

Transcript Prepared by Clerk of the Legislature Transcribers Office

Education Committee November 8, 2024

Rough Draft

MURMAN: Good morning. Good morning, and welcome to the Education Committee. I'm Senator Dave Murman. I'm from Glenvil, Nebraska, and represent the 38th Legislative District, which consists of eight counties stretching along the southern part of the state. I serve as Chair of the committee. We have our committee members with us today, and they will introduce themselves, starting on my right.

SANDERS: Good morning. Rita Sanders: Bellevue, District 45.

LINEHAN: Good morning. Lou Ann Linehan, District 39: Elkhorn and Waterloo in Douglas County.

WALZ: Good morning. Lynne Walz: District 15, which is Dodge County and Valley.

CONRAD: Good morning. Danielle Conrad, north Lincoln.

MURMAN: And to my immediate right is John Duggar, legal counsel. And to my far right is Shelley Schwarz, committee clerk. For those of you who may be joining us for the first time today, interim study resolutions are introduced by senators who believe that the Legislature should investigate certain topics that may be subject to future legislation. The Education Committee is here today to receive information about these topics. The committee will hear the following legislative resolutions this morning: LR419 and LR385. Testifiers will need to fill out a green testifier sheet for each resolution you plan to testify on. You will find the green testifier sheets on the table in the back of the room. Please print and complete the form in its entirety. When it is your turn to testify, hand the green sheet to the committee clerk. This will help us maintain a more accurate record of the hearing. If you have handouts, please make sure you have 12 copies, and give them to the clerk when you come up to testify, and they will be distributed to the committee. If you do not have enough copies, someone will make sufficient copies for you. Please state and spell your name before you begin your testimony. To help facilitate these proceedings and maintain an accurate record, we ask for your assistance with the following procedures: please mute cell phones and electronic devices. The committee members may be using their cell phones for researching information pertaining to this hearing or to be alerted for another hearing they may need to attend. They also might come and go during the hearing. This is just part of the process. We

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will begin with introducing the senator's opening statement, followed by testifiers, and then the senator's closing remarks. Please move to the chairs toward the front of the room if you are ready to testify-- when you're ready to testify. We'll be using the light system today. Could I see how many plan on testifying for LR419? Could you raise your hands? OK. We'll-- I think we'll use three-- a three-minute light system today. OK. When you see the yellow light come on, that means you have one minute remaining. And the red light indicates your time has ended. Questions may follow that. No displays of support or opposition to a bill, vocal or otherwise, from the audience are allowed at a public hearing. Now we will begin with the first resolution on the agenda: LR419. Welcome, Senator Hughes.

HUGHES: Thank you, Chairman Murman. I am Senator Jana Hughes, J-a-n-a H-u-g-h-e-s. Representing District 24. Chair Murman and members of the Education Committee, I appreciate your time today to discuss LR419. I brought forward LR419 to explore the community elgi-- eligibility provision, CEP. As many of you know, CEP provides the schools the ability to provide breakfast and lunch at no cost to students from low-income families. The CEP is an important tool. We know how children are when they are hungry. Learning is the furthest thing from the children's mind if they don't have enough to eat. And we all know well-- too well during our late nights at the legislative ses-- classroom that we have if people don't get enough to eat. [INAUDIBLE] think it's-- magic hour's, what, 8:00 p.m. and after. During the regular session this year, Senator Walz introduced LB285. LB285 would have automatically opted a school district with 50% or more of students of the high poverty status into the CEP unless that district chose to opt out. Please note that to currently qualify for a CEP a school district needs to have 40% or more students with high poverty. LB285 was amended to allow the Nebraska Department of Education to issue a waiver to this requirement if the school district could demonstrate that it was not financially feasible to participate in the CEP. LB285 was ultimately indefinitely postponed after reaching Select File. In order to streamline the process and reduce the administrative burden to schools, CEP does not require the collection of free and reduced lunch-- or, free and reduced price meal applications. However, this may have an impact on what schools receive in state aid from our school funding formula, TEEOSA. The point of this interim study is to provide some clarity on the best way forward to allow more schools to utilize CEP while avoiding any unintended consequences to what they

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receive in state aid. The Nebraska Department of Education has performed an analysis of CEP. And I want to thank Commissioner Maher and his team, led by Bryce Wilson, who took on the huge task of running all these numbers. I would invite-- Bryce to follow me, and then have the representative from Nebraska Appleseed come forward, followed by the rest of the-- those who would like to join this discussion. I look forward to the conversation today. And I appreciate your time to discuss this further. Thank you.

MURMAN: Thank you. Are there any questions for Senator Hughes at this time? Senator Linehan.

LINEHAN: Right at the beginning-- I'm sorry I wasn't paying enough attention-- you said the schools with-- who qualifies for CEP, what schools?

HUGHES: Like, what per-- it's-- schools-- qualify-- they have to have 40% or more in the high poverty, is that what you're--

LINEHAN: Yeah.

HUGHES: --talking about?

LINEHAN: What, what do you mean high poverty?

HUGHES: That is the-- so high poverty is an equation-- you know what? I'm going to let Bryce answer that just so I make sure I get it right. But I think high poverty kids get the free lunch, and then reduced is different. But those are the kids that fill out the sheet. But I'm going to let Bryce answer it exactly for that. Sorry. OK.

LINEHAN: Thank you.

MURMAN: Senator Conrad.

CONRAD: Thank you, Chair Murman. Thank you, Senator Hughes. Really excited that you brought forward this interim study resolution. And this has been an issue where we've been able to find a lot of common ground on the committee to move forward with student feeding programs to help improve educational outcomes. And you might remember that last year we worked together to end the practice of schools turning over families to collections for unpaid school meal debt, which-- really appreciated the committee and the governor's support of that. And one

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thing that I-- that caught my eye this summer in relation to this-- and I wanted to definitely give a shout-out to Auditor Foley for uncovering-- there was a school in Nebraska that was not utilizing school nutrition funds appropriately and had diverted those to, I think, some athletic equipment. Yes. And I thanked him personally for his great work on that. But I don't know if anybody else can talk about if that's a widespread practice we're seeing in other schools or if there's any sort of safeguards to the fidelity of those nutrition funds for nutrition purposes. That would be something I would want to think about perhaps working on together in 2025 if there aren't appropriate safeguards on the federal or state level.

HUGHES: Yeah.

CONRAD: OK. Great. Thanks.

HUGHES: Interesting. Thank you.

MURMAN: Any further questions? Thank you.

HUGHES: OK. Thank you.

BRYCE WILSON: All right. Good morning, Senator Murman, Chair-- or, Education Committee members. I'm Bryce Wilson, the finance officer for the Department of Education. That's B-r-y-c-e W-i-l-s-o-n. The good news is people sometimes think TEEOSA is complicated. And the part we're talking about today, the poverty allowance and, and the impacts that CEP has on that, is the most complicated part of TEEOSA. So once we get this all figured out, everything else will be easy, so. That's the good news. Just-- I think starting off here, I, I think NDE was asked to provide a little bit of analysis on the impacts of CEP on TEEOSA if the 1.1 multiplier that we use in the poverty allowance is still needed, the adequacy of TEEOSA, if there's any barriers related to TEEOSA that are prohibiting districts from maybe designating their schools or districts as CEP districts. So those are the things that we looked at. The analysis is I'm not going to have-- be able to cover it all in, in three minutes. I will go quickly and, and get as much as I can. Be glad to answer any questions. But the-- they're handing out-- there's four handouts there where-- covers the several-- seven different, I think, topics that were identified in LR419 to answer those questions. So just to begin with, to give a little bit of background, I think it's important to understand that the poverty

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allowance looks at two different poverty indicators. When we calculate the poverty allowance, the free lunch counts, which is impacted by CEP-- and that's what we're talking about primarily today-- but it also looks at low income. One of the questions in LR419 was, are the indicators in the TEEOSA formula working? And so that, that is addressed in that handout. But--

MURMAN: Mr. Wilson, could you pause just a minute? We're trying to figure out the handouts here. Sorry about that.

I only got the first one. Or.

The first this think and then. This is.

Yeah.

Just three years later. Louie, Louie, Louie, Louie. Have them here for.

And. OK, Ladies and gentlemen, this is your.

So was safely.

Here with me. And. Yeah.

For no.

SANDERS: Bryce, can you start with the poverty indicators?

BRYCE WILSON: Yep, absolutely.

MURMAN: Now I think everybody's squared away. Thank you.

BRYCE WILSON: No worries. So what I was-- I guess where I was at was that currently in the TEEOSA formula, we use two different poverty indicators in the poverty allowance to determine poverty levels at schools or districts. That's the free lunch counts, which are what we're going to be talking about primarily today and, and are impacted by the CEP districts. They're districts that have designated CEP, they're districtwide or in school buildings. And then we also look at low-income numbers that come from the Internal Revenue Service. And I'm, I'm going to hit on that briefly because one of the questions talks about, are the indicators working? And I think we have a cou-- we have an issue on that one that I want to bring to your attention

too. So I'll talk about that later. But for now, we're going to focus on the three lunch counts, which are via the National School Lunch Program. When a district decides to implement the CEP program, either districtwide or only in specific school [INAUDIBLE], they begin providing free lunch for all students in CEP-designated districts, and they no longer collect free lunch applications. So although there are several good things that come from the CEP designation, we do lose a com-- a good-- we lose a commonly used and reliable poverty indicator. In districts or schools that have elected the CEP designation, we replace the free lunch counts with the direct certification numbers obtained from Medicaid Free, SNAP, TANF, food distribution program on Indian reservations, foster, migrant, and homeless programs-- so the direct certification programs. The federal government has used this direct certification information to create what they call an ISP, or identified student percentage, which they multiply by 1.6 to determine their free lunch reimbursement. So getting back to Senator Linehan's question a bit ago, they take that identified student percentage, multiply that by 1.6. That determines how those schools that go-- that enroll in the CEP program are reimbursed for free lunches. That many students get-- whatever their ISP is times 1.6 get reimbursed at the free lunch rate. The rest are reimbursed to those districts at the reduced rate. Stu-- districts are eligible if that identified student percentage number-- now it's actually 25% or higher-- they are eligible to designate a district or a school building as a CEP. It used to be 40%. That changed last October. So it has dropped from 40% down to 25%. When CEP first went into existence-- it was passed in 2010-- the first year that we had to figure out how to deal with that in the TEEOSA formula would have been the 2011-12 calculation. Analysis was done at that time to see, are-- if a district goes to the CEP program, are their CEP student counts going to be comparable to where they're at with free lunch counts? Essentially, we wanted to make sure the districts weren't gaining or hurting by designating a CEP. We wanted to put them back to where they would be whether they went to the CEP program or not. Analysis done at that point said that federal government's ISP times the 1.6 was just a pinch low when we looked at statewide averages. We needed to have just a little bit of an inflator on that. So it was determined that 1.1, after doing analysis, was the right indica-- or, the right amount of inflation on those CEP count numbers to put them back to a comparable level where they would have been without free lunch counts. That was reviewed again in 2017 through another LR. And, and it came out to be that the

1.1 multiplier was still a, a pretty fair and even place to put school districts. The analysis done this time around I don't think continues to show that trend. To me, it was pretty clear that we probably are at a place now where that 1.1 multiplier is not needed. When we did the analysis this year, it-- when we compared-- calculating what CEP counts would be in either the district or the school buildings that had designated that program, 98% of their students on average-- we're looking at the statewide level-- 98% of the students are con-- are being identified as low income through CEP counts.

MURMAN: You have the red light, but you can continue.

BRYCE WILSON: OK. That's good. The districts that-- like I said-- with the 1.1 multiplier, that number-- and this is in that-- attachment one that I have out-- you'll see the numbers on the bottom-- is 108% of the total students. Now, we cap it for the TEEOSA calculation at the total amount of students. So we're not going to go over 100% for any district. But even without the 1.1 multiplier, we're at a statewide average-- CEP counts are showing that 98% of kids are-- if we use CEP counts-- are free lunch students. Probably a little bit high, higher than what we expected. When we did it-- when I ana-- analyzed districts that haven't went-- we can't really go back and look at the districts that have went to CEP because there's-- free lunch counts don't exist anymore. So we can't compare it to what they actually would have there. We can look at what their direct certification numbers are and, and get some kind of indication on whether that's reasonable or not. But I did look at districts that haven't went to the CEP program yet, what-- and calculated what their CEP numbers would be, compared that to their free lunch counts. And on all the districts analyzed, the CEP counts even without the 1.1 multiplier were considerably higher than what their current free lunch counts were. So it, it was-- it's pretty easy analyst-- it's pretty easy for me to say that the 1.1 multiplier is probably not required anymore to get schools in a place that puts them at a comparable level to where they would be had they not had free lunch counts. Other things that I think that you-- other highlights that I wanted to touch on-- and then I'd be glad to answer questions. The other poverty indicator that we use in the TEEOSA formula, the, the low income numbers, the Department of-- or, Internal Revenue Service historically had gotten us that information by November before we started calculating the, the TEEOSA amount for every school district the

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following year. Remember, we're required to certify that on or before March 1. The last two years, we have not received that data until July, after we've certified. So it has become an issue of being able to receive that data on time. It is also-- in analyzing that, only seven-- we look at-- school districts get the greater of their free lunch counts or the low income now-- low income numbers that come from the Internal Revenue Service. Only 17 districts had higher numbers coming from the Internal Revenue Service. And out of those 17, only 2 were equalized school districts. So very little impact on total state aid. Because if they're not getting equalization aid, this poverty allowance doesn't-- isn't going to change any of the, the funding going out to their school district. The other thing I think that's important to understand when we're, when we're looking at this is understanding how the poverty allowance works. Any time we're talking about allowances in the formula, they don't-- in theory, they don't add or subtract from the total amount of state aid that the state is paying out as part of TEEOSA. It redistributes it within the formula. So if you have a district that is not getting recognized enough in-- of poverty students and should be getting more, their, their loss in the poverty allowance is going to result in the other districts and their basic funding arrays gamed. Vice versa, if you have a district that's receiving too much in poverty allowance, the districts in their basic funding array are the ones that are going to lose state funding. And so that's why it's important to try and have a poverty indicator that is reliable and, and accurate. I think with that-- that's hitting on, on most of the high points. I would be glad to answer any questions you guys may have. Again, there's a lot more data in the handouts that I sent to you guys, but.

MURMAN: I have a question. So the CEP and the poverty allowance for-- is, is figured from IRS figures, and those would be one year in arrears already, right?

BRYCE WILSON: Well, the free lunch is, is actually not from the Internal Revenue Service. That comes from the food and nutrition-- the the FDA for their free lunch counts. That is currently two-- so when we calculated the '24-25-- and that's the data I used for comparison because that's the last TEEOSA we had-- that was the-- October '22-- October 2022 count. So it's two years behind on the free lunch counts. The Internal Revenue Service numbers would be also two years behind. It'd be one year-- tax year behind, but really two years from when

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that was occurring, as people are filing their taxes, you know, the following April and we're getting the data over a year after that, so.

MURMAN: Yes. And then you said that some of the figures didn't come in until after certified-- certification, so actually they'd be three years behind by then, wouldn't they?

