENATOR KOLOWSKI: Thank you. [LB247]

SENATOR GROENE: Any other questions? So remind me, it's \$1 is the LER, \$1.05 is the max levy. And the special building...and the \$1.05 is the combination of... [LB247]

BRYCE WILSON: The special building fund and the general fund, and if they're just taxing the QCPUF to save up for an ADA project or fire sprinklers or something like that, then that would count towards it. If they're... [LB247]

SENATOR GROENE: The \$1.05. [LB247]

BRYCE WILSON: Towards the \$1.05 if they're paying back bonds. You can... [LB247]

SENATOR GROENE: The most you can have...portion out to be a building fund is 14 cents, right? [LB247]

BRYCE WILSON: In the building fund you can go to a vote and you can then exceed it up to 17.5 cents with a vote of the people. So 14 cents, unless you go to a vote. [LB247]

SENATOR GROENE: And we used to be...so when you see your tax statement and it's at \$1.08, it's the \$1.05 and then they probably have 3 cents on a bond? [LB247]

BRYCE WILSON: On a bond. Possibly. [LB247]

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SENATOR GROENE: So that 3 cent bond for the QCPUF stays within the levy, it doesn't go into the bond levy. [LB247]

BRYCE WILSON: It is also possible that they're over \$1.05 because of levy exceptions. So we have those few exceptions for the levy limit as well, and that can allow a school district can go a little bit over \$1.05. But not probably 3 cents. [LB247]

SENATOR GROENE: If they get sued of whatever. All right, all right. [LB247]

BRYCE WILSON: Without an override. A school district could also go and get a vote to have a levy override and then they could exceed the \$1.05. [LB247]

SENATOR GROENE: But there's nothing that stop a school district to incorporate their cybersecurity inside their technology budget. I would assume that's what you would do. [LB247]

BRYCE WILSON: They could address...certainly they could have, some school districts, would have the ability to budget enough reserves to handle that. Some districts probably don't have the ability to do that. [LB247]

SENATOR GROENE: Well, I would think a school district that has a computer system and a server would be like an individual with a laptop without buying Norton or something. I would think they have some type of cybersecurity with their system now and it's all in their technology budget. [LB247]

BRYCE WILSON: I would assume most probably have at least some level, but you know, there's always a tax that I suppose... [LB247]

SENATOR GROENE: Thank you. [LB247]

BRYCE WILSON: I guess I'm not a...but one other clarifying thing. You made the comment that they have the special building fund. They would not be able to use special building funds for a cybersecurity kind of issue. [LB247]

SENATOR GROENE: Thank you for straightening that out. Appreciate that, Bryce. Any other questions? Thank you. Any more proponents? We have one letter in favor...have 12 letters in favor of support...no, two. The 1 is crossed off, it looks like a 12. From Greater Nebraska Schools Association and the Nebraska Council of School Administrators. Opponents. [LB247]

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COBY MACH: Good afternoon. My name is Coby Mach, C-o-b-y M-a-c-h, and I am here on behalf of the Lincoln Independent Business Association, LIBA. We are opposing LB247. The QCPUF levy was allowed by the state to deal with problems like asbestos, mold, and other environmental, as well as health hazards. The taxpayers have solved many of the problems in our local school districts and we have paid through our taxes to help solve those problems. This is a tax that actually could go away. Rather than let this tax go away, LB247 expands the use of the tax. It would allow schools to use the tax for cybersecurity issues, which almost ensures that the tax would never go away. Now, last year the lid for QCPUF was lowered from 5.2 cents to 3 cents, but it grandfathered some projects that were already started. It appears to us that the bill might allow schools to include cybersecurity at the higher 5.2 cent tax if they were working on the cybersecurity prior to April of 2016. The fiscal note does say that schools would be subject to the 3 cent lid, but it does not address grandfathering. And even if we are incorrect, and even if cybersecurity is not grandfathered in, because cybersecurity is an ongoing issue, it would likely mean that this is a tax then that could never go away. Finally, the use of QCPUF allows districts to tax and bond without a vote of the people. Last year, it was April of 2016, the Shickley School Board used QCPUF as a way to bond and circumvent a vote of the people on a school addition. Their superintendent, Bryce Jorgenson, was quoted as saying "the QCPUF route also allows us to not have to go to a vote." Again, we would simply ask that you oppose this bill. And thank you for your time. [LB247]

SENATOR GROENE: Thank you, Mr. Mach. Any questions? Thank you. [LB247]

COBY MACH: Thank you. [LB247]

SENATOR GROENE: Any more opponents? Neutral? [LB247]

NATHAN LEACH: Mr. Chairman, members of the committee, thank you very much for your time and attention. I don't mean to waste your time by any means. My name is Nathan Leach, that's N-a-t-h-a-n L-e-a-c-h. I reside in District 27 in Lincoln, but grew up in Kearney and graduated from Kearney High School in 2015. LB247 was a very fascinating bill to read over and I went back and forth about whether I would support or oppose the bill. But I did feel like there was a number of statements that ought to be read into the record about how this committee handles this bill and how the Legislature handles the bill once it moves forward. And as I indicated in my testimony on LB246, I feel that the Legislature has departed from its longstanding tradition of nonpartisanship and I encourage the committee to stick to that tradition. And I wanted to share some of my own personal experience on the matter. I graduated in 2015 and afterward had the opportunity to move to Arizona and work in the State Senate in Arizona. And there I worked as a humble page. And I saw firsthand the deep dysfunction that is partisanship. And every day I left, my stomach just did a couple turns and I remembered how

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much I loved our Unicameral here in Nebraska. And so once they adjourned sine die, I faced the decision of whether I wanted to stay in Arizona or move back to Nebraska. And I moved to this state because of the nonpartisanship in this body and I felt that this is where I wanted to be because of our political innovation. And so I moved here, and then afterwards I had the opportunity to do a little time in South Dakota and work on the nonpartisan election campaign up there to mirror our system here in Nebraska. I knocked on thousands of doors and I told folks across the state about the system here in Nebraska and no one believed it. And I was so proud of this state. And now I've come back, I just joined the National Guard in December, and I watch for the past two months this Legislature seriously damage the institution that I deeply love and many Nebraskans love. So with that, I strongly encourage you, and in reference to this bill I felt that these statements should be in the record, and I will continue to place these statements on the record on several other bills moving forward until there is a change in the behavior of this Legislature. And I thank you very much for your time and attention again. [LB247]

SENATOR KOLOWSKI: Any questions? Mr. Erdman, please. [LB247]

SENATOR ERDMAN: Yeah. I will conclude from your comments on the first bill and this bill that you must be in favor of these bills, because you concluded that we will move these forward. So I would assume that that's your case. [LB247]

NATHAN LEACH: Yes, and to clarify those statements, and that's a important clarification, I mean, as you move forward on these bills in the sense of how you deliberate on them moving forward, whether they move from the committee or whether you move to indefinitely postpone them or whether you do absolutely nothing with them. So in no means on my neutrality on the bill would I want those statements to be misread as to say that I have a particular stance on the way they go forward. [LB247]

SENATOR ERDMAN: Generally...do you have a car with a stick shift? Have you ever seen one of those? [LB247]

NATHAN LEACH: I have an automatic. [LB247]

SENATOR ERDMAN: Okay. When you have a car with a stick shift and you put it in between gears and it's that kind of sloppy area where it goes back and forth, do you know what that's called? Neutral. That's what neutral does for you, it gets you nowhere. [LB247]

NATHAN LEACH: Yeah. [LB247]

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SENATOR ERDMAN: Thank you. [LB247]

