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Education Committee
February 17, 2015

[LB431 LB477 LB478 LB513 LB595 LB616]

The Committee on Education met at 1:30 p.m. on Tuesday, February 17, 2015, in Room 1525 of the State Capitol, Lincoln, Nebraska, for the purpose of conducting a public hearing on LB478, LB513, LB431, LB595, LB477, and LB616. Senators present: Kate Sullivan, Chairperson; Rick Kolowski, Vice Chairperson; Roy Baker; Tanya Cook; Mike Groene; Adam Morfeld; Patty Pansing Brooks; and David Schnoor. Senators absent: None.

SENATOR SULLIVAN: Welcome, everyone. This is the public hearing for the Education Committee. I'm Senator Kate Sullivan of Cedar Rapids, representing District 41, and I'm Chair of the Education Committee. I would also like you to meet the senators that serve on this committee. We'll start with the Vice Chair of the Committee.

SENATOR KOLOWSKI: I'm Rick Kolowski, District 31 in the southwest section of Omaha. Thank you.

SENATOR SCHNOOR: Dave Schnoor, District 15, which is Dodge County.

SENATOR SULLIVAN: Senator Groene.

SENATOR GROENE: Senator Mike Groene, Lincoln County, North Platte area.

SENATOR COOK: I'm Senator Tanya Cook from District 13 which is northeast Omaha and Douglas County.

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

SENATOR SULLIVAN: Senator Morfeld and Senator Pansing Brooks will be joining us later. Oftentimes--and you'll see some senators leaving--they have bills to introduce in other committees. Also we have several people helping us today. To my immediate left is LaMont Rainey, the legal counsel for the Education Committee. To my far right is Mandy Mizerski who is the committee clerk and makes sure that we have an adequate record of today's hearing. And Senator Morfeld is joining us. We have two pages that are helping us, Brooklyn Cammarata and Seth Thompson. Brook is from Omaha and is a student at UNL majoring in advertising, public relations, and political science. Seth is from Ogallala and is a student at Wesleyan majoring in criminal justice and political science. Today we have six bills before us: LB478, LB513, LB431, LB595, LB477, and LB616. If you're planning to testify on any of these bills, we ask that you

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pick up a green sheet that is on the table at either entrance to the hearing room. And if you...but...and if you do not wish to testify but would like your...the fact that you are here and your name entered into the official record as being present, there is a separate sheet on the table to do that as well. Regarding the green sheet, please fill it out--its entirety--before you come up to testify. Please print and make sure that you, as I said, complete it entirely. When it is your turn to testify, simply give the green sheet to the committee clerk. If you have handouts, please make sure you have 12 copies for the pages to hand out to the committee. And when you do come up, we ask that you please spell your name and do speak clearly into the microphone so the transcribers can, again, get an accurate record. Perhaps this goes without saying, but I do ask that you turn off all cell phones, anything that beeps and makes a sound, so we can give our undivided attention to the testifiers. Last week we started using the three-minute time rule and we will continue to do that as well. So with respect to your testimony, the introducer, of course, is not put on a time limit but testifiers are. The yellow light will come on when you have one minute left and when it's green...or when it's red, rather, then you need to complete your testimony. I think we also...I always feel that we want to give everyone the opportunity in this great Unicameral to have testimony. But also keep in mind that if your testimony comprises something that you've already heard by a previous testifier, there is no harm in simply coming up, stating your name, saying that you agree or disagree with the previous testifier, and that will be entered into the record as such. If you do that, though, keep in mind that even so, the committee may have questions to ask of you as well. I think probably that takes care of everything. So we will start with our first bill which is LB478 which will be introduced by Senator Baker. Could I have a show of hands who will be testifying on this bill? Thank you. And I should notice...mention that with respect to testifiers, we'll start with proponent testimony, followed by opponent testimony and those testifying in a neutral capacity. Senator Baker.

SENATOR BAKER: Thank you, Madam Chair, fellow members of the Education Committee. For the record, my name is Roy Baker, R-o-y B-a-k-e-r. LB478 is being introduced on behalf of the Educational Service Unit Coordinating Council. What I remember about the origins of ESUs is that they resulted from a bill passed by the Legislature of Nebraska in 1965 and they were fully operational in 1968. However, they were never given the same authority to pass bond issues for new buildings such as school districts were. I'm going to leave the more detailed testimony to the people behind me who are more directly involved with those service units. Thank you.
[LB478]

SENATOR SULLIVAN: Thank you, Senator Baker. Any questions for the senator? Thank you. Welcome. [LB478]

DAVID LUDWIG: (Exhibit 1) Welcome. Thank you. Well, good afternoon. I'm David Ludwig, D-a-v-i-d L-u-d-w-i-g, the executive director for the Educational Service Unit Coordinating Council since July 1, 2014. Prior to this time, I had the opportunity of serving four years as the

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ESU 2 chief administrator in Fremont. And it is in this capacity that I provide support for LB478. The vision for the Educational Service Unit Coordinating Council is provided within 79-1246 which states: The Educational Service Unit Coordinating Council shall work toward statewide coordination to provide the most cost-effective services for students, for teachers, school district in each Educational Service Unit. The council's duties include but are not limited to: preparation of strategic plans to assure the cost-effective, efficient, and equitable delivery of services across the states; administration of statewide initiatives and provision of statewide services; and then also coordination of distance education. As you consider the stated vision of the ESU Coordinating Council, one may ask, how does this relate to LB478 in regard to each Educational Service Unit in the state? The answer is, in order to carry out the needs of the strategic plan, administration of statewide initiatives to include Blended Learning; the ADVISER, which is the data dashboard with NDE; and the teacher/principal evaluation within NDE in addition to coordination of distance education, each ESU needs to have the facilities to support this level of service, in addition, the maintenance of each facility is most important for the continuation of services for school districts. During my tenure as the chief ESU 2 administrator, it was challenging to develop a budget each year that was reflective of school district needs. As the ESU 2 board and the ESU 2 superintendent advisory council had continued discussions of school district needs and the budget, the maintenance of the ESU facility was an ongoing concern. With an aging facility and limited resources for the facilities, it was most difficult to develop a long-range plan for general facility maintenance. My colleagues today will provide testimony regarding specific facility needs as they continue efforts to meet the needs of each school district. As we continue efforts for statewide activities, facilities and maintenance of the facilities are most important to meet the vision/mission of each ESU. LB478 will provide a funding source for facilities that we as ESUs do not currently have in place. In addition, this opportunity will provide leadership for each ESU board to determine facility needs and to develop a proactive plan to financially meet those needs in a timely manner. Is this an increase in taxes? Yes, it is. But it's something that is beneficial to continue services and facilities...maintenance of our facilities. So again, I would like to allow you for...thank you for allowing me to testify and my thoughts on LB478. Thank you. [LB478]

SENATOR SULLIVAN: Thank you, Mr. Ludwig. I haven't had the opportunity to visit all the ESUs in the state, but I have been to a few of them. And there is variation in facilities. [LB478]

DAVID LUDWIG: That's correct. [LB478]

SENATOR SULLIVAN: So can you tell me a little bit about how they currently arrive at the funding for their facilities and maintenance of them? [LB478]

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DAVID LUDWIG: Well, there's...there...in the '90s--'94, '95, somewhere around that time period--there's a lease purchase option. Our school district...or ESUs utilized that funding source to...for bonds to develop and build the facilities they have in place. That is no longer available for us. So like at ESU 2, when I was there, if we had needs, it would be most difficult to find funding for that, because we don't have any funding available to offset those costs. [LB478]

SENATOR SULLIVAN: So is it fair to say there are no new facilities that ESUs are housed in across the state? [LB478]

DAVID LUDWIG: Right, at this point in time, yeah. [LB478]

SENATOR SULLIVAN: Okay. [LB478]

DAVID LUDWIG: Okay. [LB478]

SENATOR SULLIVAN: Any other questions? Senator Kolowski. [LB478]

SENATOR KOLOWSKI: Thank you, Madam. David, thank you for your time today and thank you for your testimony. Would you fill us in again, how many ESUs in the state in total? [LB478]

DAVID LUDWIG: There are 17 ESUs. [LB478]

SENATOR KOLOWSKI: And how many of those would have...would you say would be adequate in facilities at the current time but knowing that, of course, a new facility would greatly add space as well as programmatic desires. But how many are in a crunch for the most part? [LB478]

DAVID LUDWIG: In a crunch for sure, two that are in a crunch right now with the outdated facilities and basically facilities that were older businesses in the small communities. That...trying to renovate to meet the needs of the districts. [LB478]

SENATOR KOLOWSKI: Thank you very much. [LB478]

SENATOR SULLIVAN: Senator Schnoor. [LB478]

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SENATOR SCHNOOR: Presently, within a school board, in order to pass a bond, it requires a vote of the people. Do the same rules apply here or is it just determined by the ESU? [LB478]

DAVID LUDWIG: It would be determined by the ESU 2 board through a public hearing. [LB478]

SENATOR SCHNOOR: Okay, but outside of the public hearing, there's no vote of the people? It's just a board that will determine how much to spend? [LB478]

DAVID LUDWIG: Right. It's the board that would determine that following the public hearing but then, most importantly, the input that we receive from our superintendents advisory council provides input, you know, on what they need and what we need to do to support those needs. [LB478]

SENATOR SCHNOOR: Okay. Thanks. [LB478]

SENATOR SULLIVAN: Any other questions for Mr. Ludwig? Thank you for your testimony. [LB478]

DAVID LUDWIG: Thank you. [LB478]

SENATOR SULLIVAN: Welcome. [LB478]

DAN SCHNOES: (Exhibit 2) Good afternoon. My name is Dan Schnoes, D-a-n S-c-h-n-o-e-s, administrator of ESU 3 in La Vista which serves the Omaha metro area. It has been a very busy legislative session so far with many bills, many important bills, to discuss the important effect that education plays on the children of Nebraska. So I'd like to thank you for your service. I'd also like to thank Senator Baker for submitting LB478. As a new administrator of just over seven months at ESU 3, I've learned a tremendous amount from my colleagues and from working with my superintendent advisory group. However, when I'm in the community, the most common question I hear is, what does an ESU do? When I explain the statewide collaboration with the Nebraska Department of Education through the ESU Coordinating Council, the large array of services we provide through our 6 departments to our 18 school districts who serve over 77,000 students in the Omaha metro area which covers a 4-county area for the cost of \$1.25 a day per student, they are very surprised and, quite frankly, very pleased with our efficiency. Today, I speak alongside my colleagues and on behalf of ESU 3 in support of LB478. As individual ESUs, we all have unique challenges ahead of us in regards to number of districts we serve, our growth, square miles covered, facilities, and services. Several of our ESU facilities across the

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state are in need of serious updating or expansions. You might ask, why does ESU 3 care about all the other ESUs in the state when you seem to have pretty good or great facilities and some have actually referred to us as the Taj Mahal. Well, the answer is pretty simple: We can accomplish more by working together and sharing our knowledge and resources than we can by ourselves. As the ESU that serves the Omaha metro area, we need to be able to expand and grow to keep up with the ever-increasing requests of our school districts. I'd like to refer you to the information on page 2. This page shows the growth of ESU 3 over the past 50 years. It is quite evident that our ESU 3 board has shown great vision. They witnessed the population growth of the metro area and set out to provide facilities that would keep up with its school districts. LB478 provides ESU 3 with the mechanism and the opportunity to face the future needs for renovations or expansions. LB478 also provides the means to be fiscally responsive--at the rate of only up to 1 cent on the levy--to our taxpayers while at the same time meeting the needs of our schools and their teachers and, most importantly, their students. In summary, ESU 3 supports LB478. There have been many discussions in the legislative session that surround saving taxpayers money. The statewide collection of services that our ESU 3...or ESU network provides is an efficient means to provide services to our kids and be frugal at the same time. And what I attached on page 2 is, we have some questions sometimes about, what is the history of ESU 3 and the growth? And so with this little bit of information I'm providing is when we changed buildings, when we moved, the number of kids that we served at this time, and at this point in time, we're up to 77,174 kids. [LB478]

SENATOR SULLIVAN: Okay. Thank you. Thank you, Mr. Schnoes. Any questions for him? You mentioned in your testimony a little bit about, I would assume, some working together, collaboration. What other entities do you work together to accomplish some of your facilities needs? [LB478]

DAN SCHNOES: Facilities, right now we don't have any other entities to work together other than we share resources. So for example, if there's a specialist at a different ESU, maybe ESU 10 or 7 or 8, we can collaborate with those people that are experts in those fields so we don't have to have those staff on our staff but we can share our resources back and forth. Mostly it's sharing people. [LB478]

SENATOR SULLIVAN: Okay. Thank you. Any other questions? Senator Kolowski. [LB478]

SENATOR KOLOWSKI: Yes. Thank you, Madam. Dan, thank you for your testimony. And you serve a wide variety of districts from the largest, 24,000 approximately, down to...what's your smallest district in? [LB478]

DAN SCHNOES: Just over 300. [LB478]

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SENATOR KOLOWSKI: 300. And how do you differentiate what you're doing or serving as far as the requests for those different districts? [LB478]

DAN SCHNOES: We meet a minimum of four times a year with the superintendent advisory group. So every superintendent is part of that meeting and we all have one voice. And coming this spring we'll be sharing our...what we call our superintendent worksheet and spreadsheet with all of our financial information. And so we all get around the table and see where we are financially and where we're going to use the money on the programs that we have. And so even our small districts receive a portion of those services all proportionate to the number of kids and the number of dollars that they bring in. So...and we try to work together to, you know, be efficient with the services we provide. Good question. [LB478]

SENATOR KOLOWSKI: Thank you. [LB478]

SENATOR SULLIVAN: Any other questions? Thank you for your testimony. [LB478]

DAN SCHNOES: Thanks. [LB478]

SENATOR SULLIVAN: And thank you, Senator Pansing Brooks, for joining us. [LB478]

SENATOR PANSING BROOKS: Thank you. [LB478]

SENATOR SULLIVAN: Welcome. [LB478]

DAN SHOEMAKE: (Exhibit 3) Thank you. Good afternoon. My name is Dan Shoemake, D-a-n S-h-o-e-m-a-k-e. I'm administrator of ESU 6 in Milford, Nebraska. And ESU 6 serves 16 school districts from Waverly to the Heartland District. And that far west represents 13 counties, 1,400 professional educators, and 12,500 students. The only current provision for Educational Service Units in Nebraska to finance facilities is through a lease purchase as provided in Section 79-1223. And about six years ago, ESU 6 investigated using lease purchase to make a \$4 million addition to our building that we need. And we found that, with the interest rates being what they are on investments and our general financial situation, we could not make the \$400,000 annual lease purchase payment on the \$4 million and that we actually had no ability to build whatsoever. We do not have bonding authority. The issue was brought up earlier about having ESU boards approve this. The reason that a general bond issue isn't practical for ESUs is that, at least in my own situation, we serve 13 counties and the general voter on the street has very little understanding or idea of what an ESU is. And getting a majority vote of the patrons in 13 counties to approve a bond issue for a building would be totally impossible, I can assure you.

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And the ESU boards are elected...represented...elected officials. Giving them the power to do this reinforces the Nebraska legal tenet of local control. And, believe me, my elected board would be very conscientious about using this provision if it was granted. If you're looking for efficiencies, I mean, the...I know that the penny of taxing authority would be a concern, but that's a very minimal impact on the taxpayers and, as I said before, our board would be very conscientious about using that. The three provisions of LB478 that we desperately need is, it would allow us to construct buildings and facilities. It would allow us to issue negotiable bonds after conducting a public hearing, and it would allow us to levy up to 1 cent per \$100. In summation, it's a great obstacle to efficient, effective practice for ESUs that...this is our 50th anniversary but we have no way to address capital improvement needs or facilities. So I would appreciate your approving LB478 and passing it out of committee. Thank you very much. [LB478]

SENATOR SULLIVAN: Thank you, Mr. Shoemake. I appreciate your testimony. Do you know how your board feels about this proposed bill? [LB478]

DAN SHOEMAKE: I do, because we've been talking about it for nine years. [LB478]

SENATOR SULLIVAN: Okay. All right. And so they're willing to, in this age of concern over property taxes, they're willing to meet the resistance, apparently? [LB478]

DAN SHOEMAKE: They are, yes. [LB478]

SENATOR SULLIVAN: Okay. All right. Any other questions? All right, thank you for your testimony. [LB478]

DAN SHOEMAKE: Thank you so much. [LB478]

SENATOR SULLIVAN: Welcome. [LB478]

KRAIG JAMES LOFQUIST: (Exhibit 4) Hello, Senator Sullivan. Chairman Sullivan and esteemed senators, My name is Kraig James Lofquist, K-r-a-i-g J-a-m-e-s L-o-f-q-u-i-s-t. I'm the administrator of Educational Service Unit 9 located in Hastings, Nebraska. ESU 9 serves approximately 10,000 students in 14 public school districts located across 5 1/3 counties in south-central Nebraska. I have been employed as the ESU 9 administrator for the past four years and I'm testifying in support of LB478. Currently, ESU 9 employs 92 people and we provide core services as well as a myriad of other requested services to public school districts. When we hold ESU 9 employee meetings or sponsor events such as Invention Convention or a Quiz Bowl, we rent space at local hotels, the community college, or local churches. At this time, we also find

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our facility in need of significant upgrades and repair. As you know, ESU 9 is...are political subdivisions that were created by the Legislature in 1965. While there have been several changes to legislation in regard to ESUs, LB806, which went into effect on or around 1997, changed the funding formula. The change had a significant impact on ESUs, adversely affecting our ability to address facility needs. So currently we are limited to levying a tax up to 1.5 cents. It is certainly in life that all man-made structures will eventually need updates whether it be a new roof, HVAC system, or parking lot. Obviously, some of these upgrades are expensive. I need to emphasize that when these needs do not get met, they tend to compound. Currently, Nebraska schools have the ability to raise funds to address these types of needs. ESUs do not. It is apparent to our stakeholders, including area school superintendents, teachers, and ESU 9 employees, that we need to update our facilities. While this is common knowledge, it was also noted during our accreditation process. As a part of the accreditation process, we gather numerous types of data including demographic, student achievement, program, and perceptual data. We asked all stakeholders, groups that include superintendents, principals, curriculum coordinators, all aspects about ESU 9. And the perceptual data included anonymous remarks that included, "do something about your facility!" The ESU 9 board has broached updating the facilities. Prior to moving forward, our superintendent committee voted to proceed. We had a comprehensive study completed. The first...the firm recommended three options starting with demolishing the current facility and starting over due to code issues. Two other more cost-effective options were included. ESU 9 chose the least expensive, but we still do not have the financial means to address the needs without putting the service unit in a precarious financial position. In working with the architects, I've learned that buildings last anywhere from 50 to 80 years. And I can tell you that ESU 9's time is up. And I want to respectfully add that we are not the only ESU in this position. And finally, I want you to know that my colleagues and I take no joy in asking for this necessary legislation. In the final analysis, we believe that it will create a win-win situation for our students, schools, employees, and the public. And I have attached some photos. [LB478]

SENATOR SULLIVAN: Thank you, Mr. Lofquist. Who do you receive accreditation from?
[LB478]

KRAIG JAMES LOFQUIST: AdvancED. [LB478]

SENATOR SULLIVAN: Okay. Any other questions? Thank you very much. Welcome. [LB478]

JOHN SKRETTA: (Exhibit 5) Thank you. Chair Sullivan and distinguished members of the Education Committee, my name is John Skretta. That's J-o-h-n, last name is Skretta, S-k-r-e-t-t-a, and I am the superintendent of the Norris School District. And I address you today on behalf of the over one dozen STANCE school districts. STANCE stands for Schools Taking Action for Nebraska Children's Education, representing over 30,000 of Nebraska's great K-12 students.