BRYCE WILSON: So we have to calculate TEEOSA twice every year. The-- one time's not enough funds, so we do it twice. And the second time in the fall-- we, we call it the recalculation of TEEOSA-- we update numbers. We have received that information in time to stick it in the recalculation. So it shows up-- we compare what we certified to what's recalculated, and that difference is a prior year correction for school districts, shows up on the following year's state aid. So you're right. That difference-- we, we get it eventually in time to make a correction for it, but it's going to show up a whole year later than it would-- should if we received the data on time. So you're exactly right, Senator.

MURMAN: Thank you. Any other questions for Mr. Wilson?

WALZ: Go ahead.

LINEHAN: No, go ahead.

MURMAN: Senator Walz.

WALZ: Good morning.

BRYCE WILSON: Good morning.

WALZ: You mentioned a number, 98%. And I was trying to follow along with you. 98% of the students-- and I, and I lost it. Do-- can you give me that information again?

BRYCE WILSON: Absolutely. So when we calculate the number of students in a CEP school or district that are going to be considered poverty for the TEEOSA calculation, the CEP students considered poverty are-- without the 1.1 multiplier-- are 98% of the total students in those districts or school buildings that have been designated as CEP districts or schools. So on this-- it says attachment one at the top--

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it's going to be-- the bottom of this column, 98.23%. So it's actually even over 98% of those students.

WALZ: OK. I thought it was across the state [INAUDIBLE]--

BRYCE WILSON: No, it--

WALZ: --schools.

BRYCE WILSON: Yeah. It actually varies. Like, in the districts that have-- had designated at that time, it varies from 92% up to 105%-- 111% is the variance between. It depends on what a student's-- or, a district's ISP is, and multiplied by the 1.6 to, to determine where that comes in at. So-- yeah.

WALZ: When you look at this-- at that number-- and I'm sure you've done a lot of analysis on this-- and if not, it's fine-- what would make more sense, CEP or a universal school lunch for these, these students, these schools?

BRYCE WILSON: What makes more sense is-- should they, should they be-- should those schools-- does it make sense for them to be designated as CEP districts? Is that what you're asking?

WALZ: Or uni-- or just go with a universal school lunch program.

BRYCE WILSON: Well-- I guess I'm not following your question. Does it make sense that they designate CEP districts as far as financially? Is that the question? Or are you asking does it make sense to use CEP-designated numbers or something different as an indicator for poverty?

WALZ: Help me with that question.

CONRAD: Are we-- can I jump in?

MURMAN: Senator Conrad.

CONRAD: So-- and perhaps, I think, Senator Walz is restating a, a policy choice that we have before us, right, in terms of advancing our goals on ensuring kids, kids have access to healthy meals. Is it better to do the CEB-- CEP approach or is it better to do the universal approach? I think there's probably pros and cons with each of those. And I do-- I don't know if the department has a position on

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that. That, that might be-- that might be for us. But do you want to walk through the pros and cons, perhaps?

BRYCE WILSON: Yeah. Well, I, I mean-- I think-- I guess if you're asking if they-- if it makes sense for them to go to a CEP districtwide or just at designated school buildings, I think that depends on the calculation for everyone. But it looks like to me in the analysis, I don't see any districts that-- any of the analysis we did, I don't see any districts being hurt in the TEEOSA calculation by going to a CEP designation. Quite the opposite, honestly. They are, they are receiving more free lunch recognition through CEP than they would through the old mechanisms from what the analysis I did shows. So I don't think CEP designation-- you know, there's all the benefits of the-- that Senator Hughes talked about as far as kids getting free lunch and, and learning and all that stuff. I don't see any financial pieces to it that are, are hurting those districts that have designated, and I think districts are seeing that. One of the things I didn't mention was that, in the analysis I did on that handout one, there were 14 districts that had, had designated as districtwide CEP districts at that time [INAUDIBLE] October '22-- and the-- '22-23 school year and 7 districts that had CEP schools. That number now has increased to 14 CEP districts for the-- no, 34 for the '24-25 year. So we've upped by ten. And we have eight districts that have CEP schools now. So we've significantly increased in the last two years how many districts are, are enlist in the CEP program districtwide and districts that are doing it at least at a school building within their district.

CONRAD: And if we had the political will and resources to just pick up the tab for school meals in Nebraska-- I think we've had proposals before the committee-- Senator Bostar, Senator Cavanaugh, et cetera-- I want to say around \$50 million or something like that-- to pick up the tab. That would remove the administrative barriers or energies or resources that go into the current programs, including CEP, right?

BRYCE WILSON: That, that would be one of the factors. You know, the federal government reimburses them for a portion of it based on that ISP times 1.6 calculation. The state would-- what you're offering or what has been discussed in the past is the state picking up the, the remaining portion that's not-- so it's not a local obligation. And that's-- in those situations. So that, that is definitely a--

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CONRAD: Thank you.

MURMAN: Senator Linehan.

LINEHAN: Thank you, Chairman Murman. OK. I'm, I'm lost. Can we just go to-- can we ask some questions on attachment one?

BRYCE WILSON: Absolutely.

LINEHAN: OK. So I understand Omaha Public Schools, that's probably districtwide, right?

BRYCE WILSON: Yes.

LINEHAN: They're districtwide. And Winnebago would be districtwide.

BRYCE WILSON: All the-- the top 14 on that attachment one, I, I probably should have desig-- noted which ones were districtwide and which ones-- but the top 14 are districtwide on that--

LINEHAN: OK.

BRYCE WILSON: --attachment one.

LINEHAN: OK. So that, the takes us down, I'm guessing, to Westside.

BRYCE WILSON: Correct.

LINEHAN: Westside is just buildings.

BRYCE WILSON: Westside through the bottom have, have at least a building or more identified as CEP buildings.

LINEHAN: OK. So-- then I'm going to get more specific-- or, I'm going to help-- ask questions, and I hope you can be more specif-- more examples-- not specific-- but examples. So last year, there was a shift. You said something about this in your testimony. Omaha-- when Omaha Public Schools went-- whole district went to CEP, that meant more the TEEOSA aid inside-- didn't cost the state anything, but inside the district more of the money-- more the funding went to Omaha versus other schools in their array. Or are they in their own array?

BRYCE WILSON: No. They're-- they have ten districts that are small. It's ten above and ten below. Since they're the largest, they have ten below still.

LINEHAN: So that would have taken money from the ten below. And that's why OPS ended up with, what, \$63 million? I can't remember the number.

BRYCE WILSON: The-- there were more factors, but that was one of the factors that contributed to their increase in TEEOSA, yes.

LINEHAN: OK. Does the federal government-- how am I going to say this-- does the federal government-- if you go to a CEP building or district, does that create more funding from the federal government or does that cost fall back on-- who picks up the increased cost?

BRYCE WILSON: Well, as far as offering a free lunch for, for all, that-- it would be a combination depending on what their-- that district's identified student percentage is times the 1.6. They may be getting free lunch reimbursement from the federal government for the entire district or school building that's designated CEP.

LINEHAN: OK.

BRYCE WILSON: If that's not the case, then, then it would just be a district cost to pick up that difference.

LINEHAN: And that's why-- there was a resistance to going to this for a few years when I first got here.

BRYCE WILSON: There was-- I-- there was a lot of concern that they may be hurt in TEEOSA.

LINEHAN: Right.

BRYCE WILSON: And like I said, the initial, the initial ala-- analyzing that we did, we did have to add a 1.1 multiplier. And since it was an average, there were districts that were below that and some that were above. So that, that would have been an accurate situation at that time. Just-- the data has changed and the situation has changed, so that-- it does not appear that that's a common situation anymore.

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LINEHAN: So when you say they use the IRS-- you say, but I believe you-- use the IRS data, wouldn't that fluctuate? Because sometimes people make money and sometimes they don't, so. Especially in a ag world. Or in any small business world.

BRYCE WILSON: Yeah. That, that definitely has-- it does have var-- I mean, I would say, yes, that varies. But also the, the free lunch or the direct cert numbers would be the same. Like, you know, if you're not a CEP district, you've got to fill out a free lunch application. And if you have, you know, a great year of earnings, you may not qualify but next year you might qualify. So that would vary too. One of the things that's im-- I think maybe important to understand too as we look at direct certification numbers is-- during COVID, one of the COVID rules was people didn't have to reapply for-- to qualify for those direct certification programs. They got to continue in those programs, whether they-- their income met the requirements of that program or not until this year. And so the direct certification numbers have, have been inflated too for the last couple of years. And just this, this year is the first year that they've had to reapply or re-- get recertified to be, be able to be part of those programs. So I would say those numbers have fluctuated somewhat too. So I think that's probably true of all of them.

LINEHAN: Bottom line: on TEEOSA funding, if you're not equalized, this is irrelevant to you as far as funding--

BRYCE WILSON: As far--

LINEHAN: --because it's only inside the equalization formula that this counts. If you're a-- Minatare. Is a Minatare equalized? I don't think so.

BRYCE WILSON: Minatare would be.

LINEHAN: Minatare is equalized. OK. Are any of these top 14 nonequalized?

BRYCE WILSON: Yes. Yes, definitely some of those are not equalized.

LINEHAN: So even if-- OK. I'm just trying to figure out--

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BRYCE WILSON: So they-- so if they, if they go to CEP, they're not gain-- they're not going to gain-- they're not gaining state aid.

LINEHAN: Right.

BRYCE WILSON: But they're offering that program for their students and addressing the poverty that way. But it has no impact on them, them in TEEOSA. But it does impact the other districts in their array still, so-- you know, if, if you're a-- if they're an equalized district. That's the only-- that's the only impact on the total amount of state aid, is it shifts the funding within, within-- it shifts the need within TEEOSA. And if it shifts it to districts that have more equalization-- or, they're equalized, they're going to require more state aid. If it shifts it to nonequalized districts, the state's going to be required to pay less in total aid. That's the only way it really impacts the bottom line for the state.

LINEHAN: Crete is not-- it's not the whole district? That's surprising.

BRYCE WILSON: They're-- they were not in '22-23, and they are-- they're the only district that was CE-- as I understand it, from talking to our nutrition team, they're the only district that have begun a CEP program or, or designated a school and, and stopped doing that. So the last two attachments you guys got-- or, the current '24-25 buil-- one of them's just the districts that have buildings identified. So you can see which buildings. The other one was the districtwide. And Crete has-- is not enlisted this year. They're the only one that has not-- a lot of them that, in '22-23-- several of them, I should say-- in '22-23 that were just buildings are now districts, have, have shifted and using it more.

LINEHAN: That's helpful. Thank you very much for being here.

MURMAN: So I would like to have a little more clarification now. If a district is not equalized and it's on the CEP, it actually does not receive more state, state aid, of course, because it's CEP, because they don't get state aid.

BRYCE WILSON: Everybody gets TEEOSA, but they don't get any equalization aid.

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MURMAN: [INAUDIBLE].

BRYCE WILSON: Correct.

MURMAN: How-- do you know how many there is approximately that would fall into that category that--

BRYCE WILSON: That are-- have--

MURMAN: --that are unequalized, that-- districtwide has CEP? Approximately. I don't--

BRYCE WILSON: Well, if I, if I look at that list of the 34 districts that are districtwide now, I would say-- well, the-- I think we have 77 districts that are not-- or, 77 districts that are left in equalization aid. And, and a, and a good amount of them are probably on that list. But I would say easily over half are probably nonequalized that are districtwide CEP. That's just, that's just--

MURMAN: As many as half would be--

BRYCE WILSON: What's that?

MURMAN: As many as half are nonequalized?

BRYCE WILSON: I would say. I, I'm, I'm guessing at that number right now looking at the districts, but I would say that's probably a safe guess.

MURMAN: Should they not get more state-- get some state aid being on CEP even though they're unequalized? Would that be not more fair?

BRYCE WILSON: That's a, that's a great policy decision for the Legislature to answer, I think. You know, I, I think one of the-- there's been a topic of discussion come up multiple times over my, my years here of, should, should districts be recognized outside of equalization aid for the poverty allowance? And that would be one, one way you could do that. Or what the, the bill was a year or two ago that talked about reimbursing schools if they did CEP for the portion that the federal government was, and it would be another way. So you, you could-- that could be accomplished if the Legislature decided they wanted to do that.

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MURMAN: OK. Thank you. Senator Linehan.

LINEHAN: One thing you said that I think maybe we should highlight. So it used to be 40% poverty, but now it's down to 25%. So wouldn't almost every school in the state district qualify?

BRYCE WILSON: I haven't--

LINEHAN: Except maybe Elkhorn.

BRYCE WILSON: Yeah. I haven't, I haven't seen that data to know how many-- I, I guess I didn't review that specific piece to see who all would fit under 25%.

LINEHAN: And maybe Bennington. There's--

BRYCE WILSON: There, there, there would definitely be some districts. But I--

LINEHAN: The vast majority would qualify, though.

BRYCE WILSON: I would say the vast majority would qualify at 25%. Yep.

LINEHAN: So maybe what we've-- and then the federal government would pick up a larger part of their cost.

BRYCE WILSON: Well-- so if you're down at, like-- say you, say you elect CEP as districtwide and you're-- just hit the 25%, you're only going to get reimbursed at the free lunch rate at that 25% times the 1.6. So they're not going to be anywhere close to having 100% of their students reimbursed by the federal government. I, I don't have the numbers right in front of me, but I would guess that probably 50-- between 50% and 60%, maybe, at that. Maybe not even quite. Maybe about 50% reimbursed at the free lunch rate. And the rest are reimbursed at the reduced rate in that situation. So the lower your ISP, the less reimbursement you're going to get from the federal government. I think maybe that's the key to focus on.

LINEHAN: But if, if the Legislature would decide that we should pick up lunch and breakfast for every kid, if we would decide that, then one of the things-- then you'd have all the schools be CEP. And then one of the things we'd have to figure out is how much would the

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federal government pick up then. And maybe that would reduce what it would cost for the state to pick up the rest. Am I thinking that--

BRYCE WILSON: I-- yeah. I think we did that when, when the bill was introduced. We had to do a fiscal note for that bill. And I-- and it's been a couple years ago and too many fiscal notes ago that I don't remember what the numbers are. But we did an analysis at that point and determined-- and we could go back and look at that fiscal note and determine what at that time it was. It would need to be updated, but.

LINEHAN: Because then it would have been 40%.

BRYCE WILSON: Correct. It would have been 40% at that time, yep.

LINEHAN: OK. Well, that might be interesting to look at, so. OK. Thank you. Thank you very much for being here.

MURMAN: I have another question related to that. If we go from-- the federal government has gone from 40% to 25% eligibility. How much difference is that going to make approximately in the TEEOSA formula going forward? Is-- that's not figured in yet, correct?

BRYCE WILSON: Well, it all-- that all depends on how many districts elect to then go to the CEP program. If they don't elect to go to a CEP program even if they're eligible, it doesn't impact TEEOSA at all. But if-- you know, like, like Senator Linehan said, most districts would qualify at 25%. So if we see-- and we can obviously see the trend as more districts are electing CEP. It's, it's going to significantly impact the formula from, from what it looks like to me in doing my analysis on CEP counts versus free lunch counts.

MURMAN: And when would, would that happen, a year from now?

BRYCE WILSON: Well-- so keep in mind, that doesn't mean that the state's going to be on the hook for more funds. It's not going to increase the total. It's going to reallocate it within. If all districts went to it, it probably ends up offsetting for the most part. But as long as you have some districts doing it and some not, it's going to shift those allocations within the, within the formula. So it's, it's a matter of if you, if you-- if we're overidentifying students at CEP buildings. If that's the case, it would be shifting funds from the schools that are not CEP districts or schools.