SENATOR KOLOWSKI: Ms. Pansing Brooks. [LB247]

SENATOR PANSING BROOKS: I just want to thank you for coming. Of course the second house is the people and the citizens coming forward to speak their minds about what they have to say about any particular bill in any subject. So I appreciate the fact that you came forward to speak. Thank you. [LB247]

NATHAN LEACH: Thank you. [LB247]

SENATOR KOLOWSKI: Any other questions or comments? Just remember, a neutral is still impacted by gravity. Thank you. Back to you, sir. [LB247]

SENATOR GROENE: Any more neutral testimony? That closes the hearing on LB247. No, I was going to say...excuse me. Would you like to close, Senator Morfeld? I meant to say that closes the testimony. [LB247]

SENATOR MORFELD: I'll open, yeah. [LB247]

SENATOR GROENE: Close and open, would you? [LB247]

SENATOR MORFELD: Well, I certainly appreciate Coby Mach coming from Lincoln Independent Business Association. Just a few, you know, quick thoughts on that. You know, I see their concerns, and particularly with their organization's mission. I think that asbestos and environmental issues are increasingly issues of the past, as we have addressed those issues. And I think some of those issues still need to be addressed with some of these funds, which is why the Legislature kept 3 cents of that authority to go to those specific issues. I believe that the issue that we're talking about here today though is the issue of the future. And it's an important one. And just as asbestos and asbestos abatement was an important issue a long time ago, and in some facilities it may still be an issue actually, cybersecurity is the issue of the future. And, you know, in terms of vote of the people, that's why we elect elected representatives and sometimes we also have certain exceptions where they do have to go to a vote of the people. For instance, if they want to go over the \$1.05 or whatever the case may be. In this case, we leave it up to the elected representatives who are accountable every election to make that decision. I would just urge your favorable consideration of this. I'd be happy to answer any questions or continue opening on my next bill. Thank you, Mr. Chairman. [LB247]

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SENATOR GROENE: Any questions from the committee? Thank you. Would you now like to open on LB525, Senator Morfeld? [LB247]

SENATOR MORFELD: Yes, sir. Just have to find my testimony. That's what happens when you have three bills in one day. [LB525]

SENATOR GROENE: Senator Morfeld day. [LB525]

SENATOR MORFELD: I actually like having three bills in one day, not criticizing the scheduling of this. [LB525]

SENATOR GROENE: Special endowment. [LB525]

SENATOR MORFELD: Thank you, Senator Groene. Members of the Education Committee, my name is Adam Morfeld, for the record, A-d-a-m M-o-r-f-e-l-d, representing the "Fighting 46" Legislative District, here today to introduce LB525. LB525 funds the Master Teacher Program with the proceeds of 1 percent of the funds allocated to education from the Nebraska State Lottery. This bill was intended to replace the funding currently provided through the State General Fund appropriations. Since the lottery's inception, after prize payouts and administrative costs, funds are distributed annually to the Nebraska Education Endowment Improvement Fund for educational purposes. LB525 would simply direct some of those funds for this very important program without using general funds. As all of you are aware, after our hearing a few weeks ago, under the Master Teacher Program teachers are incentivized to complete National Board Certification, which research shows leads to improvements in the classroom, teaching, and student success. Teachers are reimbursed for the cost of the fees for certification of the program, which is a hands-on, classroom-based program. Currently, teachers across the state may achieve the Master Teacher status by earning the credentials from the National Board for Professional Teaching Standards. To be National Board certified, a teacher can complete the program segments over a three-year period at a cost of \$2,200. Any remaining funds would go to paying stipends for teachers who remain in the classroom after attaining National Board Certification. Stipends would be capped based on available funding from the 1 percent allocation. The Master Teacher Program is the only remaining state government program that directly promotes enhanced professionalism of teachers in the classroom, it benefits both equalized and nonequalized school districts. National Board Certification is designed to be the gold standard in teacher certification. It is similar to a board certified doctor and open to any teacher who is in their third year of teaching or beyond. There are currently 23 teachers in the process of obtaining certification, there are 65 master teachers in Nebraska who currently qualify for stipends. The Master Teacher Program is currently authorized for \$470,000 that is distributed to teachers. Funds generated by 1 percent of the lottery funds is estimated to be between \$160,000 to

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\$170,000, so keep playing the Nebraska Lottery. After subtracting the funds necessary to support the registration fee reimbursement, there would be sufficient remaining funds initially to provide for \$1,300 annual stipend for teachers holding the National Board for Professional Teacher Standards credential as opposed to the current \$5,000 per year. As the number of these credentialed teachers increase, the share for the stipend would also decrease, given limited funds. Considering two other pending bills, LB22 and LB214, which propose the discontinuation of funding for the program, the potential funding from the lottery funds would allow for continuation of this important program. I urge your favorable consideration of LB525 and would be happy to answer any questions from Senator Linehan. [LB525]

SENATOR GROENE: Any questions for Senator Morfeld? [LB525]

SENATOR MORFELD: Just trying to lighten it up today, Senator. [LB525]

SENATOR GROENE: Senator Kolowski. [LB525]

SENATOR KOLOWSKI: Thank you, Mr. Chairman. Senator, would you go back to the history of the funding from this program or this program as far as the history of Nebraska, when it was first passed and how many years it hasn't been funded? Things like that? [LB525]

SENATOR MORFELD: Well, Senator, I'd be going based off my memory of the testimony that we had a few weeks ago. I believe the program was started in the early 2000s. I graduated high school in 2003, so I don't have a personal recollection of the program. But I believe it started in the early 2000s and it was never funded until about 2014, 2015 when it finally did receive funding. And now we're looking at terminating that funding. I think that there's a lot of teachers that decided to obtain a certification thinking that there would be funding for it and understanding that there would be not only a benefit to their teaching skills being improved and their ability to teach students, but also the thought that, you know, this hard work would also lead to additional compensation. So I think it's important to maintain the program, and I understand that we're under budget constraints right now and those are serious issues. But I think it's a program that's worthwhile to fund, and particularly after the testimony that I heard a few weeks ago. I think it's one that has a real impact on kids' lives and so I think that's why I support it even...I thought it was a good idea before, but particularly after hearing from the teachers testimony and talking to some students and some other folks since then. I think it's a program that's worthwhile. [LB525]

SENATOR KOLOWSKI: Been around since the beginning of this program and it was never funded appropriately. And it was more or less just out there and it's been unfortunate that we haven't had the backing to get this done. I thank you for bringing this forward. [LB525]

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SENATOR MORFELD: Thank you, Senator. [LB525]

SENATOR GROENE: Senator Linehan. [LB525]

SENATOR LINEHAN: Thank you, Mr. Chairman. If we took the money from this program to do the Master Teacher Program, what wouldn't happen? [LB525]

SENATOR MORFELD: Yeah, that's a good question. You know, currently the lottery funds, there's obviously no money just hanging out there. But there are...we would have to re-shift and allocate certain funds. I mean, I know that we have innovation dollars that currently go to the Department of Ed to K-12 schools, and I believe some higher ed schools, so it might take a little bit of money from those grant programs. But there certainly would be another program that we'd have to take a little bit of money from. I would prefer that it come from...well, all appropriations and funding are discretionary, we can always decide to change it, but I would leave that up to the Department of Education to help decide. [LB525]

SENATOR LINEHAN: Okay. So we would...this money as now goes to the schools for them to spend as they see fit? That's what the money...it's grants that goes to the schools? [LB525]