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Today we want to lend our support to Senator Baker's LB478 to provide bonding issuance and authority to ESUs. We believe that this is a much-needed tool in a very limited financing arsenal available to these essential support networks for our schools. And to delve into a few more of the specifics, as you're glancing at the written testimony provided to you, ESU 6, for instance, in Milford, of which Norris is a member and you heard from Director Dan Shoemake earlier, has some needs that are pretty evident in terms of accessibility issues in basement-level offices that are ADA issues that need to be addressed; some lack of just conference room space capacity; a need for expanded HVAC infrastructure to get up to adequate and better, optimal air quality; just inadequate space issues for the number of member districts being served. So providing ESUs with this authority allows them to prudently leverage some borrowing authority instead of annually trying to apply band-aids that eventually simply won't suffice to address more prominent needs. And really, what I'd urge you to think about is how this is an opportunity to address in a proactive way to assist ESUs rather than kind of kicking the can down the road. And what I mean by that is simply that we know that when these sort of repairs are delayed over time, the problems magnify and they become of such a great magnitude that something much bigger and with a higher dollar price tag affixed to it must be done to address the situation. This would be basically a lifeline to ESUs to give them this option. When considering the current strict limits on levying authority of ESUs with the 1.5 cents that they currently have, as a superintendent, I want you to know, we don't want our ESUs to stop doing anything they're currently doing to address some of these needs. We have too many expectations of them for program supports from professional development to technology to student services. And Senator Baker's proposed LB478 is limited to that 1 cent. And in addition, I think it's important for us to be mindful of the fact that ESU boards themselves are locally elected officials who are best in the position to determine what those local needs are and to have that ability. They're accountable to their constituents. We want to express as STANCE our gratitude to Senator Baker for introducing this important legislation and thank you for your support. [LB478]

SENATOR SULLIVAN: Thank you, Dr. Skretta. Any questions for him? Senator Kolowski. [LB478]

SENATOR KOLOWSKI: Thank you, Madam. John, thank you for your testimony. And also I wanted to ask, if you didn't have the issue in existence, what would it cost your district to be able to do all the things you're currently doing today? How many people would you have to add and what dollar impact, all those kind of things? [LB478]

JOHN SKRETTA: Oh my gosh, we'd be a woeful state of affairs. We work very closely with the ESU to provide the collaborative structure for our principals, our professional development advisory council, our superintendents to get together within that ESU framework and share best practices. I don't know how you put a price tag on that, but it would be pretty hefty. And we

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work very closely with ESU 6 on a Marzano instructional program right now that's provided tremendous value added to our district. [LB478]

SENATOR KOLOWSKI: Let alone the BlendEd of the future, is that what we're working on... [LB478]

JOHN SKRETTA: Absolutely, yes. [LB478]

SENATOR KOLOWSKI: ...the direction we're going? [LB478]

JOHN SKRETTA: Yep. [LB478]

SENATOR KOLOWSKI: Thank you. [LB478]

SENATOR SULLIVAN: Any other questions? Thank you for your testimony. [LB478]

JOHN SKRETTA: Thank you. [LB478]

SENATOR SULLIVAN: Welcome. [LB478]

VIRGINIA MOON: Thank you. Senator Sullivan, committee, I'm Virginia, V-i-r-g-i-n-i-a, Moon, M-o-o-n. I'm here representing the Nebraska Council of School Administrators. I'll probably take your advice and say we agree with most of what's been said here today. I think that I can't, as a practicing administrator for many years in the state of Nebraska, think of a week when we didn't turn to our ESU for some sort of support whether that was ESU 10 or 3 or whichever one that was that was serving us. What they do is so important. I think this bill will allow ESUs to do planned response to facility needs and not threaten any of the programs or the services that we so much count on ESUs to do in the schools. With that, I'm open for questions. [LB478]

SENATOR SULLIVAN: Okay. Thank you, Dr. Moon. As been said in previous testimony, sometimes the general public doesn't know about the services ESUs provide and yet they will be footing the bill if this legislation were to go forward. [LB478]

VIRGINIA MOON: Absolutely. [LB478]

SENATOR SULLIVAN: So what can be done to close that gap? [LB478]

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VIRGINIA MOON: You know, I think that probably we don't spend money and resources in terms of tooting the horn of what ESUs do for us. But somehow we need for the public to understand that. I don't think there's any school people who don't understand what ESUs do and what it's like if you have to divert so much of their money to replace a roof or to address ADA compliance or to not have the facilities available or have to rent facilities in order to do some of the programs. So I think this bill would help us at least in the area of facilities. [LB478]

SENATOR SULLIVAN: Thank you. Any other questions? Thank you for your testimony. [LB478]

VIRGINIA MOON: Thank you. [LB478]

SENATOR SULLIVAN: Any other proponent testimony for LB478? Anyone wishing to speak in opposition? Welcome. [LB478]

DEB ANDREWS: Thank you. My name is Deb Andrews, D-e-b A-n-d-r-e-w-s. I oppose LB478. And citizens are well aware schools are in crisis. And it's not because of money. It's student learning outcomes and achievement. Citizens also don't have the pocketbook to support all of this. I see LB478 as a control of public opinion. It eliminates the need to ask taxpayers if they want to increase their debt burden. I see it as a usurpation of undelegated powers. It allows the ESU to increase citizen debt without citizen input. We already have the use of law for competition suppression. Citizens in Nebraska are denied school choice. LB478 is a subversion of internal checks and balances. People are denied a voice in their debt burden. LB478 is political correctness. Denying any school funding request is viewed negatively. I've taken my remarks from the methodology of tyranny off the Constitution Society page. I urge you all to honor your oath of office, uphold the Constitution of the United States of America, and the Constitution of the state of Nebraska. Thank you. [LB478]

SENATOR SULLIVAN: Thank you for your testimony. Just a minute. Are there questions for this testifier? Senator Kolowski. [LB478]

SENATOR KOLOWSKI: I'll have some. Thank you, ma'am, for your testimony and for being here today. Do you have children in school? [LB478]

DEB ANDREWS: I have one son who was in school in Nebraska. And I didn't understand what was going on in our public schools until my son was in school. And he loved learning. It was a bad match with what was going on in school. I've spent 20 years trying to improve the learning

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outcomes and curriculum and instruction for our children in school. I've served on committees for the Nebraska Department of Education. I've also helped draft rules and legislation. [LB478]

SENATOR KOLOWSKI: Thank you. [LB478]

DEB ANDREWS: You're welcome. Thanks for asking. [LB478]

SENATOR SULLIVAN: Any other questions? Thank you, Ms. Andrews. Any other testimony in opposition? Welcome. [LB478]

ANN POST: (Exhibit 6) Good afternoon. My name is Ann Post. That is A-n-n P-o-s-t. I'm here today on behalf of the Lincoln Independent Business Association to express our concerns about LB478. We're concerned with this bill because it authorizes ESUs to issue bonds without a vote and it increases the ESU levy limit. This bill allows ESUs to issue general obligation bonds, or bonds paid by property taxes, without a vote. This is especially concerning because, under Nebraska statute, bonds paid by property taxes fall outside levy limits. This is especially concerning when such bonds aren't approved by a public vote. Now, you may argue that the board members of ESUs are elected officials. But I would submit that so are school board members. So are city council members. Yet before they issue general obligation bonds, those still have to go to a public vote. And so, effectively, once ESUs can issue bonds and those are outside the levy limits and they can increase their levy by 1 cent, this would allow them two separate increases to address the issue. Further, in Class IV school districts and Class V school districts such as Lincoln, the ESU board is made up of the board of education in that area. So you have a board of education that, if they were to issue bonds on behalf of the school board, they would have to go to a vote to build facilities. But if they were to do it on behalf of the ESU, they would simply have to hold a public hearing. Now, if the true impetus behind LB478 is a lack of funding for ESUs to carry out their statutorily required services then this Legislature should address the issue by examining the services mandated and the funds allocated. Simply increasing property tax allocation palliates the issue while ignoring the accountability and transparency issues caused by unfunded mandates. So it's for these reasons that LIBA opposes this bill and would ask this committee to consider our concerns. [LB478]

SENATOR SULLIVAN: Thank you, Ms. Post. Any questions for her? [LB478]

SENATOR KOLOWSKI: I'll ask one. [LB478]

SENATOR SULLIVAN: Senator Kolowski. [LB478]

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SENATOR KOLOWSKI: Thank you, Madam. Ms. Post, do you understand that there is one NRD in the state that can move forward on bonding authority with its board only? [LB478]

ANN POST: I was not aware of that. [LB478]

SENATOR KOLOWSKI: Okay, just make... [LB478]

ANN POST: Can you tell me which one that is? [LB478]

SENATOR KOLOWSKI: Papio NRD. [LB478]

ANN POST: Okay. Thank you. [LB478]

SENATOR KOLOWSKI: Thank you. [LB478]

SENATOR SULLIVAN: Any other questions? Thank you for your testimony. Any other testimony in opposition? Anyone wishing to speak in a neutral capacity? Senator Baker for closing. Senator Baker waives closing. So we will now move on to the next bill, LB513 being introduced by Senator Craighead. Welcome, Senator. [LB478]

SENATOR CRAIGHEAD: Good afternoon, Chairwoman Sullivan and members of the Education Committee. My name is Joni Craighead, J-o-n-i C-r-a-i-g-h-e-a-d, and I represent Legislative District 6 in Omaha in Douglas County. I am here today to introduce LB513 which relates to leasing of school district property. Current law provides that a school board may only lease property for a short and immediate amount of time when the property is not needed for use by the school district. LB513 would allow the school district to lease property long-term when it is not needed for school district use. The purpose of the bill is to allow the school board flexibility to enter to leases the property...for leases that the board knows will be only used in the distant future for school use. I introduce this bill on behalf of the Omaha Public Schools. There are several opportunities where this bill will be beneficial to OPS and other districts across the state, but the primary beneficial use would be for public/private partnerships. Many private organizations want to partner with school districts in educational programs. To encourage and enter into these partnerships, school districts need to have the certainty of a facility lease with a sufficient term to justify the private expenditure. Recently, an organization wanted to partner with Omaha Public Schools to renovate the auditorium located at the center of the Teacher Administrative Center, referred to as TAC, for local events such as dance recitals, plays, and other civic events. Since the auditorium is located at the center of TAC, which houses administration and classrooms for approximately 1,125 students, the district is unable to sell the

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property to this organization for use. However, if the district could have set up a longer-term lease with the organization, a partnership could have occurred to renovate this space. This is just one example of the potential impact of this bill. David Kramer, an attorney and representative of the Omaha Public Schools, will testify after me to provide more history and examples of potential uses of this bill. Thank you, and I would be very happy to answer any questions you may have. [LB513]

SENATOR SULLIVAN: Thank you, Senator Craighead. Any questions? Senator Schnoor. [LB513]

SENATOR SCHNOOR: Thank you, Senator Craighead. And I...my guess is this question will be answered, but just to clarify, this is property that a school already owns and wants to lease out to somebody else? [LB513]

SENATOR CRAIGHEAD: That is correct. [LB513]

SENATOR SCHNOOR: Okay. Thanks. [LB513]

SENATOR SULLIVAN: Any other questions? Thank you. You'll be here for closing? [LB513]

SENATOR CRAIGHEAD: Yes, thank you. [LB513]

SENATOR SULLIVAN: Thank you. Welcome. [LB513]

DAVID KRAMER: (Exhibit 1) Thank you. Senator Sullivan, members of the committee, my name is David Kramer, David, D-a-v-i-d, Kramer, K-r-a-m-e-r. I'm an attorney representing the Omaha Public Schools Board of Education. Thank you very much for the opportunity to be here. I would like to thank Senator Craighead for introducing LB513. While this bill was introduced at OPS's request, it has implications for other school districts across the state. I'm sure that you are aware that a growing body of research indicates that early childhood education can play a critical role not only in preparing students for school but also in closing the achievement gap. Why am I talking about early childhood education in the context of a real estate bill? Because LB513 is designed to address an issue that arose a number of years ago as organizations sought to partner with schools to provide early childhood education. To facilitate a smooth transition into school, many early childhood education programs wish to be located on the elementary school premises. However, the vast majority of the elementary schools are designed in traditional K-5 or K-6 configuration and there is no room in those facilities for early childhood education classrooms. To remedy that, a growing number of not-for-profit organizations have offered to provide the

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resources necessary not only for the early childhood education programs themselves but also to construct the physical facilities as well. As you might imagine, given the sums that are being invested, these organizations would like assurances that the facilities will be used for their intended purpose, early childhood development. Because these facilities are being built on school premises, they are generally and always owned by the school district. To that end, the best model appears to be a long-term lease. That is, the school district owns the property and the building but leases it to the not-for-profit so that it can conduct the early childhood education programming. Unfortunately, there is some ambiguity under current law over whether school districts are permitted to enter into long-term lease agreements. That brings us to LB513. LB513 essentially does two things. Paragraph 1 clarifies the ability of the school district to permit the use of the school district property at times when it's not needed for school use. We would view this as for short-term leases or rentals. Paragraph 2 provides school districts the authority to enter into longer-term agreements. Under paragraph 2, the school district must first determine that the property is not currently needed and then determine that the property may be needed for future use. If those two conditions are met then the school district board or the board of education may lease the property or a portion of it on whatever terms and conditions it determines. We believe the proposed amendment would permit the type of arrangement mentioned by Senator Craighead in her testimony as well as those that I've described. Thank you again for allowing me the opportunity to speak and I'd be happy to answer any questions you might have. [LB513]

SENATOR SULLIVAN: Thank you, Mr. Kramer. Pertaining to the second point in the legislation, so the district determines for a long-term lease, they may not need the property in question. [LB513]

DAVID KRAMER: That is correct. [LB513]

SENATOR SULLIVAN: But what if they do? [LB513]

DAVID KRAMER: Well, if they...well, so, first of all, if they determine that they don't need the property in question, the practice, at least with respect to the Omaha Public Schools, has been that we've divested ourselves of that property. In fact, some property that we probably regret today having divested of...ourselves of 25 or 30 years ago because we didn't see a "immediate use" under the statute. If we determine that we have a future use for it then we would be able to move forward with the leasing provision but only if we determine we have a future use. [LB513]

SENATOR SULLIVAN: All right. But then the next step in that is, what conditions in the lease when OPS would decide that they need that property? [LB513]

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DAVID KRAMER: Well, so for example, in this kind of...in this scenario, we've...we would include language that provides the school district with opportunities to get out of that. [LB513]

SENATOR SULLIVAN: Okay. [LB513]

DAVID KRAMER: For example, in the discussions on the project mentioned by Senator Craighead, one of the things that we included was the opportunity for the school district to pay the unamortized portion of the improvement if the school district desired to get out earlier than the term of the lease. [LB513]

SENATOR SULLIVAN: Gotcha. [LB513]

DAVID KRAMER: But we couldn't agree on what was an appropriate term of the lease and so that language ultimately wasn't what defined eliminating that...or that defined our inability to reach agreement on that program. [LB513]

SENATOR SULLIVAN: Okay. All right. Any other... [LB513]

DAVID KRAMER: But we can include those provisions, absolutely. [LB513]

SENATOR SULLIVAN: Okay. Any other questions? Thank you for your testimony. [LB513]

DAVID KRAMER: Thank you very much. [LB513]

SENATOR SULLIVAN: Welcome. [LB513]

JOHN BONAIUTO: Thank you. Senator Sullivan, members of the committee, John, J-o-h-n, Bonaiuto, B-o-n-a-i-u-t-o. The Nebraska Association of School Boards would like to be on record as supporting LB513 for the reasons stated by Senator Craighead in her opening, the nice job that David Kramer did in his presentation. We believe that this would give school boards options for facilities that may not be needed due to changes in the community, demographics, for whatever reason, but the longer-term lease, I think, would be appealing if someone were thinking about using the facility and investing money into the facility. And right now, that's difficult with the short-term nature of what is available. So with that, I would conclude my testimony and be happy to answer any questions. [LB513]

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SENATOR SULLIVAN: All right. Thank you. Any questions for Mr. Bonaiuto? Thank you for your testimony. [LB513]

JOHN BONAIUTO: Thank you. [LB513]

SENATOR SULLIVAN: Anyone else wishing to speak in favor of LB513? Anyone wishing to speak in opposition? Or in a neutral capacity? Senator Craighead for closing. She waives closing. That ends the hearing on LB513. We will now move on to LB431 with Senator Baker again. [LB513]

SENATOR BAKER: Thank you, Madam Chair, members of the Education Committee. Again, for the record, my name is Roy Baker, R-o-y B-a-k-e-r, senator from District 30. LB431, I think, is fairly easy for me to explain to you. It has to do with the physical plant of public school districts with regards to construction, remodeling, repairs, site improvements. Specific bidding requirements for large projects currently don't apply when the contemplated expenditure does not exceed \$40,000. LB431 would change that amount to \$100,000 with the state board adjusting the dollar amount every fifth year. I ran an inflation calculator that...the \$40,000 figure has been in place since 1979. I ran an inflation calculator: \$40,000 in 1979 had the same purchasing power as \$130,433 in 2014. The purpose of raising it: Obviously not nearly as much can be done for \$40,000 now as it could be in 1979 and the years immediately thereafter. Many things like replacing a roof unit on a school goes far past \$40,000. And the purpose is to allow a school board to be able to move faster, particularly when needed for repairs. I'd take any questions. [LB431]

SENATOR SULLIVAN: Thank you, Senator Baker. Any questions for him? Senator Kolowski. [LB431]

SENATOR KOLOWSKI: If I may, thank you, Madam. Senator, is...in many cases with many repairs, is \$100,000 even enough? I know from personal experience... [LB431]

SENATOR BAKER: Well, probably not. In a lot of cases, probably not. You know, that number, I guess, could be applied to a singular thing. And I suppose you could have a series of things. But, yes, it's not too much even for, like, a rooftop unit. [LB431]

SENATOR KOLOWSKI: Absolutely. Thank you. [LB431]

SENATOR SULLIVAN: Any other questions? Thank you for your opening. Those wishing to testify in support of LB431? Welcome back. [LB431]

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JOHN BONAIUTO: Thank you. Senator Sullivan, members of the committee, John Bonaiuto, J-o-h-n B-o-n-a-i-u-t-o, representing Nebraska Association of School Boards, and here to support LB431. First of all, we liked the fact that it was really a short bill and that's always a plus. But in all seriousness, the bill does not give school boards any additional levy authority. It doesn't give boards any additional spending authority that they would not already have under their current budget requirements and limitation. It provides transparency in that if the board were going to make an expenditure of this nature, it would be...the expenditure would be approved at an open meeting and available to the public. But I...you know, I think that this is one of those issues that has been in statute for a long time and it would really help for a repair issue that you need...that a board needs to move on fairly quickly whether it's the replacement of a hot water heater, a leak...actually, if you're having to go out to bid for a \$55,000 repair, the amount of time and effort and energy going into that process...really you're expending a lot of manpower on something that could be done very easily if that limit were increased. Again, the...when I talk about no additional spending authority under the budget, boards have their budget that they work with within the limits set by the Legislature. And this would not increase that in any way. With that, I'll conclude my testimony. [LB431]

SENATOR SULLIVAN: Thank you, Mr. Bonaiuto. Senator Cook. [LB431]

SENATOR COOK: Thank you, Madam Chair. And thank you for testifying today. A question just arose in my mind about...part of the reason why we have the process of advertising and bidding especially within public institutions is to ensure an inclusive process for the kinds of businesses that might be available and have capacity to deliver the services and products. Do you have a concern at all that this bill proposal--I understand the inflationary issue and that it does not increase the board's spending limit--concern at all that it might impact that open process that permits companies and consultants to compete for businesses? [LB431]

JOHN BONAIUTO: Senator Cook, I appreciate the question. It's...and a good question. And I think in this case, because it is a small amount and that the bidding process for the larger projects or larger contracts would still be in place...but again, I think that this is just bringing the limitation that was in statute in line with inflation and so that boards have some flexibility in spending up to a certain amount of money if they need to more rapidly. And there's nothing that says..and your question triggered the thought that a board could have a local policy that says, we will not, as a school board, spend more than \$60,000 or \$75,000 without going out to bids so that...to protect that ability for a more open process with a larger number of companies or applicants for a project. [LB431]

SENATOR COOK: Thank you. [LB431]

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SENATOR SULLIVAN: Any other questions? Thank you. [LB431]

JOHN BONAIUTO: Thank you. [LB431]

SENATOR SULLIVAN: Welcome back. [LB431]

JOHN SKRETTA: (Exhibit 1) Thank you, Senator Sullivan. My name is John Skretta. That's J-o-h-n S-k-r-e-t-t-a. And I'm the superintendent of the Norris School District. And I'm speaking to you today again here on behalf of STANCE school districts. We are 15 member districts now representing just over 30,000 of Nebraska's K-12 students. We want to lend our support today to Senator Baker's LB431. Just to kind of cut to the chase on this, this would be something that would really be of welcome assistance in expediting and making more efficient project work that districts routinely do and now would be delayed. Specific examples that might fall within the category right now that could very readily exceed \$40,000 but may be under \$100,000...if you're just trying to do anything with HVAC including figure out how you can get the pressurized airflow right based on what the air handling units are doing on a rooftop, systems controls, bleachers, just adding some bleachers to maybe the west side of your stadium, roof replacement, repairs, anything. Anything involving anybody setting foot on a roof (laugh) is likely to exceed that \$40,000. But if you could manage that project, might be under \$100,000, and could address some of those needs more efficiently. Technology items like wireless access points. Here's the deal: looking at the current statute, it was 1979. 1979. Let's travel back (sound effects) in our magical time machine and think about 1979. The last time this statute was revised, the Jacksons, the Bee Gees, and Olivia Newton John were at the top of the charts. And other than Roy Baker, I don't know of anyone else who's still got an 8-track of Xanadu in their car. (Laughter) So it's time to maybe look at updating this. And the thing about this commonsense proposal is that it modernizes a statute that's grown a bit stale. Another analogy I'd give you is, honestly, if any one of us were looking at doing a kitchen renovation in our own home and you went to Home Depot a couple times and looked at cupboards and countertops, you could be over \$40,000. So with that, I think this would provide school districts with some good assistance in getting projects done. Thanks. [LB431]

SENATOR SULLIVAN: Thank you, Dr. Skretta. To follow up, though, on Senator Cook's question and comment, in the regular process of doing business and analyzing who you're going to have do the repairs, I would presume you do shop around literally? [LB431]

JOHN SKRETTA: We do. And in fact, to extend upon John Bonaiuto's point, for school districts, our local policy says, hey, you got to get out there and put it out to bid if it's a \$5,000 or more project. And you want to get good, competitive input going in so you can get the very best value for your constituents. What...really where this helps us is that distinction between seeking bids

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and soliciting some proposals from a network of known service providers that is vast for just about every school district in the state, I would imagine. So you can get good, competitive proposals but not have to submit to a lengthy posting and advertising process that puts you several weeks down the road before you're able to move forward with the project. [LB431]

SENATOR SULLIVAN: All right. Thank you. Any other questions? Senator Schnoor. [LB431]

SENATOR SCHNOOR: I do have my 8-track tapes, though. (Laughter) [LB431]

JOHN SKRETTA: Excellent. [LB431]

SENATOR SULLIVAN: Any other questions? Thank you for your testimony. [LB431]

JOHN SKRETTA: All right. Thank you. [LB431]

SENATOR SULLIVAN: Welcome back. [LB431]

VIRGINIA MOON: Thank you. My name is Virginia, V-i-r-g-i-n-i-a, Moon, M-o-o-n. I'm here representing the Nebraska Council of School Administrators. And we, too, would like to be on record in support of LB431. I don't think much more needs to be said. I will say that in serving a number of places, finding someone--a vendor for a small project, which \$40,000 unfortunately is a small project--is sometimes difficult. And the bidding process on all of these little processes keeps some of our local vendors from being willing to even go through the process for such a small project. And so I think this would allow the flexibility and let us do a more informal set of quotes rather than those formal bidding processes with the posting and the timing of that. With that, I'm open for questions. [LB431]