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MURMAN: Thank you. Any other questions for Mr. Wilson? Thank you very much for your testimony.

BRYCE WILSON: Yep. Absolutely.

ERIC SAVAIANO: Good morning. My name is Eric Savaiano, E-r-i-c S-a-v-a-i-a-n-o. I am the program manager for food and nutrition access at Nebraska Appleseed. I want to thank Senator Hughes for bringing this interim study and for the department for their diligence and, and thoughtful answers in response to this analysis request. Nebraska Appleseed's a nonprofit law and policy organization that fights for justice and opportunity for all Nebraskans. And we have worked on the CEP program since it was first brought and available to Nebraska. We actually were supportive of convening the working group that ensured that this first calculation of 1.1 multiplier was first introduced and passed into law back in 2016. And we've worked to promote the program across the state for years as well, door to door with school districts. So we have some expertise in, in this area as well. I would just like to simplify this a bit and say a few things. The growth of CEP in the last few years-- which you'll see on the last page of my handout-- has been, has been tremendous. And we are very proud of that because it means that more students in our state are receiving free meals. That's important because poverty has not gone down recently. It's actually gone up. And we've seen our food banks, our, our school districts definitely acknowledge that, that there are students who are hungry. And this is a tool that allows them to serve free meals to students across the board. When you serve free meals to students across the board, it means that there are fewer students that are looked on as poor in the lunchroom. That means that the stigma around those poor students eating is much reduced, and more kids eat. It means that the administrative burden of running a school nutrition program is reduced. And it also eliminates the disturbing but very real consequences of unpaid meal debt. We know that the thresholds for free or reduced price meals are not sufficient to cover all of the poverty in Nebraska or the United States. And so even students-- or, or, parent-- families earning over the thresholds and not receiving free meals are paying enough that it's a stress on people's budgets. So unpaid meal debt is a reality. No student-- no district is adopting CEP in our state so that they can game the system and receive higher TEEOSA funding. I think we can fairly clearly state that. There were two years that the federal government during COVID offered free meals to all students. And following that, you see how the growth projection

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has gone up, up, up in CEP. And that has meant that school districts, administrators have just realized that the benefits of serving free meals to all of their students are, are hu-- are huge and tremendous. So no districts are trying to get extra funding through this TEEOSA calculation. This-- I'll pause. Do you mind if I continue?

MURMAN: You can continue.

ERIC SAVAIANO: Yeah. Thank you. The analysis that NDE just performed shows that the existing multiplier that is in law, the 1.1 multiplier, is no longer needed, and that's fine with us. It shows that the TEEOSA formula or the data has changed. And so moving it back to the 1.0 is appropriate. We totally approve of that and suggest that that is made into law in the next session. When we're talking about this issue, we do need to remember that there are schools and there are community members that are impacted by it. I'm excited that we have an administrator from a CEP school in Grand Island-- or, actually, the district-- behind me, as well as a community member experiencing a CEP school district as well behind me. But in general, we're-- we-- I'll just make sure that we've covered everything. A bill like Senator Walz's last year, the LB285 was, was indefinitely postponed so that we could clarify this issue specifically so that TEEOSA was not an issue in school districts making the choice to move on to CEP and serve free meals to their students. This study has shown exactly what it was supposed to, that whether there was a change needed or not, and there is a change needed. And that's what I think this body needs to address next year when it is time to make legislation on it so that more districts are clear on their TEEOSA allowance when they adopt CEP and that there's no barriers to adopting it for their students and families. Again, thank you. And I'll end there.

MURMAN: All right. Any questions for Eric? Senator Linehan.

LINEHAN: Do you know what the average cost of a school lunch for a family that pays is in Nebraska?

ERIC SAVAIANO: Yes. It's aro-- for a lunch, it's around \$3.50.

LINEHAN: And then for breakfast?

ERIC SAVAIANO: For a breakfast, it's around \$3.50-- or, \$2.50. I'm sorry.

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LINEHAN: That's-- they're paying.

ERIC SAVAIANO: Yep. That's for paid students.

LINEHAN: OK. So my staff got information for me this morning, thinking far faster than I was. So even-- reimbursement rates-- do you have the reimbursement rates there for, for free and reduced and paid?

ERIC SAVAIANO: I do.

LINEHAN: OK. What is it for free, lunch and breakfast for free? Reimbursements-- and this is from the federal government, right?

ERIC SAVAIANO: Uh-huh.

LINEHAN: OK.

ERIC SAVAIANO: So this school year's paid reimbursement to school districts is \$0.42. So every paid-- every student who receives a meal who are not free or reduced, the school district receives \$0.42. At the reduced price rate, it's \$4.03. And at the free rate, it's \$4.33 for lunches.

LINEHAN: So there's not a huge difference between free and reduced. It's-- the big difference is between paid and reduced.

ERIC SAVAIANO: Correct.

LINEHAN: OK. And that's for lunch, right?

ERIC SAVAIANO: That's lunch.

LINEHAN: OK. What's breakfast?

ERIC SAVAIANO: OK. For a paid-- rate for breakfast, it's \$0.39. For reduced price, it's \$2.07. And for free, it's \$2.37.

LINEHAN: OK. All right. Thank you very much. That's helpful.

ERIC SAVAIANO: Sure.

MURMAN: Any other questions? If not, thanks for your testimony.

ERIC SAVAIANO: Thank you.

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MURMAN: Other testifiers on LR419? Good morning.

BRITTANY MODA: Good morning. To the members of the Education Committee, my name is Brittany Moda, B-r-i-t-t-a-n-y M-o-d-a. I am the parent of three kids, two who attend Prescott Elementary here in Lincoln. Prescott Elementary recently adopted CEP, making school meals free for elementary kids. I'm here today to tell you what Prescott free-- Prescott's free meals have meant for me and my family. Having acce-- access to free school meals have been honestly so much easier for me. I don't have to worry about my kids starving during the school day. As a med aide in a nursing home, I often had to work overnight shifts and-- at my job. So knowing my kids are taken care of during the day is a big relief. My kids don't even know that the school offers this program. They just know that they en-- enjoy free meals, along with their classmates, and not have to worry whether their mom has a way-- has the money to cover the lunch. My oldest just graduated and headed off to Irving Middle School, where they now had to pay for reduced price breakfast and lunch. This has been tough for my family. My daughter struggles because she can tell it's been a burden and feels guilty around, around wanting to eat school meals. She should not have to worry about this, but it's been a real stressor on my budget. I have to-- I have had to lean on family sometimes to help keep money in her account. To me, this just underlines how important free meals are to my two young kids. CEP takes so much stress away from me and my kids because none of us have to worry about where their breakfast and lunch is coming from. I hope the Legislature considers the next step for CEP in Nebraska, that you think about the human impact of the program for the many families out there like mine. Thank you for taking the time to listen today. And I appreciate the opportunity to share.

MURMAN: Thank you for testifying. Any questions for Brittany? Senator Conrad.

CONRAD: Thank you, Chair Murman. Brittany, thank you so much for being here. It's always good to see another member of the LPS family. So my kids are in, in Lincoln Public Schools as well. And I really appreciate you sharing the real-life impacts of these policy decisions and really highlighting as well how it can provide disparities even within districts that have some schools that your CEP and other schools that are not and what that means as kids progressed through. I hadn't actually thought about that piece of the policy. So you lifting

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that up brings a lot of expertise to the discussion. I really appreciate it.

BRITTANY MODA: Thank you.

MURMAN: Any other questions? If-- Senator Linehan.

LINEHAN: I don't-- thank you very much. I agree with everything Senator Conrad said. It's wonderful that you're here. And I, I'm not going to ask you the question, but I'm going to ask it so somebody else here might be able to come up. I don't quite understand. It would seem to me your daughter that's in junior high should still qualify for free or reduced lunch, right?

BRITTANY MODA: Not Irving. Irving doesn't qualify for CEP.

LINEHAN: OK. OK. All right. That's interesting. OK. Thank you again for being here. Appreciate it.

CONRAD: Great job.

MURMAN: Thank you. Yep. Thank you. Other testifiers on LR419? Morning.

SHANE RHIAN: Good morning, Chair Murman and members of the committee. My name is Shane Rhian, S-h-a-n-e R-h-i-a-n. And I am the chief financial officer of the Omaha Public Schools. Omaha Public Schools is the largest school district in Nebraska, serving over 52,000 students and their families and is one of the largest employers in the state. We appreciate Senator Hughes and the Education Committee's attention to school meal programs, especially as evidence suggests that student hunger negatively impacts school performance. We can help students succeed by ensuring they have adequate school meals. Our district became a national school lunch program community eligibility provision district in the '22-23 school year. CEP is a nonpricing meal service option for schools and school districts with a significant percentage of students from low-income families. CEP allows the nation's highest poverty schools and districts to serve breakfast and lunch at no cost to all enrolled students without collecting household applications and be reimbursed for all meals served by the federal government. Instead of collecting household applications, schools are eligible to participate in CEP using a formula based on the percentage of students categorically eligible for free meals based on their participation and other specific means-tested programs such as the Supplemental

Nutrition Assistance Program, or SNAP; and Temporary Assistance for Needy Families, or TANF. Prior to our participation in CEP, nearly 80% of our students were eligible for the federal school lunch program based on collecting household applications. Households that are food insecure struggle to provide enough food for everyone living there at some point during the year. Children without consistent access to nutritious meals are more likely to face health issues and personal challenges and uncertainty. Hunger affects children's education in many ways: focus, cognitive development, social behavior, and their future. Studies have shown that students at schools currently offering free meals through the community eligibility provision experience a multitude of benefits. Free school meals increase attendance rates, reduce student suspensions, positively affect student health, and improve test scores among marginalized student groups. No-cost meals reduce the stigma associated with students' school breakfast and lunch participation. The community it fosters promotes a more positive and welcoming school climate where all students have access to the nutrition they need to succeed. The benefits of no-cost meals are not limited to students alone. Families with access to no-cost school meals through CEP may see declines in their monthly grocery spending by as much as 19%. CEP access is associated with a decline of nearly 5% in households experiencing food insecurity. States currently offering no-cost meals report thriving partnerships with local farms, resulting in healthier food options and stronger local economies. Offering free meals for all students can also help schools reduce the administrative burdens associated with collecting free and reduced price-- may I continue?

MURMAN: You have the red light, but-- yeah, if you could just maybe hit the highlights [INAUDIBLE].

SHANE RHIAN: OK. Just a little bit left. Thank you-- with collecting free and reduced applications, tracking student meal debt, and notifying families of account balances. Additionally, eliminating unpaid meal debt would free up critical dollars in other areas of school budgets that would have been needed to compensate for shortfalls in their meal programs. We also feel that participation in the CEP program is in line with several of Governor Pillen's goals. First, participation in the CEP program means that all students receive breakfast and lunch paid for by the U.S. Department of Agriculture, drawing down our fair share of federal dollars. Second, participation in CEP could result in an increase in state aid to

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schools individually through the TEEOSA formula, as happened for our district this year. With the revenue caps passed in LB243 during the 2023 legislative session, an increase in state aid should result in a corresponding decrease in a district's certified property tax request authority, as it did for our district this year. As a result of this increase in state funding, our district's total property tax request was less than the previous year-- true property tax relief for the patrons of our district. Any reduction in how CEP flows through the TEEOSA formula could likely lead to a shift of funding from the state to our property taxpayers, running counter to Governor Pillen's goal of the state funding more of public education, not less. Thank you very much for the opportunity to testify this morning.

MURMAN: Thank you. Any questions? Yes, Senator Linehan.

LINEHAN: Thank you, Chairman Murman. I'm trying to see where you think-- I think it's in the second to last paragraph on your written statement here, which I appreciate very much. OK. Maybe because Omaha has so many free and reduced-- I mean, you-- you're, what, at 80-- 78% of your--

SHANE RHIAN: Historically, we've been right around 76% free and reduced lunch. Direct cert, the two years we participated in the summer food service program waiver, it was around 62%. And the identified student poverty rate under CEP is approximately 98%, 99%.

LINEHAN: So when you say-- because this is-- I'm trying to figure it out-- you say that the federal government picks up the total cost to your food program.

SHANE RHIAN: It pays for all meals. It doesn't pick up the total cost, as Mr. Wilson from NDE indicated. The reimbursement for the reduced rate for that percentage above the identified student poverty rate is marginally less, but it still pays for some amount of money for every meal served.

LINEHAN: What do you think it costs to serve a lunch at OPS to a student?

SHANE RHIAN: Unfortunately, that's not in my area, but I would believe that it's somewhere around that \$3 to \$3.50 range for the cost of the commodities. And then you have other operating costs. But I can

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certainly check with our operations division and nutrition services staff and get that information for you.

LINEHAN: I think it would be helpful if the committee knew what's the fixed cost and your staff, what is the cost of the food--

SHANE RHIAN: Commodities cost, yes.

LINEHAN: --commodities, and then whatever the federal government's not covering.

SHANE RHIAN: Mm-hmm.

LINEHAN: OK. That would be helpful. Thank you very much for being here.

SHANE RHIAN: You're welcome.

MURMAN: Any other questions? If not, thank you.

SHANE RHIAN: Thank you very much.

MURMAN: Other testifiers on LR419?

KRISTY SPELLMAN: Good morning.

MURMAN: Good morning.

KRISTY SPELLMAN: My name's Kristy Spellman, and I'm the food service director at Grand Island Public Schools. I'm starting my 27th year this year, so I've been around school meals for quite a while. I have something written out here, and I worked on it until 8:00 last night. But so many people have made so many good points that I have in my-- so I'm going to just kind of freelance a little bit. And forgive me if I tend to stumble over my words. But Grand Island Public Schools, we, we had some schools start out as CEP in 2020, 2021. And as-- a year went on, we added another school. And then this year, back in April, it was time to decide if we were going to recertify the same schools or try to go with all district CEP. When we look at our directly certified numbers-- the numbers of kids that are getting SNAP and migrant and homeless and all those that, that NDE identifies for us with partnerships through DHHS-- they share that direct information to us-- well, our percentages didn't look like they would be really-- very-- as high so that we could get the, the amount of reimbursement

that would be maximum for us. But once we looked at our extended eligibility-- because anybody in a household with a, with a child who receives SNAP or TANF or Medicaid Free, anything like that, we get to also include the other children in the household. So once we had identified every single student in our district that had a connection to a directly certified child, our percentage went up. I wish I would have known this earlier because maybe we could have participated in districtwide CEP earlier. But this is our first year of '24-25 because you really need to get that information locally at the school level because the, the state information only has the basic numbers. So we were able to participate in CEP-- and I used the No Kid Hungry. There's a website that has a calculator tool. And people behind the website that, that helped us crunch our numbers a little bit better. So we had groups of schools that would have a percentage of kids that would be able to be reimbursed at the, at the free rate. Our reimbursement is a little bit higher because we're severe need school. But Mr. Savaiano mentioned it was, like, \$4.41, something around there. So there's a large group of our, of our schools that we receive 100% free reimbursement. And so that pays for our cost. I would say the cost of preparing a meal-- USDA calculates that as an average across the country, and that's where that reimbursement rate comes from. It includes transportation. We have to ship our meals. It includes labor cost. It includes food costs. It includes overhead. You know, if we have to pay for our trucks, we have to maybe pay the district back for the energy that we use in our garbage pickup and all those things. So we're-- are a self-sustaining business. We don't get any funds from the general fund. So we have to cover our costs and run ourselves like a business. So we're careful with our labor and our food costs. We try to get as many kids eating as we can. The other three schools that are not as high in free and reduced numbers, they were grouped in such a way that 87% of our students at those schools, the number-- the 87%, 87% of children eating school meals would be reimbursed at the paid rate-- I'm sorry-- at the free rate. It's a higher amount.