SENATOR MORFELD: Well, not all of it. I would have to get back to you because I don't know the specific allocations. So for instance there are...there's a grant, some of these lottery funds currently goes to an education innovation grant fund that the Department of Education allocates. Some of it, \$10 million of it, actually goes to the Nebraska Opportunity Grant scholarship fund for young folks going to college that have income needs. And so it's allocated throughout. But yeah, something is going to have to give. [LB525]

SENATOR LINEHAN: Okay. [LB525]

SENATOR MORFELD: I can get...Senator, what I'll do is I will find, or we can find maybe from legal counsel, the exact breakdown right now of where all that funding goes to. [LB525]

SENATOR LINEHAN: Okay, thank you very much. Appreciate it. [LB525]

SENATOR MORFELD: Thank you. [LB525]

SENATOR GROENE: Senator Erdman. [LB525]

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SENATOR ERDMAN: Thank you, Senator Groene. So that was my question about the innovation grants, you know what those are used for, what that is? [LB525]

SENATOR MORFELD: Yeah. I actually just saw the press release, a few days of where those are all going to. But to be honest with you, I'd have to look at the press release again. I can forward that onto you, Senator. [LB525]

SENATOR ERDMAN: All right, thank you. [LB525]

SENATOR MORFELD: Yeah. [LB525]

SENATOR GROENE: Any other questions? Why couldn't...this is a private organization that does this Master Teacher, it's not related to any university system or credential. Why couldn't they apply to Nebraska's Department of Education as an innovative program? [LB525]

SENATOR MORFELD: They certainly could. It would be coming from the same fund. So you're asking why couldn't the teacher apply to the innovation fund? [LB525]

SENATOR GROENE: Why couldn't a local school district apply for the innovative fund to help fund... [LB525]

SENATOR MORFELD: To fund all their teachers or something? [LB525]

SENATOR GROENE: Yeah. The local school district thinks this is an advantage to them, they have master teachers. [LB525]

SENATOR MORFELD: I certainly think that could be an option. I don't know what the explicit criteria for applying to that fund, the innovation fund, is. But I suppose if it fits the Department of Education's criteria, that is a possibility. [LB525]

SENATOR GROENE: And you know we just redid, you were part of the committee, Senator Morfeld. We just redid the allocation of the lottery funds a year ago and we all agreed we'd wait, what is it, three years, five years, and to look at it again. We sunset it. So but 8 percent of the allocated funds of excellence is already directed at teaching, to help young people with grants to get a teacher's degree. So now you're pushing another 1 percent towards the teaching profession. [LB525]

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SENATOR MORFELD: Yeah. [LB525]

SENATOR GROENE: All right, thank you. Any other questions? Thank you. [LB525]

SENATOR MORFELD: Thank you. [LB525]

SENATOR GROENE: Proponents. [LB525]

MADDIE FENNELL: (Exhibit 1) Good afternoon and happy Valentine's Day. Thank you, Senator Groene, 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'm here representing the 28,000 members of the Nebraska State Education Association in favor of LB525. In November of 1992, 63 percent of Nebraska voters approved a constitutional amendment authorizing the creation of a state lottery, with the clear understanding that lottery proceeds would be used to enhance education and the environment. Since that time, the education funds have been expended on needs-based scholarships, the Education Innovation Fund, the Nebraska State Fair, and the Compulsive Gamblers Assistance Fund. LB525 provides the Legislature the opportunity to directly impact the classroom and improve instruction by expending a small portion of the lottery proceeds to encourage and support master teachers who have passed the highest standards of the education profession by attaining National Board Certification. Two weeks ago, I shared with you the research that empirically proves that the National Board Certification has a significant positive impact on student learning. As a nationally board certified teacher, I can personally attest to how the process of certification improved my teaching and that of my colleagues. Our students in Nebraska deserve to be taught by the highest qualified professionals. We need to use every means necessary to attract and retain those individuals. LB525 gives us that opportunity by directing just 1 percent of state lottery funds toward the Master Teacher Program. In a time when we are facing a budget shortfall, redirecting a portion of these lottery funds will provide a direct and positive impact on students, while not negatively affecting the state budget. I encourage you to support LB525 and send it to the full Legislature for consideration. Thank you. [LB525]

SENATOR GROENE: Thank you. Any questions from the committee? Thank you. [LB525]

MADDIE FENNELL: Thank you. [LB525]

SENATOR GROENE: Proponents. Next. If you're a proponent or you're going to testify, could you move to the front of the room so we...we try to keep it moving. [LB525]

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JAMIE HONKE: (Exhibit 2) Good afternoon, Chairman Groene and members of the committee. For the record, I am Jamie Honke, J-a-m-i-e H-o-n-k-e. I appreciate the opportunity as a constituent of Omaha, Nebraska in District 8 to testify before you today. As a public school teacher and a current candidate of the National Board for Professional Teaching Standards Certification Program, I would like to express my support for LB525 and its permanent funding through lottery funds. I recognize that this is not dependent on the General Fund appropriation and am hopeful that you will support this bill and see it to fruition. I have lived in Nebraska my entire life and grew up in the Nebraska Public School System. As a former student and a current educator, I see the true, indispensable value that a qualified master teacher has on not only his or her students, but the climate of the school and the community. I decided to pursue my National Board Certification after eight years of teaching because I felt that I was ready to work for the accreditation that comes with being considered a master teacher. I am passionate about my work as a Spanish teacher and I strive to promote real learning beyond the diploma. Above everything else, I am tremendously proud of the work that I do because I am deeply invested in my students' success and the success of my school. I always seek the best ways to help my students become bilingual professionals who are assets to our global community. I was recommended at the end of the last school year to participate in the National Board for Professional Teaching Standards Certification Program, actually I paid the nonrefundable deposit a week before LB22 was proposed to eliminate funding. So I'm definitely here today to support this bill. The NBPTS Certification Program is not easy. In fact, the rigor required separates the leader from the follower. While all teachers come to work with the intention of creating a better life for their students, nationally board certified teachers prove that they are committed not only to their students, but to the profession. They are the educators that you do not want to leave your state, and they are the individuals who pour their hearts into their profession. These are the teachers that you want all your teachers to emulate, they are the role models. There are a handful of teachers currently committed to the program to become nationally board certified. I am one of those teachers, and I have already started the process. In fact, while we were listening to other testimony, I was editing my paper for component number two. I knew I had this drive before I became a candidate, but I decided to pursue this certification because I wanted my students and my school to officially have a nationally board certified Spanish teacher and I knew the reimbursement and subsequent stipend would help my family. I hope that you will see LB525 not just as a want, but a need for our students. Studies have shown that teachers who receive their NBPTS certification outperform their noncertified colleagues with similar experience, and to endure the process of certification is a logical means to identify an effective teacher. I must complete multiple modules that examine every modicum of my teaching practice and provide proof that I exemplify my profession. Additionally, NBPTS requires me to critically analyze the standards required to be exemplary in the profession and testify to them with evidence to support that I qualify. This type of certification is lucrative to the state of Nebraska and the return on investment is generations of highly qualified teachers who support the best interests in education of Nebraskan students. A master teacher does not simply teach, a master teacher inspires

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generations of students, student teachers, colleagues, and community members. A master teacher advocates for achievement, quality, and purposeful education, and a master teacher leads the cause. Ladies and gentlemen, I have lived in Nebraska my entire life, I received my education here, and started my family here. I am proud to be a Nebraskan educator and I continue to work tirelessly as an educator because my heart lies in education. My greatest pride is to see my students succeed. I will continue to work for my students and their best interests, and appreciate the opportunity to support LB525, which will not only benefit our highly qualified teachers, but our community. Thank you. [LB525]

SENATOR GROENE: Thank you. Any questions? Have you pursued a master's or a Ph.D.? [LB525]