SENATOR SULLIVAN: All right. Thank you, Dr. Moon. Any questions? Thank you for your testimony. [LB431]

VIRGINIA MOON: Thank you. [LB431]

SENATOR SULLIVAN: (Exhibit 2) Any other proponent testimony for LB431? We'd like to read into the record a letter of support from Jean Petsch, executive director of the Nebraska Building Chapter of the Associated General Contractors. Anyone wishing to speak in opposition to LB431? Anyone wishing to speak in a neutral capacity? Senator Baker for closing. [LB431]

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SENATOR BAKER: Thank you. I just wanted to expand a little bit on the difference between the large project bidding requirements and what we're talking about here. For large projects, right now I think over \$40,000, what's required is that you develop specifications, you advertise, and you have to wait at least 15 days and you have to have, you know, the official bid opening. And that does not allow you to move very fast. Smaller projects are always bid, and John Skretta knows this. You know, he was a high school principal before he was assistant superintendent. Now he's the superintendent. You know, we required bids on everything that's biddable. And even sometimes, when there's only one vendor, I still required--and schools still require--that people get a price quote, because if you don't, you know, you get the ubiquitous shipping and handling charges and price increases. So you lock people into a price before you do even small things, even a few thousand dollars. It was notable the letter from the Nebraska chapter of the American General Contractor (sic) was in favor of it. And basically the bidding process is to ensure that it's fair and everybody gets a crack at it who wants a crack at it. These people, if anybody, should be interested in maintaining that fairness. And then what they say is that this will actually allow more local contractors to get the work than if you had to go through this full process. And I think Virginia Moon spoke to that. Sometimes on small projects, people don't want to go through the hassle of filling out the formal documents required to submit an official bid. With that, I close. [LB431]

SENATOR SULLIVAN: All right, Senator. Any questions for him? Thank you. That closes the hearing on LB431. We will now move on to LB595 by Senator Davis. [LB431]

CHRISTINA CASE: He's on his way. [LB595]

SENATOR SULLIVAN: All right. Very good. We'll just stand at ease for just a little bit. While we're waiting, how many are planning to testify on LB595? Thank you. Welcome, Senator Davis. [LB595]

SENATOR DAVIS: (Exhibit 1) Thank you. I apologize. You're moving so quickly today. I'm very impressed. (Laughter) [LB595]

SENATOR GROENE: We were. (Laughter) [LB595]

SENATOR DAVIS: Okay. Senator Sullivan, members of the Education Committee, I am Senator Al Davis, D-a-v-i-s, representing Legislative District 43, and I'm here today to introduce LB595. LB595 establishes a Task Force on School Construction Assistance which will study issues of school construction funding and will develop guidelines to help school districts and ESUs identify the necessary infrastructure needs of their school facilities. The task force will also study the feasibility of providing state funding to assist with those needs or to assist districts in

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developing financing options and plans for necessary school renovation and new construction. LB595 represents another effort to reduce the reliance on property taxes to fund our responsibility to provide free public education for children in our state. It will be difficult to fulfill the responsibility without adequately investing in our school facilities. Unfortunately, we have seen a number of bond issues fail across the state in the past year. Of the 23 bond issues I am aware of in 2014 alone, 9 of the 23, or 39 percent, failed. I am concerned about what that could mean for the quality of the educational opportunities that we are working to provide to every student across our state. Nebraska is one of 11 states that provide little or no state contribution to local school districts for capital outlay including construction and land or building acquisition. For the most part, school districts have to rely on local property taxpayers to support any new construction or renovations to existing facilities. It is my hope that the process laid out in LB595 can enable the state to do a better...to be a better partner in addressing the infrastructure needs to help ensure that every Nebraskan is educated for success. A more active state partnership in school construction will also reduce the pressure on local taxpayers to fulfill our constitutional obligations of a free public education to all students. The task force created by LB595 will investigate issues related to school construction assistance and will make recommendations to the Legislature and the Department of Education regarding capital infrastructure systems and funding sources including the feasibility of debt pooling to reduce interest rates. The task force will consist of two nonvoting legislative members appointed by the Executive Board and ten members appointed by the Governor with the approval of the Legislature. The members appointed by the Governor will include representative education, business, local communities, government, and at least one expert on capital construction. The bill also provides for the establishment and maintenance of a public education database by the Department of Education which will provide information on preschool and K-12 facilities and any auxiliary buildings and properties. The database will ensure we have access to current data on school infrastructure in our state so we can take steps to identify and adequately and equitably address the most critical needs. LB595 requests an appropriation of \$100,000 from the General Fund for Fiscal Year 2015-16 to the Department of Education to fund the Task Force on School Construction Assistance and to the public education facility information database. As I have said before, I believe the way we fund education in Nebraska remains out of balance. Our state's heavy reliance on property wealth and the primary...as the primary determinant of a community's ability to support its local schools is flawed. The result of this imbalance is a very real concern that we are not providing equitable access to educational resources for all students in our state. Many of Nebraska's school buildings are old and obsolete. Renovations may work for most of these buildings but new construction could be necessary. Once the task force has completed its work, it should be apparent where critical infrastructure needs are most urgent which will help school boards plan for renovations or energy conservation and efficiency projects. LB595 provides an opportunity to examine the capital infrastructure needs of school districts in our state and identify best practices to ensure that our school facilities are sufficient to create the best learning environments for our children. I handed out an amendment to LB595 that makes a few

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cleanup changes and should become part of any committee amendment. AM400 specifies that the task force will be in the Department of Education for administrative purposes; provides a termination date of December 31, 2016; and outlines a process for the Department of Education to present the task force recommendations to the Legislature. I urge the committee to forward LB595 as amended to the full Legislature for debate. School infrastructure needs are not going away. And the bill will start a process that will benefit Nebraska students for many years to come. Thank you very much and I'm happy to answer any questions. [LB595]

SENATOR SULLIVAN: Thank you, Senator Davis. Can you tell me a little bit more about your vision for this task force as far as...obviously it would make recommendations for funding, but in addition, recommendations on what a new school looks like or what kinds of things do you think might come out of...for a commission like this? [LB595]

SENATOR DAVIS: One of my concerns about significant...certainly most of the rural parts of the state is, bond issues only come along once every 50 years, once every 30 years. So you have turnover and transition of people who are involved in the process of building a new school or doing an addition onto a facility. If it's a school board, they probably don't have the expertise and skill necessary. If it's an administrator, they're only going to do that once or twice in their entire career. So you don't have a consistent group of people that work with construction every day. I think this task force can identify tools to make that a smoother transition, maybe identify ways to pool funding to maybe reduce cost. If we knew that five districts were going to be building buildings at the same time, you know, you could have a bond issue for \$50 million as opposed to \$10 million, get lower rates for that. So I think that, you know, outside of the potential of state funding for some of these projects, just that knowledge will be really helpful. And I think...some years ago, I think maybe Dennis Pool might have done the work, but there was a study on some of the buildings in the state. I think it's long enough ago it's time to look at that again. We can see what the condition of our structures are like because in a lot of rural Nebraska, at least, the buildings are getting quite old. In fact, in my hometown of Hyannis, which we always refer to as the new school, was built in 1969. So, you know, a lot of...believe it or not, that's getting close to 50 years ago. So that's kind of what I've got in mind. [LB595]

SENATOR SULLIVAN: So the database that you're proposing would include information about what is...numbers of facilities, types of facilities, that sort of thing? [LB595]

SENATOR DAVIS: Types of facilities, types of, you know, the sort of an indication of the energy used...I think that's one place where a real significant saving is available to school districts where you can have a better climate within the facility without wasting taxpayer dollars. So that's part of it. [LB595]

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SENATOR SULLIVAN: And of course, the bottom line in terms of funding, then I would presume you're hoping that this...their recommendations would include more state financial support for school facilities. [LB595]

SENATOR DAVIS: Well, I think you might hear from testifiers to that effect. You know, I think it wouldn't be very...it would be helpful if Nebraska could contribute to help some of these school districts that are struggling with high levies and low dollars or low valuation per student. I mean, they've got needs that need to be filled and it's pretty hard to sell a bond issue in large parts of our state today. [LB595]

SENATOR SULLIVAN: Thank you. Any questions for Senator Davis? Senator Kolowski. [LB595]

SENATOR KOLOWSKI: Thank you, Madam. Senator Davis, thank you for bringing this forward. I think it's long overdue and for the two aspects that you're talking about: knowledge about facilities and what's happening, where do you go outside of dealing with your bid to your engineers, for example, or your architects; and the second part being the funding. I have looked into other states myself this last year, and even our neighboring Iowa has some opportunities there that are not available to us. And I know the state's model has some of the same things. So I think it's long overdue and I commend you on putting this forward. [LB595]

SENATOR DAVIS: Thank you. [LB595]

SENATOR KOLOWSKI: I think it's something we need to look at very seriously. Thank you. [LB595]

SENATOR DAVIS: Thank you. [LB595]

SENATOR SULLIVAN: Senator Pansing Brooks. [LB595]

SENATOR PANSING BROOKS: Thank you, Madam Chair. Thank you, Senator Davis. I was...I'm interested, having dealt with a committee that seems similar to this...I cochair the...there was a 60-person task force that...in Lincoln that looked at the needs of the schools and then made recommendations to the school board which then decided to go forward and do a bond issue and that was in 2007. So I'm just interested, does this supplant that process, that local process? And I understand that some parts of the state do need some support maybe, but I'm interested if this supplants that kind of process where people from the community...we spent three hours a week looking at buildings and talking to everybody from people with the parks

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department to figure out collaborations and the libraries to also talking to contractors about the economies of duplication of buildings. And so I'm just interested, if all of a sudden, a city like Lincoln, if we all of a sudden allowed a Governor to appoint six people rather than having 60 people across the entire community going in and spending significant portions of time looking at the needs, I just see a difference there in what's necessary. And if this is mandated and supplants or is used instead of that kind of local process, it...I'm just interested in how that's going to work out. [LB595]

SENATOR DAVIS: You know, so I think the local process is a great way to do it. And this is a one...this is essentially a one-year task force that will evaluate what's out there, see what the needs might be, categorize that, and put it in place so that it's available for other people to look at but will also give some guidance to...you know, we've got 245 school districts of which probably 210 of them are small communities that don't do...that don't have the ability to do the kinds of things that you did, that don't have the expertise within their community. So if they've got a place to go to say, well, this study was done by the Legislature a few years ago and here are some things that we can check off that are successful or that aren't successful, you know, I think that's what the objective is. But absolutely we don't want to, you know, take local control away. But I'll just tell you, in a lot of small communities, you've got your building and grounds committee and it's made up of three board members who have a full-time job doing something else. And they come in every once in a while and they look at the roof or look at the plumbing, for example. But they're not experts in those fields. You know, you just don't have those in a large part of rural Nebraska. [LB595]

SENATOR PANSING BROOKS: Um-hum. Okay. And then just along those lines, I'm interested in the idea of why the Legislature is not appointing the people versus the Governor. I'm just...and maybe that's because I'm new to this, but I'm interested in why we are giving away that ability to determine...we're...I mean, this committee deals with education all the time, so it seems that this committee is integrally involved in the people and the stakeholders and...that might be willing to do this. [LB595]

SENATOR DAVIS: I tried to follow some guidelines...not really guidelines but, you know, a task force that I've seen appointed before, and that was the way those were done. [LB595]

SENATOR PANSING BROOKS: Okay. [LB595]

SENATOR DAVIS: And, you know, there becomes a separation of powers issue sometimes, so, you know, your legislative appointees usually are nonvoting members on a lot of these commissions and that was something that was a constitutional challenge some years ago. So, you know, basically what I'm trying to do is follow protocol. [LB595]

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SENATOR PANSING BROOKS: Thank you for explaining that, appreciate it. [LB595]

SENATOR DAVIS: Thank you. [LB595]

SENATOR SULLIVAN: Any other questions? Thank you, Senator Davis. [LB595]

SENATOR DAVIS: Thank you. [LB595]

SENATOR SULLIVAN: You'll be here? [LB595]

SENATOR DAVIS: I will be here. [LB595]

SENATOR SULLIVAN: We'll now hear proponent testimony for LB531...LB595, excuse me. Welcome. [LB595]

KYLE McGOWAN: (Exhibit 2) Welcome. Good afternoon. My name is Kyle McGowan. I'm the superintendent at Crete Public Schools. K-y-l-e M-c-G-o-w-a-n. I'm also here representing STANCE and you have some familiarity with STANCE. STANCE supports Senator Davis' LB595 and the efforts to create a task force on school construction assistance. School construction and renovation is vital to maintain safe and secure locations for both students and the general public who use these sites daily and year-round. Educational programs and expectations relating to special education, English language learners, preschool security, technology, etcetera, require physical changes and improvements to the learning environments. LB595 addresses the needs for schools to maintain adequate facilities as well as recognize the great expense involved with such requirements. Creating a task force to research and recommend systems to districts/communities which offer efficient strategies for funding, educational delivery systems, and other technical assistance would be welcomed by school administrators and boards. The collection of school data by the NDE would be an insignificant inconvenience in order to gather accurate and valuable information. The Crete School District recently passed a \$33 million bond issue which will definitely be added financial burden to our patrons, however it was obviously viewed as an investment for the community. The school had been renting space in church basements, commercial locations for programs. We had purchased two portable classrooms as well. Our district would have welcomed the information and research gathered by a task force now being proposed. STANCE would like to thank Senator Davis for proposing this legislation as well as our appreciation to the Education Committee for listening to this testimony. [LB595]

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SENATOR SULLIVAN: Thank you, Dr. McGowan. Do you think that you walk kind of a fine line between a task force like this providing information just as you said and data as opposed to making some...I don't want to...I'm not saying demands, but recommendations that come with strings attached so that it flies in the face of local control? [LB595]

KYLE MCGOWAN: As I look at what was really a two- or three-year process for us to finally present a bond to our public, I would have liked to have had the opportunity to look at recommendations from, really, a nonbiased group that...so I...now if...we all realize that if money is ever attached, there's always strings to that. But I would have really appreciated coming to our public and saying, here's what the state task force said about bonding. Here's what they said about energy efficiency. Here's what they said about security systems. That would have been great recommendations that I assume would eventually, if any of them were approved, have to have been voted on by our board. [LB595]

SENATOR SULLIVAN: Okay. Thank you. Senator Groene. [LB595]

SENATOR GROENE: Thank you, Chairman. I see a situation where, in today's world of government, we hire a consultant and then the big excuse is, well, he told us to do it. It's not my fault, we have to do it. I can see school boards or administrators saying, well, the state says we need a new school. They did the study and we need a new school. Our hands are tied. We are being told that we need a new school instead of letting the locals decide or make the administrators and the school board have to come to the people and say why they need a new school instead of saying, we got an expert 40 miles from home that says we need one. That's a concern I have with all these kind of task force and committees far away from home. [LB595]

KYLE MCGOWAN: Sure. Well, I would have a concern with that too. We would...you know, the patrons of Crete would not want somebody from Lincoln coming in and telling us that we needed a school especially if we're going to raise the taxes to do that. [LB595]

SENATOR GROENE: Yeah. [LB595]

KYLE MCGOWAN: So again, I just see what's being recommended: sort of a fact-finding mission that might lead to other things that, I guess if it does, will be brought before the Legislature or the board. But I would have appreciated having another unbiased source of information to share with our public. [LB595]

SENATOR GROENE: Did your bond pass? [LB595]

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KYLE McGOWAN: By 19 votes. I had 20 friends, I thought, (laughter) but they...19 votes. [LB595]

SENATOR GROENE: Nineteen showed up, huh? [LB595]

KYLE McGOWAN: Yeah, 19. [LB595]

SENATOR GROENE: Thank you. [LB595]

SENATOR SULLIVAN: Any other questions? Thank you for your testimony. [LB595]

KYLE McGOWAN: Thanks. [LB595]

SENATOR SULLIVAN: Welcome. [LB595]

CAROLINE WINCHESTER: (Exhibit 3) Hi. Thank you, members of the community. I'm Caroline Winchester, superintendent at Chadron Public Schools. And it's C-a-r-o-l-i-n-e W-i-n-c-h-e-s-t-e-r. I certainly want to thank the education community for their service and certainly dedication to all the students of the state of Nebraska. And we appreciate the opportunity to kind of share Chadron's story as it deals with school construction or building facilities. In 2010, we lost \$1.6 million in state aid out of approximately a \$5 million state aid budget. But we needed...we had to then close four rural schools. We ripped 16 full-time positions. Following that, we also had a bond issue that was going off. And while the timing was not good, we had about \$12 million of aging infrastructure with needed repairs for roofs, HVAC, lighting, there were no sprinkler systems in the building, so safety concerns as well. The...knowing it was not particularly a good time but knowing when a bond issue comes off, we needed to ask for these things because of the significance of the amount of money that we needed to spend. The bond issue failed terribly, 70 percent. It was not because patrons did not see the needs in our buildings. It was simply, they were not able to continue to pay the high rate of property taxes. You have to understand in our district that 40 percent of the property taxes are paid by 10 percent of the population. We also are a district that is...has a very low valuation where...per student. We're 19th from the bottom. And so we do not generate a great deal of money from, say...even a nickel, like, for instance, would maybe generate \$1.5 million in our district where another district of comparable size, because they have higher valuation, that might generate \$5 million. So those were the struggles we had. So the question then became when it failed is, how do we provide for safe and healthy environments for our students when the only funding source that public schools have is a bond issue, when that source is gone? So I think this task force would help with providing information for those school districts that are facing that. I think one of the things that

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we have to be very careful about is being good stewards of our patrons' dollars and also finding strategic ways to spend that money. And I'll just give an example in our case. When it failed, we'd had a study done by...an engineer facility study. We also had that because two of our buildings were declared the worst in this state, the Department of Energy came up and did a facility study. Both those facility studies confirm the same thing, and that's real important. But one of the recommendations said, the best bang for your buck would be to recommission your geothermal system at the intermediate building. We spent \$120,000 out of depreciation funds to do that. Within the first year, we realized a \$23,000 savings in energy in just the first year. So that's why the importance of having that information to make strategic choices when you have limited funds to spend, when there's no bond...just a real... [LB595]

SENATOR SULLIVAN: They...okay. Okay. [LB595]

CAROLINE WINCHESTER: ...well, just to also say that the information that the bill is asking for, Senator Davis, I think Dennis Pool is the last time that we had a comprehensive study. And again, as you're trying to make--and I can't emphasize enough--strategic decisions with limited funds, you need lots of information in order to wisely do that. So that's why the database along with the task force would be a great help for many communities. [LB595]

SENATOR SULLIVAN: Thank you. Thank you. So where are you? Have you tried for another bond issue again? [LB595]

CAROLINE WINCHESTER: Well, we're...what...we've done a number of things. We formed a legislative committee that's very active that wants to find a solution to school funding and property tax relief. And through that, we've also, first of all, went back and said, okay, patrons said no on the bond, let's see what we can do. So we've done a number of things. We've tried to make wise decisions with what few depreciation dollars we had. We also...Senator Haar a few years ago had a green schools summit conference. And we'd learned about the Department of Energy there. So they did that facility study. But then in addition to that, we had a boiler that was failing in our primary building. We had to add water to it every day. And praise the lord for our maintenance people, they didn't forget a day for two winters, so we got us through, but we were able to get a low-interest subsidized loan through the Department of Energy. So in essence, we had to go out and borrow \$1 million. And I don't like to borrow money but we were able to, through that loan, get it subsidized for less than 1 percent. So then also now we are pursuing a performance energy contract which, if you're...I don't know whether you're familiar with those or not, but the company will guarantee that we will see a certain amount of savings in energy and then that savings will then go back to pay for the loan. And so these are getting us some of these failing infrastructure issues taken care of, but at the same time, the money, the savings that we see in energy does not go to students. It goes to paying the loans back. You know, if the bond

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issue had passed, we would have been able to take those considerable energy savings and put it towards funding, you know, things for students, because we have patrons out there that...saying, we need another art teacher, we need another music teacher. You know, we're working with the business community. We need some more career ed people and we just do not have the funds because we got leaking roofs and HVAC that's 60-some years old and was only meant to last 25 years. [LB595]

SENATOR SULLIVAN: Okay. Thank you, Dr. Winchester. Any other questions for her? Thank you for your testimony. Welcome. [LB595]

TIFFANY JOEKEL: (Exhibit 4) Thank you. Chairwoman Sullivan, members of the committee, my name is Tiffany Joekel, T-i-f-f-a-n-y J-o-e-k-e-l, and I'm the policy director at OpenSky Policy Institute. I'm here today to testify in support of LB595. We support this legislation because it will provide our state an opportunity to examine the best practices available to us to strengthen the state's role in providing equitable educational opportunities to all Nebraska students. We see LB595 as another opportunity to address systemic drivers of property tax reliance and potentially address inequities that may exist across the state in facilities available to our students. Since 2002, school bond levies add on average 10.6 cents to the average school levy. These bonds have raised an average of \$150 million per year in property tax revenue since 2002. The total has increased every year since 2004 when it was \$108 million to the 2014 total of \$186 million. The total property taxes levied through bonds since 2002 is \$1.94 billion. Since 2002, school bonds have made up between 5 and 6 percent of total statewide property taxes. As a share of specific school property taxes, bonds have constituted between 8.3 and 9.9 percent of property taxes raised for schools on average since 2002. Nebraska ranks 34th in the country for the amount of school capital expenditures per student, averaging \$724 per student. That's somewhat dated data. That's from 2008. This places us below the national average in 2008 which is around \$1000 per student. We fall somewhere in the middle when compared to our neighboring states. And we share a border with both the highest and lowest respective spenders on this measure, Wyoming and Kansas. We were able to identify 23 bond issues that took place in 2014. And as Senator Davis mentioned, 14 were successful and 9 failed. This is a 61 percent success rate. We tried to dig a little deeper into those districts that passed and failed to see if there were any comparisons. We would caution that it's a very small number of sample size and one year of data, so we would point out that these are simply trends and not conclusions that we should draw. But we did find on average that school districts with successful bond initiatives tended to have lower property valuations per student, high property tax levy rates before the addition of the bond levy, higher student populations, and lower percentages of ag land. So I broke those out additionally. A couple things to point out: Of the districts where school bond initiatives failed in 2014, the average ag land percentage is nearly 50 percent whereas in the districts where bonds passed, the average ag land percentage is 5.1 percent. So we would encourage the Education Committee to consider the impact of school construction as it applies to