MURMAN: Please continue.

KRISTY SPELLMAN: OK. Thank you so much. And so then the other 13% of students actually get reimbursed at the paid rate. I think there was, there was quite a few people that misspoke that said we get reimbursed at the reduced rate. The re-- reduced rate is the paid rate minus the amount that the, the family pays, which is \$0.30 for breakfast or

\$0.40 for lunch. So that's quite a big difference between the paid reimbursement rate, which is about \$0.33. So 87% of our kids are getting meals and we get the reimbursement of the full amount for those kids. But 13%, we're only getting \$0.33 per meal when it costs us \$4 and something to prepare a meal and ship it and pay for our-- all those things. And so that's-- you know, it, it worries me. We're districtwide CEP this year, and we're keeping a pretty good-- pretty close eye on our finances because, again, we're self-sustaining, self-sustaining. And GIPS doesn't want to give our fund money when they have to spend that money on computers and books and buildings and, and all those things. So we're expected to, you know, at least have break-even. We have to pay for our own equipment, ovens and refrigerators and, you know, kitchen equipment when we build a new school. So we need to have some kind of fund, you know, a little bit left over so that we can pay for those things because the district does not pay for our equipment, which is fine because we are, we are, you know, breaking even with a little bit of a, of a balance. And so what I would like to see so that we can financially sustain CEP districtwide is that the ISP, or the identified student percentage-- and the factor is currently 1.6. I would like to see it raised up a little bit or the, the difference made up by the state of Nebraska in whichever way, you know. And I'm not sure about the TEEOSA funds. I don't, I don't worry about that. But I am worried that we're not going to have enough funding to sustain CEP at all of our schools. And as you know, every town, especially like Grand Island, has their pockets. There's pockets of poverty and there's pockets of, of higher income. And I can tell you that at the, the higher income schools, I see the pockets of poverty. I see the kids come to school and they're not clean, their hair's not combed, they don't have anybody there in the morning to help them get ready to school. Who knows what they're eating for breakfast? It may just be a handful of cold cereal and no milk, no fruit, no wholegrains, anything like that. And so-- parents are so grateful. And the principals, principals of our school are so grateful that these kids are being fed and they're ready to learn and all those things that everybody else said are, are outcomes of, of universal school meals. As far as our department and how it impacts our department, we get-- we have 10,000 students at GIPS. We get hundreds and hundreds and hundreds of applications every fall that we have to go through and look at and try to decipher to give kids free meals if their income-- free or reduced meals if their income meets the guidelines. For those students that are, you know, just above

that, that income level, par-- parents struggle to pay those bills. And we have families who have maybe, you know, \$300, \$400 worth of unpaid meal debt for one student. And you think about students that come from a larger family, that is really a hardship. Even if they're paying \$0.30 or \$0.40 per meal, they still-- that's too much for some families. So I think it would just be important to get that extra funding so that we can maintain the CEP districtwide. And it's-- it helps our department. The labor pool is really, you know, thin right now. And we just don't have the resources to do the background to manage all of that. I know-- we manage that ourselves because we're a larger district and we have a staff. But, you know, I don't think a student should have to come to school and worry about being a burden on their family's finances. You know, I've been there. I know how that feels. I don't want to have any other students that, that have to feel that way. I don't want a student have to worry about, you know, we don't, we don't-- we try to collect negative debt, but-- to a certain point, then, then we stop because we don't like to do that either. But again, we are self-funded. And so we have to be very careful about our, our revenue and our expenses and that. So I think CEP with the help of possibly some state funds to make up that lack of federal funds that GIPS is experiencing.

MURMAN: Thank you. I have a question. You said you're self-sustaining. So transportation, commodities, refrigeration, all that, and you said it's somewhere over \$4. Do you have a little better handle on about what that costs?

KRISTY SPELLMAN: It's about 4-- I would say probably \$4.30 per meal when you take all of, all of the costs that are included in, in preparing a meal. Because you look at, at McDonald's and, you know, they have huge economy of scale. So they're supposed to be a smaller amount of funds to pay for their meal. And McDonald's couldn't touch our meal for \$4.31 because we have all those things every day.

MURMAN: Does that include wages and--

KRISTY SPELLMAN: Yes.

MURMAN: OK.

KRISTY SPELLMAN: Yes.

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MURMAN: Thank you. Any other questions? Senator Linehan.

LINEHAN: Thank you, Chairman Murman. Thank you very, very much for being here. When you say you were self-- you're-- you are under the administration, right? You're part of the school district.

KRISTY SPELLMAN: Yes. We're part of the school district, but school lunch funds actually pay my salary. I'm an administrator, but our income pays my salary, it pays all our administrative salaries as well as--

LINEHAN: But you work for the school board?

KRISTY SPELLMAN: I do.

LINEHAN: The superintendent.

KRISTY SPELLMAN: Mm-hmm.

LINEHAN: But your-- bookkeeping is-- you're on your own.

KRISTY SPELLMAN: We have our own fund-- it's fund six. And everything else is under fund one, general fund. And if there's left over-- if there's unpaid debt, the general fund has to reimburse the nutrition fund. So last year or the year before last, there was \$14,000 of unpaid debt that was uncollectable. And last year, there was \$10,000 of uncollectable debt. And so the district has to write us a check to put in our account to cover that. That's a federal-- that's a federal regulation.

LINEHAN: OK. Your fund six.

KRISTY SPELLMAN: Yes.

LINEHAN: Thank you very much for being here.

KRISTY SPELLMAN: Thank you.

MURMAN: Any other questions? If not, thank you for your testimony.

KRISTY SPELLMAN: Thank you very much.

MURMAN: Other testifiers?

ANAHI SALAZAR: Thank you, Chairperson Murman and members of the Education Committee. My name is Anahi Salazar, A-n-a-h-i S-a-l-a-z-a-r. And I am here on behalf of Voices for Children Nebraska. I would like to thank Senator Hughes and the committee for bringing and considering LR419. The community eligibility provision is a valuable but underutilized resource to fight hunger in Nebraska schools. This federal provision allows high poverty schools to serve breakfast and lunch to students at no cost, regardless of income. Expanding access to nutrition-- nutritious and healthy meals is what every child in Nebraska deserves. Past test-- testifiers have already stated how important school meals are for children, so I'm going to skip a little bit of my testimony here. Unfortunately, student hunger is on the rise. According to the National Center for Education Statistics and the 2022-2023 school year here in Nebraska, there were a little over 327,000 students enrolled in public schools, and almost 158,000 were eligible for free or reduced price lunches. This represents a 7% increase from the school years in 2021 to 2022, where only about 135,000 students were eligible. So we see the important need for, for school meals-- no-cost school meals. Expanding CEP uptake in Nebraska can directly address student hunger in a targeted and effective way because the program reimburses schools for-- meals based on the proportion of low-income children in the school-- groups of schools or districts. When schools are able to offer no-cost meals without the barrier of this additional paperwork, stigma around needing assistant-- assistance decreases. No student has to go hungry because this form wasn't turned in yet. And this creates a school culture where all students can participate in meals without hesitation. It is also targeted specifically to those schools and districts with the greatest need, making it fiscal, fiscal-- fiscally responsible option to ensure that every child in Nebraska goes to school with a full stomach, ready to learn and grow. According to the most recent data shared by the Nebraska Department of Education-- and that was '24-25 data-- there are 156 districts in Nebraska that have at least one school eligible to participate in CEP. Of those with eligible school sites, only 21 have opted in-- into CEP, meaning that 87% of eligible districts still have schools where student hunger could be addressed by increased federal reimbursement through CEP. When students no longer have to worry about paying for meals, they're free to focus on learning. CEP is an excellent tool that Nebraska can make even better use of to ensure that students are able to meet their educational goals and go after their dreams. Thank you again, Senator

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Hughes, for bringing this important issue forward as an interim study. And thank you, the committee, for taking time today in considering it. Thanks.

MURMAN: Thank you. Any questions for Ana-- Senator Linehan.

LINEHAN: Is it-- I assume this is just an oversight. Is there a reason that you just talked about public school students?

ANAHI SALAZAR: No. That was the only data that I could find online, but I can definitely look for public-- or, private schools or parochial school numbers as well and give that to you, Senator Linehan.

LINEHAN: Because I-- they can participate-- federal government. They participate in this free school lunch program. So I think it would be helpful if we knew the whole picture.

ANAHI SALAZAR: OK.

LINEHAN: Thank you very much.

MURMAN: I have a question. On your last paragraph there, 156 districts have at least one school eligible to participate in CEP, but only 21 have opted in to CEP. That-- and you say that means 87% still have-- hunger is not addressed. Well, some of those that do participate probably have a large number of districts in them, correct? School-- of schools in them. So there might be more-- there, there might be less than 87% that aren't addressing, I guess I should say.

ANAHI SALAZAR: Yeah. I mean, that's just the numbers of districts. Schoolwise, yeah, I'm sure the number might be lower if a district like--

MURMAN: OPS.

ANAHI SALAZAR: Yeah, has has more students and-- yeah.

MURMAN: Thank you. Any other questions? If not, thank you very much.

ANAHI SALAZAR: Thank you.

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MURMAN: Other testifiers for LR419? Any other testifiers? Senator Hughes, you're welcome to close.

HUGHES: Chairman Murman and members of the Board of Education, I appreciate you guys's time today to discuss the CEP program and its impact on schools funding-- school funding in Nebraska. I really want to thank Bryce Wilson and his team at the Department of Education for all their work in compiling the data and analyzing it for our discussion here today. And I really want to thank the rest of the people that came out to testify to disc-- to further this conversation. One thing just in my notes that, that wasn't analyzed-- and I don't know if we can, can do a, a good job at it. I would really like to get a handle on the administrative side of this. I have a friend that works as a-- at a school elementary at the, at the front desk, and she was discussing how-- it was beginning of the school year and she had a stu-- a, a family that was constantly behind [INAUDIBLE]-- I need-- you need to put more money in your lunch account, you need more money-- put more money in your lunch account. She would send home the free and reduced forms, and they just-- they wouldn't send them back or-- I-- whether that be-- I don't know why. Pride or just didn't want to do it, didn't want to spend the time. So it was just taking-- consuming a lot of time. And then-- was it-- Grand Island said they get thousand-- those thousands of forms in to try to go through, which is a huge administrative burgen-- burden. And one thing that we all talk about is how much administration we need, right? We would rather pay teachers and staff for doing all those things. So it would, it would just be an interesting analysis to see. Like in OPS, how-- now they're CEP districtwide. What are the-- what are the FTE savings by having it that way? You don't need the forms filled out-- you know, all that. And then the other side of it is, within TEEOSA-- and I think Bryce Wilson kind of pointed this out, that that-- perhaps that 1.1 that we do within TEEOSA might need, need change, but that's something the Education Committee can work on going forward. But I think a lot of these things were brought to light. Personally, myself-- this is, this is just me-- I, I think it's very important to ha-- clearly, it's important to have kids fed before they go to school. But I struggle a little bit. My kids, my kids don't need the free lunch. And I would rather have that funding go to places that are more needed. So how, how do you balance that out? But I see the benefit of-- especially in a district that's at the higher level, just-- it, it's across the board. It's just-- it's easier, it's less

administration, things like that. So it's like, I guess, finding that, that fine balance of, how many-- you know, get all the districts that maybe need it across the districts to do-- to go that way. And then within a district maybe it is. I know LPS is kind of going more building by building, and that makes sense. So I don't know. Whatever that, that, that proper balance is. But I look forward to working with you and the members of the committee to further examine this. I think it's definitely something that impacts education directly and impacts our families out there with just affordability. We all know what our grocery bills are lately, so that was an interesting statistic, that it potentially can bring your grocery bill down 19%. That's, that's quite high. So-- anyway. Thank you for your time today. And I appreciate going forward. And I will help in any way that I can, so. Thank you.

MURMAN: Thank you. Any questions for Senator Hughes? If not--

HUGHES: Thanks, guys.

MURMAN: --appreciate you bringing this LR. And online, we had two proponents, zero opponents, two neutral for LR419. And that will close the hearing on LR4-- LR419. And we will open the hearing on LR385. Senator Linehan.

MURMAN: Good morning.

LINEHAN: Good morning, Chairman Murman and members of the Education Committee. My name is Lou Ann Linehan, L-o-u A-n-n L-i-n-e-h-a-n. The purpose of LR385 is to begin a critical inquiry into our state's education accountability system, officially known as AQuESTT. AQuESTT is a sophisticated evaluative system that the Nebraska Department of Education uses to categorize and rank Nebraska schools according to a number of indicators. Among these are performance on state assessments, student growth, improvement, reduction of non-proficiency, graduation rate, chronic absenteeism and progress to English language arts proficiency. Working from these criteria, Nebraska schools and school districts are placed into one of the following four categories: excellent, great, good, needs some-- need support to improve. Additionally, the state statute requires the designation of at least three needs to support improve schools [SIC] as priority, which entails especially intense state intervention. It used to be they had to be three, but I think now we've increased that

to where it, it can be as many as 5 or 6. I'm not sure, but I do know we changed it. Of course, it is useful to track how students are performing in our schools and whether they are improving. This has been a major objective of the federal government since the early 2000s when No Child Left Behind was signed into law by President Bush. Briefly, No Child Left Behind created a requirement for each state to develop its own standards and goals for students' performance. The intention behind these laws was to close the achievement gap between advantaged and disadvantaged students by prompting states to implement uniform evaluation criteria to facilitate effective allocation of aid. While states were not required to-- by law to develop their own assessments and determine whether they were meeting the standards and goals they set for themselves, this was the de facto result in many states, including Nebraska. In the years that followed No Child Left Behind, Nebraska implemented STARS: School-based, Teacher-led Assessment and Reporting System, a program which required school districts to come up with their own assessments and report results to the state. The flaws in using self-reporting of academic performance to promote statewide ability are clear. Since retiring STARS, as-- the state has employed two successive statewide assessments: the Nebraska State Accountability-- or, NESAs-- test from 2009 until 2016; and the Nebraska Student-centered Assessment System-- or, NSCAS-- tests from 2017 to the present. Importantly, a ranking or evaluation system is only as good as the criteria according to which it functions, and the assessments of which criteria are applied. Thus, any effective accountability system will: 1, function according to sound criteria, and 2, apply those criteria through an adequate test. Because of this, we need to take a critical look at whether or not our state's current accountability system truly succeeds on points 1 and 2. Do we have sound standards and do we apply them through an effective test? We know, for instance, that the transition from "ensa"-- I'm going to say these wrong-- NESAs tests to the NSCAS showed a significantly lower rate of proficiency in English language arts. Figures for proficiency dropped by over 30 points in academic year 2016-2017 compared to the previous year. Furthermore, scores taken for both NSCAS and NAEP-- an assessment nation-- taken nationwide to produce a national report card-- showed significant and persistent achievement gap between the students of white or Asian descent and their African or Hispanic counterparts, as well as between students who are eligible versus ineligible for free and reduced lunch. Finally, the Nebraska Department of Education altered the cut scores for NSCAS, affecting

who will qualify as proficient on the NSCAS assessments. We believe the history and facts about Nebraska's educational accountability system. Accordingly, have-- we have invited testimony from several individuals who we believe will be able to provide important information about the standards and assessments adopted in the state of Nebraska. Thank you. So, I have several questions here. The department has received them, so I'm not going to read them because I know-- we can move along. I have handed out some materials that I think will be helpful for the committee that just shows basically the difference between-- well, there's one-- this chart shows what's happened with our statewide tests as far as accountability. You've also got the national report card. There seems to be-- when we had the old-- before we changed it to the cut scores, we seem to be tracking-- the Nebraska tests seem to be tracking pretty well with NAEP, but then we changed the cut scores and now we're off-kilter again. So I just want to understand why we did what we did, and how it's going to improve outcomes, especially outcomes-- we have a problem in Nebraska, and the commissioner has addressed this and I would like to hear more about it. How are we going to address the achievement gap in our state? Because we have great schools, we have great outcomes, but we also have too significant of achievement gap. Thank you very much.