JAMIE HONKE: I have a master's degree in urban education. [LB525]

SENATOR GROENE: So that's helped you on the pay scale at your school? [LB525]

JAMIE HONKE: Yes. [LB525]

SENATOR GROENE: And we might check, but I think it was anything applied for prior to them cutting the budget that was going to be funded on your application fee. [LB525]

JAMIE HONKE: I can check into that. [LB525]

SENATOR GROENE: I think that's the way the legislation was written, but you might check. You might get your money back yet. [LB525]

JAMIE HONKE: Hopefully. [LB525]

SENATOR GROENE: All right. [LB525]

JAMIE HONKE: Thank you. [LB525]

SENATOR GROENE: Next proponent. Oh, I'm sorry. [LB525]

SENATOR WALZ: It was a comment, but it's okay. [LB525]

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SENATOR GROENE: You can make it. Next, please. [LB525]

NILA JACOBSON: (Exhibit 3) Senator Groene and members of the Education Committee, thank you for this opportunity to speak to you. My name is Nila Jacobson, N-i-l-a J-a-c-o-b-s-o-n, and I'm a National Board certified teacher at Lincoln Southwest High School. I'm here today to urge you to support LB525. Funding for the Master Teacher Program is important. National Board certified teachers become experts in their field. Board certified teachers are more effective, in turn their students are able to learn more. More than a decade of research from across the country confirms that students taught by board certified teachers learn more than students taught by other teachers. Estimates of the incomes in learning by students of board certified teachers are an addition of one to two months of instruction. The positive impact of having a board certified teacher is even greater for minority and low-income students. For example, in 2012, Harvard University's strategic data project found that students of board certified teachers in Los Angeles Unified School District made learning gains that were equivalent to two months of additional instruction in mathematics and one month of additional instruction in language arts. If we are to ensure that all students receive an excellent education that prepares them to be successful in today's world, we must systematically increase the quality of our teaching workforce. In short, accomplished teaching must be the norm and not the exception. How has National Board certified teaching changed what I do in the classroom? I have a completely different approach than before I was a part of this process. Every day I reflect on my students' outcomes and every day the lessons that I prepare for them are individualized based on the needs that I see. The inherent techniques of the National Board Certification process have improved my teaching in ways that I could not have imagined before. I'm proud to celebrate 32 years in the classroom this past January. I've seen many educational trends come and go. What has not changed is the increasing needs of the young adults that I'm teaching. Today, 46 percent of Lincoln Public School students qualify for free and reduced lunch. Many of the students I'm teaching right now have challenges with mental health issues that keep them from coming to school and have home lives that make it difficult for them to be at their best when they are at school. I know that the skills that I've learned and practiced as a National Board certified teacher has made a difference for my students. Please support LB525. Nebraska students deserve highly qualified teachers. The Master Teacher Program is an excellent resource to improve the skills of educators and the outcomes of the students. [LB525]

SENATOR GROENE: Thank you. Any questions from the... [LB525]

SENATOR WALZ: I have a question. [LB525]

SENATOR GROENE: Senator Walz. [LB525]

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SENATOR WALZ: Thank you for coming today. Are you able to take that certification and share your knowledge and training with the other teachers that you teach with? [LB525]

NILA JACOBSON: Absolutely. Absolutely. And something the Lincoln Public Schools does is we have professional learning communities. And many of the things that I have learned in my National Board process I do with my colleagues in our National Board professional learning community group. Yes, as a we plan together for our students. [LB525]

SENATOR WALZ: That's great, thank you. And I want to say to all three of the teachers who are here today, thank you for your passion for teaching and your commitment to the kids and your profession. So thank you. [LB525]

NILA JACOBSON: Thank you. [LB525]

SENATOR GROENE: Senator Linehan. [LB525]

SENATOR LINEHAN: I'm very impressed with the Harvard study you...thank you for being here, I'm sorry. This is amazing, this Harvard study. Do you know if there's other studies? Is this the only study. [LB525]

NILA JACOBSON: There are and I would be happy to forward to you. [LB525]

SENATOR LINEHAN: I would greatly appreciate... [LB525]

NILA JACOBSON: I have more information I'll be happy to send to your email. [LB525]

SENATOR LINEHAN: Okay. Thank you very much. I would appreciate that. Thank you, Mr. Chairman. [LB525]

SENATOR GROENE: The Master Teacher Program, is it on technique or on subject matter? [LB525]

NILA JACOBSON: You know, it is kind of a range of skills. Not only is it the techniques that you use in the classroom, it's your knowledge of your subject matter, which means that we have to do a lot of investigation of best practices. And it also is a connection to community, and it's also a connection to culture. And so not only do we do the best as far as teaching our students for, in my case the Spanish language, but connecting the importance of Spanish in our own

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community. And as we know, Nebraska has over 125 companies that have international clients and so we need to be producing young people who are competent in more than one language. And so the skills they begin in a high school setting are going to translate into much, much more capable workforce for these international companies. [LB525]

SENATOR GROENE: So you're taking the same subject matter as a math teacher and an English teacher... [LB525]

NILA JACOBSON: Yes, yes. [LB525]

SENATOR GROENE: It's technique and... [LB525]

NILA JACOBSON: Yes. [LB525]

SENATOR GROENE: All right. Well, thank you. [LB525]

NILA JACOBSON: Thank you. [LB525]

SENATOR GROENE: Any other questions? Senator Kolowski. [LB525]

SENATOR KOLOWSKI: One more, please. Thank you. Congratulations on your success and the good work. The systems that you work in also play a difference, make a huge difference in your professional life. [LB525]

NILA JACOBSON: Yes. [LB525]

SENATOR KOLOWSKI: You mentioned PLCs, your professional learning communities, in the Lincoln Public Schools and how important that function is as far as the sharing that teachers are able to do. [LB525]

NILA JACOBSON: Yes. Right. [LB525]

SENATOR KOLOWSKI: What else has mainly contributed to your success in the Lincoln schools that has really had payoff for you? [LB525]

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NILA JACOBSON: Well, I have been involved not only in Lincoln Public Schools, but at the state level. I'm a past president of the Nebraska International Language Association, which is our teachers professional organization. I'm also a current member of the advocacy committee and I've been to Washington, I've been to your office and talked with members of your staff, and I visit senators and representatives in Washington every year to discuss the needs of Nebraska educators, especially language educators. In Lincoln Public Schools, we are really blessed to have quite a talented group of teachers. And one of the things that we do as language educators is we share our knowledge with one another. I've been really privileged to present different topics that were a part of my National Board journey to my colleagues. And that was really a pleasure for me because as we collaborate, then we increase everyone else's learning. It isn't just my gain, it's the gain of my fellow educators. [LB525]

SENATOR KOLOWSKI: Are you involved with or heard about Educators Rising and what's taking place in that area across the state? [LB525]

NILA JACOBSON: You know, I actually am involved in several groups that are looking carefully at recent things that have happened at the national and local level. And one of the reasons that I am here today is because I have made a personal commitment to be more involved on the state level, because I do feel that you as a committee need to hear specifically from our voices. Because we are your eyes and ears in the community and when you speak of your wish for more rigor in curriculum, as we've discussed before, this is one way that as a National Board educator I can provide more rigorous opportunities for my students and then their outcomes are also increased. [LB525]

SENATOR KOLOWSKI: Thank you. Thank you very much. [LB525]

SENATOR GROENE: Thank you. Any other questions? Thank you for your testimony. [LB525]

NILA JACOBSON: Thank you for your time today. [LB525]

SENATOR GROENE: Is there any other proponents? Opponents? Neutral? [LB525]