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both the goals of building a system that educates all Nebraskans for success but also, as you're faced with the proposals to reduce property taxes, we believe that as a state, we can't meaningfully and sustainably address the challenges with property taxes in our state without recognizing their inextricable link to the education system. We believe this task force and the information collected by the database can help policymakers to implement best practices regarding equitable educational opportunities through high-quality school facilities. [LB595]

SENATOR SULLIVAN: Thank you, Ms. Joekel. Any questions for her? Thank you for your...oh, Senator Groene. [LB595]

SENATOR GROENE: Did you go back any years? It's been my experience and most people's that they...that all bond issues fail the first time because they come with the Taj Mahal and the people say no. And then they come back and they trim it back and then the people...the community discusses it more and it maybe fails again. And then the third time they usually get some rational thinking and they come back and it passes. I mean, did you do anything on these bond issues and see how many times they were presented before they passed? [LB595]

TIFFANY JOEKEL: No. No, we didn't. It was difficult to find one place where these bond issues were available. So it was even...we had to do a lot of digging just to get the one year's worth of data. [LB595]

SENATOR GROENE: Thank you. [LB595]

TIFFANY JOEKEL: So it would have...it would be interesting but we weren't able to go back years before 2014. [LB595]

SENATOR SULLIVAN: Thank you for your testimony. [LB595]

TIFFANY JOEKEL: Thank you. [LB595]

SENATOR SULLIVAN: Anyone else wishing to testify in support of LB595? Welcome. [LB595]

GERALD ROYAL: (Exhibit 5) Thank you. My name is Gerald Royal, R-o-y-a-l. I'm from the Palmyra/Bennet district, OR1 school district. We're...or I'm a lifetime resident of Palmyra which is 25 minutes southeast of Lincoln. I'm a farmer and a livestock producer and a school board member for eight years at Palmyra/Bennet. During this time, a bond was passed to fund improvements. We built a bond...or we built a brand new school at Bennet Elementary and

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renovated the Palmyra High School. Three generations of my family have attended and graduated from our district. My main purposes for testifying today are that we want to provide a good education for our students and discuss the level of taxation and impact on our district. Over the past two years, two bond proposals have failed because of several reasons. The reasons are many and include unfair tax burden on agricultural property. The funding of Nebraska schools is primarily based upon agriculture in rural areas. Residential taxation has not increased at the same rate as agriculture. Agricultural taxation is based upon potential crop prices or income. This works when prices are adequate but it leaves no other options when prices decline and lead to serious problems such as bonds not passing. I increasingly see persons struggling to pay their tax bills. They do not see that 20-year bonds are possible and cannot afford them. Property landowners, including absentee landowners, do not have representation in annual school budgets as well as 20-year bonds. The present process is broken. The emphasis on athletics over academics has resulted in differences between generations on the purpose of schools. The level of state funding for school buildings and renovations is not adequate and is a serious problem. In Bennet/Palmyra, from 2013 to present, two bonds have failed. The first bond was phase one on a central site that only addressed a complete and new sports complex. It was for \$5.8 million for athletics and \$2.8 million for academics. And phase two of that was to require the closing of the separate sites at Bennet and Palmyra. A completely new K-12 structure was proposed at a central site. This \$25 million bond was defeated 72 percent to 28 percent. The second bond was in November of 2014. The second bond was also for off-site sports complex in Palmyra with improvements at Palmyra and Bennet schools for \$12.4 million. This 44 percent bond increase was strongly pushed yet defeated. The overall bond, including interest, was \$18.5 million total. This bond...also defeated by voters 55 to 45 percent. Eighty-four percent of my property taxes go to the Palmyra/Bennet School District. This increased approximately 8 percent in 2012, 15 percent in 2013, and over 15 percent in 2014. This total of over 38 percent is not sustainable, and 20-year bonds are not passing. [LB595]

SENATOR SULLIVAN: Mr. Royal, you're going to...your time is up. Can you wrap it up very quickly? [LB595]

GERALD ROYAL: Okay. Can I just make a recommendation? Okay. The...I have three recommendations but the one I'm most...think is most important is that the present boundary rules for school districts do not allow flexibility once a 20-year bond is passed. If school boundaries are changed, the taxes should remain with the district where the bond was originally passed. This situation is important where our district meets the boundaries of a large and growing district like Lincoln. This task force could examine these areas and determine solutions that help districts like Palmyra and Bennet. There are options for addressing rural and urban needs. And I thank you very much for your time and consideration. Thank you. [LB595]

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SENATOR SULLIVAN: Thank you, Mr. Royal. Are you currently on the school board now?
[LB595]

GERALD ROYAL: No, not now. [LB595]

SENATOR SULLIVAN: Okay. So you believe that a commission like this would offer some flexibility for you? Would it result in perhaps some... [LB595]

GERALD ROYAL: It definitely would. If I was on the school board, I would try to...I would like to have all the help we could get. [LB595]

SENATOR SULLIVAN: Okay. [LB595]

GERALD ROYAL: And that's been the problem with this present school board is that they don't have the expertise to go ahead with what they should be doing. [LB595]

SENATOR SULLIVAN: Do you think it might ultimately result in lower property taxes for you?
[LB595]

GERALD ROYAL: No, not really. But I think it would make a better school for us. [LB595]

SENATOR SULLIVAN: Okay. Thank you. [LB595]

GERALD ROYAL: Any help we could get would be appreciated. [LB595]

SENATOR SULLIVAN: All right. Any questions? Senator Baker. [LB595]

GERALD ROYAL: Yes. [LB595]

SENATOR BAKER: Sir, let me clarify your recommendation three. If I understand you, you're saying that if a bond issue passes, then the taxes should remain with those people who passed the bond no matter if the land is in the school district or not? [LB595]

GERALD ROYAL: Yeah. That's the problem now, because we are just on the outside of Lincoln.
[LB595]

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SENATOR BAKER: Yes. [LB595]

GERALD ROYAL: And if Lincoln moves out, the bond issue doesn't move with them. And it should. I mean the funding. [LB595]

SENATOR BAKER: Okay. I think I understand what you're saying. The people will continue...even if Lincoln annexes, the people will still have to pay when Palmyra bonds. [LB595]

GERALD ROYAL: The same property would pay the taxes that the bond...or that was there when the tax...when the bond was passed until the 20-year, whatever it was, the time was up. [LB595]

SENATOR BAKER: And you think it shouldn't be that way? [LB595]

GERALD ROYAL: I think it should be. I think it should be left with the property no matter which school district it lends...it stays in. [LB595]

SENATOR BAKER: That's the way it is. [LB595]

SENATOR GROENE: Yeah, that's the way it is. [LB595]

SENATOR BAKER: That's the way it is. [LB595]

GERALD ROYAL: Well... [LB595]

SENATOR BAKER: If Lincoln annexes...I have experience. You know, I was superintendent at Norris. All right? If some land gets annexed into Lincoln's school district that was Norris, you know, you still pay...the people who are there still pay. [LB595]

GERALD ROYAL: Yeah, pay. But if a school district boundary changes, doesn't that change? [LB595]

SENATOR BAKER: Same thing. [LB595]

SENATOR GROENE: Still pay. [LB595]

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SENATOR BAKER: Same thing. A better example would be Waverly. You know, some of the area on North 27th Street, some of those people...it's in Lincoln. Some of those...still paying on Waverly bonds. [LB595]

SENATOR SULLIVAN: All right. Thank you, Mr. Royal. [LB595]

GERALD ROYAL: Okay. [LB595]

SENATOR SULLIVAN: Welcome back. [LB595]

VIRGINIA MOON: Thank you. I feel a little bit like the proverbial bad penny. (Laughter) My name is Virginia, V-i-r-g-i-n-i-a, Moon, M-o-o-n. And the Nebraska Council of School Administrators would like to be on record in support of LB595. I'd think that it will help to provide a picture statewide of where facilities are, how they are, what their needs are. But I've been privileged to be the leader of a number of school districts as a community takes on the huge responsibility of figuring out how to provide facilities for that community. It's often contentious. It's often almost a dangerous situation for a school board member to make that kind of a recommendation and to ask for the money that it takes to fund those positions. And each community that deals with that has to do that with really one tool. You can bond for it and that's it. And so I think that any kind of discussion that's...comes out of a group like this in LB595 would allow perhaps another set of tools or another tool or two to provide for their community in terms of how school facilities are addressed. So I think our hope would be that this kind of a committee would give more tools in the toolbox to provide for a community and provide for the schools in that community. We do have one recommendation as well and we would hope that the makeup of that committee would be heavily weighted with K-12 educators or people who are...deal with K-12 facilities in order to get the very best recommendations and the best knowledge of how that database would be constructed and organized so that when we're finished we have realistic recommendations and a realistic picture of where school facilities are across the state. [LB595]

SENATOR SULLIVAN: Thank you, Dr. Moon. Any questions for her? Thank you for your testimony. [LB595]

VIRGINIA MOON: Thank you. [LB595]

SENATOR SULLIVAN: Welcome. [LB595]

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MIKE McDONALD: (Exhibit 6) Thank you, Senator Sullivan and Ed Committee. My name is Mike McDonald, M-i-k-e M-c-D-o-n-a-l-d. I've...a lifelong Nebraska. I grew up in central Nebraska, moved to southwest Nebraska, but have always had a tie to agriculture community. And for the last 18 years, I've lived by Palmyra. I'm here overall in support of the task force proposal. I think the three main areas that it focuses on--a database, a plan to address this need, and to identify a common pool of resources--are noteworthy. A couple things that I think are unique: Dr. Moon just talked about bonds, and Senator Groan (phonetically)...is it Groan (phonetically) or Groene? [LB595]

SENATOR GROENE: Groene. [LB595]

MIKE McDONALD: Sorry...talked about the bonds that are repropoed. There are many bonds in just the recent years that are on the second or third time. There was Dr. McGowan, talked about Crete. Crete only passed by 19 votes. So in a way, it's sometimes not good when bonds pass because there's so much scarring and long-term ramifications. And some of you are from communities that have endured that. This task force is not a panacea by any means. And one year is not substantial enough to do what it needs to do. But it is a step because there's necessary expertise. Second of all, building has changed so much with the new types of technology and things that schools have and best practice. It is not to circumvent the process, as Senator Pansing Brooks talked about, and it's not meant to be another bureaucratic layer. It's meant to complement, not augment, the process. In growing up in rural communities, whether it be southwest Nebraska, whether it be having the privilege to teach at Norris in the early '80s, one of the reasons I was blessed to go to Norris...because it was a rural community. And now, as Norris has evolved, Norris is no longer a rural community and on the edges of Lincoln, Omaha, Millard, whatever entity you want to choose, we have a juxtaposition between ag culture, land that's gone skyrocketing in valuation, and residential that's largely been flat. In summary, we had formed an alternative building concepts committee to try to foster awareness. And with Dr. Winchester, we had set something up to educate, to inform people, and Senator Watermeier and others have been helpful towards that. Last, I would suggest a fund that schools aren't giving monies, but from this fund is put in there because there's never enough money and it's a pay-it-forward sort of fund. You can read the notes that I gave you there. Second of all, I had the opportunity to work with the Innovation Fund when it first come up with Governor Nelson. Those monies are basically sucked up now for different causes. Whatever happens, whether it goes up or not, I would suggest to you that you identify monies, that schools have to justify capacity but yet tied to the reasons that you've heard before. Come up with commonalities, do your due diligence, and find out what's most feasible to sustain it in the long run. [LB595]

SENATOR SULLIVAN: Thank you, Mr. McDonald. Any questions for him? Senator Pansing Brooks. [LB595]

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SENATOR PANSING BROOKS: Thank you, Madam Chair. Mr. McDonald, thank you for your testimony. And I just want to clarify that I wasn't questioning whether it was going to circumvent but to supplant that other committee and the process that I saw work quite well in Lincoln. So I just wanted to make sure that it wasn't one over the other. And that's what my question was referring to. Thank you. [LB595]

MIKE McDONALD: Fair enough. Thank you. [LB595]

SENATOR PANSING BROOKS: Thank you very much for coming. [LB595]

MIKE McDONALD: Thank you. [LB595]

SENATOR SULLIVAN: Any other questions? Thank you so much for your testimony. [LB595]

MIKE McDONALD: Yeah. Thank you. [LB595]

SENATOR SULLIVAN: Welcome. [LB595]

JOHN LINDSAY: (Exhibit 7) Thank you. Senator Sullivan, members of the committee, my name is John Lindsay, L-i-n-d-s-a-y, appearing as a registered lobbyist on behalf of Omaha Public Schools. I wanted to...you're...being passed out to you is a portion of our facilities capital plan that was the basis for our most recent bond issuance or bond election. I wanted to get that into your hands because I think it's a good indication of the kind of facilities changes that are...that schools have to do on a...hopefully a regular basis. But in our case, our last bond was 15 years ago. The...this is, by the way, part of a larger plan. If any of you would like that, just let me know. We'll get you the entire thing. It is also available on our Web site, on the OPS Web site. But this indicates that a lot of things, for example, that have to be done by schools involve fire and life safety type things whether it's sprinkler installation, sprinkler updates, fire alarm systems upgraded or installed, safe areas being constructed in some of the older buildings, those types of things. Then you move into security which...I know Senator Kolowski has been pushing for securities dollars for quite a while. But you look at...for example, in OPS, we have a lot of the open floor plans from back in the '70s that are simply very, very difficult to secure. And in renovating those facilities, it sometimes takes quite a bit of...some extensive renovation to get to the point where you can actually have a door on a room and those types of things. Additionally, in our plan, as you'll note from the executive summary...that there's quite a bit built in as well for expansion because of the...our district growing, we think, about 15 percent over the last decade, that it simply requires more space. When you add to that the additional...whether it's early childhood...space for early childhood is also necessary. There's quite a bit that the schools have

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to look at. Ours is divided into a phase one and a phase two. And I should back up and mention that our technology...we do a technology...or, excuse me, a facilities study every five years. This one, the most recent, identified about \$1.2 billion of needs. Through some community engagement, that was whittled down to what...to about \$800 million which is where the bond which is being done in two phases ended up with the first phase being, I think, around \$430-some million. And that is where the district stands now. And I'd like to thank Senator Davis for recognizing that facilities are huge issues to schools. And we're...OPS is not necessarily tied to this as the solution but it is something that is directly related to property taxes because, of course, to retire those bonds, those are all property tax dollars that go to the...to that bond fund. With that, I'd be happy to try to answer any questions. [LB595]

SENATOR SULLIVAN: Thank you, Mr. Lindsay. So the bond issue passed quite handily, or what was the margin? [LB595]

JOHN LINDSAY: You know, I was going to ask before I came up because I knew I'd get asked. It...I believe it was around 60 percent. [LB595]

SENATOR SULLIVAN: (Exhibits 8, 9) Okay. All right. Thank you. Any other questions for him? Thank you for your testimony. Anyone else speaking in support of LB595? I would like to read into the record a proponent, Larry Scherer representing the Nebraska State Education Association. We'll now take testimony in opposition to LB595. Again, I would like to read into the record a letter of opposition from Jean Petsch, executive director of the Nebraska Building Chapter of the Associated General Contractors. Anyone wishing to speak in a neutral capacity? Welcome. [LB595]

JOHN BONAIUTO: Senator Sullivan, members of the committee, John, J-o-h-n, Bonaiuto, B-o-n-a-i-u-t-o, representing the Nebraska Association of School Boards. Normally, school boards would be in favor or a supporter of a bill like this. And in past years we have, and usually it's been in the Revenue Committee because there was money attached. And so as I sit here, this is one of those chicken or the egg type testimonies. Do you do this and hope for the money later on, or what is the state's role? Historically, facilities have been a local responsibility. But...and I know that Dr. Skretta had a neat time machine. I don't know that mine is going to be as neat as his, but I will take you back in time, because in the mid-1990s, the Legislature felt that we were on the verge of a property tax revolt. And the Revenue Committee was committed to get tax levies under control. And in the room across the hall, the Revenue Committee said, listen, we need to take these levies that all of the political subdivisions have and collapse them. We're going to give schools this much levy authority. We're going to give cities this much and counties this much. Well, the ultimate result was the schools lost...the school boards lost the ability to levy in the building fund. And I know that, with the regular levy, you can say, it's local control, use it

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wisely. Well, our contention, and I remember having this conversation with the Revenue Committee in about 1996...when you put facilities in competition with learning and instruction and children, the facilities are going to lose every time. And so now we're doing bond issues for things that boards were able to levy for. We're hearing about deferred maintenance. A lot of what the Omaha bond issue is about, a lot of what the Lincoln bond issue was about was deferred maintenance, health and safety issues. Boards can't levy anymore for buildings specifically. All the money is in the general operating budget. That deals with salaries. It deals with instruction. It deals with everything that the board has to do. So I...I guess I...you know, my message is that this is an issue that needs to be resolved. Bond issues are hard to pass, but the deferred maintenance is growing and will continue to grow. I don't know if the state can help with some kind of fund or grants or what the right answer is, but there are a great number of needs out there. And part of this goes back to collapsing the levies so that everything was under the general operating budget. With that, I'll conclude my testimony. [LB595]

SENATOR SULLIVAN: Thank you, Mr. Bonaiuto. Any questions for him? [LB595]

SENATOR PANSING BROOKS: I guess I do. [LB595]

SENATOR SULLIVAN: Senator Pansing Brooks. [LB595]

SENATOR PANSING BROOKS: I'm just still having...trying to wrap my mind around this. So since you know...you understand what happened in Lincoln probably fairly well, don't you, Mr. Bonaiuto? [LB595]

JOHN BONAIUTO: Yes. [LB595]

SENATOR PANSING BROOKS: How would that relate to this whole thing? I mean, I understand there's a committee that looks at it and sees what the needs are. Is that mostly for out-state when we...when there are not experts that understand geothermal heating elements that can be used or...and it's too hard to bring experts out to the western part of the state? I just...I'm trying to wrap my head around... [LB595]

JOHN BONAIUTO: Senator, and I know communities work very hard. It's a big decision when communities go down the path of trying to pass a bond issue and how hard it is...the school board solicits community volunteers that put in just an ungodly amount of hours to get this done. I think what we're saying and what Senator Davis is putting forward is an idea to create some vehicle to take a look at where our facilities are. And this has got a sunset, and the task force won't go on and on. But somehow the state needs to have a role. And so far the state hasn't had

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any role. It always falls back on the local community. And so I see this discussion and this group maybe creating a dialog of, how could the state get involved? Can the state afford to get involved? I mean, that's going to be a big question, is if the state gets involved, what does that mean for the state dollarwise? And how much money would be available? And it...one of the difficulties is, it has to be something that's available to all the districts, not just some of the districts, whether it's a large district or a small district. You know, there's been discussion in past years that one of the weaknesses of our formula is that there is no recognition of facilities. Well, that's fine if you're in the formula. But if you're not in the formula, then what? And so it is a difficult question of, how can the state be a player and a partner in working with facilities? Can't take the place of the work the local people do in the...in that community. [LB595]

SENATOR PANSING BROOKS: So what is not available to some districts? That's what I'm asking. [LB595]

JOHN BONAIUTO: Well, and I'm thinking that...and this is the tough...really tough one. And Senator Sullivan may remember this from a few years back, but we had a district come in and it...the...I believe the superintendent...and it was from a district out in the Panhandle--it was either Scottsbluff or Gering--brought in a...some research they had done on levies and what it would take for that district to have to generate \$10 million to do facilities in a bond. And compare that to what it would take other communities. And part of this...I think the discussion at that time was, could the state help with a portion of what some districts needs are buildingwise so that the bond would not have to be as great and, therefore, the levy not be as large as it would to pay off the bonds? And so that's...you know, those are the types of things that...it's that, when you look at what a penny will raise in Lincoln or Omaha or Kearney and what that same penny will raise on a bond issue in Gering, it's just so incredibly different that, you know, where you're talking 1 or 2 cents here, you're talking 10 or 15 cents on the...I mean, it's a substantial tax increase in another community. [LB595]

SENATOR PANSING BROOKS: Well, and I would agree totally that, you know, facilities are clearly important to the educational strength of our state. It's...if we don't have facilities where people can learn and where teachers can teach then we will never be able to bring businesses into this state. That's for sure. [LB595]

JOHN BONAIUTO: Absolutely. [LB595]

SENATOR PANSING BROOKS: So I guess I'm just trying to wrap my head a little bit around what the rural versus urban issues are a little bit here. [LB595]

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JOHN BONAIUTO: Yeah. And I think taking the "building new buildings" out of the equation because of growth, I think this deferred maintenance thing is just...that is really a concern and at the root of a lot of this, that when these districts pass the bond issue, they're...it's not just to build new buildings. It's to do a lot of the deferred maintenance that they haven't been able to levy for for years. And it's been almost 20 years now since that building fund went out of existence. [LB595]

SENATOR PANSING BROOKS: Thank you, Mr. Bonaiuto. [LB595]

SENATOR SULLIVAN: Senator Cook. [LB595]

SENATOR COOK: Thank you, Madam Chair, and thank you for your testimony. This sparked a question in my mind. Have you--and you're in opposition to this proposal... [LB595]