MURMAN: Thank you. Any questions for Ann-- Linehan right now? If not, testifiers for LR419 [SIC]? Good morning.

BRIAN MAHER: Good morning. I'm Brian Maher, B-r-i-a-n M-a-h-e-r, and I serve as the Commissioner of Education for the State of Nebraska. I've brought a team of experts with me today to address LR385 and some of the questions that Senator Linehan has brought-- has, has already brought up this morning. Our statewide assessment and accountability are dictated by both state and federal law and are funded through various state and federal sources. On the federal level, funding and specifications come from the Every Student Succeeds Act, or ESSA. ESSA requires the testing of all public school students in English language arts that I will refer to as ELA, and math for grades 3-8, science between grades 3-9, and all subjects at least once in high school. ESSA has specifications on ensuring reliability, validity and comparability across schools of assessments, and explicitly requires these assessments to measure performance on state-adopted standards in each of the subjects I identified. Our state receives \$4.36 million for statewide assessments from the federal government to cover the various tools we use. We also leverage an additional \$600,000 of

special, special education funds for those assessments. Nebraska Revised Statute 79-760.01 places the responsibility of the State Board of Education-- with the State Board of Education for establishing state standards in ELA, math and science. Again, ELA is English language arts. And 79-760.03 requires the State Board to establish an assessment and reporting system which, which measures student performance on these established standards, with one of the end outcomes being school accountability. The Legislature has provided over \$6.25 million to the Department for statewide assessment for the 2024-2025 fiscal year, and an additional \$1.5 million for the administration of the ACT. Notably, state and federal statute also require a technical advisory committee comprised of national experts and state practitioners to guide implementation of the assessment and accountability process. You'll hear more about that later today. We rely heavily on our TAC to help us narrow the purview of assessments, recommend cut scores, and review an informed decision that we-- decisions that we make around assessment and accountability. The Governor appoints the members of the TAC. As a quick overview of our assessment system, the following are currently provided to meet the state and federal requirements of assessing the learning of our students in our public schools. The Nebraska Student-centered Assessment System, as, as mentioned by Senator Linehan, the NSCAS Growth. The NSCAS Growth is administered, administered to students in third grade through eighth grade for ELA and math, and science for students in fifth grade and eighth grade. The ACT is another assessment; state law requires the use of a college admission test in our students-- for our students in the third year of high school, and they take the ACT in that third year of high school. The NSCAS Alternate is another assessment. The NSCAS Alternate is our mode-- is administered for our most significantly cognitively disabled students to take the NSCAS Alternate if they are not able to take the NSCAS Growth and/or the ACT. And finally, we have the ELPA21. The ELPA21 is used for our students who are learning the English language to assess their ability to read, write, speak and listen to the English language. As our ELL population grows in Nebraska, we'll continue to lean into the results of this assessment to help us better solve issues for our students who are learning the English language. The Nebraska Department of Education leverages a cyclical process for reviewing these assessment contracts through a request for proposals. We recently entered into new contracts for the next five years. The National Assessment of Education Progress-- or, NAEP-- which Polly

Bowhay will speak to momentarily, is a congressionally-mandated assessment for all states, which sample students in our Nebraska schools and schools across the country. State regulations-- specifically, Rule 10 and Rule 14-- require approved and accredited public and nonpublic schools to use Norm Reverend-- norm-referenced assessment. I understand that one of the underlying questions that was submitted to us for this hearing is the utility of the norm-referenced national assessments for students. As a quick overview of norm-referenced assessments, norm-referenced assessments look to a student's performance in relation to the performance of their peers. Criterion-referenced assessments, like NSCAS Growth on the other hand, gauge a student's performance based on grade-level proficiency to the standards adopted by the State Board of Ed-- Board of Education. Both assessments are useful for educators and parents, and the Nebraska Department of Education encourages schools to use multiple measures to identify where a student is in their learning. To meet the letter of both the state and federal law and to hold consistently high standards for students, a criterion-referenced assessment like NSCAS Growth is used, as it allows us to say this is where all fourth graders should be in ELA and test against that standard to see where students fall. For our accountability purposes, which Dr. Vargas will speak to soon, we must have this consistency across schools to ensure quality education for all students. I want to spend just a bit of time here this morning talking about NSCAS Growth, the assessment that the largest number of our students in Nebraska take. The NSCAS Growth is a powerful tool, which tells us where our students are academically on our assessments. We've been asked "Is NSCAS better than its predecessor, NESAS?" And without going into an in-depth analysis, I would say yes for a couple of reasons. First, NSCAS was brought about by a shift in our standards towards college and career readiness. The shift occurred first in 2017, as mentioned by Senator Linehan earlier, and it represented quite a shift from where our students were asked to, to be from just recalling facts and knowledge to applying those facts and that knowledge. When our state board made that shift in standards, our assessment had to change. As we see any time a state sets higher standards, this resulted in our scores dropping, and dropping significantly in 2017. Finally-- and I think maybe most importantly-- NSCAS leverages a computer adaptive test. Computer adaptive testing is a computer-assisted assessment which adjusts the difficulty of the questions best-- based on a test taker's performance on those questions. This tool is critical because instead of, let's

say, battering a child with questions they may not be able to answer, the test adjusts to the individual student's level of knowledge and gives teachers and parents a better understanding of where the child is in their educational journey. As important, the assessment tracks the students ability from year to year, allowing students, parents and teachers an opportunity to see the growth of the student over time. One final question that has been posed to us was why were the cut scores again adjusted in 2022? What is the-- what was the purpose for that decision? First of all, I would say cut scores represent thresholds that determine levels for student achievement. In Nebraska, we have three categories: developing, on track, and advanced. And as I've already described, cut scores change any time there is a shift or adjustment to our state standards or the assessment instrument itself. I went back this morning and talked to Dr. Trudy Clark from our office and said, give it-- give-- make it really simple for me so that I can explain to the committee, when would we change a cut score? And she identified three times that we would identify a cut score. And I want to go back to my notes so that I make sure I get this right. The three times would be if we set new standards, if we implemented a new test, or if there were policy concerns on the, on the current standards. And I believe that was the case in 2022, when the, when the shift was made, is that we didn't believe that the, that the Department of Education at the time didn't believe that the standards were set at the appropriate late, so there was a-- appropriate rate. So there was a re-setting of the standards at that point. We certainly welcome additional conversation with our state board, with senators and with national experts in problem-solving to find the right balance of assessing for student learning. We truly want to get this right. We feel good about our system, which adapts to student need and helps to inform teaching and learning and school improvement activities. From my team, you'll hear today from Polly Bowhay is our-- who is our NAEP coordinator, and Dr. Shirley Vargas, who's our School Transformation Officer. And we have here to help with any cleanup, Brian Halstead, deputy commissioner and maybe his most important title, resident historian to the Department of Education. I will answer any questions, and then I will turn it over to Polly Bowhay or whoever you think would be the most appropriate next testifier.

MURMAN: Thank you. Would, would you be able to give the committee a copy of your testimony? You had a lot of information in there, a lot of tests and so forth.

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BRIAN MAHER: I would. And, and with your permission, I will go back and clean it up because I put some chicken scratches on there as Bryce Wilson was testifying earlier this morning.

MURMAN: Doesn't have to be today, but just-- yeah, sometime.

BRIAN MAHER: I will be-- I will be happy to get that, and I will do that today.

MURMAN: OK, great. Senator Linehan?

LINEHAN: Thank you, Chairman. I'm sorry, what's Dr. Vargas's title? Or, you said her job--

BRIAN MAHER: Yeah, I'm going to-- I'm going to have to--

LINEHAN: It's OK.

BRIAN MAHER: --to look. She is our School Transformation Officer.

LINEHAN: Thank you.

MURMAN: And I have another question. You mentioned that one of the tests changes the questions according to how the student had asked pre-- or answered previous questions.

BRIAN MAHER: Yes.

MURMAN: Does it use AI to do that, I assume?

BRIAN MAHER: Well, certainly it uses technology. I don't, I don't know that I can tell you that it uses AI, but it uses technology to determine a series of questions. And if a student is, is addressing those questions correctly, it increases the difficulty of the next battery of questions. Conversely, if the student is struggling with those questions, it'll either stay at that level or go down. But it is a-- it is a computer adaptive assessment.

MURMAN: Thank you. Any other questions? Senator Meyer? And welcome, Senator Meyer, to the committee. For today, at least.

MEYER: For today, yeah. I guess I was, you know, familiar with the process when the State Board of Education adopted the ACT tests a number of years ago as a statewide assessment of achievement, of high

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school. And most of us that have been involved in that process over the years realized that that test was not designed for that; it was designed for college readiness. As we go forward in the educational system in Nebraska, and more and more high schools are ratcheting up their coursework aimed towards trades and other professional things where students do not need that four-year degree, hence they're taking the college prep courses which prepare kids to take that ACT test. Is there going to be a disconnect of where that ACT is really useful in Nebraska?

BRIAN MAHER: It-- it's, it's interesting, Senator Meyer. The-- so I was a superintendent at the time where we began talking about should we just have ACT be the high school assessment? And there was a-- really kind of a, I would say a push from schools to, to get that done. And, and ultimately, that happened. And I'm just now beginning to hear from superintendents in the field that maybe this, maybe this isn't the best assessment for high schools. And so, I don't have an answer for you as to where that's going, but I am hearing some dialogue and questioning the relevance of the ACT as the statewide assessment. I'm not here to say we're headed one way or the other, but I-- but you are, you are spot on with-- I don't want to say a de-emphasis of higher education, because I think for those that where that is the appropriate path for students, that is still an emphasis in our schools. But I would say there is a re-emphasis to career and technical education in our schools. And, and we feel that in the department, we think that is a good thing. How that manifests itself in our high school assessment, I'm, I'm not sure at this point.

MEYER: Thank you.

MURMAN: Any other questions for Dr. Maher? Senator Sanders?

SANDERS: Thank you, Chairman Murman. Thanks for being here. How does the special education play into these numbers?

BRIAN MAHER: The, the-- a special education student would take the assessment as any non-special education student would. The way that it would change is if the student needed an alternative assessment, and that is the NSCAS Alternate assessment that, that we have for students who have significant cognitive disabilities. And, through their IEP, it would be determined that they would take the NSCAS Alternate.

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SANDERS: Thank you.

MURMAN: Any other questions? Senator Linehan.

LINEHAN: Thank you very much for being here, Commissioner. And thank you, Chairman Murman. A couple of follow-up questions. So if we know, a student's not going to be able to do well on the standard test, they don't take that test, they take an alternative test? Because of a disability.

BRIAN MAHER: If, if they have a-- and the phraseology that I have is if it's a significant "cognitive" dis-- cognitive disability, they, they may very well take the alternate assessment.

LINEHAN: OK. And then, on the ACT, as far as that being a barometer, isn't-- I wish I could remember this, but I think you may. Or, we could find out. Isn't it true that we have a lot of students in Nebraska who do well enough on the ACT that it would appear they would do fine in college, but they don't go to college. I thought it was like-- it's a significant number of kids.

BRIAN MAHER: I, I don't, I don't know a number, but I do know that the-- what you're saying is correct. We do have a number of students who do well enough to meet college entrance, entrance exams, who do-- or, college entrance requirements, who do not go to college.

LINEHAN: Or trade school. They don't go to either.

BRIAN MAHER: They go--

LINEHAN: They go to work, probably.

BRIAN MAHER: And we, we have difficulty tracking where those students go, because we don't know. But we do know the number of students that go into colleges and universities, so-- or into the armed forces. We can track those things, but we can't track where, where they do go. Most, presumably, into the world of work.

LINEHAN: OK. Thank you very much for being here.

MURMAN: Any other questions? I have one. You talked about a lot of different tests and assessments, and I'm not sure I followed all of it, but that's why I asked for a copy. But do you think we'd over-test

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students, or "over-even-assess," or is it about right? Or should we do more? What's your opinion on that?

BRIAN MAHER: Probably would not be appropriate for me to just say "yes," would it? But I, I think, I think in general in education, we over-assess. I should probably just leave it there, because I don't have a solution to figure out how to, how to do less with the requirements that we have.

MURMAN: OK. Thank you. Senator Linehan.

LINEHAN: OK. So my overall question on this is why don't we just use, like, the Iowa standard test that we did when I was in school instead of spending the money and the funding to develop our own test, which tells us what's going on in Nebraska but doesn't really tell us-- compare, what-- which I think we do great compared nationally. So-- I, I guess I'm-- because the private schools still take the normal-- norm test, right? I mean, they're-- they have to take standard norm test, which I assume they don't make up themselves.

BRIAN MAHER: Correct. So I think I heard, I heard two questions. Correct me if I didn't. Why don't we take the ITBS or something like that? That's, that is a-- I'll say, a national test. I would say because of, because of law, because of our-- we have to have something that assesses our state standards. That's the, that's the primary reason. The-- but, but you bring up a good point. Secondly, I would tell you that I had a, a meeting on Monday of this week with a group that I call private school leaders that I call in to just talk about different topics. And we talked about assessment, and the-- there were a number of different assessments used. ITBS was one of them, Renaissance was another one. MAP, which would be very close to NSCAS, but not exactly. NSCAS was a, was another one. So you're right, many of our, many of our private schools are already using not only a nationally-normed test, but a nationally-produced and administered test.

LINEHAN: I think they have to. I mean, it's in the standards-- they have to. To be accredited or approved, they have to-- they have to take norm tests.

BRIAN MAHER: They do have to take a test.

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LINEHAN: Yes. That's what I thought. OK. Thank you.

BRIAN MAHER: Yes. You bet.

MURMAN: Any other questions? If not, thank you very much.

BRIAN MAHER: Thank you.

MURMAN: Good afternoon. Or, morning! It's still morning.

POLLY BOWHAY: Morning. I think it's still morning. Maybe.

MURMAN: It's getting close, but-- go ahead.