NATHAN LEACH: Mr. Chairman, members of the committee, thank you very much for your time. My name is Nathan Leach, that's spelled N-a-t-h-a-n L-e-a-c-h. I currently live in District 27 in Lincoln, but grew up in Kearney and Kearney High School gets the credit of graduating me in 2015. LB525 is an interesting bill and I spent some time thinking about whether I would support or oppose the bill, but decided I would testify in a neutral capacity this afternoon. In fact, this morning, while I was brushing my teeth, the thought occurred to me, if I...if it was 20 years

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from now and I was looking back at the legislative record, what would I think would be the most pertinent information for this bill to be in the record. And one of the things I felt was important was the fact that this session, if this bill would to leave this committee and go to the floor, and how it is handled on the floor, and the amount of time that the Legislature has, what might impact this bill and why would it be important to be in the record. And one of the things was that this session, unlike any other session, with the exception of Chairman Wayne, every single committee in this body for the first time in its history has been chaired by the member of a single political party. And as someone who is a registered Independent, as someone who despises the divisiveness of political parties, I think that's important to be in the record. And I also noted that this session, from the very first day, has demonstrated the kind of divisiveness that I have never seen in my short time of living here in the Nebraska Legislature and how might that impact the way that this bill is considered. This weekend was actually my second trail for the Nebraska Army National Guard, and running around like they make me do, and the thought occurred to me, especially in that place, what burden do I have as a young person and my generation has to rectify the damage that certain members of this Legislature have caused on this institution. And that's a huge burden, and I hope that the record would show that there are many Nebraskans, myself included, who take that responsibility very seriously. And we will do whatever it takes to ensure that this traditions of this Legislature are restored and we can move forward in light of the words of U.S. Senator George Norris that have previously been submitted into the record today. But most importantly, the expectation that all matters be economical and efficient, and above all an honest administration free from partisan bias, political prejudice, or improper motives. Thank you, Mr. Chairman, and thank you, members of the committee, again, for your time. [LB525]

SENATOR GROENE: Questions? Young man, did you do your research? [LB525]

NATHAN LEACH: Yes, sir. [LB525]

SENATOR GROENE: Senator Ebke is the Judiciary Chair, she's a Libertarian. Do you know who Senator Wayne is? He's a registered Democrat. [LB525]

NATHAN LEACH: He's a registered Democrat. With all due respect, Mr. Chairman, I did exempt Mr. Wayne from that analysis. And I do apologize to Senator Ebke. [LB525]

SENATOR GROENE: I believe you said every single. [LB525]

NATHAN LEACH: With the exception of Senator Wayne. The record would show that. But I apologize for the confusion, and especially to Senator Ebke. [LB525]

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SENATOR GROENE: Have you ever read the Federalist Papers? [LB525]

NATHAN LEACH: I have...I have them on audiobook. [LB525]

SENATOR GROENE: (Interrupting) The transcripts of our Founding Fathers' debates and the feuds they fought? [LB525]

NATHAN LEACH: Yes, of course. [LB525]

SENATOR GROENE: They actually have feuds, did you know that? [LB525]

NATHAN LEACH: I did, Senator Groene. [LB525]

SENATOR GROENE: That they disagreed? And the history of our country shows disagreement is part of a lively democracy. I have read that history, young man. I would advise you do it. Thank you. Any other questions? Any other neutral? Thank you. Do you want to close? [LB525]

SENATOR MORFELD: Yes. Thank you very much for your guys' time today. I just wanted to do a little bit of research while I was sitting down. First off, to answer Senator Linehan's question. If you look on Page 7(b), what it does is it takes 1 percent away from the Education Innovation Grant Fund. I did look up on my email the Department of Education news release, where those funds went. I'll be sure to forward that on to the rest of the committee, so they're aware of where those funds went. It is I believe a year by year grant program, so where those funds would go next year may not be where the funds are going this year. But I did want to do that research. Actually, Senator Erdman may have asked that question too, I can't remember. So I'll send that information on to the committee. And I think that this is a good middle ground, this is about half the funding, a little bit less actually than half the funding that we allocated from the General Fund and to allow the program to be sustainable and continue on in the future. [LB525]

SENATOR GROENE: Thank you, Senator Morfeld, for the work you did on this bill. [LB525]

SENATOR MORFELD: Thank you. [LB525]

SENATOR GROENE: We will move then. Any questions, Senator Morfeld? We now close the hearing for LB525. Senator Kolowski will now present LB575, introduce it. [LB525]

SENATOR KOLOWSKI: Could I have some assistance, please? Thank you. [LB575]

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SENATOR GROENE: I am going to have Senator Pansing Brooks run the meeting for now. I have to...an emergency came up. Thank you. [LB575]

SENATOR PANSING BROOKS: Yes. Welcome, Senator Kolowski. [LB575]

SENATOR KOLOWSKI: Thank you, ma'am. It's good to be here this afternoon, and welcome to all the committee members. I look forward to this opportunity to share LB575 with you and to have this opportunity to talk about an important piece of possibilities that we would have for our future. Good afternoon to all of you, and as members of the Education Committee, I thank you for your time this afternoon. I'm Senator Rick Kolowski, R-i-c-k K-o-l-o-w-s-k-i, and I represent Legislative District 31 in southwest Omaha. LB575 creates the funding for public schools that implement and offer quality career and college readiness programs including, but not limited to, programs of excellence such as Advanced Placement, and International Baccalaureate, dual enrollment, and career academies. Within the spectrum of the entire educational opportunities that are available in our state, I want you to know that this is one of a number that I'll be talking about or presenting in bill form at this time in the next 60 days. And they are all important because they take into consideration the full range of educational opportunities for the students in our state. That means early childhood education from conception or birth all the way up through five-year-olds; the opportunities within educational learning opportunities, ELOs, that we had a presentation on just a little bit ago today; and also not just the extended school programs, but the other options that we would look at as far as what this bill would be about and how it would impact our communities in multiple ways. School districts are eligible to be reimbursed in this bill for each student who successfully completes one or more of these programs. This legislation holds schools accountable for the success of their students. School districts will openly receive funding for their efforts once students have proven their mastery of the subject material. School districts, through their educational service unit, must apply for reimbursement to the Nebraska Department of Education, which is charged with promulgating the rules and regulations to determine the mechanisms for successful student completion. The intent of this legislation is to appropriate \$2 million from the General Fund to reimburse school districts who offer these career and college readiness programs. School districts will be reimbursed a percentage per student, depending on the number of schools that apply for the funding, and the number of students who successfully complete these programs. LB575 is an important step towards giving all Nebraska students a world-class education and to prepare them for success. This is a vision that will grow over the years as we continue to build, enhance, and align the resources of the state to create an education system that supports children from birth through their postsecondary life and career. The delivery of any of these courses and experiences for any level of student should be open for educational and technological innovations. With LB575 we move closer to the delivery of a high-quality education to any student, any course, any time, and anywhere in the state. As we look at the opportunities that could come about with a bill like this, the financial implications of this bill, as with all education bills, come into play. I will