JOHN BONAIUTO: Neutral. [LB595]

SENATOR COOK: ...has your organization...I'm sorry? [LB595]

JOHN BONAIUTO: Neutral. [LB595]

SENATOR COOK: You are neutral? [LB595]

JOHN BONAIUTO: Yes. [LB595]

SENATOR COOK: Offering neutral testimony on this proposal? [LB595]

JOHN BONAIUTO: Yes. I hope that sounded neutral. (Laugh) [LB595]

SENATOR COOK: Has your...yes, "neutralish." Have you offered, as an organization, a bill through a senator here that would address this issue in another way whether it's through welcoming back the levy or another...in another way since it's an issue that you agree exists? [LB595]

JOHN BONAIUTO: An issue that exists and we're very interested and concerned about and the reason we looked at this bill and was...testified in neutral capacity because we did not have a solution. We weren't sure this was the ultimate solution because I think it's great to gather the data. The other part to that is, where does it go from there and can the state be a player? And that

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would be the benefit, I think, of doing some of the groundwork or legwork with this. But, no, we haven't come up with a better plan. And I can tell you that the School Boards Association does track bond issues. And if...they have the results of bond issues that go back for a number of years, which ones passed, which ones failed, and which ones have been run four or five times and...but I think that our whole...our sole purpose for coming in neutral was that we wanted to make sure we pointed out the fact that this isn't just about bond issues and building buildings. It's about this deferred maintenance. And, you know, it's a struggle doing it under the general operating levy. [LB595]

SENATOR COOK: Okay. Thank you. [LB595]

SENATOR SULLIVAN: Senator Groene, did you have a question? [LB595]

SENATOR GROENE: Thank you, Chairman. I've been in a lot of public schools within four or five parts of the states. My kids went through them, my grandkids are going. I haven't seen schools falling down. I haven't seen them collapsing. They're clean. They're neat. The rooms are nice. In fact, don't get shocked, but I want to compliment the OPS because when they ran that bond election, they made no promises that kids were going to be brighter, they were all going to go off to college if they had a shiny new classroom. They were honest and said, we need to upgrade our safety. And I read that in the World-Herald and I said...and it passed. The people aren't foolish. But aren't we all just dancing around the head of the pin here, because really what we're getting at here is the section in this law that says, "Capital infrastructure systems and funding sources to provide school districts with state financial assistance for qualifying construction projects." Aren't we really talking about having the state start building schools or helping to fund them in this bill? [LB595]

JOHN BONAIUTO: Helping in some way, yes, Senator, that's correct. It's...can the state play a role in helping communities fund facilities? But what would that role be? What would it look like? How would you do that? Those are the hard parts to this. [LB595]

SENATOR GROENE: How do you pick winners and losers? I mean... [LB595]

JOHN BONAIUTO: Well, it's...I mean, it is...you know, there's always a set amount of money. And so you...there are some districts that would be rewarded. Other districts would have to wait. And so it's...yeah, I don't know how you'd... [LB595]

SENATOR GROENE: Then where does that money come from? [LB595]

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JOHN BONAIUTO: Well, there's the good question. Can the state afford to do it? [LB595]

SENATOR GROENE: Thank you. [LB595]

SENATOR SULLIVAN: Any other questions? Thank you, Mr. Bonaiuto. [LB595]

JOHN BONAIUTO: Thank you. [LB595]

SENATOR SULLIVAN: Anyone else in a neutral capacity? Senator Davis, for closing. [LB595]

SENATOR DAVIS: Thank you. Senator Sullivan, members of the committee, I appreciate your interest in the topic and all the people that testified in favor of the bill. So I'd like to just answer a few of the comments that I heard. And, Senator Groene, your point is well taken but I really view a lot of what happen...will happen as a result of this as expertise that can be laid out there to a lot of districts that really could use a little bit of guidance. And I think that will probably be one of the primary places that the state will decide, this is something that we can do. Now, there probably are going to be other places in the state, maybe, where there are no resources available for renovation or even maintenance. And so at some point, maybe the state will have to step in there. And having been to almost all the school buildings in my facility, at least all the...at least the main ones in my district, I can say that they're pretty well kept up. But they're pretty old. And I'm going to address an issue that happened in my own community some years ago, because they...at that time we had a lot of Class I's, and the Class I's were the...owned the building. So in the Hyannis situation, Hyannis Class I owned the building. There was a 1918 building and a 1962 building and then we built the high school later, so the elementary Class I district was saddled with the old building. So they really didn't have any resources to do anything. So they had neglected the roof on both buildings. And at some point then many years later, we had an asbestos ceiling which started deteriorating the structure and we lost the roof on the old 1918 building...decayed to the point where they decided they were going to have to take the top floor off. So my point being, they did that with the bond issue and they passed it but the neglect of maintenance can be very costly and it...in school districts we don't want to see that happen. And I will tell you this: When you get out and really get into a lot of the small communities, you will see that a lot of what...while they really might look good, because they try to put a good face on the structure, a lot of times the energy system is completely shot and worn out. And I could say the same thing about our nice new building in Hyannis which, as I said, is 50 years old. But the heating and cooling system was designed to last 25 years. We got 40 years out of it before we replaced it, but by the time that happened, we were the second largest user of electricity in the whole Panhandle Rural Electric Membership system. So when we put our geothermal system in, I think Senator...or Dr. Winchester talked about the things that they did, that system saved the district about \$60,000 a year and will continue to do that for the...from the time on. But it's

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finding...it's hard to find those experts out there. You bring someone in. It's a long way to come from Omaha. So they come in and you hope they're going to do a good job. I think this task force, by giving some guidance out there for districts, would really be helpful and I urge you to move the bill forward. Thank you. [LB595]

SENATOR SULLIVAN: Any questions for the...yes, Senator. [LB595]

SENATOR PANSING BROOKS: I just want to add that I do think that we saw buildings that were falling down around students and issues of, at one of the high schools here, a strange-colored dust that was coming and landing on the students that they would come home and tell us about. And actually, our new...one of newest middle schools had pails to catch the rainwater that was coming in. So there...it is a question of deferred maintenance, as Mr. Bonaiuto testified. If we don't take care of what we have, and that was so true here in Lincoln, then we're going to build worse buildings and have much more cost associated with that. So thank you for bringing this forward and bringing it to our attention. [LB595]

SENATOR DAVIS: Thank you. And I would say one other thing: You know, even this building had a lot of deferred maintenance... [LB595]

SENATOR PANSING BROOKS: Yes. [LB595]

SENATOR DAVIS: ...and they had plastic covering all the stacks up in the law library because water was coming through, so... [LB595]

SENATOR PANSING BROOKS: Yes. [LB595]

SENATOR SULLIVAN: Any other questions? Senator Kolowski. [LB595]

SENATOR KOLOWSKI: Thank you, Madam. Senator, thank you for the topic, because the schools, bridges, roads, sewers, are all infrastructure, and we don't have that conversation in this country enough. And you've extended that today to us on the school side. And we need to think in terms of the whole broad spectrum of all those things and how we'll take care of those in our future. Thank you. [LB595]

SENATOR DAVIS: Thank you. [LB595]

SENATOR SULLIVAN: Any other questions? Thank you very much. [LB595]

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SENATOR DAVIS: Thank you. [LB595]

SENATOR SULLIVAN: Oh... [LB595]

SENATOR GROENE: Thank you, Senator Davis, I was...I'm just frustrated. I mean, we keep throwing money at stuff... [LB595]

SENATOR DAVIS: I hear you. [LB595]

SENATOR GROENE: ...and I understand where you're coming with your bill. [LB595]

SENATOR DAVIS: Thank you, Senator Groene. [LB595]

SENATOR SULLIVAN: All right. That closes the hearing on LB595. And we will move on to LB477. [LB595]

SENATOR DAVIS: So this is Senator Davis bill, Davis day, in the Education Committee, so. (Laughter) Thank you. Senator Sullivan, members of the Education Committee. I'm Senator Al Davis, D-a-v-i-s, and I represent Legislative District 43. I am appearing before you today to introduce LB477. Under current law, a high school in a Class II or III school district whose average daily membership falls below 25 students in grades 9 through 12 may contract with another school district for one year after which the district will become a Class I school district if membership levels remain below 50 students. The law only applies to school districts which are within 15 miles of another school, so extremely remote districts are not included in this or any other requirements of consolidation. LB477 makes an exception for a Class II or III school district that maintains the only public high school in a county even if that district is within 15 miles of another district. LB477 provides that if the average daily membership in grades 9 through 12 at such school district falls below 25 students, the district may continue to operate provided a majority of residents...voters within the school district approve a ballot issue each year to continue operating the high school for the following school year and that a curriculum plan is in place to assure a quality education for the resident students. If membership falls below 15 students, this would no longer apply and the state committee for the reorganization of school districts would follow their current procedures to dissolve the district. The school of concern in my district is Loup County Public Schools located in Taylor, the only town in Loup County. Enrollment in grades 9 through 12 has hovered around 30, but based on the low number of grade-schoolers coming up, high school enrollment will fall to 24 in 2015-16 and to 23 the following year. Loup County is home to the Calamus River...Reservoir and some residences in Taylor have been purchased for summer homes which reduces the availability of housing stock

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in the community and consequently the number of students enrolled in school there. The chamber of commerce in Taylor is working to add additional housing stock to resolve the problem of residential real estate being absorbed for recreational purposes. But as the recreation industry develops around the reservoir, it is anticipated that many more young families may move to Taylor or to areas near the reservoir for jobs. This represents a very welcome economic benefit to this area, but those families need good schools that are convenient as possible. Taylor is situated only a few miles north of the Custer County line in the extreme southern portion of Loup County. The nearest schools are Sandhills, which is southwest of Taylor about 49 miles, Burwell, which is east of Taylor about 15 miles in Garfield. South of Taylor about 10 miles, there's Sargent in Custer County, and north of Taylor about 60 miles is Bassett in Rock County. While two of these schools are within the 15-mile requirement, it is important to recognize that others in the district may already be driving over 25 miles to bring their children to school in Taylor itself. A school closing can be devastating for a local community, and this bill would allow some local input into the decision to keep a county's only high school open. To be clear, this would require majority of vote approval in a districtwide vote each school year starting in November of the second consecutive year that fall membership is below 25. By requiring a vote of the members of the electorate to these counties...in these counties each year, the Legislature will be assured that there is strong support for the continuance of this school district and the school will be held to a high standard of accountability. In addition, by requiring a plan demonstrating a strong curriculum, the state will be assured that the school is working to turn out students who have a strong chance of success in career, college, and life. The other important element of this bill is the input allowed to landowners within the district. Under LB477, if the ballot issue were to fail, the school district would be dissolved and its territory attached to contiguous existing school districts based on the preferences of landowners within the dissolved district. A landowner could submit a preference of which district they would like to be attached to as long as they specify it is their intent that any children who might reside on the property in the future would be expected to attend the school district. Any property without a preference submitted by a landowner would be distributed to other contiguous school districts by the State Committee for the Reorganization of School Districts. I can speak from experience that prior reorganization plans put forward by the state did not serve the best interests of the children, parents, or landowners involved. Some landowners have been attached to high schools which are over 120 miles away or, in other instances, to districts which are inaccessible due to the lack of good, passable roads. I don't want that to happen to landowners in Loup County. Due to the vast distances in Loup County, most residents in the north end of the county would prefer to be attached to Bassett while the southern portion might split three ways between Sandhills, Sargent, and Burwell. This bill would take into account property owners' input as long as the preferred district boundary is contiguous to the dissolved district boundary. LB477 would give communities and property owners a little more local control in the unique situation that really does need to be addressed. I urge you to advance the bill. Thank you, and I'll take any questions. [LB477]

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SENATOR SULLIVAN: Thank you, Senator Davis. The latter part of the bill, in the event that their enrollment doesn't stay, how does that differ from current law? [LB477]

SENATOR DAVIS: So, in current law, when they fall below 25 students for two consecutive years, they will become a Class I district. And in order to regain that...and I don't think they are able to regain that high school status. But if they were to go to 24 for two years, they would have to go over 50 students to get...to retain their school. [LB477]

SENATOR SULLIVAN: Okay. And what is their enrollment now? [LB477]

SENATOR DAVIS: It's over 25 this year but it will be 25 next year and 24 the year after that. [LB477]

SENATOR SULLIVAN: Okay. So what you're trying to do is, number one, provide them a little more flexibility. Is that correct? [LB477]

SENATOR DAVIS: Yes, yes. So if they were to do a merger of boards, we would have people in the north end of Loup County that are 25 miles away from Taylor who then might...would be another 15 miles from their resident school district probably or 10 if they merged with Sargent. So you'd have quite a distance. Those people would prefer to go north. So, you know, if the district doesn't survive and it falls below 15 students, that would...they would have that ability to do that, to take their land where they wanted to. Or if they failed, if the vote that was taken in November fails, then the landowners will decide where they want to go. So that gives them the flexibility to get into a district where their kids are going to go to school. [LB477]

SENATOR SULLIVAN: So you're really providing flexibility partly for them to stay open a little bit longer but also, in the event that they can't, to have more flexibility in terms of where the land goes and which district. [LB477]

SENATOR DAVIS: Right, and they seem to be fairly confident that within a few years they're going to have more residents. But I don't know how...if...well, you know where Taylor is, but a lot of the other board members don't, but Taylor is pretty close to the Calamus Reservoir which has seen quite a bit of development. So when these homes are sold--and you can buy a home in Taylor pretty inexpensively, a lot cheaper than you can build one--so people will come in and buy these older homes in town and then they just use them in the summer. So then there isn't really any housing stock even there for teachers. I think some of their teachers are driving from other communities. [LB477]

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SENATOR SULLIVAN: Do you know if this...if Loup County school is the only one facing this circumstance right now? [LB477]

SENATOR DAVIS: It's the only one right now. And I think it may be the only one for some time. [LB477]

SENATOR SULLIVAN: Okay. [LB477]

SENATOR DAVIS: I have a number of districts that are probably close to this but they are farther than 15 miles apart. [LB477]

SENATOR SULLIVAN: I see. Okay. [LB477]

SENATOR DAVIS: I'm trying to think. Maybe the next one that might be...that I can think of might be Hay Springs but it's got significantly more numbers than this district. But that would be, you know, distancewise, and I'm trying to think of some other school districts. Maybe there might be some in Senator Stinner's district. [LB477]

SENATOR SULLIVAN: Okay. All right. Thank you. Any other questions for...Senator Kolowski. [LB477]

SENATOR KOLOWSKI: Thank you, Madam. Senator, what...you mentioned 24 in, like, two or three years. Who else is in the pipeline? How much does it go down before you have anyone new move in? Do you have figures on that? [LB477]

SENATOR DAVIS: I don't have the figures. I think we might have someone following that may be able to answer that question. But if I can't get that for you, I will do so. [LB477]

SENATOR KOLOWSKI: Okay. But it...and my second question would be, how would or could technology assist you to meet some of the curricular or other needs in the future no matter what the size of the school might be? [LB477]

SENATOR DAVIS: You know, I think we've had a lot of discussion when I was on the Education Committee about broadening the ability for schools to use technology. And, you know, they're already doing that. They're sharing some things with Sargent and some of these other districts. What we're doing here is giving them the opportunity to keep the doors open for a few more years, see whether or not they can...they want to keep going. [LB477]

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SENATOR KOLOWSKI: Thank you. [LB477]

SENATOR SULLIVAN: Any other questions? Senator Groene. [LB477]

SENATOR GROENE: Thank you, Chairman. Could you inform me of what happens when you become a Class I? What is that? Senator Davis, would you explain that to me? [LB477]

SENATOR DAVIS: Sure. Class I districts are the old K-8 districts, or K-6, depending on whether you were in a...going back some years, there were Class VI districts which were 7 through 12. And then there were...and those were over the top. And then there were Class I's below that where...which were K-6, otherwise K-8 in some situations. [LB477]

SENATOR GROENE: Some of them would pass the law here back where they got to affiliate with somebody once they... [LB477]

SENATOR DAVIS: Right. So they were eliminated from statute but, you know, this would essentially restore one of them but it would lose its high school. [LB477]

SENATOR GROENE: Once they became a Class I then the law affecting Class I's where you got to affiliate with a high school kicks in then, right? [LB477]

SENATOR DAVIS: I would think so. That would be a good question for your legal counsel. [LB477]

SENATOR GROENE: This is not a tax...these folks probably are nonequalized. They probably have a low mill levy. So this isn't a tax situation where people are complaining about high property tax to keep the school. They actually want to keep their school open. [LB477]

SENATOR DAVIS: They want to keep their school open. They have been equalized, and I... they might have slipped out of equalization this year. [LB477]

SENATOR GROENE: With all that new construction around Calamus and all that ranch land that are equalized? [LB477]

SENATOR DAVIS: Valuations continue to go up, Senator Groene. [LB477]

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SENATOR GROENE: That's what I mean, but they'd be nonequalized if valuations are going up. [LB477]

SENATOR DAVIS: They were an equalized district, and I'd have to look at their...to see whether they're still equalized or not because I think they might have moved out of equalization this year. [LB477]

SENATOR GROENE: To nonequalized? [LB477]

SENATOR DAVIS: I think so. [LB477]

SENATOR GROENE: Thank you. [LB477]

SENATOR SULLIVAN: Any other questions? Thank you. Will you be here for closing? [LB477]

SENATOR DAVIS: I will. [LB477]

SENATOR SULLIVAN: Thank you. [LB477]

SENATOR DAVIS: Thank you. [LB477]

SENATOR SULLIVAN: We'll now hear proponent testimony on LB477. Welcome. [LB477]

WAYNE RUPPERT: (Exhibit 1) Good afternoon to you, Chairman Sullivan, and to the other members of the committee. My name is Wayne Ruppert, W-a-y-n-e R-u-p-p-e-r-t. I want to thank you for allowing me the opportunity to testify here today and for your time in listening. I'm testifying in favor of LB477. Loup County Public School, located in Taylor, is one of the two public school districts where I serve as superintendent. Sargent Public Schools is the other. Loup County is and has been a progressive school district. In the mid-1960s, the citizens of Loup County made the move to consolidate all Class I districts within the county. All county schools combined with Taylor High School to create one K-12 school on one campus located in the village of Taylor. This action was implemented long before LB126 and long before the June of 2006 when legislation went into effect to eliminate the Class I's. Loup County's actions were progressive for the time because that action was what the patrons of the county determined was best for the students. Loup County Public School displayed its progressive thinking again in the 1990s when it became a member of the Sandhills distance learning cooperative consisting of

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nine area schools. This was the first such group of schools in the state of Nebraska to take advantage of new technology: true distance learning that enabled schools to share class offerings synchronously. Now all of the schools in the state have access to this valuable learning tool which Loup County utilized at its inception. The first distance learning group worked together to coordinate school calendars, class schedules, class offerings to enrich the curriculum and increase academic opportunities for all of their combined students. Graduates from Loup County Public School have successfully transitioned to four-year colleges and two-year institutions and the work force with no academic shortfalls. In fact, in the 19 years that I have been an administrator at Loup County, the alumni list would include medical doctors, physical therapists, pharmacists, architects, teachers, bank officers, college administrators, and one graduate of the U.S. Military Academy at West Point. The list also would include those in the nursing profession, law enforcement, and of course successful farmers and ranchers. LB477 is directly related to the...I see I'm not going to get down here. [LB477]

SENATOR SULLIVAN: You aren't, Mr. Ruppert. [LB477]

WAYNE RUPPERT: There's no way. (Laughter) Well, I guess I...you could just see. I guess I would sum up and you could read that but what...we're talking about traveling in Loup County. Again, the...there might be 26 miles of highway travel and another 8 back into the ranch. We pick up at the residence. And so the bus time when they get on, on these roads, which aren't every mile like they are back east, takes an inordinate amount of time just to transport them a short distance because of crossing auto gates, sand, snow, and mud and everything else. And so the time traveled is great. Students get on now 6:45ish to get to school about 8:00. If we increase the distance to having to unify with another district close to that, the time would be even longer. And for kindergartners getting on about...excuse me, to get on the bus at that time really puts a damper on them and their learning not only at the beginning of the day but also getting home at night, cutting into time at home and so forth. I think you can see in my testimony that the quality of education, comparing the...I have in there about the ACT results. We've never failed to meet accreditation with the state standards, the school, and local control then has...again, we will be in a levy where we will be below the 95 cents, so. [LB477]

SENATOR SULLIVAN: Thank you, Mr. Ruppert. Are you working with the local economic development people? Do you have hopes that you'll have some families moving in? [LB477]

WAYNE RUPPERT: At present time, there's a movement by the economic development agency in town to secure housing, enacting some of the TIF that's available to create housing and, therefore, pull in jobs. Is it jobs first or is it housing first? We are in a situation where Broken Bow, one of the largest schools...or excuse me, largest towns around there, their work force is only 26 percent local. Most of it does commute. And we have people that commute. And,

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therefore, the housing would offer them also a chance to work there or Ord or even Burwell. So...
[LB477]

SENATOR SULLIVAN: How far away is Broken Bow? [LB477]

WAYNE RUPPERT: Broken Bow is about 45 miles. [LB477]

SENATOR SULLIVAN: Okay. All right. Very good. Any other questions for Mr. Ruppert?
Senator Schnoor. [LB477]

SENATOR SCHNOOR: What's the current levy for Taylor? [LB477]

WAYNE RUPPERT: Eighty...this year, 83 cents. [LB477]

SENATOR SCHNOOR: What about Sargent? [LB477]

WAYNE RUPPERT: Eighty-five cents. [LB477]

SENATOR SCHNOOR: Okay. And do you offer busing in both of those districts? [LB477]

WAYNE RUPPERT: Correct. [LB477]

SENATOR SCHNOOR: All the way out to the ranch? [LB477]