POLLY BOWHAY: OK. Well, my name is Polly Bowhay, and thank you for having me today. It's P-o-l-l-y B-o-w-h-a-y. And I have served as the coordinator of the National Assessment of Educational Progress-- otherwise known as NAEP-- for the Nebraska Department of Education for the past three-and-a-half years. Prior to joining NDE, I served as a principal, assistant principal, and teacher in Lincoln Public Schools. NAEP is often called our nation's report card, as it is a large-scale assessment required by Congress and administered by the National Center for Educational Statistics. Each state has a NAEP coordinator. Some of my duties include securing the cooperation and participation of sampled districts and schools, and providing technical assistance and supporting school coordinators. The National Center for Educational Statistics, and not the Nebraska Department of Education, select the sample of schools. My job is to coordinate all of the logistics I've mentioned. NAEP is given every other year to fourth and eighth graders; about 50 students per school are typically selected, and then the selected students take either reading or math. NAEP is not a norm-referenced assessment. Instead, attaches scale scores and achievement levels to provide an indication of a student's skill knowledge. No individual student, school or district scores are reported. However, state scores are reported. Nebraska's sample of students for NAEP consistently rank high in comparison to other states. NAEP provides an overview to national policymakers on overall well-being of education in our nation and provides a national comparison. However, since it's a sample of students and does not directly measure Nebraska's rigorous college and career readiness standards, NAEP cannot be used for state assessment purposes of school accountability. Thank you. Do you have any questions for me?

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MURMAN: Thank you. Any questions? Senator Linehan.

LINEHAN: So we do-- I know the NAEP scores in the state are high. It's very-- great reflection on our state. Does NAEP do both public and private schools?

POLLY BOWHAY: Yes.

LINEHAN: OK, so--

POLLY BOWHAY: It would be a smaller number of private schools, but not nearly as many public schools, but yes.

LINEHAN: It'd probably be in the percentage of students, right?

POLLY BOWHAY: Yes.

LINEHAN: Like-- OK. But doesn't NAEP show in Nebraska we have an achievement gap? Between--

POLLY BOWHAY: Absolutely. There are some achievement gaps, yes. We get those state scores, and then we can pull out all kinds of demographics.

LINEHAN: So what is the achievement gap between white and children of color?

POLLY BOWHAY: Well, I see you have that same sheet that I have. Now, this would be information from 2022. Our students did take NAEP this past year, and we are hoping to get that data-- well, we're hoping in February, March, something like that. So this is from two years ago. But if you look down in that corner, if-- it depends what you're looking at, if you're looking at fourth grade or eighth grade. So, if you look at fourth grade reading at-- look at the bottom right-hand corner there, it says score gaps for student groups. You can see what those gaps are. There's a large gap for black students, and I would say that would be fourth grade and eighth grade in both reading and math. There's certainly a gap there with hispan-- Hispanic students also.

LINEHAN: OK. So, I'm looking at it. Percentage of students, 63%. I'm looking at the one that says white. Great.

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POLLY BOWHAY: Are you on fourth grade reading or fourth grade math?

LINEHAN: I don't know.

POLLY BOWHAY: OK.

LINEHAN: Which-- what are you on?

POLLY BOWHAY: I'll do whatever you want to do.

LINEHAN: Well, just go through fourth grade reading and whatever.
White, black, Hispanic.

POLLY BOWHAY: Right. So the score gap would be fourth grade reading.
In 2022, black students had an average score that was 34 points lower
than white students.

LINEHAN: What about Hispanic students?

POLLY BOWHAY: In 2022, Hispanic students had an average score that was
24 points lower than white students.

LINEHAN: So do you have an eighth grade there, too?

POLLY BOWHAY: Mhmm. Eighth grade reading. In 2022, black students had
an average score that was 30 points lower than white students. And in
2022, Hispanic students, that was the 22 points lower than white
students.

LINEHAN: So, when we look at it nationally, does NAEP take into
consideration those minority numbers in the state?

POLLY BOWHAY: Yes. Yes. And so, what NAEP will do is when they're
selecting students, they'll look at the demographics in Nebraska. And
let's say we have-- I'm just pulling a number out. Let's say 20% of
our students are Hispanic. Then that is the number of students that
they will look to take the test.

LINEHAN: OK. That's very helpful. But I think what I'm trying to ask
is when we compare Nebraska to, I don't know, pick a state. Texas.
Do-- does NAEP figure well, in Texas, you have a lot higher percentage
of Hispanic children, so that will affect their overall-- if this-- if

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the achievement gap is the same, that will, that will affect their overall state score?

POLLY BOWHAY: It could, yes.

LINEHAN: But does NAEP take that into consideration when they do the scoring of what states are doing great?

POLLY BOWHAY: Now that, I don't know. I would have to check on that.

LINEHAN: That would, that would be helpful, I think, because I think if you look at some of the--

POLLY BOWHAY: I hear what you're saying.

LINEHAN: -- if they don't take that into consideration, if you don't take things to consideration but you've got more advantaged kids in some states than you do in other states, then just looking at state-by-state comparisons--

POLLY BOWHAY: Absolutely. And I know NAEP has that data, I just don't have that data with me right now. We-- when I get on the NAEP website, or if I talk to my other NAEP friends, we can pull all kinds-- just about any sort of data you'd be interested in.

LINEHAN: So then does NAEP have a-- when they-- how does this help us? How does NAEP help Nebraska or Texas or Florida or anybody? How, how-- it's good information. Great.

POLLY BOWHAY: It is.

LINEHAN: But then what?

POLLY BOWHAY: Well, it gives us a snapshot of how we are compared to other states. That's really what it boils down to. And then we've got that longitudinal data, too. So we see what happened in 2019 when we took NAEP, and then we had the pandemic, of course. And then 2022, we'll be getting that information here hopefully in the next couple of months. So we'll get to look specifically at Nebraska, see how did we do. How, how did we do in 2019 compared to 2022, compared to 2024. So we've got that information for Nebraska, but then we also can look and see how we compared to states all across the country.

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LINEHAN: Which-- that's wonderful, but-- I'm not asking the question right, evidently. It's a, a report card. That's all it is.

POLLY BOWHAY: Mmhmm. Yes.

LINEHAN: NAEP doesn't have-- like, in Nebraska, we do our testing and then they've got schools that need help, so we help them. NAEP doesn't do any of that.

POLLY BOWHAY: That's right.

LINEHAN: They just do a report card.

LINEHAN: That's right. They're just reporting the data. You're right. Absolutely.

LINEHAN: OK. All right. Thank you very much. Appreciate it.

MURMAN: So, if I understood you correctly, only a certain percentage of the students take the test?

POLLY BOWHAY: That's right.

MURMAN: Or, do what-- for instance, eighth graders. Do all eighth graders take the test?

POLLY BOWHAY: No, it wouldn't be all eighth graders. What they'll do is they, they will select schools in Nebraska. And this past year, we had about 100 eighth grade, eighth grade schools. Not necessarily districts, but schools who took NAEP. And then, of-- let's say it's Lincoln Public Schools, Park Middle School. I'm just saying, if they were selected, they'll look at the students in eighth grade. And of those students, they will pick about 50 students and about 25 of them will take reading, and the other 25 students will take math. So it's not all of the eighth graders. It would just be a, a, a small number of eighth graders.

MURMAN: But all of the eighth graders would take one-- either math or reading.

POLLY BOWHAY: The group of 50. The group of 50, not all the eighth graders in the school.

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MURMAN: OK. So they're randomly picked, I assume?

POLLY BOWHAY: They are selected based on our-- the data from the National Center for Educational Statistics. Right. And they are looking at-- to make sure they're not just picking all Hispanic students, or they're not just picking all white students. They will look at our data, our state data, and then they will, they will select students that way.

MURMAN: Do you collect any other demographics, such as socioeconomic factors,--

POLLY BOWHAY: Yes. Yes.

MURMAN: --or just poverty economics?

POLLY BOWHAY: Well, we do white, black, Hispanic, Asian, American Indian, Alaska Native, Hawaiian, two or more races. We do male, female. And then, we do the National School Lunch program, eligible or not eligible.

MURMAN: OK. So most of those were skin pigmentation or heritage. But you don't like poverty fact-- well, you did school lunch, but--

POLLY BOWHAY: Free lunch.

MURMAN: OK.

POLLY BOWHAY: That would be eligible and not eligible. So, when you're talking about that, it would be if they're free or reduced, or if they're, they're eligible or if they're not eligible.

MURMAN: And the comparisons I saw were, I think, all skin pigmentation.

POLLY BOWHAY: Well, if you look, I think you got that that from Senator Linehan. Look down at the box on the left, down at the bottom, you will see where they're reporting different groups.

MURMAN: Yeah, there's male-female.

POLLY BOWHAY: You'll see the groups. You'll see male and female. And then, the very bottom one, you see national school lunch program. And

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then you can see students, if they're at or above, basic, proficient, advanced. All of that information is right there.

MURMAN: OK, but very little is-- has to do with socio, like, economics, so that I can see the--

POLLY BOWHAY: Just that one section. Yeah. Yes.

MURMAN: And also, do you collect-- for instance, family, if they're from one-parent households or anything like that?

POLLY BOWHAY: You know, that's interesting you say that. There is a questionnaire that students are given, and that information would be included in, in the questions that they ask. They ask a variety of questions about family dynamics. Are there books in the, in the home for students to read? Are they-- have their-- do their parents have a college education? There's a wide variety of questions that are asked. Yes. And then, that information can be gathered, also.

MURMAN: Because I would suspect that family dynamics, like homelessness, or 1 or 2 parent families, poverty would have a lot more influence on how well they do on the test than skin pigmentation. Wouldn't you agree with that? I mean, I would like to see more comparisons for those other factors.

POLLY BOWHAY: More comparisons? Well, if you give me what you want, I, I can find it for you.

MURMAN: Well, I don't, I don't know if you-- how much of that you collect. Like, you know what I'm saying?

POLLY BOWHAY: We collect quite a bit. You know, the free and reduced lunch-- it may be interesting for you to see some of the information from the questionnaire. That might, that might answer some of your questions, too.

MURMAN: Yeah, I'd like to see some of the more detailed information--

POLLY BOWHAY: OK. Certainly, I can get that for you.

MURMAN: --about, you know, family dynamics or poverty, those kinds of things.

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POLLY BOWHAY: OK. Absolutely.

MURMAN: Senator Linehan.

LINEHAN: I just-- thank you, Senator Murman. I want to clarify something. I think I know the answer, but just-- the students are picked randomly. They're not-- you don't go in and say, I want those 50 kids. There's some random--

POLLY BOWHAY: That's right. There is a-- the psychometricians at National Center for Educational Statistics in Washington, D.C. make all those decisions.

LINEHAN: So they get the information on the students in the school they're picking, and then they randomly pick children.

POLLY BOWHAY: Right. They will ask NDE for that information. We send it all to them, and then they-- from that list, they, they send them back the list of students that they would like to have tested.

LINEHAN: Which-- this is, I think, really important. It's a random choosing.

POLLY BOWHAY: Yes. Absolutely.

LINEHAN: They don't decide that they're going to look at their grades,--

POLLY BOWHAY: Absolutely.

LINEHAN: --or that they look at "ethnicity" and free and reduced lunch, but they don't look at, like, they got all As or they get all Ds, because--

POLLY BOWHAY: That's exactly right.

LINEHAN: --OK. All right. Thank you very much.

MURMAN: Any other questions? Senator Walz.

WALZ: Quick question. Thank you. I was just thinking, as we were talking about all these groups of people that Senator Murman was

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mentioned-- or any comparison or do they consider rural versus-- rural and urban schools? Like is there a good--

POLLY BOWHAY: There is information that can be pulled comparing rural and urban. Yes.

WALZ: When they're picking those schools, is that-- are they getting a good number from each category, I guess?

POLLY BOWHAY: Yes. And we, like I said, we had about 100-- 110, actually, eighth grade schools this past time and 100 elementary. And they were from all over the state.

WALZ: OK.

POLLY BOWHAY: Yes.

WALZ: Yeah. That information I think would be interesting too. How they compare.

POLLY BOWHAY: How they compare.

WALZ: Yeah.

POLLY BOWHAY: Sure, I can get that for you.

MURMAN: I have one more question.

POLLY BOWHAY: Sure. Absolutely.

MURMAN: So when they're-- the students are put in different groups, is it how they identify? For instance, mixed race, that if they identify either black or white or, or Hispanic, whatever.

POLLY BOWHAY: Right. If they identify two different races, then they would go into that category.

MURMAN: OK. Two or more races.

POLLY BOWHAY: Yep. That's one of the-- that would be one of the categories.

MURMAN: OK. Thank you.

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POLLY BOWHAY: And we get that information from NDE.

MURMAN: Thank you. Any other questions? If not, thank you very much.

POLLY BOWHAY: OK. Thank you. And I think Dr. Vargas is next.

SHIRLEY VARGAS: Good morning, everyone. Hello. Chair Murman and members of the Education Committee, my name is Shirley Vargas, it's S-h-i-r-l-e-y Va-r-g-a-s, and I am the school transformation officer for the NDE, and have held this role for the last five years. And my office was established to help coordinate school improvement efforts and supports across the department with various stakeholders to ensure that meaningful supports and resources get to our schools and districts. So you've seen that you've just received a handout with two doc-- received a folder, I believe, with two documents. The first document I'm going to draw your attention to is called Accountability in Nebraska Classification and Designation. It's the top one and looks just like this that I'm holding up. And I just want to share this really briefly with you. State and federal accountability implementation and processes fall under my office, and the commissioner mentioned ESSA, as well as Senator Linehan, related to how we leverage state assessment data to help identify schools that need additional support for improvement. So this includes full-scale support for underperforming schools, which are called "comprehensive support and improvement," and that's going to be on the back of that page. There's also support for specific groups of students, including the seven racial and ethnic groups, English language learners, students with disabilities and students who are economically disadvantaged. And that means students that receive free or reduced-price lunch. And that designation is called "targeted" or "additional targeted support and improvement" Our system relies upon student performance data from NSCAS, ELPA21, NSCAS Alternate and the ACT, in addition to several other indicators approved by the federal government and detailed in our state ESSA plan assigning accountability classifications to schools and districts. On the state side, we implement the provisions that are included in 79-760.06 and similarly rely upon that state assessment data. As the resolution that we're talking about today asks for a timeline, the second document I'd like to draw your attention to is this larger one that has a staple. And this one's called Nebraska's Educational Assessment and Accountability Timeline. Gonna actually take you through a couple of pages, so I know there's a lot you probably want to flip through it.