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not be shy or back down on the issues during this particular time to ask for and try to seek the funding that would come with the successful passage of this particular bill. This is a time when we need to make the gains and move ahead in all of those areas I've been describing: early childhood; the extended school day opportunities within communities; as well as in this particular bill, as far as the opportunities for 11th grade and 12th grade students or even some younger ones, depending on when they're taking AP, as they move on through their ranks in the high school years ready for college. One example, at the school I was principal of in Millard West, there is an education academy in that school. And half a day in their junior year and half a day in the senior year students are selected through an application process to be in that particular class. And upon successful completion of that class, they have 27 hours of college credit from Metro Community College and or UNO. As you look at the affordability of college and the issue that comes into play with so many families today, parents' eyes usually light up with dollar signs when you mention one full year, because that's a full year of tuition, room, board, and everything at a college level. And that's quite a dent in the college expenses that a student and a family would have to produce, and gives them a great leg up. The bigger issue is the preparation and the confidence the students gain from successful completion with these rigorous courses that can be taken at an earlier time in their high school career to prepare them for the college level challenges that they'll have as they move on to that particular level. So we're very excited about the possibilities of expanding what is going on in our state. And I know from my personal experience as a high school principal for 15 years and as a secondary director before that who helped put the AP and IB programs into our district in Millard, that the start-up costs and ongoing costs, including but not limited to the curriculum, the textbooks, the testing fees, postsecondary tuition, technology, equipment, staffing, and staff training, often exceed the available resources for a district. And you have to take it out of something if you're going to expand that program, and I would love to see that program expanding by the number of students that take these charge...electrically high-powered charged courses in our current environments in our high schools. We're very excited about what this might do, the direction it might go, and the things it would do for the state as a whole. \$2 million is a very small amount, when you look at the state as a whole, what might be coming back to any district who is successfully putting these courses into play. The important thing I think is that every district in the state depending on electronic transmission or personally having a student in the classroom could benefit from this opportunity of taking these higher level courses. Again, the International Baccalaureate, the Advanced Placement, the dual enrollment, or the academies that would exist in different districts upon successful completion of their coursework and the credit they could earn. We're excited about the possibilities and we...I'll stop there with the background information at this time. Thank you very much. [LB575]

SENATOR PANSING BROOKS: Thank you, Senator Kolowski. Anybody have any questions? Okay, hearing none, we'll take the proponents, please. [LB575]

SENATOR KOLOWSKI: Thank you. [LB575]

SENATOR PANSING BROOKS: Welcome. [LB575]

JIM SUTFIN: (Exhibit 3) Good afternoon. Are you ready? [LB575]

SENATOR PANSING BROOKS: Please. [LB575]

JIM SUTFIN: All right. Senator Pansing Brooks and the rest of the Education Committee, my name is Jim Sutfin, J-i-m S-u-t-f-i-n, and I'm here to testify on behalf of LB575. I certainly understand the tough financial situation we're in regarding the state budget, but while we work to address these issues we want to be able to keep the conversation going about improving education in the state of Nebraska. We know that all students can excel when provided an engaging, rigorous, relevant course of study. And I think LB575 speaks to that. Last year, the Department of Education took a very significant step forward when it selected the ACT as the state assessment. This was a good decision. In April, we will move to the next level in terms of accountability in our state education system. The ACT is a measure that has historically been valued in our communities and has real meaning for our students, motivation to do well is high. Results of the ACT can and will have impact on postsecondary experiences available to our students. LB575 ties directly to the academic rigor and career and college readiness assessed on the ACT. Curriculum development and alignment, rigorous courses and programs, and school district accountability are necessary in order to improve the educational experience for all students. Tied to LB575 are three principles that I would just like to go over briefly. First, we have the ACT. So now what? A test is just a test if it does not impact teaching and learning. You cannot cram for the ACT test, the results of the exam are directly tied to the curricula that students experience and master. Dual enrollment, Advanced Placement, and International Baccalaureate courses, and career academies that mirror NDE Rule 47 can drive better ACT results and improve instruction for students. These courses and programs are action steps to guarantee career and college ready students. As Senator Kolowski alluded to, the issue is cost. I'm not going to go back through all the things he talked about with cost, but I simply will say it is not a one per one cost. Students have to be somewhere, so they have to be in a class. But an AP course takes additional money because of the requirements of that teacher. Skipping down to number two, we have a chance to increase the number of two and four-year college graduates with minimal or no debt. A strong score on the ACT leads to opportunities after high school. The state-selected test can yield more scholarships for students. However, the students have to do well on the ACT, and they do that by taking rigorous coursework. Students who take dual enrollment and AP and IB courses in college, three things happen for them. Number one, they're bringing the sometimes difficult transition between high school and college and they're bridging it. Number two, they're putting themselves closer to college graduation before they even start

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their freshman year. And three, they're keeping costs low for families, so that college becomes an option, especially for families with economic challenges. We know that education is the silver bullet and LB575 creates an incentive. Last, we need to define the vision of excellence in education for both the state and the state funding formula. If TEEOSA aid is only about demographics, such things as student enrollment, poverty, distance from school, English language learners, etcetera, then we lose the ability to initiate positive instructional change on a statewide level. Several years ago, we had an incentive for teacher education and the length of the school year. These were the only two quality indicators that were in the TEEOSA formula. LB575 puts a quality indicator back in the formula. The question is what will be the purpose of state aid. Is it only about demographics, or is it about driving excellence? The ACT test was a great decision. The right decision. This bill, which causes our students to have to master the curriculum, master the AP exam or the IB exam, puts accountability on the school system to provide excellence before any reimbursement occurs. It is a different level of accountability than we have seen in our state ever before. I would be glad to answer any questions. [LB575]

SENATOR PANSING BROOKS: Thank you, Mr. Sutfin. Any questions? Yes, Senator Linehan. [LB575]

SENATOR LINEHAN: Thank you for being here. [LB575]

JIM SUTFIN: Yes, ma'am. [LB575]

SENATOR LINEHAN: Thank you. This is wonderful. So I really love two things about this, your testimony. One, in the first paragraph, "We know that all students can excel..." and I've talked to you before and I know you believe that, and I appreciate it very much. And I agree wholeheartedly with you and I'm glad you're here today to testify that the ACT score is a step in the right direction. Now, to the...I'm not quite...obviously I've been to Millard, I'm lucky enough to have been to your school, you have an excellent program. I'm not sure, so on the fiscal note, and if you don't know this, it's okay, we can figure this out, but this is extra money or it's money out of TEEOSA? [LB575]

JIM SUTFIN: This would be, according to the bill, additional money taken from the General Fund and put into the formula for reimbursement through the educational service unit. [LB575]

SENATOR LINEHAN: Okay. But it would be part of the...so I think from what you've said here, which I think is wonderful, it would be part of the TEEOSA formula. So we've been talking about more than just demographics when it comes to the TEEOSA formula. [LB575]

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JIM SUTFIN: Yeah, correct. Currently, the TEEOSA model we have, how far you are from school, what your income level is, whether or not you speak English, total enrollment. That is how money...poverty...that is how money is dispersed in the state aid formula. This would enable money to be distributed in the state aid formula for quality, for school districts that are willing to step forward and to offer programs of career and college rigor and only receive that money if the students perform. So to give you an example, take 25 kids, they're in an AP American history class. 15 of them earn a 3, 4, or 5 on the AP exam, 10 of them do not. You'd receive no reimbursement as a school district for the 10 students who did not master the AP exam, you would only receive the money for the 15 that did master it. Now, as a superintendent of the school district or as a principal of a high school, to me that has a lot of power and a lot of weight. That is where you learn to exercise the alignment of the written and taught and assessed curriculum. Because if you have a teacher that is not performing and the students are not doing well on the AP exam, you have one of two issues: you either have a curriculum alignment issue or you have an instructional issue. But if you're going to continue to sustain these types of programs with the funding that you would get from the state, you're going to be in that classroom and you're going to be having conversations with that classroom teacher; and you're going to have conversations with the curriculum department in the central office to make sure that we have a written, taught, and assessed curriculum. I don't know if that answers your question or not. [LB575]

SENATOR LINEHAN: That's a wonderful answer. Is this widely popular? [LB575]

JIM SUTFIN: I would tell you that in our district it is widely popular. [LB575]

SENATOR LINEHAN: Okay. [LB575]

JIM SUTFIN: I've talked to...I know a number of superintendents, as you can see we don't have a full room here today. You know, I certainly think that what is happening with the budget situation in our state is keeping people away and down to support legislation such as this, because we recognize the financial impact of the cuts that we are facing. And I guess the other part is if it's not popular with people, I'm okay with that, because I want to fight for kids. And I want to fight for kids earning that career and college credit. I just read in the newspaper today the cuts that are happening at the university, right, the cuts that will be happening at UNO and the state colleges, the cuts that we're going to be experiencing as public schools. We still have an obligation to raise up two and four-year college graduates who can do so with little or no debt, and this is a mechanism and a formula to do that. My family happens to be a recipient of this. I have a son that is 20 years old, or will be 20 years old, he's at UNO. He took with him 27 credit hours, he will finish his bachelor's degree one full year early. Well, that's a savings of \$15,000 to our family. We have told him that we will apply that towards him working on his CPA license.