WAYNE RUPPERT: Well, in the Sargent district it's not necessarily at the door. But we do in
Loup County. Again, we were progressive in that. It's one of the things they worked out when
they did away with all the country schools. That was one of the things worked out, that you
picked them up at the door. [LB477]

SENATOR SCHNOOR: Okay. [LB477]

WAYNE RUPPERT: And so, again, I say there's 26 miles of highway but then you're going to
drive 8 or 9 miles back in off the highway and it adds to the time. [LB477]

SENATOR SCHNOOR: Yep, I know what you mean. Thank you. [LB477]

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SENATOR SULLIVAN: Any other questions for Mr. Ruppert? Thank you for your testimony. [LB477]

WAYNE RUPPERT: Thank you. [LB477]

SENATOR SULLIVAN: Welcome. [LB477]

ROBERT CHRISTENSEN: (Exhibit 2) Thank you. I'm Robert Christensen, first name Robert, R-o-b-e-r-t, last name Christensen, C-h-r-i-s-t-e-n-s-e-n. I'm a member of the board of education of Loup County Public Schools. I'm testifying in favor of LB477. The community, educators, administrators, and the board are working very hard to provide a exceptional education to the students of Loup County Public Schools. We make an extensive use of all of all the various means--distance learning and so on--to expand the educational opportunities of our students. The difficulties that we are facing are multifaceted. We have a shortage of housing, as Senator Davis said, due to the sale of local homes to summer/weekend residents that buy the homes to have access to the good fishing and hunting and lake activities. We've historically been an agricultural-based economy. In recent times, many of the ranches have gotten larger with the retirement and exodus of ranchers. And the operations, a larger portion of the business, comes without additional manpower. Because of the high machinery...high-cost machinery, one person can take care of the work that maybe two or three people did in the past. So they have one full-time rancher and then maybe some part-time help. One of the ranchers...or one of the families expanded their operation to include outfitting where they provide access to watching the sharp-tailed grouse and prairie chickens boom, done river activities, lake activities, observed a lot of the water fowl that are coming into the lake. In recent times, the village has started a opportunity, economic development opportunity, to try to, first of all, attract housing and people to the housing. Also, we've looked into some small industries that might come in and provide some employment as well as traveling to Broken Bow and Ord and Burwell. Recently, the local bar and cafe changed owners. One of the proprietors was a graduate of Loup County High School. She was living in Kansas City. She moved back to participate in operation...family operation of the business. The local agricultural society has built a new 80 by 100 foot exhibition hall in a cooperation...they've got both the old VFW hall and the fair building, tore them down and built a new building. The VFW will be meeting in one of the rooms in the new agricultural building. It will also be a place where the fair, of course, will go, will be held there. But other activities throughout the community will be able to use the building. So it's going to be a big process to that. Also, that last summer, a nice wind came a long, tore the front out of our building, and so we're going to have to rebuild that. So, I see my time is up. [LB477]

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SENATOR SULLIVAN: All right. Thank you, Mr. Christensen. I presume that the Loup County School is located in Taylor, which is sort of the southern part of the district, is that right? [LB477]

ROBERT CHRISTENSEN: Do what now? [LB477]

SENATOR SULLIVAN: Are you...well, first of all, are you on the school board? [LB477]

ROBERT CHRISTENSEN: Yes, ma'am, I am... [LB477]

SENATOR SULLIVAN: Okay. All right. And... [LB477]

ROBERT CHRISTENSEN: ...and the village board and the fair board. Okay. [LB477]

SENATOR SULLIVAN: (Laugh) Do you have a sense of what all the patrons in the district feel? Obviously your school board must be in support of this, but what about all the patrons? [LB477]

ROBERT CHRISTENSEN: The patrons want to keep the school. [LB477]

SENATOR SULLIVAN: Okay. [LB477]

ROBERT CHRISTENSEN: They want to keep the school. I mean, we provide a quality education to the students. There's not going to be any savings if they were to transfer some...you know, go join somebody else. They're not going to be any...better education. So I think, from my understanding and from what everybody I've talked to, yes, the patrons are very much in favor of it. [LB477]

SENATOR SULLIVAN: Okay. Thank you. Any other questions for Mr. Christensen? Thank you for your testimony. [LB477]

ROBERT CHRISTENSEN: Thank you. [LB477]

SENATOR SULLIVAN: Any other testimony in support of LB477? Welcome. [LB477]

JON HABBEN: Thank you, Senator Sullivan. Members of the committee, my testimony will be brief. I spent some time talking with Senator Davis about the bill, about its purpose, about the

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mechanics of the bill. We represent a number of school districts that serve nearly an entire county, maybe pieces of more than that once you start moving west in the state. I think this bill does have the capacity to help those school districts manage their future. I think it has the capacity to help them in a measured way. And it does provide the possibility of, should they decide to change their future with some sort of reorganization, it allows them a mechanism to go down that path. And I would simply leave my testimony at that point. I think it's a good bill to help them navigate what's going on in front of them. Thank you. [LB477]

SENATOR SULLIVAN: (Exhibit 3) Thank you, Mr. Habben. Any questions for him? Thank you for your testimony. Any other proponent testimony? I would like to read into the record a letter of support from Sue McNeil from Taylor, Nebraska. Anyone wishing to speak in opposition to LB477? Anyone in a neutral capacity? Senator Davis. Senator Davis waives for closing, so that completes the hearing on LB477. We will now move into the hearing on the next bill, LB616. Welcome, Senator. [LB477]

SENATOR LARSON: Thank you, Senator Sullivan. Good afternoon, Senator Sullivan and members of the Education Committee. My name is Tyson Larson, T-y-s-o-n L-a-r-s-o-n. And I represent District 40 from O'Neill, Nebraska. Today I'm here to introduce LB616 to...as many of you will...as it will be characterized as the charter school bill or the independent public school authorization. I'll try to keep my comments to a minimum in the opening as I know this could take a while for a hearing. LB616 authorizes five independent public schools in cities of the metropolitan class which means it will only affect Omaha at this current time. These schools will charge no tuition and will follow the best practices that have been shown to work in other states. LB616 outlines a very detailed application process that I believe will be very daunting and exhaustive to ensure that only serious applicants will apply to become one of these independent public schools. When we look across the country in what other states are doing to improve their educational systems, I think Nebraska continues to fall behind when it comes to educational innovation. I find myself in an awkward position, and one that I don't find myself very often, agreeing with President Obama and people like Senator Cory Booker, Mayor Rahm Emanuel, and many others on how we can look forward to improve education. I think those leaders who I might not agree with on very many other issues are leading this country when it comes to educational policy. I applaud President Obama's Race to the Top with Arne Duncan and what they have done to look to improve schools across the country. I say that because I don't want charter schools or independent public schools to be painted as a radical GOP idea, because it is definitely not that. A few notes: all these schools will be nonprofits. They're not for-profit schools. There will be no tuition. I know the argument will be made by some that it drains funds out of the public school system or will drain funds out of the OPS system or...but we have to look at what the Learning Community does in terms of money following the students there. It's no different. LB616 gives Nebraska the opportunity to truly move forward with its educational policy and join other cities and states like Washington, D.C., what they've done, New York City,

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Houston, and help work to improve the public education system and offer an alternative for those that don't have other alternatives and possibly help close the gap that some students face moving forward. I was looking at a map in Omaha. You break it up into four quadrants. Only one quadrant, northeast Omaha, doesn't have another public alternative within five miles. Northwest Omaha has Bennington, Millard, and well, I guess you could say Westside. But the Omaha Public Schools, every quadrant...and the only one is northeast Omaha. There is no public alternatives. And I think that's a gap that this could help cover. So with that, I appreciate your guys's time. I know we're going to...there's going to be some long testimony before you, and I'll close. [LB616]

SENATOR SULLIVAN: Thank you, Senator Larson. I haven't seen you before the Education Committee on this topic before. I'm curious to know if this legislation is patterned after other legislation in other states. [LB616]

SENATOR LARSON: You know, I think that this isn't necessarily a model act by any means. It's very similar, obviously, to the legislation that was brought last year by Senator Lautenbaugh. I think that was LB972. And what we're trying to do, and this is obviously...this...as we know, this doesn't have to be the end-all, be-all product. I'm happy to work with the committee and groups to figure out a true solution. But we do try to take the best practices. And, you know, people always talk about how, you know, there's good charter schools and there's bad charter schools. And I can understand that. But by...if we try to take the best practices and what we've seen in the best practices in other states and put that into LB616 so we don't have to worry about necessarily, you know, the bad charter schools. And that's why the application process is so daunting and exhaustive as we line it...or as we explain it in LB616. [LB616]

SENATOR SULLIVAN: What exactly do you mean by best practices? [LB616]

SENATOR LARSON: You know, best practices in my mind mean ensuring that all those schools have the detailed plans, the financial plans, the mission statements. We can...if you want me to open up and go through the application process and everything that we ask for. I think those are the best...the review processes to ensure that anything that's happening is...they're able to move forward and be monitored while at the same time offering the best education possible. [LB616]

SENATOR SULLIVAN: Okay. Those are sort of management practices. But what particular educational best practices would be different? [LB616]

SENATOR LARSON: I think those...we don't outline educational practices. We outline the management practices because I think that's where charter schools have been hit in the...in other states, is there hasn't been the proper management from the state. Therefore, that has allowed...or

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not management. Let's...we'll say the correct amount of monitoring, because obviously these have to operate in a...as an independent basis but we want to still make sure that they're working. And we've seen how some struggle. And we want to make sure that we are offering as much opportunity as possible. It's...it kind of goes back, and you'll see me in here next week, I think, with LB617 or 618, the...on education reform. I liken it to an article that I heard on the...or that I read in The Economist on Teach for America, that they've realized, as people...these teachers that are in the Teach for America system, they're sending them into some of the toughest situations. It's...they want to give them a lot of leeway to teach these kids that are going into Teach for America. They want to give them as much leeway as possible to teach, but they also are striving to put enough structure and support systems on the back end to help them guide and help them grow. So it's that delicate situation where, you know, we're putting in statute the best management practices or what we want to look for but at the same time giving them as much leeway as possible. [LB616]

SENATOR SULLIVAN: Thank you. Any questions? Senator Kolowski. [LB616]

SENATOR KOLOWSKI: Senator Larson, and I'll ask you the same question I asked last year of Senator Lautenbaugh. You're making a suggestion for five public schools in the Omaha Public Schools, within that district. I'll talk about your northeast quadrant discussions in just a minute, but I want to ask you the question: Have you had an opportunity to sit down and talk with Superintendent Evans, since this is this his district, and the effect on that district? [LB616]

SENATOR LARSON: I haven't talked to Superintendent Evans, no. [LB616]

SENATOR KOLOWSKI: Okay. And also in the northeast quadrant, as you talked about that section of the Omaha Public Schools, no public alternatives are available? I thought they had the same opportunities with open or option enrollment, whatever you're talking about, that anyone else does. [LB616]

SENATOR LARSON: Within five miles...I said within five miles there's no public alternative. [LB616]

SENATOR KOLOWSKI: What's the significance of five miles? Students are going all over different... [LB616]

SENATOR LARSON: You know, I can understand that. I think it's just the proximity. I understand. I think...I didn't hear the testimony in the bills previous. But, you know, in rural Nebraska, and I know this bill only deals with metropolitan class but, you know, we face

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challenges of kindergartners getting on a bus and riding 60 miles to school in some cases. It's...you know, I think the same thing is a concern in Omaha if you're traveling from northeast Omaha to possibly a Millard or something of that nature. It's just bus time and making sure that there's alternatives in all areas of the city that are possibilities. Now, I understand that they could go to a Millard North or a Millard West with the Learning Community. But we also want to be able to offer as many alternatives as close to home as possible. [LB616]

SENATOR KOLOWSKI: Speaking of the Learning Community, do you know how much the entire budget is for the year? [LB616]

SENATOR LARSON: The Learning Community's? [LB616]

SENATOR KOLOWSKI: Um-hum. [LB616]

SENATOR LARSON: I do not know the Learning Community's entire budget. [LB616]

SENATOR KOLOWSKI: You might want to fill in some gaps in your statements as far as what you think the Learning Community does or doesn't do compared to the reality of that place. [LB616]

SENATOR LARSON: Well, I'm not sure I said what the Learning Community does. I just know that there's the option that students can travel within the Learning Community. I wasn't making any... [LB616]

SENATOR KOLOWSKI: You made a comment about how much money was being spent and where it was going and what it wasn't doing, so just from that context with your opening remarks...also, the area that strikes very close to home for me and many others is your comment about best practices. You mentioned...the words were, best practices from other states. Within our own state, we have many, many best practices. Within the surrounding districts, the 11 districts in the Learning Community are sharing greatly on their best practices and what they're doing and how they're doing things because not...because everyone hasn't plugged into those doesn't mean they're not there. And they're working very hard, the superintendents are, to do and share those things that have been very successfully done in many districts. And I think that's an opening for the future that we could capitalize on and learn from other states as well, but right in our own backyard, we've got one-third of the students in the state of Nebraska in two counties. We can do a lot better on what we're doing just learning from one another there. Thank you. [LB616]

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SENATOR SULLIVAN: Senator Schnoor. [LB616]

SENATOR SCHNOOR: Did you want to go? [LB616]

SENATOR COOK: I'll go... [LB616]

SENATOR SCHNOOR: Okay. [LB616]

SENATOR COOK: I had several questions, so you can go. [LB616]

SENATOR SCHNOOR: Okay. Oh, all right. I got a few questions. Senator Larson, I'm curious. The...did somebody come to you with this bill? [LB616]

SENATOR LARSON: No...meaning? [LB616]

SENATOR SCHNOOR: Did somebody ask you to present this bill? [LB616]

SENATOR LARSON: I've always been interested in charter schools. You know, during the interim...it's no secret Senator Lautenbaugh and I are good friends. We continued to talk about it through the interim. It's an issue that we discussed extensively in my university education, actually, which isn't that long ago. One of the main principals of KIPP in New York spent a lot of time discussing this issue with me when I was an undergrad at Georgetown as well as the lady that heads the D.C. educational system now. We had a lot of conversations with that. So charters have always been a strong interest of mine. And with Senator Lautenbaugh leaving the Legislature, we continued to talk and I decided to introduce this bill. But there was no--if you want to say--organization or anything of that nature that asked me to introduce this bill. [LB616]

SENATOR SCHNOOR: Okay, because I guess I'm...it does puzzle me a little that you're from O'Neill, Senator Schilz is from western Nebraska, and you two are the ones presenting a bill for change in education in Omaha. [LB616]

SENATOR LARSON: Metropolitan class cities...you know, we understand the issues that are facing all of Nebraska now. I think this is a pilot program. And if it were to work, I don't think that it would necessarily have to be contained to metropolitan class cities. You heard a lot about Class I's. There's issues where I live that...it's tough for kids, kindergartners, to get to school because they got a 30-mile bus ride or a 60-mile bus ride. And the local school districts close those Class I's. My mother attended a Class I K through 8th grade. And her family had one

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vehicle, lived 18 miles from town, and attending a school...and my public school, my own OPS, O'Neill Public Schools, doesn't bus. And they never have bused. It's always...they do pay the parents. They have to provide a...the cost of driving those students in. But they've never bused. So that means those kids have to find a way. In the Omaha...or in the O'Neill now, some, you know, could be 15, 20, 30 miles out. So this is a pilot program, but it doesn't mean it can't scale or it can't move out to rural Nebraska. And regardless of where I'm from, like I said, I've had a very strong interest in this for many years. I know the leaders that are in the charter school movement. Like I said, one of the main principals in the KIPP institution in New York, the lady that runs the D.C. school system, I've spent time with and they've been great influences. [LB616]

SENATOR SULLIVAN: Senator Cook. [LB616]

SENATOR LARSON: I think Senator... [LB616]

SENATOR SULLIVAN: Oh. Senator Cook? [LB616]

SENATOR SCHNOOR: I've got a couple more. Sorry. [LB616]

SENATOR SULLIVAN: Oh, I'm sorry, Senator Schnoor. [LB616]

SENATOR SCHNOOR: That's okay. You mentioned about filling in the gap. And you...but you...the only gap you talked about was a five-mile gap of schools. What else you talking about? [LB616]

SENATOR LARSON: Filling in the gap...you mean within the metropolitan class city in the Omaha program? [LB616]

SENATOR SCHNOOR: No, that's what you said, so I... [LB616]

SENATOR LARSON: Yeah, essentially the gap that I'm talking about is giving parents all across Omaha another alternative. When you look at the schools' performances--and as I said, I understand that not every charter school in the country has been a success because I don't think anybody can claim that--but the ones that have been very successful offer a very good alternative to education for parents and students. And I know OPS...and I know a few of the board members at OPS, and they're moving to make things better. Or they're trying. But there's still issues within the system as a whole. And we can get into the concept of, you know, is our school calendar right, the extra hours that...you know, the extra flexibility that independent schools, charter schools, have in terms of longer school years, long school days, the issues that many of the

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students that attend charter schools across the country face, you know, at home, how, you know, how long they spend in charters? I know, for example, in New York it's specifically the KIPP ones. They open at 6:30...6:00/6:30 in the morning and they don't close until 8:00. The school day isn't that long but, you know, it's a place for kids...it's a safe place for kids to attend. And they're...they go to school 10/10.5 months a year and then in the summer, the schools are still open every day. And that's, you know, what I talk about when...in filling in the gap, having alternatives. And some parents really value the ability to have that alternative. And the kids that are going to schools in that nature are doing very well. [LB616]

SENATOR SCHNOOR: Okay. And how is this proposal to be funded? [LB616]

SENATOR LARSON: If...when you read the bill, essentially it asks the Department of Education to calculate the cost per student that is in the school district...that it costs the school district in which that independent public school is in. And that's...the money follows the student. So whatever that average cost per pupil is, that independent school will...however many pupils it has, that student's money will follow that pupil. So that's the main funding. Now, that doesn't necessarily mean that these schools wouldn't be able to go out and receive some private dollars or fund raise and fund it in other ways. But the base funding is the average cost that it costs the school district in which that independent school is in, they'll get that much money. It will just follow the student. It will come out of whatever school district that is and go into the independent public school. [LB616]

SENATOR SCHNOOR: So every...if there's five more...if there's five of these charter schools within the Learning Community, that's five more schools that will have to be funded within the Learning Community? [LB616]

SENATOR LARSON: Well, they will be funded but it's not extra money. So if my...let's...we don't live in Omaha. But assume that my family did live in Omaha and we lived wherever it may be and we were within OPS's system and my children applied for the lottery and were admitted into one of these charter schools. Right now, our money, like, the...if they were in regular OPS, the...and it costs them...and the average cost was \$7,000 per student, that \$7,000 per student would come out of the OPS budget. You know, it would come out of...because my students and it...or my son, and it would transfer into the independent charter. So it wouldn't be an extra cost to the state. It's...the money follows the student. It's not, we have to put more money in. [LB616]

SENATOR SCHNOOR: Okay. Thank you. [LB616]

SENATOR LARSON: Thank you, Senator Schnoor. [LB616]

SENATOR SULLIVAN: Senator Cook. [LB616]

SENATOR COOK: Thank you, Madam Chair. Senator Larson, I am a resident of northeast Omaha... [LB616]

SENATOR LARSON: I'm aware. [LB616]

SENATOR COOK: ...have been for every single year except the four years when I attended Georgetown University and lived in New York City. So I welcome your new interest in the good people of northeast Omaha. And I have some questions directly related to the bill proposal in front of us beginning with your board of trustees. It calls for the creation of a board of trustees but I don't have a definition of who would serve or how those people might be identified. Can you describe what your intent is with that board of trustees for the independent public school? [LB616]

SENATOR LARSON: Yeah. I think with any board of trustees, you'd obviously want community involvement. We're not going to...I don't think any of these schools are going to succeed if the entire board of trustees is from California. So I think any independent public school that was to be formed, when they created their board of trustees, you'd want community involvement in that as well as individuals that may have had a background in setting up these types of schools. So whatever there is, there has to be community involvement and local community involvement wherever that school is located, because without that, I don't think...or I do...I think that these schools would struggle to succeed because those community members understand the issues that they're facing as well as anyone. And if they take a strong interest and want this in their community, I think they'll be willing to do that. And so I envision that. And obviously that's something we can always work with and ensure that community members are on the board of trustees if that interests you, Senator Cook. [LB616]

SENATOR COOK: All right. Thank you. I have a second question related to Section 19 on page 11 of the green copy of the bill. It asks for an exemption from all statutes, rules, regulations, applicable to public schools as defined in Section 79-101. I understand, through my own experience and research related to schools outside of the traditional public school district, that this may...the intent may be to inspire innovation. But when we set out those statutes, rules, regulations to be followed, our intent is for them to be a minimum. What is your intent with that section, to exempt these schools from all statutes, rules, regs? We have statutes related to the protection of children, to the delivery of special education services. What is the intent with Section 19? [LB616]

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SENATOR LARSON: I think...yeah, and I think the...and I've have to go back and...we do address the special education portion in the bill that...and its delivery because, as you read in Section 19, unless specifically provided otherwise in the Independent Schools Act, and I could go back and find exactly where we talked about that delivery of special education, but I just want to make sure that--for the record--we aren't exempting that, because I think that is a very important piece. And it is. I think you're exactly right in the sense of to create innovation and give these schools the leeway to foster and create new, innovative ways of education. And we've seen that in those other states. You know, and you lived in D.C. before the charter school movement happened, and the same in New York. And...but they are creating certain things because of...they're able to operate outside of the limitations of the state board of ed or the state legislature. And we also talk about in here a lot of the, you know, the management practices and the overseeing practices that the State Board of Ed would have. And I think that's very important to ensure that they're not, you know, violating the special ed, you know, the special ed side of things or anything of that nature. But they have to have flexibility. I think we've seen in a number of other industries...you know, the tech industry is a good example, of states that--I'm going to say in a...probably not the best way--states that release the tech industry like Texas or California. You see amazing innovation. And states that inhibit the ability for those or, you know, or have more stringent regulations, you don't see the tech industry at all. So...and that's one of the fastest-growing industries in the country. So it's more about...I wouldn't call it a Petri dish because we do know some of the best practices, but it is a way to innovate education, I would say. [LB616]