Please do. But first, I want to draw your attention to the fact that you'll notice different colors on the document, right? So they correspond to legislation and policy, which are both state and federal. They-- there's also assessment and accountability activities and stakeholder engagement opportunities. So to start on the top of page 1, you'll see just how Senator Linehan mentioned, right, the first iteration of state legislation, which is the Quality Education Accountability Act, outlining the authority for the State Board to establish content area standards and assessments. Which came in '99 with STARS, right, School-based Teacher-led Assessment and Report System. Then President Bush in 2002 with No Child Left Behind signed, signed that into law and cemented the standards-based reform movement which held schools accountable for student performance. So to match the national landscape, you'll see a series of state legislation from forming the Technical Advisory Committee to the move to NESAs and NePaS, which refer to at the moment the assessment and the accountability system respectively, which ranked our schools and districts. Now, with turning the page 2, you'll see they're on the top of page 2 in August of 20-- 2014, we see Nebraska's move to AQuESTT and college and career-ready standards. This move raised the bar for expectations for what was covered in our classrooms and measured widely across the state. This was also a movement from rote memorization of content in classrooms to applying critical thinking and applying different concepts-- key concepts in content areas. Further down, you'll see the Every Student Succeeds Act that was signed in 2016, allowing now for states to create goals for performance and identify supports that are appropriate for schools in need of improvement. On-- when we move to page 3, we'll see in 2018, there was a move to NSCAS. And this transition was necessary to ensure our assessment instrument and accountability system matched the depth of the standards that we had just moved towards. The remainder of the timeline outlines continued implementation of state and federal policy, along with flexibilities allowed during the pandemic and continued refinement of our assessment and accountability systems. Finally, I'll speak to the question of utility of our AQuESTT system and its benefit to our Nebraska schools. Our accountability system has helped shift the narrative of school accountability, one of blame and shame and ranking, to one about improvement and support. We don't rank our schools and allow for multiple means for a school to show improvement. For example, a school might have lower proficiency scores, but they might also be classified slightly higher if they have

supported students and shown growth-- have supported students to show growth on assessment scores. As an example, we were also asked about the tie between Title I funds and AQuESTT. The NDE does receive some Title I dollars to support schools that have been identified to receive that additional support for improvement. We have a series of steps for schools to demonstrate quality, and while our system is complex, we've made significant strides in the past several years to create a more stable, reliable and useful system for our schools. Our AQuESTT system incorporates federal processes, like I've mentioned. Some schools may be doing well overall, but need support to address the needs of specific student groups, which our system can identify. While not perfect, our AQuESTT system provides both a classification and a system of support, with tenants outlining resources to support our students and create a vibrant place for all students to learn. So I thank you for your time and I'll be happy to take any questions.

MURMAN: Thank you. Any questions for Ms. Vargas? Senator Linehan.

LINEHAN: To go back to-- thank you very much for being here. And thank you, Senator Murman-- go back to we measure growth. How do you do that?

SHIRLEY VARGAS: So when I talk about student growth specifically, we measure where a child was one year and compare it to where they were the prior year. So it's year-to-year growth for individual students.

LINEHAN: So but how does that fit into the classification?

SHIRLEY VARGAS: So that is one component of multiple indicators that we have. And we go through a series of steps where we first start with the number of students that are proficient in a school, and then a school is able to receive credit, if you will, to-- for the number of students that may have demonstrated growth on that assessment in ELA or math specifically.

LINEHAN: So do they get-- so obviously, different schools have different student bodies, which some-- OPS, let's-- whatever, 78% poverty. Another school, Bennington, where I'm certain it's much lower. Or I could just say Elkhorn, where I know it's really low. So do-- does the school that's got the more kids on free and reduced lunch, do they get as much credit for growth as the schools that don't have a lot of free and reduced-lunch kids, but they get high scores?

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That, that's a balance that I'm interested in. Do you get credit because you happen to be in a very affluent neighborhood and everybody's got books in the house and they not only have parents with college degrees, but they got parents who have multiple degrees. Are they judged the same way when you go to a district where you have very few college degrees in the house and maybe only one parent and maybe no books? How, how do we balance judging schools when they have such different populations?

SHIRLEY VARGAS: So the place around specifically for growth, because I heard that part of the question there, is really looking at where the student-- where the student is this year, that there's, for example, this year where they're testing, and then comparing that to where they were the prior year. Right? So it's about the individual student. And then overall, there are other indicators such as reduction in chronic absenteeism. There's also related to how students are performing overall, like proficient on the, on the NSCAS, as well as whether or not they're making-- their English learners are making progress towards English language proficiency. So we go through the series of steps to be able to do that and then we set thresholds to determine where a school might fall. So the intent there is to ensure that we're looking at not only individual student characteristics, but also comprehensively how a school is performing for every child.

LINEHAN: I'm going to keep asking this question.

SHIRLEY VARGAS: Yes.

LINEHAN: Do you get-- I'm a school. Do I get as much credit for growth as I do for I've got, you know, we're in Wonderland and everybody's smart and everybody gets good grades. Do I get as much credit or more credit for growth than I do just overall performance?

SHIRLEY VARGAS: Our current system does not deter-- does not account for the individual characteristics of a student to determine whether the school--

LINEHAN: I'm not-- I'm not-- not that one student, but the, the growth of all the students in a school, do they get credit for it? We got a school, you tested them three years ago, they had like, I don't know, 30% proficiency. But now, two years later or three years later,

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they're at 60% proficiency. Do they get-- how much credit do they get for that growth?

SHIRLEY VARGAS: So the way our system currently is situated is that they're eligible to receive one point of an adjustment on their classification system, on our classification system. So that's what the school would get.

LINEHAN: One point of out of, out of how many points?

SHIRLEY VARGAS: Well, it's just-- so there's, there's only one point or no points. So that's, that's all that a school would get in our current system the way it's currently--

LINEHAN: To be an excellent school, how many points do you have to have?

SHIRLEY VARGAS: So the way our current system is set up is that we start with status and then there are a series of adjustments. Two adjustment-- the one that's real-- excuse me, the one that's related to student achievement and growth is only one point because it accounts for multiple indicators within that tenant, which is individual student growth and reduction of nonproficient scores. So specifically when we combine all that, it's just one point that a school would be eligible if they meet a particular threshold that is set by a series of calculations that are not, unfortunately, easily understandable, but relatively complex, which we can [INAUDIBLE].

LINEHAN: So if I have 90% proficiency in my school, how many points do I get?

SHIRLEY VARGAS: I'm not sure if I'm understanding that que-- that question. Could you--

LINEHAN: Maybe you just need to walk the committee through how we do this?

SHIRLEY VARGAS: Sure.

LINEHAN: What I'm trying to drive at, do you get credit for-- is your credit for improvement as much as your credit for we just happen to be in a very affluent neighborhood where, like I said before, everybody has got degrees and everybody's got books in the house and, you know,

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they go to the zoo and they get to do the Luminarium, you have all those outside experiences, so they do better on tests. Do that-- does that school get more credit because that's their situation than a school where that's not the case, but they've shown a huge amount of growth or even a little growth?

SHIRLEY VARGAS: Our current system does not account for that.

LINEHAN: OK. Thank you, that's--

SHIRLEY VARGAS: There you go.

LINEHAN: OK. Thank you.

MURMAN: Any other questions?

WALZ: I have a quick question, just because I'm interested in the-- it's 0 or 1, period.

SHIRLEY VARGAS: So the way the adjustment works, right. So a school is either eligible to receive an adjustment or they're not. And it's dependent on a threshold that's set by norming schools within that same grade band.

WALZ: And it does not accumulate, those points. It's 0 or 1--

SHIRLEY VARGAS: Correct.

WALZ: --every single time. It doesn't accumulate.

LINEHAN: We can talk later.

WALZ: OK.

MURMAN: Any other questions for Ms. Vargas? Senator Conrad.

CONRAD: Thank you so much, Chair. Thank you for being here, doctor. And I think you heard some of the testimony beforehand. And I know you have a lot of expertise in this area as well. I'm not 100% sure what my friend Senator Murman was trying to get at because, of course, family status is a protected class, so we wouldn't want to discriminate on the basis of whether or not parents are married or not and things of that nature. But do you want to maybe help the committee think through what is the next best thing we can do to try and address

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achievement gap in the future? This is a lot. We've, we've worked on the data for years as your handout is really clear about. And we see this really stubborn and persistent gap that we're not making a lot of inroads on. So what, what is the-- one of the-- and it's not a single bullet, right? A silver bullet. But what what do we really need to focus on if we all want to close the achievement gap moving forward?

SHIRLEY VARGAS: Appreciate that question. I really do. It's been my life's work to really think about how we support the adults in schools where there have been entrenched underperformance--

CONRAD: Yeah.

SHIRLEY VARGAS: --year over year for generations. Right? And I believe that it is very important to continue to develop and iterate on a system of support for our schools. So you heard Senator Linehan in her opening around our priority school designation. We currently have three priority schools. The legislation had been changed to add more schools, but it did not necessarily allow for more additional funding or support to expand that work. As we know that three at a time, we're talking about very small incremental improvement there. We also understand at the NDE, right, that, you know, when we are talking about student improvement, it isn't just one specific indicator of whether or not a child is doing well on math or literacy. It's also about how do we support the nonacademic needs of our individual students and the communities across our state. There's a, you know, a misconception that chronic absenteeism occurs in really large populated areas. But, you know, that's actually also really prevalent in a lot of our rural communities.

CONRAD: Yeah, yeah.

SHIRLEY VARGAS: Right? And how, you know, infrastructure and all other nonacademic needs play a role in whether or not a parent can make a decision versus going to work or bringing their child to school or what their child's safety. So really thinking about how we can leverage other entities or other agencies to really co-construct solutions that are--

CONRAD: Family support.

SHIRLEY VARGAS: --most appropriate [INAUDIBLE].

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CONRAD: Kind of family support type of things and social safety net strengthening. OK. Well, and maybe Senator Murman would like to clarify. I mean, I don't think anybody on this committee would want to look down or diminish the incredible work that single parents do in raising their children and the hard challenges that they face. And I don't know where he was going with that line of questioning in, in terms of whether or not there-- what his remedy may be in terms of, I don't know, changes to divorce or family law or otherwise. But I do appreciate you answering the questions and kind of helping to connect the dots for, for this committee and trying to keep the focus on what I think the point of Senator Linehan's hearing is here: How can we best tackle the achievement gap and do-- does the information that we have available through various testing components help us figure that out? So appreciate that. Thank you.

MURMAN: Senator Linehan.

LINEHAN: This is actually not a fair question for you, but I-- this is for the whole room.

SHIRLEY VARGAS: Thank you.

LINEHAN: Has the Department of Ed come to the Legislature and asked for more money for priority schools?

SHIRLEY VARGAS: We sure have.

LINEHAN: You have?

SHIRLEY VARGAS: I have. I, well, I have gone to the Appropriations Committee this last year and since 2019 have submitted requests to enhance [INAUDIBLE].

LINEHAN: Is there a reason you didn't come to the Education Committee?

SHIRLEY VARGAS: I will look for support--

CONRAD: Ask the Exec Board--

SHIRLEY VARGAS: --from our--

CONRAD: --for where the--

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SHIRLEY VARGAS: --our resident historian is here and can [INAUDIBLE] to provide some additional information.

LINEHAN: Because we do actually get appropriations out of Education Committee pretty consistently so thank you.

SHIRLEY VARGAS: Thank you.

MURMAN: Any other questions? Senator Meyer.

MEYER: And I'm not sure who would be the proper one to, to answer this question. And Senator Conrad kind of touched on it, as we look at these NAEP scores from '22, comparing them to 2000, there's been no change. And I know you can go back farther than that. So is there something larger, more relevant that the Education Committee can do to change the dynamic? And I, without pointing anything, any fingers, I'm wondering-- and Senator Linehan and I have talked about this question-- in the way we teach reading, is there something that new teachers coming into the profession over the last 25 years, have we done everything we can to prepare them to function in the classroom, to make improvements? Because and Senator Wayne during the last legislative, legislative session talked about this several times, the lack of progress as we look at the last 22 years, to say no change. I mean, is that still acceptable for us to say that? And I'm thinking somewhere along the line something has to change that 10 years from now we can no longer say that. I mean, we talked about this in the science of reading discussion when Senator Linehan was in favor of requesting out \$10 or \$20 million more to teach teachers to teach how to teach reading. I know that sounds redundant, but for the average taxpayer and citizens of Nebraska, it's not. It's, it's what are we doing here? Should they have these skills when they come out of the teacher prep program? Is there too much independence and differences between our teacher prep programs? And I've been down this road, right, Brian, historian? When we had 17 teacher prep programs in Nebraska, and they all came before the State Board of Education and they all saw that they were the very best. Brian, am I right?

LINEHAN: You can't do that.

MEYER: You're not going to say. It might incriminate you.

MURMAN: Can't talk to the audience.

MEYER: And here we are these many years later, and NAEP says no difference. So I'm wondering where do we go? I mean, obviously, spending more money is not always the answer. So is there something else in the process of improving outcomes for students across all races and skin colors, which we have to do as a society if we're going to make progress? And what is that dynamic? And I'm, I'm 73, so I'm over the hill, but-- and Brian's close. So and maybe this is just a hypothetical question, but I think as policymakers in the state of Nebraska with awesome education leaders here, we have to ask that question or we're not being honest. So I'm just passing that on and you can take it to your superiors or whatever. Something to look at is the people who are most involved in learning are the teachers. So those are something that we need to do in that preparatory discussion that needs to change. Thank you.

SHIRLEY VARGAS: Thank you. Thank you for the context and thank you for all of that. I think that's super helpful. I have to start by saying thank you to the-- this body that appropriated the nearly \$2 million for the work that now is within the authority of the state board to execute more specific work related to improving literacy for all students, especially in earlier grades. And we also know that we've been, you know, receiving we've just received a federal grant to hopefully support, continue to support that work and expand on that. And you're correct, this isn't brand new information, right? Coleman Report in '66, A Nation at Risk in '83 that led all this movement, where we're trying to figure out, well, what are we actually trying to accomplish and for whom? So I really appreciate the question because it isn't just a nationwide question, but how do we do it so it's specific to the teachers in our state, to the students in our state, for the benefit of the workforce and the citizenry of our state. So I think you're spot on. And it requires everyone, especially all you all around this, this table here. So definitely take it back, my superiors are behind me. So we'll have that conversation and will continue. And I appreciate and welcome any feedback you all might have as well to support us in that.

MURMAN: Thank you. Any further questions for Ms. Vargas? If not, thank you for your testimony.

SHIRLEY VARGAS: Thank you.

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MURMAN: Other testifiers concerning LR385? Yes.

CHRISTY HOVANETZ: Good morning.

MURMAN: Good morning.

CHRISTY HOVANETZ: Christy Hovanetz, I'm with Excel in Ed. Thank you for the invitation to be here today. I am a senior policy fellow that does mainly assessment and accountability work.

MURMAN: Excuse me. You have-- by our rules, you have spell out your first and last name.

CHRISTY HOVANETZ: Christy--

MURMAN: No problem.

CHRISTY HOVANETZ: C-h-r-i-s-t-y, Hovanetz, H-o-v-a-n-e-t-z.

MURMAN: Thank you.