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So we are giving him a kick-start in his career and his future that we would not have been able to do without this type of program. The reason I support this bill is the fact that we're in a spot in our school district with funding, and I heard Senator Groene and several other people mention Millard already today, where they talked about that Millard is having trouble with basic funding, basic funding. It is true, we are having financial difficulties with basic funding. Our average revenue increase over the last five years has been 0.9 percent. We've added 1,200 students and cut 41 positions. These programs are not required under Rule 10, these are the very programs that are subject to financial cuts because you must have the minimum requirements met. These are extras and these extras cost more. But again, not a one-for-one cost more, I'm guessing 15 to 20 percent more is what they cost. Textbooks, teacher education, and the exams. That stinking AP exam, it's \$93 a test--\$385,000 is what we spend as a school district on AP exams. That's a lot of money. And here's the deal, we can try to shift that back to our parents, but then we can't guarantee that they take that test. We want them to take that test because it is the greatest program of valuation we have in our curriculum to see whether or not we have a written, taught, and assessed curriculum and good instructional strategies. [LB575]

SENATOR LINEHAN: Can I ask you one more question? [LB575]

JIM SUTFIN: Yes, ma'am. [LB575]

SENATOR LINEHAN: So that's for the juniors, the ACT. [LB575]

JIM SUTFIN: Yes. [LB575]

SENATOR LINEHAN: So we've got that. So what would you suggest for other testing so it's... [LB575]

JIM SUTFIN: Yeah, great. [LB575]

SENATOR LINEHAN: I don't know what you use, but I assume you have others so you don't wait until they're a junior or a senior. [LB575]

JIM SUTFIN: Yeah, exactly. What you're talking about is Common Formative Assessments, that are utilized during the time of their education. We this year are giving the pre ACT to all of our sophomores. It is a great measure to predict how kids are doing, are preparing for the ACT. We also, as the beginning of the junior year, give our students a practice ACT. Here's the really great thing about the practice ACT, we bought it, we own it, it's ours. And so when we did that, when we gave that exam to our kids, we got the results. So we know how every single kid did on every

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single question. We can categorize them by strands, we can categorize them by individual questions, we can provide that back to our teachers. And we can do two things with that data: number one, what holes and gaps do we have in our curriculum as aligned to the ACT; and number two, if I'm a classroom teacher and I can see that I have students that are struggling with a certain concept, I can reteach it. Now, I would also add one more thing to this, Senator Linehan, and that is what we do with the seniors. If you follow the community colleges and the number of kids that go to the community college who are math deficient, it's significant. The ACT test allows us to work with dual enrollment for remediated community college math courses while they're still in high school, so that they finish the remediated math courses before they leave high school. We were the recipient of a grant from the Kiewit Foundation this year. We were piloting this for the first time, where we have students that are going to hopefully complete their math remediation before they leave us. We're excited about that, because if we can keep kids out of the remediated track in either the four-year or two-year college, we have a better chance to getting them to graduate. The more credit hours we can pump into students before they leave us in high school, the more likely they are to sustain through college and earn that degree. And we want to do that with our kids. [LB575]

SENATOR LINEHAN: Thank you very much for coming down today. [LB575]

JIM SUTFIN: Thank you. [LB575]

SENATOR PANSING BROOKS: Thank you, Senator Linehan. Any other questions? Thank you very much for coming, Mr. Sutfin. [LB575]

JIM SUTFIN: Thank you. [LB575]

SENATOR PANSING BROOKS: Yes, welcome. Go ahead. [LB575]

DAVID LUDWIG: Welcome and thank you. Good afternoon, Senator and committee. I'm David Ludwig, D-a-v-i-d L-u-d-w-i-g, and I'm the executive director for the ESU Coordinating Council. First of all, I'd like to thank you for allowing me an opportunity to be here, and also thank you for your leadership in these difficult times. So I greatly appreciate it. For the past 30 years, I've had the opportunity of serving as an administrator in Nebraska, and during that time through ESUs and then two school districts as well. But most importantly, I've had the opportunity of serving as an educator for the past 34 years. During that time, when talking about student needs through continuous improvement process, there were times where sometimes it would be brought up we can't afford it, the budget doesn't allow it, it costs too much. And those conversations at times would divert the conversation from student needs and future investments to some stagnation and taking the focus away from student needs. This bill I really feel changes

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the focus. Keep in mind I understand the situation we're in right now, but it changes that focus to student needs and future investments for all of our students within the state. As a parent and an administrator in my hometown, which I served for 19 years, we had a comprehensive dual credit program in a small school of Wisner-Pilger, and during that time my two sons, who are now 26 and 29 at the present time, were able to graduate from high school from a small district with 27 and 30 hours of dual credit of dual credit courses respectfully. They were able to attend Creighton University, as sophomores they were able to graduate from Creighton University in four years, and both had a great opportunities. And these are opportunities I wish and hope all students in the state can have, be afforded those same opportunities. So in light of the budget cuts, I get that, I'm realistic, but also this bill I really feel changes that focus on student needs and future investment of the direction that we need to go within the state of Nebraska. So again, I hope these are...I know that you'll have some great conversations, but I hope these are opportunities that more students can be provided. So thank you for letting me speak. [LB575]

SENATOR PANSING BROOKS: Thank you very much, Mr. Ludwig. Any questions for Mr. Ludwig? No questions. [LB575]

DAVID LUDWIG: Okay, thank you. [LB575]

SENATOR PANSING BROOKS: Thank you for coming forward. Additional proponents. Welcome. [LB575]

TIM ROYERS: Good afternoon. For the record, my name is Tim, T-i-m, Royers, R-o-y-e-r-s. I apologize, I don't have a written copy. It was not my...I didn't think I'd be able to testify before you today, so I actually emailed it ahead of time to Senator Groene. I spent the day at a summit discussing the future of social studies education in this state, because that's what I do. I'm a history teacher. In fact, I'm the 2016 Nebraska teacher of the year. But as I was heading home to my daughter's seventh birthday party, a friend of mine contacted me and mentioned that you hadn't discussed this bill yet. And so I stopped by on my way from our discussion of social studies, because I felt it was incredibly paramount that I would testify before you today. The reason why I support this bill is because for the past five years of my teaching career, I've had the benefit of being able to teach AP world history and AP European history to my students. And being able to teach them the classes that would be benefited from Senator Kolowski's bill, I absolutely felt compelled to testify in support of it. One of the things that this has a profound impact on is the ability, as you've heard from others, for these students to be college and career ready. Last year, for the first time at my school, we were able to offer sophomores the opportunity to take AP world history. This is not just the elite of the elite that we tap for this class. Any student that's a sophomore is able to take this class. Despite that fact, because of the support that we gave them, more than 75 percent of my students passed that exam. The national