SENATOR COOK: All right. So your intent is not to absolve these schools within the city of the metropolitan class from any and all statutes, rules, regs, as they are generated by this Legislature... [LB616]

SENATOR LARSON: As I.. [LB616]

SENATOR COOK: ...this committee, this Legislature, or the Board of Education, based on what you just...how you answered that...responded. [LB616]

SENATOR LARSON: Like I said, I think they need to...I...as I said, we addressed the special ed and we can find that in the bill. And I'd have to read through exactly where it is. [LB616]

SENATOR COOK: Okay. [LB616]

SENATOR LARSON: But they need to have more leeway than a typical school because these are...and we can go into 79-101 in terms of, you know, whether or not these are the union portions of...you get what I'm...those portions of things. It's not to... [LB616]

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SENATOR COOK: I certainly understand leeway. [LB616]

SENATOR LARSON: ...absolve them of every...you get...but they do need... [LB616]

SENATOR COOK: If that's not your intent...because that's the way it reads right now. [LB616]

SENATOR LARSON: Yeah. [LB616]

SENATOR COOK: And I wanted you to say that. And I understand the thing with the leeway. I have another question related to the definition in legislation of this as a political subdivision. Now, typically political subdivisions are...have elected or appointed representatives. Why are you creating it as a political subdivision, because then, you know, it's...there's open meetings, open meetings laws, certain protection from law suits? Is that your intention with "created as a political subdivision?" [LB616]

SENATOR LARSON: Yeah, I think we want to keep...yeah, we want to keep these as open as possible, again, because it goes back to the fact that we've seen there are poor charter schools and charter schools that have failed in this country. And I don't prescribe that every charter school is...has succeeded, because it hasn't. But we have seen that some of the most successful schools in this country are charter schools at the same time. There's some...you know, but there are some very successful public schools in this country. In northern Virginia, you got three of the top ten schools in the country right there outside northern Virginia. They're a little different type of public schools. And Virginia allowed that they're actually magnet schools that...they're publicly funded but you still have to apply to get in. And they're their own type of independent public school. [LB616]

SENATOR COOK: Right. [LB616]

SENATOR LARSON: And...but there's some very good non-charter schools in this country. There's some very bad non-charter schools in this country. There's some very good charter schools, and there's some charter schools that haven't succeeded and failed and we want to do everything we can in LB616 to ensure that we don't have...that we can learn from the lessons that have been in other states that have had failures in the charter schools and start out with a system that is...that doesn't allow for those schools. And that's why we had the rigorous application process. [LB616]

SENATOR COOK: Rigor. We're all for rigor. Everybody on this committee is for academic rigor. Section 9, which is on page 7, Section 9, subsection (5), you're describing that delivery

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contract...delivery of educational services not through parochial or denominational school and we've talked about the KIPP schools. Is that the business model you're envisioning with this bill proposal that you, unlike this new school that's in my district which I'm really excited about, the Nelson Mandela School, where you go out and reach for talent from all over and bring some things together for the community, for families, is this the business model that's envisioned in Section 9, where the board, whatever the board is, a political subdivision, not a political subdivision, hires a KIPP or... [LB616]

SENATOR LARSON: Yeah, that's a possibility. Or a KIPP could come in and of themselves, you know, and create their own program in here. You know, I think every state, when they're setting up a charter school, wants KIPP or Achievement First or one of those. You know, you look at the KIPP schools. I think two or three of the top ten schools in the country are KIPP schools. And that's all public schools in terms of, you know, testing, graduation rates, kids moving out into colleges. And for the record, the KIPP schools are almost predominantly in low-income areas across the country. [LB616]

SENATOR COOK: Okay. So the intent, as it's written now, is to allow the trustees, however we define them, to contract with a separate entity as long as it's not a religious school. [LB616]

SENATOR LARSON: Yeah. [LB616]

SENATOR COOK: Okay. I have a question from Section 12, pages 8 and 9. This is something that emerged, and you might have read about it as well. Recently, when Mayor de Blasio was inspiring a conversation within the New York legislature about use of the building. And then, interestingly, Senator Craighead brought a bill today about use of public school buildings. So I...this would allow for two schools in one building. [LB616]

SENATOR LARSON: Possibly. [LB616]

SENATOR COOK: This would concern me if the children who are going to be offered additional and special and great opportunity, the 2,000 of the 51,000 children in the Omaha Public School district are walking down the hall and they're carrying their didgeridoo and going to their special thing, and the 49,000 children are in the same building watching them have special opportunities. Is that your intent with that section is to have a...potentially have a charter school within the physical plant of an existing public school? [LB616]

SENATOR LARSON: You know, we'd obviously hope that that's not the case. And from my understanding...that there's...I'll use the D.C. example. And I don't know how familiar the

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committee is with what happened in D.C. and probably you more so than anybody...what they did is, when Mayor...was it Barry or Grey that...I'd have to look at which mayor actually just said we're...essentially just kicked the school board out. And they said, we're done with... [LB616]

SENATOR COOK: And D.C....to be fair, D.C. is a city where the schools are under the auspices of the mayor's office which is unlike us. [LB616]

SENATOR LARSON: Yes, unlike us. But I'm going to use that as an example to answer your question in the sense of, they took school buildings, public school buildings that had schools and they just said, this is no longer, you know, a school run by the city of D.C. This is now a charter school. And they created...you know, and so I think that...you know, is there the possibility that you could have a side-by-side school, you know, two schools within one building? Yeah. There's that concept. Is that preferable? I don't think anybody is going to say that that's preferable. [LB616]

SENATOR COOK: Okay. So the way you have that written now, that's kind of like happenstance and that's on the table to talk about? [LB616]

SENATOR LARSON: Yeah. Well, it's...yeah, it's one of those things that you want to...it's not ideal to...that everybody is in the same building, because I know, you know, for example, a lot of charters, you know, they mandate uniforms. They mandate...you know, there's...and things of that nature. And there's different types of charters out there. I was listening to another Economist article a couple of months ago that, you know, there's the more, you know, what we would consider strict charters that, you know, discipline is very rigid. And those have been very successful. But there's also charters within New York City that take a much more bohemian approach, we'll call it, to problems...or, you know, conflicts among students. And I think, you know, when we talk about the need for charter schools, that's why...and going back to, you know, the rules and regs that...your previous question, that's why it's so important that they have that flexibility, because these schools are able to...you're able to see these different practices playing out in these schools and say, hey, what is working? What isn't working? And New York has been a great test case and D.C. has been a great test case. And I'm excited for that. [LB616]

SENATOR COOK: Okay. Thank you. I will save my other questions, Madam Chair, for later. [LB616]

SENATOR SULLIVAN: Senator Pansing Brooks, did you have a question? [LB616]

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SENATOR PANSING BROOKS: Yes, sorry, taking notes and I've lost what I'm writing...okay. Thank you for your...for coming forward. I just am interested in what alternatives you find most necessary for Nebraska. Your...you keep...you kept saying that the charter schools would provide alternatives. And so I'm interested in those alternatives that you see as beneficial that aren't being provided in the common schools of the state that we are constitutionally mandated to... [LB616]

SENATOR LARSON: Yeah, and I think Senator Cook and I had a great dialog on some of those alternatives and what's happening in other states in terms of these schools being open 10.5/11 months of the year in education and having school days that are 8:00 to 5:00 p.m. where the school is open from 6:00 or 6:30 till 8:00 p.m. and in the summer the kids are...most of the kids still come in during...every morning and have extra educational classes. And the concept that, you know, the schools that are very rigid in their discipline within the charter school system versus the schools that are facing more, as I said, bohemian methods of talking out the issues and problem solving that way. And I don't think anybody says that we have a perfect educational system and the teaching practices that are out there are completely perfect. These...everything takes research and growth and these are the schools where that can happen because there is added flexibility within those schools. So...and it also, you know, when you talk about education moving forward and you look at...you know, you hear everybody say we overtest or we do...you know, teachers try to teach to the test too much, when you look at testing and scores that are happening and you compare, we'll say, more underadvantaged neighborhoods versus what one would call middle class neighborhoods, the...and you look at...and research studies have happened. They test kids at the beginning of the year and at the end of the year. Those kids in both subsets are learning the same amount during the school year. So it's not...I'm not saying that they're bad teachers. What's happening is, in the summertime, when there is no school, the kids that are more from the middle class neighborhoods aren't losing as much or maybe they have additional opportunities or whatever it may be compared to the underadvantaged areas. And that's why the charter schools in New York and D.C. have expanded their school year and their school days not only to take some influences that may be happening in the community, but to try to shrink that gap. And when you see...and that's why so many of those charter schools, as they create those longer school years and longer school days, many of those kids are coming into those charter schools below their reading level in 3rd grade or 4th grade in New York City. The KIPP...a lot of this was done at the KIPP schools in New York. But by the time they're graduating in 8th grade, their reading above the rest of the public, you know, even the middle class neighborhoods in reading, because it...those are the alternatives and things that our current public school system doesn't offer. And I understand there's financial constraints and union constraints and a number of other things that stop those schools from doing it that these schools can offer as alternatives. [LB616]

SENATOR PANSING BROOKS: So of course you understand that it seems like education for the elite and that we're going to give a certain group, just by lottery, obviously, but as random

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and abstract as that is, when we are...we were given the duty to educate all students. And there's no part of it that says, educate some better than others. So how do you deal with the fact this becomes taking a certain group of students and focusing on a smaller group. Of course if you and I take a smaller group of students, we're going to be able to have them thrive. And studies indicate that there are issues about whether or not children with disabilities and learning problems are funneled out back to the public schools. And so, of course, testing affects that. The testing at the public schools becomes lower because the higher...the kids that are able to learn quicker are able to be pushed at a faster speed. But what do you say about the elitism of that? [LB616]

SENATOR LARSON: First of all, I wouldn't call the charter schools...and most likely, you know, I'm not sure that there's going to be a necessary...that anybody is going to move to put a charter school at 144th and Maple. I don't think that there's going to...that community might not be overly disappointed with the education that they're receiving right now. And to say that the charter schools are education of the elite or elitist, let's look across the country. Most of the charter schools that have been formed would more than likely be considered in what we would call underprivileged neighborhoods. And I know most of the New York charter schools, those that attend, on average over 90 percent of them are on free and reduced lunches. So to call...to so that these are going to be the, you know, the education centers for the elite is not what I would envision. I think that most of the students will probably be coming from more of those, you know, underserved areas. And I would hope that, because those are the students that we have to close the gap. And to your assertion that, you know, these schools, we're going to be better educating these students than other students, you know, I think OPS and every school district across the state, maybe it's time for true education reform and a true change to our school calendar and things of that nature. And I would be supportive of that concept. But the...is it fair that Westside or Millard West...some would say, you know, Senator Kolowski was the principal of Millard West and they come from a much wealthier demographic on a...as a whole. And they are able to attract teachers that want to..you know, that might not want to deal with certain issues. The...it would be hard to argue that the kids at Millard West aren't possibly receiving a better education than those at some other schools in the area. So we already are doing...and many would call Millard West more elitist. I don't think that's charter schools though. We want to create a learning environment for everybody. And I don't think that a lot of people in Senator Kolowski's neighborhood are going to be putting in for the lottery, because they're very pleased with their current option. And that's a testament to Senator Kolowski and how he...and what he did at Millard West. [LB616]

SENATOR PANSING BROOKS: Okay. I'm sorry, I'm not done. So what I'm wondering about...I don't know about Omaha. What I know about is Lincoln. And I would argue that the schools are quite similar across the city. And I...you weren't...you didn't have the advantage of being here for the last couple of bills, but there are buildings that are having major issues across the state. So

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now all of a sudden we have to find more buildings for people to be able to, I guess, be educated separately. I believe that there are economies of scale and economies of numbers. And if you have...if you all of a sudden say, well, it costs this much per student, it's necessary to pull in all sorts of other factors. If you think TEEOSA is complicated, try bringing in all the other factors of, okay, well, there's the economy of scale because we are serving 600 students here. And when we start serving 400 students then we can only have so many teachers. There's all sorts of other economies. So we are going to have to create another complicated algorithm that will make TEEOSA blush, in my opinion. [LB616]

SENATOR LARSON: And I would disagree in the sense that... [LB616]

SENATOR PANSING BROOKS: It's just a straight and equal cut no matter what? [LB616]

SENATOR LARSON: I think that those schools would be satisfied with that because they will have the opportunity. And judging by other charter schools or independent schools across the nation, they have been able to go out and find benefactors to help them fund the rest of it and...as well as, they operate at a budget compared...again, I'll use New York and D.C. because those are the ones that I'm most familiar with, their budget is operating at 75 percent of...per student of what it costs the local public--completely public--alternative. So these schools often operate cheaper. And I don't think that we would need another...and if you want to really get into TEEOSA and the fairness of TEEOSA, I'm more than happy to talk to you about that and what it's doing to rural Nebraska. And considering that the current formula is going to eliminate...none of my school districts are going to receive any TEEOSA equalization funding, we can go down that path. But I don't think...if we want to do changes to TEEOSA, yeah, there needs to be changes. But I don't think that this is going to create the necessary changes, because...and we can get into, you know, what the Legislature did two years ago with teacher retirement. We can get into...and how that's continued to cost my rural schools significantly more. We can get into all of those issues with TEEOSA. [LB616]

SENATOR SCHNOOR: Senator Larson... [LB616]

SENATOR LARSON: Yeah. [LB616]

SENATOR SCHNOOR: ...I would ask that you change your tone, please. [LB616]

SENATOR LARSON: But we can move forward. And this doesn't affect that. [LB616]

SENATOR SULLIVAN: Senator Pansing Brooks, do you have any more questions? [LB616]

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SENATOR PANSING BROOKS: Not right now. Thank you. [LB616]

SENATOR SULLIVAN: Okay. Senator Groene. [LB616]

SENATOR GROENE: Couple of clarifications: You brought up northwest section of OPS, but really this bill is for all of OPS. Isn't that true? [LB616]

SENATOR LARSON: Yeah. Any...well, not just OPS, Omaha. [LB616]

SENATOR GROENE: Public schools. It's a Class V. [LB616]

SENATOR LARSON: Well, it...yeah, we...it tries to focus in on Class Vs but it doesn't necessarily mean it has to be a class V. Yes, there would be the possibility that a Millard or an Elkhorn could try to apply for a independent public school, because we restrict it to metropolitan class cities. [LB616]

SENATOR GROENE: Second question: In your defense, I mean, you're not picking on Omaha. In 2009, this committee here started the Learning Community to address the same problems you're trying to address, right? And we...and it was for Omaha. Is that not true? [LB616]

SENATOR LARSON: It was for the Omaha and surrounding areas. [LB616]

SENATOR GROENE: So you're not picking on Omaha. [LB616]

SENATOR LARSON: And the reason the brought in Sarpy County was... [LB616]

SENATOR GROENE: We've already...we all know there's a problem. And that's why the Learning Community was started. So...and another thing, are you aware that the Learning Community already started a charter school? It's called a focus school. And it's...and I...this is the testimony here that it's very successful and everything I heard, it was the model of a charter school but run by the public school system. [LB616]

SENATOR LARSON: I would argue, Senator Groene, that OPS is moving to start those focus schools. But I would argue that that's not a true, independent school. [LB616]

SENATOR GROENE: But it's on a model. I'm... [LB616]

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SENATOR LARSON: It's a step. And I'm glad. As I said, I think that step is very similar to what we see in a northern Virginia or a Baltimore. They have some focus schools. But those areas also have true, independent charters as well. And so... [LB616]

SENATOR GROENE: I'm agreeing with you. [LB616]

SENATOR LARSON: Yeah, yeah, yeah. [LB616]

SENATOR GROENE: The charter schools work or else they wouldn't have copied it, the principle of it. [LB616]

SENATOR LARSON: Yeah. It is a step towards a charter school. I would say it's still a focus school because of how it is controlled within the district and by the district. But the...I think focus schools have shown to work and...but sometimes schools still need more independence than what focus schools can always provide. [LB616]

SENATOR GROENE: It's been my experience...I lived in Colorado for eight years following my career, and I have nephews that sent their kids to charter schools out there. And out there, the charter schools were driven by the teachers, frustrated teachers and administrators who started them up, is that what you've seen... [LB616]

SENATOR LARSON: There's been... [LB616]

SENATOR GROENE: ...and parents along with them? [LB616]

SENATOR LARSON: Yeah, I think that that's part of...you know, it can be frustrated parents and administrators and teachers. I know there are a number of teacher-run charters throughout this country. And some of those are the most successful ones, are the ones that are run by... [LB616]

SENATOR GROENE: Frustrated administrators. [LB616]

SENATOR LARSON: Yeah, frustrated teachers. [LB616]

SENATOR GROENE: Those that... [LB616]

SENATOR LARSON: And I wanted to...and I...as I was thinking...and for the record, the article that compared the highly disciplined charters versus the more relaxed disciplined and talking out,

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that was an NPR...I think it was a "This American Life" and not an Economist article. So I'm sorry about that, Senator Cook, because I remember I was listening to it with my wife, and we always listen to "This American Life" or Terry Gross as we're driving back and forth, so. [LB616]

SENATOR GROENE: Another question: Does it frustrate you, as it does me, that it's the...it's our employees that run our public schools--we hire them, they don't own the public schools--that fight this innovation? They are just employees. They don't own the public school system. And does it concern you why they would want to fight innovation and give a child a chance? [LB616]

SENATOR LARSON: I think all...everybody in the system, you know, the administrators and...it can be frustrating. But at the same time, I understand that they...and anybody on this committee that does have a strong interest in providing the best education possible for the kids in their neighborhood. And we might have reasonable disagreements on what is the best educational models for our own neighborhoods. And the...I understand that oftentimes, change comes hard to the establishment. Nobody likes to be told that what they're doing currently might not be in the best interest of some students, because they truly want to work in the best interest of every student. But we have to continue to innovate and look outside the box. And like I said in my opening, that is one area of policy that I truly credit our current President on, is education policy. And his moves in education policy have been...you know, well, I do not agree with everything. You and I aren't going to agree with everything, Senator Groene. [LB616]

SENATOR GROENE: We aren't. [LB616]

SENATOR LARSON: People...he has done some great things and stepped out of the establishment of education. And people like Cory Booker, what he did in Newark with the schools and invited charter schools and worked within the city to bring more charter schools because he saw what was happening in his city. You know, Rahm Emanuel in Chicago and what Chicago is attempting to do...it's nice to see...you know, be able to agree with those guys on this very, very important issue. And they fought the same people that, you know...or who disagree with the same people that, you know, we may disagree with in Nebraska. But it's been interesting to see what they've done, yeah. [LB616]

SENATOR GROENE: Just one more...I'll end it. Is...I've talked to you about this. We're all concerned about 3rd graders being able to read and a child only having one shot at life. Is it the purpose of your bill to do what's best for a 3rd grader so that he can read? Is that what your purpose is? Are you concerned about his future? Is that why you're doing this? [LB616]

SENATOR LARSON: I'm concerned about every Nebraskan's future. [LB616]

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SENATOR GROENE: Thank you. [LB616]

SENATOR SULLIVAN: (Applause) Excuse me. Excuse me. I...no displays of support or opposition, please. [LB616]

SENATOR COOK: Thank you. [LB616]

SENATOR SULLIVAN: Senator Cook, did you have a question? [LB616]

SENATOR COOK: I have one like a comment. I find that last statement somewhat ironic as you are the sponsor of voter ID in Nebraska but one woman's opinion and perhaps the opinion of others certainly within my district. What I did confirm when we talked about Section 19 and innovation, we've talked about the focus schools. I did confirm with legal counsel that not only is there no express prohibition to the creation of a charter school not publicly funded within the state of Nebraska, but the law sets a minimum number of school days and hours. And so there's opportunity there. I guess my question would be if you have approached the Omaha Public School Board itself about, say, hey, maybe in addition to the focus school, in addition to the Wilson school, there are some opportunities right now with, under their...under the laws of the state of Nebraska as they exist to create those. Have you had those conversations? [LB616]

SENATOR LARSON: I've had numerous conversations with certain members of the Omaha Public School Board, but to get into that specific, no. And I'd be happy to talk to a few board members about that. Thank you. [LB616]

SENATOR COOK: Sure. Thank you. [LB616]

SENATOR SULLIVAN: Any other questions for Senator Larson? Will you be here for closing? [LB616]

SENATOR LARSON: Probably. I have another meeting to get to this evening, so it depends how long we go. [LB616]

SENATOR SULLIVAN: Okay. Okay. Okay. Can I have a show of hands how many will be testifying on LB616? Okay. We will now hear proponent testimony. Welcome. [LB616]

DEB ANDREWS: (Exhibit 1) My name is Deb Andrews, D-e-b A-n-d-r-e-w-s. I am here in support of LB616, the Independent Public Schools Act. I think that it is reliant on the present