CHRISTY HOVANETZ: I'm a senior policy fellow with ExcelinEd. We're a nonprofit based out of Tallahassee, Florida, chaired by our former Florida governor, Jeb Bush. I spent my early career as the assistant deputy commissioner in the state of Florida, assistant commissioner in Minnesota, and now work as a senior policy fellow and served as a national expert on accountability and assessment. I have the pleasure of serving Nebraska on the National Technical Advisory Committee, was initially appointed by Governor Ricketts, then by-- reappointed by Governor Pillen and approved by you all on this board to serve as an expert. We had an opportunity to meet yesterday and this morning to talk about assessment and accountability issues. You all are asking a lot of really fun questions that I'm hoping to be able to answer, too. We talk a lot about accountability and assessment and what the purpose is of it. The reason we assess kids is because that's usually the only objective piece of information parents get about student performance and whether or not they're mastering standards. So having a very specific assessment that's objective and criterion-based is important to know whether or not students have the knowledge and skills they need to be successful in the next grade and the next year in school, as well as when they matriculate out of the K-12 system. Accountability is important because we need to be accountable for those results, not just taxpayer accountability, but to parents to

make sure that we're educating students, to educators to make sure that their school systems are functioning well. Business leaders are interested because they want to improve and grow the economy for their state. So when we're looking at accountability, we want to make sure that students are actually getting the knowledge and skills that we're investing in our school systems in order to be successful later in life. We've talked a lot about achievement gaps and performance and strategies to improve student performance. The initial underpinnings of this all come down to starting with transparent and simple accountability systems. I've done extensive work in Florida, extensive work in Mississippi over the last decade, and multiple other states that have been very low performing compared to what Nebraska is that are now top performing states in the nation. If you're a black or Hispanic student, you are far better off being in the state of Mississippi or Florida to receive your education. They're among the top five performing states in the country. Florida's ranked number one in many student achievement categories for black and Hispanic students, as well as low-income students. So they've done a good job at starting to narrow the achievement gap. Not closed yet, but narrowed the achievement gap. And it all started with making sure we understand what's happening in our schools and in our classrooms so we can implement those strategies in order to improve student outcomes. Through our work at ExcelinEd, we've developed a series of fundamental principles. Every state is required to have a school accountability system based on federal law. It all started under No Child Left Behind in the early 2000s, and since then has evolved and matriculated to the Every Student Succeeds Act. States are required to assess students and to hold schools accountable. But there's some states that do a good job of being transparent in their systems and are seeing, producing-- seeing and producing results. And there are other states that are meeting the letter of the law, but that information isn't as useful to educators and the public about what to do in the schools. These series of fundamental principles that we've come up with have really helped elevate states like Mississippi, Florida, Utah, Louisiana recently revised their accountability system, Tennessee, to start seeing improved student outcomes. And there are nine different things we generally talk about. One is to use clear and transparent descriptors. We obviously look at A-F when we're looking at school accountability. It can be a system that's just very understandable to the public to see how well schools are performing. The other thing we want to make sure is that we're including concise, objective measures of student

outcomes, that we're focusing on reading and math, improvements in reading, improvements in math. We also look at the lowest-performing students and put a special emphasis on the lowest-performing students to make sure that we are starting to narrow those achievement gaps and making sure that they're getting the attention they need. So even though they might be a ways from proficiency, making sure that we're counting them for growth more than we are for other students, we also want to balance the measure of growth and proficiency. So we want schools to make sure that ultimately students are proficient when they leave the education system or move on to the next grade. But we also acknowledge that students come in and they might be a little bit further behind. So we want to measure growth towards a standard or towards proficiency to make sure they're making progress towards those expectations that educators have set out in your state. When we measure that growth, we want to make sure that we're measuring it not compared to peers, but compared to a standard or an expectation. And that if schools are getting credit for making growth, that that student will eventually be proficient in the future. So making sure that that growth is robust enough to ensure that students are moving towards proficiency. We also want to make sure that we're reporting results in a clear, transparent way and doing that as close to the end of the school year as possible to make sure districts and parents have time and opportunity over the summer to adjust instruction, adjust professional development, look at curriculum, parents have an opportunity to enroll their students in summer programs or do some enrichment activities. So making sure that those results are reported at the end of the year is really important. They need to be clearly communicated and you need to have a rigorous or strong expectation. When I was working in Florida the first year, we released our school accountability system results. We reported more D and F schools than we did A or B schools. It's because we were in the bottom 10 performing states in the nation and our governor did not think it was legitimate to tell people that we had high-performing schools. And it was a very difficult time to explain to our constituents why a school is rated a D or an F. But one of the things we built into our accountability system was a calculation and a report card that was very simple and easy to understand. So when somebody, a parent, did call me complaining that their school was rated an F, why is that school rated an F, I was able to direct them to the school report card. And this goes to Senator Linehan's question and say, I can look at each indicator, and 12% of students in this school are reading on

grade level, 18% of the students in the school are performing an F on grade level. No students are making progress in this school. How would you rate the school? So having a clear, transparent system of accountability so people understand what is happening in the school is very important. I know the department is currently working on revising their school accountability system. We just finished doing a 50-state scan of all school accountability systems in this, in the country. Nebraska's current system is very unique in that it's a passthrough system. The reason it's hard to answer the question of 90 points versus 60 points improvement, who's doing better, is they don't aggregate their indicators. They first look at the achievement indicator. And if it passes a certain threshold, those schools are set aside. If it doesn't meet that threshold, they're passed in to look at the growth indicator and then determine whether or not they pass that threshold and then move forward. So they are in the process of revising the school accountability system to have more of an aggregation instead of looking at each individual thing in a conjunctive way. It's more compensatory, the direction they're moving. That is important. Most states do it that way and it's-- you're able to report things that are a lot more clear and transparent. The one thing I will say as you're creating your accountability system is accountability systems in and of themselves don't produce outcomes. It's what you do with the data and information from that system that really is going to produce those outcomes. So whatever information is produced from your system needs to be understandable by you all so you can make state policy about it, needs to be understandable by educators-- principals, teachers and others-- so they understand where to focus their attention and how to change and revise things that they need to do in their schools in order to be successful for the next year. Also needs to be understandable by parents. They want to know how their schools are performing and they should have a clear perspective and understanding of where the school has strengths and weaknesses. So given that, separating out and looking at what percent of students are proficient in reading, what percent of students are proficient in math, what percent of students are making growth in reading, what percent of students are making growth in math, those are the type of indicators that you'll want to include for your aggregation in your accountability system. Make it clear. Make it transparent. Make it so it's actionable. Had a couple of questions. You had talked about testing and, and overtesting a little bit. Is there overtesting? It's an epidemic across the country. I can say that

we've taken a lot of time to evaluate what are some strategies to have fewer, better tests in our schools and came out with a list of policies and priorities for how states can do that. One of the things we've done in a number of states, starting with Florida, was require districts to report every single test that they're administering. What it's for, when parents get results, and what do they do with that information. It provides a lot of transparency in how much testing there actually is, but will help, hopefully, schools and districts evaluate what they're doing in their testing program to eliminate some of the redundancies and get rid of testing that isn't providing a lot of information. So the testing that's required by the federal and state governments is really an assessment of learning. We're looking at a summative piece of information. What happened over the years? Testing that happens generally at the school and district level is assessment for learning. They're instructional assessments that happen on a very regular basis. Two very different types of assessment and two very different purposes for those assessments. The state assessment piece and federal requirements that you're looking at takes up a very, very, very small amount of time. So once a year in English language arts and math in grades three through eight, and once in high school. So the testing from the requirements for federal accountability and state accountability are very small. It's the required-- what's happening at the district level that's starting to build and compound how much testing is actually happening and occurring. So requiring a reporting out of what those tests are and what they're being used for is a good first strategy to help eliminate or reduce some of that testing overburden. You had asked about teacher prep programs and teaching teachers how to teach reading. Agreed, that it's a big concern. Nebraska has seen somewhat of a downward trend in reading performance on the National Assessment for Educational Progress over the last-- at least since 2015. There's the Center for NCTQ, National Council on Teacher Quality, that publishes a report about what teacher prep programs across the country are aligned to science of reading and science of reading instruction, which is what we have seen produces the strongest results in reading outcomes. They rate every single teacher prep program in the country. I pulled it up when we were sitting there. UNL earned an F based on science of reading instruction for preparing teachers in teacher prep programs. UNO earned an A. So starting there is a first kind of step of looking at what do good teacher prep programs look like and where should we be drawing most of our teachers. Changing teacher prep programs at

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universities has always been a challenge. We tried to do that in Florida more than 20 years ago when I was the director of Reading First for the State. We were not successful, but we did go back and we changed the teacher certification test to ask science of reading questions. So if they weren't getting it in their teacher prep program, they had to get it somewhere else. We also spent a pile of money in retraining every single K-3 teacher in our state. It took more than five years. And it took a long time and a lot of effort. But it's worth it because now our students are, I think, number one in the nation in fourth grade. Reading for black and Hispanic students, I think we're number four nationwide overall. So a lot of things have to go into that. We also talk about money a lot. Money is not the only answer. It's how you spend the money that's really important. Both Florida and Mississippi spend more than, in Florida's case, \$3,000 less per student than is spent here in Nebraska. Mississippi spends about \$2,700-- or \$3,700 less than what's spent here in Nebraska. They also have higher populations of free and reduced-price lunch students and student-- black and Hispanic students and English learners, and they're still seeing and producing better results. So it's not just what money you have, it's how you're spending the money and what you're putting it on. So making sure you're using evidence-based practices as you look at your accountability and assessment data to see where some of those challenges are, to be able to use that to purchase and direct current and existing funds towards more evidence-based practices as well. So I'll stop here, hopefully can address any questions. But just I'm here as a national expert to talk on assessment.

MURMAN: Thank you. And thank you for being here. I did attend the ExcelinEd conference in Nashville a few weeks ago, and was very impressed by what ExcelinEd has done in several of those states that you mentioned. I, I'd ask you if you do have a kind of a summary of your testimony, if you could email it to my office or get it to my office and we'll make copies and get it to the rest of the--

CHRISTY HOVANETZ: Certainly.

MURMAN: --the committee. Any any questions from the committee?

WALZ: I have--

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MURMAN: Yes, Senator Walz.

LINEHAN: Go ahead.

WALZ: OK. I am really glad that you brought up what's important is what we do with the information that we got or that we have, because I think that's a really big piece that's missing in, in this whole conversation. So you talked a little bit about nine growth measurements. I'm wondering if you have any information on what trends you've found that could point us now in the direction to make positive differences in kids in our education, like across the board. Does that question make sense to you?

CHRISTY HOVANETZ: I think so, Senator Walz. I think starting with ensuring a solid foundation in early literacy is probably the most important thing you can do. I know the direction is already there. There's a requirement for a K-3 screener at the beginning of the year to identify students with reading deficiencies that can be remedied right away. Making sure your teacher core is prepared to teach science of reading instructions and having high-quality instructional materials. It would be good for the department. They've been talking about consolidating and selecting specific screeners that are actually aligned to your state assessments to make sure you're looking at and testing the right things. Math policy. Nebraska's generally really a higher-performing state in math nationally. But we've also started a math policy stream on some very specific things you can do in K-8 math in order to get kids prepared to do advanced math in high school. And given the opportunity, how they can accelerate and matriculate through those too.

MURMAN: Any other questions? Senator Linehan.

LINEHAN: I think the committee-- thank you, Senator Murman. And thank you very much for being here. The nine growth measurements, can you include that in your--

CHRISTY HOVANETZ: fundamental principles? Yes, I will absolutely include those.

LINEHAN: OK. And did you say-- and this, I think, I don't-- I want to make sure I'm just not hearing what I want to hear, that the department you're involved with, the testing, they're moving more to

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be able to measure growth, or making that a bigger part of what we're looking at when we do these testing?

CHRISTY HOVANETZ: So, Senator Murman?

MURMAN: Sure. Go ahead.

CHRISTY HOVANETZ: Senator Linehan, yes, the department has always been able to measure growth using their assessment-- current assessment system. They're continuing to do that. It is an indicator in their current accountability system. It will as they move to the aggregation system, be a more visible piece of the accountability system and will hopefully increase or improve the rigor on what the growth expectation is. Right now, the expectation for growth is very small. It's an improvement of one scale score point on the state assessment. Hopefully we'll look at some more rigorous expectation for growth that'll move kids more towards proficient and advanced if the school is getting credit for it.

LINEHAN: Thank you. Thank you for being here.

MURMAN: Any other questions? If not, thank you very much for being here.

CHRISTY HOVANETZ: Thank you.

MURMAN: Any other testifiers for LR385? Good afternoon.

JAMES FROHMAN: It is afternoon, isn't it? I'll try to get right to the point on this. I'm here to testify on the inadequacy of the Quality Education Accountability Act in assessing high school performance.

MURMAN: Excuse me.

JAMES FROHMAN: Sorry.

MURMAN: Could you spell out your name, please?

JAMES FROHMAN: Oh, sorry. I actually have it right here. My name is James Frohman, J-a-m-e-s F-r-o-h-m-a-n-- in assessing high school and district performance in education-- educating Nebraska students. The Nebraska Education Profile, NEP, provides district and school information to the public. It is an easy tool for parents, family members, taxpayers, prospective Nebraska citizens and businesses to

evaluate the quality of education in Nebraska. According to the NEP, our education system is failing. In a Nebraska high school, in high school, the test used by NEP to evaluate performance is the American College Test, ACT, as required by the QEAA. For most districts, this is the only nationally recognized standardized test used in high school. As such, it is the last indication of how well the school system performed up to that point in educating students. Sadly, most high schools and districts would have received Ds and Fs based on NEP scores. The good news is that the NEP information is misleading. The ACT is not designed to evaluate performance of schools and districts, it is designed to evaluate how a student will perform in college. This has been a consistent response from school administrators and board members who I have talked to about this issue, and I agree. I do not believe that our schools are failing. But for those unfamiliar with our schools or for those that have not dug into the data, the NEP tells a misleading story about schools. Requiring the ACT for all juniors in high school has been a good policy. It encourages students to fully consider their future educational path. It helps students who qualify for financial aid and scholarships to attend college. And for these reasons, it's important to continue to require the ACT and to help and with state funding. What is needed to address the misleading scores reported in the NEP is a second testing requirement. The QEAA needs to be amended to require a second nationally recognized standardized test selected by the State Board of Education that is specifically designed to evaluate high school students. This second test would provide a true assessment of how well districts and schools are educating the students of Nebraska. To properly evaluate-- evaluate how our schools are performing. It is necessary to have testing data that is designed to evaluate students taking the test, and that is comparable across the state and the nation. The ACT is not designed to do this. A new test is needed to fill the gap. And I'll just briefly add a little extra information for you here and on the second page of what I've distributed. First off, if you go out to the NEP site, the website, and look for districts or look at individual schools, and you go down to the bottom right, there is an ACT part of that display that lists out how the students at the district level or at the school level did on the ACT. Now, how they did, the proficiency score there is based on the top two of three rankings that the department does. So on that second page, I basically hit the top six school districts in the country-- in the state, and Elkhorn comes out on top with basically Bs and Cs, or Ds, depending on how strict you

want to be, with 81% efficiency in English language, 74 in math and 78 in science. From there you see it's a big drop off. Lincoln is at 43, 43 and 48. Now, I seriously doubt that the students of Lincoln are 40-- only 43% proficient in English language, math and science. But if you're in a business coming into this state and you're trying to make a decision about where to locate or you're a parent trying to evaluate how good a school system is, and you look at this number, the only number for high schools, you have to assume that they're doing pretty bad. Sadly, really bad if you're in Omaha. Now, even Omaha, I don't think is anywhere near that level. So the only way to address this is to have a test that's actually designed to evaluate high school students so that the people of the state, the taxpayer of this state and people coming into the state and thinking about it have some measure that actually is accurate and tells them how we are doing educating our high school students. But effectively by looking at the high school students, you are looking at the entire program because that is where-- that's the end result. So that's my main-- that's what I'm here to talk to you about, is getting a second test for high school proficiency evaluation.

MURMAN: Thank you. Any questions for Mr. Frohman? I have one. You said you'd like to see a second test used. What-- do you have a test you'd recommend or looked at?

JAMES FROHMAN: I have-- that's not my background. So I-- that's why I left it out. But I have no doubt that the Department of Ed could find several different tests that would fit that qualification.

MURMAN: OK. Any other questions? If not, thank you.

JAMES FROHMAN: Thanks.

MURMAN: Any other testifiers concerning LR385. If not, Senator Linehan, you're welcome to close. And she waives closing, so that will-- we have no online comments for LR385, and that will close the hearing on LR385. Thank you, everyone, for being here.