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passage rate, by the way, for the record, is 50 percent. So those kids are already getting incredible skills that they wouldn't otherwise necessarily have, had they not been afforded the opportunity to take that advanced placement course. Just two school days ago, they were having to compare and contrast the ability of the Abbasid Caliphate and the Tang Dynasty in their ability to influence surrounding cultures. Which I'm pretty sure if I threw that question at most adults, they wouldn't necessarily know how to approach that question. And they were able to do it without their book or their notes. The reason why I'm here specifically though, obviously I already benefit from teaching at a school that has this program. I'm speaking on behalf of the schools and districts that are not yet able to offer these programs to these students because they lack the funding necessary to do it. These are expensive programs, they require teachers with additional levels of education, they require curriculum alignment to make sure that those students have the skills necessary to step into these classes and be successful, and they require additional materials and resources. I just got done spending the day talking to teachers and ESU directors from around the state. I'm in the minority, in that I teach at a school that has an AP offering. In fact, most of the teachers that I talk to have maybe one AP offering in their social studies department, if any at all. And cost is the number one prohibitive piece. Our main goal for our students is to make them college and career ready, and I know the concern is throwing additional dollars at schools. This is not simply throwing additional dollars at schools, because it requires that these students pass the exam. It is an effective use of the taxpayers' money. This is important because many school districts in Nebraska face unique challenges, especially rural districts, that make it even more cost-prohibitive than say a suburban district that I teach at. We need this kind of assistance to afford all students in Nebraska the opportunity to take the kind of classes that my students are able to take every single day. So I'm not speaking out of self-interest, I'm speaking because I've seen the magic and power of these courses and I want to see it replicated in districts across the state. Thank you for your time. [LB575]

SENATOR PANSING BROOKS: Thank you very much for coming, Mr. Royers. It's really an honor to have you, the state teacher of the year. [LB575]

TIM ROYERS: For last year, yeah. [LB575]

SENATOR PANSING BROOKS: For 2016? [LB575]

TIM ROYERS: Yes. [LB575]

SENATOR PANSING BROOKS: Please come testify more often. We're grateful to have you and grateful for the work that you do for the future of Nebraska. By being an excellent teacher, you are preparing our future, and we're really grateful. [LB575]

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TIM ROYERS: Thank you. [LB575]

SENATOR PANSING BROOKS: Thank you. Any questions. Thank you very much for coming. [LB575]

TIM ROYERS: Thank you. If you excuse me, I have a seven-year-old's birthday party to get to. [LB575]

SENATOR PANSING BROOKS: Further proponents. Any proponents? What about opponents? Any opponents? Okay, any neutral testimony? [LB575]

NATHAN LEACH: Mr. Chairman, members of the committee, my name is Nathan Leach, that is N-a-t-h-a-n L-e-a-c-h. I reside in District 27 in Lincoln, but again, I grew up in Kearney, Nebraska, and graduated from Kearney High School in 2016. I'd like to clarify that I'm speaking strictly on behalf of myself. On a quick side note, I just wanted to say I'm still neutral on the underlying bill, but I did take AP classes in high school and look what it did. So I wouldn't...anyway. When considering LB575, I was very hesitant whether or not I wanted to actually support or oppose the underlining bill, but I did feel like there was a number of statements relative to procedure in how this committee deliberates on it and how, if this bill moves forward, this committee is considered on the floor. And there was some statements, again that just for the record, I would like to have in the transcript that were spoken by U.S. Senator George Norris in 1937, before the Legislature had its first meeting. And those statements were "You are members of the first Legislature of Nebraska to hold your positions without any partisan obligation to any machine, to any boss, or to any alleged political leader. Your constituents do not expect perfection. They know that it is human to err but they do not (sic)"...or "they do expect and have the right to expect, absolute honesty, ultimate (sic) courage, and a reasonable degree of efficiency and wisdom. The people of Nebraska will not condemn you even if they do not agree with all of your official actions. We realize that honest...disagreement on things which are not fundamental is an evidence of courage and independence. We expect an economical and efficient administration and, above all, an honest administration free from any partisan, bias, political prejudice, or improper motives." And these words spoken by Senator George Norris were just minutes before the Unicameral for the first time in the history of Nebraska as a Legislature cast floor ballots in a nonpartisan fashion and organized geographically in terms of its caucusing. And I wouldn't claim to be a specialist, I wouldn't even claim, as the question that was asked before how much research have I done, I wouldn't claim that I know everything. But after this session started, I spent some time up in the law library here in the Legislature and I read through the legislative journals from 1937 until, well, actually the '70s when they created the...when they altered the way they elected chairmanships. It used to be that the committee itself...or the Committee on Committees used to designate chairmen and then

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they changed it from the floor by using floor ballots. Every single election for an official of this Legislature has happened by floor ballot on the floor, even if it wasn't placed in the rules. The Legislature did it automatically. Again, members of the committee and Mr. Chairman, I really appreciate your time. And thank you again. [LB575]

SENATOR GROENE: Any questions? [LB575]

SENATOR PANSING BROOKS: Thank you, Mr. Leach. [LB575]

SENATOR GROENE: Whoops, you finish. [LB575]

SENATOR PANSING BROOKS: Okay. Any questions? Thank you for coming. [LB575]

SENATOR GROENE: What's your major? Are you going to school? [LB575]

NATHAN LEACH: I did one semester at the University of Nebraska-Kearney and I majored in political science. [LB575]

SENATOR GROENE: Are you still in school then? [LB575]

NATHAN LEACH: I am not at school at this time. [LB575]

SENATOR GROENE: Thank you. [LB575]

SENATOR PANSING BROOKS: Thank you. Any further...any additional neutral testimony? Okay, closing, Senator Kolowski. [LB575]

SENATOR KOLOWSKI: I want to thank all those who came forward to give testimony today. And I think you've heard from some, a cross section of people who have deep concerns about the direction of the academic excellence of our students in our state and the possibilities of what might take place at every school. This is not limited to the metro area, to the Lincoln area, across Route 80, anything else, it's the entire state of Nebraska that can be impacted by the technological delivery, as well as the personal delivery of courses like this. Tim Royers, I'm very proud of him, because he was one of my students at Millard West. He went to Northwest Missouri, and hired him back as a teacher after he completed his degree work at Northwest Missouri. Ascending to the teacher of the year in the state of Nebraska is no small task. What you heard, what you saw is the real thing. Very proud of Tim and the work that he's been able to

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do and the impact he's had upon our school and our community, as far as the students' lives that he has touched. That can be replicated, that can happen in schools across the state, and I hope we'll be able to look at the dollars well-invested. And I happened to read an article at lunch hour today, that I'm going to get to everyone, concerning expenditures for educational improvement in the state, and the payoff of that that new research has been uncovering, and the impact that has had on those states. I will not be quiet or shy about asking for the money and the continued growth of opportunities in the educational realm--early childhood, as we talked about; ELOs; as well as this kind of program for these advanced courses that are extremely impactful upon students and upon school environments and upon the communities that they impact over time. With that, I'll stop, and if you have any questions, I'll be glad to answer them. [LB575]

SENATOR PANSING BROOKS: Any questions for Senator Kolowski? Seeing none, thank you very much, Senator Kolowski. [LB575]

SENATOR KOLOWSKI: Thank you. [LB575]

SENATOR PANSING BROOKS: Back to you. [LB575]

SENATOR GROENE: That closes the hearings for the day. We will not have an exec today. [LB575]