

ONE HUNDRED SEVENTH LEGISLATURE - FIRST SESSION - 2021
COMMITTEE STATEMENT
LB132

Hearing Date: Tuesday February 02, 2021
Committee On: Education
Introducer: DeBoer
One Liner: Create the School Financing Review Commission

Roll Call Vote - Final Committee Action:
Advanced to General File with amendment(s)

Vote Results:

Aye:	7	Senators Day, McKinney, Morfeld, Murman, Pansing Brooks, Sanders, Walz
Nay:	1	Senator Linehan
Absent:		
Present Not Voting:		

Oral Testimony:

Proponents:

Senator Wendy DeBoer
Mike Dulaney
Al Juhnke

Connie Knoche
Nathan Beacon
Jack Moles
Kyle Fairbairn

Opponents:

Spencer Head

Neutral:

Representing:

Introducer
NCSA, NASB, NSEA & STANCE
NE Pork Producers Assoc., NE Dairy Assoc., NE Soybean Assoc. & NE Farm Bureau
Open Sky Policy Institute
Center for Rural Affairs
Nebraska Rural Community Schools Association (NRCSA)
GNSA

Representing:

Omaha Public Schools

Representing:

Submitted Written Testimony:

Proponents:

John Hansen
Ann Hunter-Pirtle
Carina M. McCormick, PhD
John Skretta
John Schwartz
Jason Hayes

Representing:

NE Farmers Union
Stand for Schools
Self
ESUCC
STANCE
NSEA

Opponents:

Representing:

Summary of purpose and/or changes:

Legislative bill 132 creates a School Finance Review Commission (Commission) to conduct an in-depth review of the financing of the public K-12 schools. For administrative purposes, shall be housed in the Nebraska Department of Education (NDE).

Section 1:

Per LB132, the Commission shall consist of 16 members, including:

- a) The Commissioner of Education, or his or her designee
- b) A representative of the Governor appointed by the Governor
- c) One member representing postsecondary education with expertise in the area of school finance
- d) One member of the Educational Service Unit Coordinating Council
- e) Two members (one school administrator and one school board member) representing a school district 1,200 students or less:
- f) Two members (one school administrator and one school board member) representing a school district with 1,201-10,000 students:
- g) Two members (one school administrator and one school board member) representing a school district with 10,001 students or more:
- h) Six members from the state at large, two from each congressional district, who:
 - Reside in school districts of varied sized, and with varying percentages of limited English proficiency students, and poverty students
 - At least one of the at large members shall have experience in the teaching in public schools as a certificated teacher
 - At least one of the at large members shall have experience in business
 - At least one of the at large members shall have experience in agriculture-related business

The 14 members of the Commission identified in c-h above, shall be appointed by the Governor to serve through December 31, 2030. To the extent possible, members shall be diverse in terms of race, gender, and other demographic factors. Vacancies shall be filled by the Governor for the remainder of the term.

LB132 designates the Commissioner as the chairperson of the Commission, and directs that a vice-chairperson be elected by the members. Members shall not receive compensation, but shall be reimbursed for expenses incurred pursuant to Neb. Rev. Stat. 81-1174 to 81-1177.

Staff of NDE may assist as needed and requested by the chairperson. The commission may receive data from NDE and the Department of Revenue as needed.

Section 2:

(1) The Commission shall conduct an in-depth review of the financing of the public elementary and secondary schools. Specifically, the Commission shall:

- a) Examine methods of financing K-12 education which would provide equitable opportunities across the state and offer alternatives to heavy reliance on property taxes, including methods used in other states
- b) Examine the option of using income as a component in the financing of K-12 schools
- c) Examine the option of using sales tax as a component in the financing of K-12 schools, including, but not limited to, an

examination of other states using this option

- d) Examine financing issues related to the quality and performance of K-12 schools
 - e) Examine options for funding expanded public prekindergarten services
 - f) Examine options for funding college-readiness and career-readiness programs, including, but not limited to, dual-enrollments courses and career academies
 - g) Examine the costs and resources necessary to meet the diverse and growing needs of students across the state, including, but not limited to, the needs of poverty and limited English proficiency students
 - h) Examine methods from other states to fund public K-12 school infrastructure needs
 - i) Examine other issues related to public K-12 school finance as necessary and as determined by the chairperson
 - j) Prepare and submit a progress report to the Legislature by December 31, 2021; and
 - k) Prepare a preliminary report and present it to the Legislative Council in November 2022.
- The final report shall be submitted by December 1, 2022, to the Governor, State Board of Education, and electronically to the Legislature
 - The final report shall include recommendations on maintaining adequate and equitable funding for public schools in light of information gathered for review

(2) LB132 directs that on or after December 1, 2022, to assure that every Nebraskan is educated for success, the Commission shall:

- a) Review the mission of providing Nebraskans the opportunity to acquire the necessary skills and knowledge to be productive individuals
- b) Review, make recommendations on, and report on the progress of the goals established by the Legislature and NDE. The committee may solicit comments, concerns, and case studies from all sizes of schools in Nebraska and develop best practices for implementing and achieving such goals; and
- c) Review the implementation of TEEOSA and of any recommendations contained in reports issued under subsection 1 of this section

LB132 directs that the Commission shall report to the Governor, State Board of Education and electronically to the Legislature on the adequacy of school funding sources on or before July 1 of each even-numbered year beginning in 2024 and ending in 2030.

Section 3:

This measure contains an emergency clause.

Explanation of amendments:

The Committee considered and adopted AM555 which substitutes for the bill and revises the language of LB132 as introduced. It makes the following changes:

Increases the number of members on the Commission from 16 to 21, by adding the following 5 new members:

- 3 members of the Legislature as nonvoting members appointed every biennium by the Executive Board, further defined as follows:
 - 1 from each congressional district
 - No more than 2 from any political party
 - 1 being a member of the Education Committee
 - 1 being a member of the Revenue Committee
- The Property Tax Administrator or designee of such
- 1 certificated teacher in a public school

The following members of the Commission have been modified from the original bill language:

- The school board member and school administrator representing school districts with not more than 1200 students now must also represent Class III school districts
- The school board member and school administrator representing school districts with 1200 - 10,000 students now must also represent Class III school districts
- The school board member and school administrator representing school districts with more than 10,000 students now must also represent a Class IV and a Class V school district
- The 6 at-large members no longer require a certificated teacher (because that requirement has been added as a separate appointment), and the requirement that 1 have "experience in agriculture-related business" has been changed to having "experience in farming"

All appointed members to the Commission must be appointed within 30 days of the effective date of the bill.

AM555 changes the following dates:

- The preliminary report is now to be presented to the Legislative Council in November 2021, as opposed to 2022.
- The final report is now due by December 1, 2021 instead of 2022.

Because these two reports have been moved up a year, the required progress report originally due by December 31, 2021 has been eliminated.

Lynne Walz, Chairperson