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bureaucracy. I would like to see an amendment to the bill to offer parents a broader option. In the handouts you've just received, on the business card stapled at the bottom is the address to a column I write online that links to the research I have done. In the over 20 years I've been involved as a student advocate, I've not graduated from college and I've never been to Georgetown, but I have been to meetings at schools in northeast Omaha with parents and their gifted children. And the suffering that those children experience will stay with me for the rest of my life which is why I am still involved. When I moved to Lincoln, I didn't ask the questions but I've had parents come to me and tell me what was going on with their children in school...poor children. These parents didn't have options. This will give them options. The first page of your handout is an analysis by the National Council on Teacher Quality of teacher preparation in Nebraska. I want to call your attention to the blank circle, means "does not meet goals." Elementary teacher preparation? Both circles are blank. Elementary teacher preparation in reading instruction? Both circles are blank. Elementary teacher preparation in mathematics? Blank. Middle school teacher preparation? Blank. Secondary teacher preparation in science? Blank. Special ed teacher preparation? Blank. At the bottom, teacher preparation program accountability? Blank. This is a nationally recognized organization that is nonpartisan. How does that end up for kids? Your second page: The National Assessment for Educational Progress 2013, Nebraska, grade four, public schools, 37 percent of Nebraska children are proficient or above in reading in fourth grade. Two-thirds of our children have limited options. Worse, go down to the bottom left, please. In the blue...black...16 percent of black 4th graders in Nebraska are proficient or above in reading. What do we plan for those children's future? I want to also make you aware that the distribution in the range of IQ is the same throughout the population regardless of race, ethnicity, or socioeconomic factors. The reason 84 percent of Nebraska's black children aren't reading well is because they have not been taught. Our teachers have not been taught how to effectively teach reading with phonics. You can read the full report. There's a link to it in my column. I urge you to do so. [LB616]

SENATOR SULLIVAN: Thank you, Ms. Andrews. Are there questions for her? Thank you for your testimony. Welcome. [LB616]

CLARICE JACKSON: Thank you. Thank you all for letting me come up and speak before you. My name is Clarice Jackson. It's...you need me to spell it? C-l-a-r-i-c-e J-a-c-k-s-o-n. First, I'd like to thank Senator Cook for the flowers that she sent on behalf of my daughter. [LB616]

SENATOR COOK: Of course. [LB616]

CLARICE JACKSON: My daughter just passed away. She was one of the homicide victims that...murdered just a short while ago. And so it is with heavy heart that I am sitting here, but I felt that this was very, very important for me to be here, so I am here. I am testifying today as a

parent and also a dyslexia specialist and educator of children who are in the Omaha Public Schools system and a member of the LEARN Coalition which is the Liberate, Educate, and Reform Nebraska Coalition. And we are a coalition that supports opening the door to high-quality charter schools in Nebraska. And we support the intent of LB616. We believe the forthcoming amendment that has been proposed by the National Alliance of Public Charter Schools, who the LEARN Coalition works closely with and has been in contact with Senator Larson's office, has made some suggestions that we support. We believe in the bill, but the bill needs to be improved. So I think we can agree upon that. But I would like to just say, I was here last year and I'm here again this year. And this year...last year I gave you the testimony on my daughter, and there were a lot of questions that you all asked about...you asked Senator Larson, and so I'm going to try to, in my mind, remember some of those things because I thought they were important and I wanted to answer them. One of the first things is that parents deserve to have additional options. We are...we have an educational system that exists right now that is antiquated. It's a one-size-fits-all model. And all children don't learn the same. And there's none of us sitting up here...you all have different viewpoints on different things. And that's the same when it comes to education. My particular daughter was one who struggled to read, write, and spell, made it to the 4th grade unable to read. And I tried everything within the public school system to get her help to no avail. And at the time...I became her mother when she was eight. I was 20 years old. So my income right then and there--I was trying to go to college at the same time--I didn't have it. But the school system didn't have the answer for my daughter. And I didn't have the money to pay for private tutoring or to pay for a private school. But I will say, through the grace of God I found a way to get her into a private school and she went from a nonreader to a 3rd grader reader in one year. And the public school system had her from pre-K to 4th grade. And so, time waits for no one. These children have been waiting for things to change in the public school system. They have not. It is an educational injustice to sit up here and, with all due respect, to be pious and pretend like the educational system in Nebraska is okay, because it is not. It has not been for a very, very long time. And the crime rate that is produced from the lack of education, specifically that minority children are getting, is the reason that I probably blame my daughter being dead today. [LB616]

SENATOR SULLIVAN: Ms. Jackson, your time is out, but maybe we can allow you to say a little bit more by the questions we ask. Would you be amenable to that? [LB616]

CLARICE JACKSON: Go right ahead. [LB616]

SENATOR SULLIVAN: Okay. I guess one of the things that I struggle with...and understandably, you felt like your daughter was shortchanged by the system. [LB616]

CLARICE JACKSON: Absolutely. [LB616]

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SENATOR SULLIVAN: Did you reach out to the teachers? Did you reach out to the administration? Did you reach out to the school board? [LB616]

CLARICE JACKSON: I would say, absolutely, yes, I went above and beyond. I almost lost my job advocating on behalf of my daughter. I now advocate on behalf of other families who have the same issues that my daughter had, which was dyslexia, and it did not work. I am a huge activist in the community. I go to school board meetings. I've been there when Willie Barney has testified with the Empowerment Network and said, we have models that are working such as focus schools. I'm not against focus schools either. I'm for choice. I believe that it's a parent's right and their option to have the choice to send their child to a school that is high performing and making the grade. If it's not, I don't believe our taxpayer money should be going into schools that continue to perpetually fail our children. So I've been to school board meetings where we've said, why aren't you replicating what's working? And they have no answer for us. But we're still stuck in schools like Howard Kennedy where the reading proficiency rate is 28 percent. And if I pulled out all the other data that I have, about 12 of the 24 schools in OPS, all of them are not decreasing the achievement gap. It is enlarging. And we know that charter schools specifically for African-American students oftentimes eradicate the achievement gap. And so I'm just very perplexed as to why Nebraska is one of the last eight states to still be so opposed to options. We're not saying charter schools are a silver bullet, but what we are saying is, open up the door and let parents have this choice in deciding where to send their kids so that they don't have to send them all across the city to go to school, where they can have them right there in their neighborhood, they could be proud of these schools, and that their kids can receive a high-quality education and that the parents have the right and the option to say, if this school, which has no accountability...right now in OPS teachers are not even evaluated. And this is not a knock against OPS specifically. This is just truth. So there is no evaluation method in place to evaluate teacher effectiveness. When they did a study, the teacher morale--I don't know if I'm using the right word--but it was significantly low. So it's a self-fulfilling prophecy. If the teachers don't even have the expectation that your children can learn, and the kids are coming into an environment and a culture that is that, what do you think is going to happen? So we've got to do better. I don't know how many times we're going to have to come down here. But to see a mother such as myself, and again, I don't want no pity from anybody, but for me to be here today when I just lost my child due to violent crime, you should really understand we're not going away. We will keep coming because the best interest of children is our best interest. It's the best interest of everybody. [LB616]

SENATOR SULLIVAN: Thank you. Any other questions for Ms. Jackson? Senator Groene. [LB616]

SENATOR GROENE: Thank you, Chairman. Would you consider your background as poor, that you were poor? [LB616]

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CLARICE JACKSON: Absolutely not. (Laugh) [LB616]

SENATOR GROENE: Oh, you wouldn't? [LB616]

CLARICE JACKSON: No. [LB616]

SENATOR GROENE: All right. [LB616]

CLARICE JACKSON: Middle class. [LB616]

SENATOR GROENE: Well, I was poor middle class. But we keep hearing from the experts that the reason the children don't learn is because they're poor. [LB616]

CLARICE JACKSON: Right. [LB616]

SENATOR GROENE: Does that child know they're poor when they're sitting in that classroom? [LB616]

CLARICE JACKSON: Absolutely not. I would say--and this is not to knock my daughter's biological family--that they were not wealthy. And she is a prime example. Latecia J. Fox is her name. She's a prime example of someone who came from what you would consider a poor family who, by me having another option outside of the traditional public school to learn...and she prospered and she flourished when she was given the right environment and the right curriculum. So, absolutely not. Education is the gateway out of poverty. [LB616]

SENATOR GROENE: Thank you. I agree. [LB616]

SENATOR SULLIVAN: Do you have any questions? [LB616]

SENATOR COOK: I think I'm going to save it until I read the language of the amendment...and I will also say that I was not poor either, Senator Groene. (Laughter) I'm from north Omaha. [LB616]

CLARICE JACKSON: Yes, not all black people are poor. [LB616]

SENATOR COOK: Okay, or the ones from north Omaha were... [LB616]

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CLARICE JACKSON: I don't think you mean that. Yes, I don't think you mean that. [LB616]

SENATOR COOK: No, he didn't, I don't think. No. [LB616]

CLARICE JACKSON: I know you didn't mean that. But, yeah, not all black people are poor. [LB616]

SENATOR COOK: No. [LB616]

CLARICE JACKSON: But there are a lot of low-income people or... [LB616]

SENATOR GROENE: I'm just saying they use it as an excuse... [LB616]

CLARICE JACKSON: They do. They do. [LB616]

SENATOR GROENE: Those who don't educate the children, won't do their job. [LB616]

CLARICE JACKSON: They do, yeah. [LB616]

SENATOR COOK: Some. [LB616]

CLARICE JACKSON: And it's not an excuse. [LB616]

SENATOR GROENE: Some of them do, right. [LB616]

SENATOR GROENE: Right. But it's an educational injustice. I just want to go on record of saying that again. It's an educational injustice. It's a civil rights issue that we continue to allow our children to be uneducated, unable to read, and we block options that can help them succeed. Thank you. [LB616]

SENATOR SULLIVAN: Thank you, Ms. Jackson. Welcome. [LB616]

BEN TERRY: (Exhibit 2) Thank you. Good evening. My name is Ben Terry. I'm the father of three children currently in the Lincoln Public Schools system. I would like to share with you some of my perspectives. [LB616]

SENATOR SULLIVAN: Can you spell your name, Mr. Terry? [LB616]

BEN TERRY: Sorry. B-e-n T-e-r-r-y. I'd like to share with you some perspectives on potential outcomes of LB616. In 2010, I was invited as a guest lecturer to teach a semester-long course on the topic of surgical robotics to high school juniors at an urban school within the Denver Public Schools system. Similar to OPS, many of the high schools in DPS, Denver Public Schools, struggled with high teacher turnover, low graduation rates, poor test scores, and violence. On my first day of class, I was worried that my course on surgical robotics would be too advanced for the kids who had been poorly educated by a failing school district. My colleagues assured me, however, that the kids at this particular high school would have no problem meeting and exceeding my course requirements. I found out very soon that they were right. This particular school broke the urban high school mold. First of all, the campus buildings were intelligently designed. Indeed, they have been recognized by the American Architectural Foundation for their innovative design. As I entered the building, the next thing I noticed was the attire of the students. They were sharply and professionally dressed, no sagging jeans, in fact no jeans at all, no hoodies, no leggings, no revealing attire. Men wore slacks and the women's skirts were to the knee and all shirts had collars and buttons. As I explored the building looking for my classroom, I noticed flags hanging on the walls with the mascots from local and national four-year colleges and universities: Harvard, MIT, Berkeley, Rice, Vanderbilt, etcetera. I located my lab and met the teacher whose class I would be taking over for the semester. In one hand she had a sandwich, and on the other she was working with the laptop. She had taken her lunch break to discuss program options at a local university and advise an African-American student, a young lady who would be in my robotics class. They were both energetically engaged in a discussion about the pros and cons of a particular undergraduate program at the four-year college this student wanted to attend. The student spoke as if she had already been admitted to the college. But in fact, she hadn't even applied yet. I learned very quickly that this school didn't focus on getting students their high school diploma. Their focus was on getting kids through a four-year college education. There are too many extraordinary examples and aspects of this particular high school to share with you today. But let me end my testimony with a few numbers. First of all, this school is the Denver School of Science and Technology, or DSST, one of the finalists for President Obama's Race to the Top. It is a public charter school. It's the first...its first cohort of seniors graduated in 2008. And every one of its graduates applied to and was accepted by a four-year college. In fact, every year in the seven years since then, every single student has applied to--that graduated--has applied to and been accepted by a four-year college, 100 percent acceptance rate. Furthermore, DSST has the lowest remediation rate of any high school in the Denver Public Schools system. And recall that this is an urban school district with about 70 percent minority enrollment and 60 percent qualifying for free or reduced lunch. Not only is DSST changing lives for urban kids, but it is a fantastic place for teachers as well, earning recognition as one of Denver's top workplaces. I'm confident that if parents and teachers really knew what charter schools could do for their children, their students, and their communities, they would unreservedly support the public

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charter education model. It's a model that gives parents exactly what they are looking for in public education and it gives teachers the freedom to really teach. Thank you. [LB616]

SENATOR SULLIVAN: Thank you, Mr. Terry. In your time there, what particular specific things were different about this school? [LB616]

BEN TERRY: Well, as I mentioned, the primary objective of everyone in faculty and administration was four-year college education, not graduation from high school, but four-year college education. They were looking beyond the mark, okay, which, of course, everything follows from that. [LB616]

SENATOR SULLIVAN: All right. Now, admittedly, we have some work force needs in this state that don't necessarily require a four-year degree. Could you see our public schools doing a good job addressing some of those work force needs? [LB616]

BEN TERRY: Okay. So a charter school is unique in that it fits a niche, okay? The public school model tries this cookie cutter approach where everyone goes through the same path, is expected to achieve the same outcome, and expected to have the same goal. This...if you're not interested in the four-year model, you don't send your kids to DSST. It's as simple as that. [LB616]

SENATOR SULLIVAN: Okay. But we have some school districts that are having career academies that help a student along a specific career path and have them ready to go to work or go to a community college when they get done with their four-year high school experience. [LB616]

BEN TERRY: That's great. [LB616]

SENATOR SULLIVAN: Okay. [LB616]

BEN TERRY: Keep it up. (Laugh) [LB616]

SENATOR SULLIVAN: Okay. All right. Very good. [LB616]

BEN TERRY: Thanks. [LB616]

SENATOR SULLIVAN: Any questions? Thank you. [LB616]

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BEN TERRY: Okay. [LB616]

SENATOR SULLIVAN: Welcome. [LB616]

JEANINE REISCHL: (Exhibit 3) Welcome. Thank you. Hello, Chairman Sullivan and committee senators. My name is Jeanine Reischl, J-e-a-n-i-n-e R-e-i-s-c-h-l. I am here today as a concerned citizen. And I must say, as I've listened to this testimony, I'm becoming more concerned. I'm a proponent for LB616 with amendment. I come as a high school chemistry teacher and a physics teacher for 16 years in Omaha. And I can tell you from experience, the students rise to the standards that are put before them. I maintained what I believed were always high academic standards for my students. And not only did the students meet them, but there was high demand for my classes always which had a reputation for being difficult. My students weren't the richest in Omaha, but we consistently had some of the highest science scores in the state. Many times, I was asked to lower my standards because my kids were poor and the administration bought into the logic that kids from poor backgrounds weren't able to perform at a high level. If you want to understand the gap, that's where it comes from. I'll point to one student specifically, because he's a practicing pediatric neurosurgeon in Nebraska, not just Omaha. For the three years I taught this student, my administration pressured me every year to lower academic standards. I refused to do so. I always believe that having high academic standards and holding out a vision of achievement is not punishing students. It's part of teaching them. It was my job. I could have given them good marks, but mediocre performance doesn't set the expectations for the future. I'm pro charter school, and this is where I'm perhaps a bit different than the rest of the testifiers here. They set high expectations for students, I have no doubt. They don't accept the achievement gap, because they know the real world isn't going to give them a break because they grew up poor in a rough neighborhood. Unlike many here, I did grow up poor and not in one job interview in my whole life has anybody given me a break because of that. Here's what's disturbing. I moved back to Omaha recently. I've lived in Pennsylvania for a while, and I was always proud to brag about Nebraska being such a great place to raise a family. And one of the reasons I was proud to be from Nebraska was because of the educational system. Here's what I've learned: OPS has lowered its graduation standards and promotes virtually all students to the next grade. In 2013, 77.8 percent of OPS students--high schoolers--graduated within four years, up from 72.9 percent except for the fact that just 31 percent of 11th graders showed proficiency on the state math test. We always were good in math and science. Grade inflation is a known issue at OPS with reports coming out this past November showing the kids are graduating with little content knowledge. And this has been happening at least since 2010. This is what I think is the heart of the matter. You can argue, and I don't blame you, all of you, for being concerned about another great idea. [LB616]

SENATOR SULLIVAN: And, just so you know, the red light is on. Can you... [LB616]

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JEANINE REISCHL: Oh, sorry. Here's what charter schools gives you: an alternative, an alternative that can fail. And that's what's missing in the state of Nebraska. Charter schools can fail. Okay? Thank you. [LB616]

SENATOR SULLIVAN: Thank you, Ms. Reischl. Any questions for her? Thank you for your testimony. Welcome. [LB616]

MATT LITT: Thank you. Good evening, Chairwoman Sullivan and members of the Education Committee. My name is Matt Litt, M-a-t-t L-i-t-t. I'm the state director of Americans for Prosperity-Nebraska. And on behalf of our 40,000 members, I'm testifying in support of LB616. And we support the bill because education is foundational for future opportunities in life and the state of Nebraska must give families the opportunity to choose the best educational environment for their child. I want to make a few notes for the record. In Nebraska, we are only...one of only a few states that do not offer charter schools. This is not a partisan issue. Citizens in both parties support public charter schools. In a poll commissioned by our sister organization, Americans for Prosperity Foundation-Nebraska, in June of last year, more than 66 percent of Republicans, 69 percent of Independents, and more than 61 percent of Democrats in Nebraska said they support public charter schools. This is not a partisan issue but an important issue that impacts our children. Public charter schools are public schools that are tuition free, open to all students, are nonsectarian, publicly funded, and are held accountable by state and federal standards. These institutions don't drain the public education system. They are a part of it. These institutions have even greater accountability than traditional public schools. Public charter schools that do not prove to increase student achievement are able to be closed. But they have even greater accountability because they rely on parents choosing to send their children there. Only public charter schools that parents believe are serving their children will stay open. This bill does not take away from the fact that many traditional public school teachers are deeply committed to their students. This is not an antiunion bill. This legislation is about giving families a chance to find the best education environment possible for their child and allowing for a flexible environment. Again, these schools simply increase educational choice for families. And in this bill, public charter schools would add an educational option for parents to exercise or not. Families should have greater choice for the type of education that will serve their child best. There are some items in the bill we'd like to see changed. For example, we would lift the cap on the number and location of public charter schools. That being said, this bill is a good start. Opponents of this legislation will likely be citing statistics about some poor performing charter schools and we acknowledge that some exist. However, there are also low performing traditional public schools. Also, some have called public charter schools a "solution without a problem." This ignores the fact that parents of millions of students across the country have found their preferred educational environment in a public charter school. Nebraska is not different. Parents want more choices. I will conclude with this: Everyone is looking for the silver bullet to improve performance of all students and improve all schools. We, as a state and a county, have not found it yet. With some

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efforts we progress, and with some we regress. Giving parents more options and allowing them to decide on an alternative school for their child has shown to be...to move education in a positive direction across the country. We must let go of the preconceived notions of public charter schools and seek the best ways of educating our young people. I think the bill can be summarized as this: giving children a chance to be successful because we owe them that if nothing else. Thank you for your time and I'll attempt to answer any questions you have. [LB616]

SENATOR SULLIVAN: Thank you, Mr. Litt. Just to clarify, in your testimony, you... [LB616]

MATT LITT: Yes. [LB616]

SENATOR SULLIVAN: ...charter schools, you said, are open to all students, but however, there would be a lottery to determine how many and who would be selected to attend a charter school. Is that correct? [LB616]

MATT LITT: In this bill, I think it's a statutory problem. I think the language could be changed to, like I mentioned, opening the cap of the number of schools to allow, if there was a desire of parents in the community, to have more charter schools, that more could be opened. [LB616]

SENATOR SULLIVAN: Thank you. Senator Cook. [LB616]

SENATOR COOK: Thank you, Madam Chair. You mentioned that this...you don't see this as an antiunion bill. [LB616]

MATT LITT: Um-hum. [LB616]

SENATOR COOK: So if this bill were amended to ensure collective bargaining rights for all of the instructors and administrators within those buildings, you would support that version of the bill? [LB616]

MATT LITT: So, from the experts in...who have worked in charter schools, who lead the national associations, say that having a non-collective bargaining is one of the best practices for charter schools. And following those guidelines, we would not support adding a collective bargaining piece to this. [LB616]

SENATOR COOK: Okay. Thank you. [LB616]

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SENATOR SULLIVAN: Senator Groene. [LB616]

SENATOR GROENE: Thank you, Chairman. Of the 42 states that have charter schools, do they...how many of them restrict areas? Do they say you have to be in this area or do they let it statewide? [LB616]

MATT LITT: It's...it varies across states. For example, even the state of Kansas allows them in rural districts. And again, it...I think it all really goes back to choice. If parents across the state don't want them then they won't send their children there and they will close, like I mentioned, the accountability within that. So whether it's in Omaha, in Lincoln, or North Platte, for example, if a charter school group attempts to open one and they don't...there's not a desire by the parents, it won't open. But I think, by testament of the parents and the citizens who are here today, there is a desire to see the option opened up for them. [LB616]

SENATOR GROENE: One more question: What...we've heard...what I've heard is folks say, well, it's corporate America trying to start a...well, what are they seeing? Are most of them started by a business or are they started by concerned teachers, administrators, and parents? [LB616]

MATT LITT: So, I can't answer that exactly. I think it varies. But again, I think being disclosed and parents knowing who's opening and who's operating the charter school gives them another level of transparency to make the decision that's best for them. [LB616]

SENATOR GROENE: Thank you. [LB616]

SENATOR SULLIVAN: Any other questions for Mr. Litt? [LB616]

MATT LITT: Thank you very much. [LB616]

SENATOR SULLIVAN: Thank you. Welcome. [LB616]

CELELIA ALEXANDER: Welcome. Thank you all for having me. My name is Celelia Alexander. I have to give my address and everything? [LB616]

SENATOR SULLIVAN: No, just spell your name. [LB616]

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CELELIA ALEXANDER: Oh, my name is Celelia Alexander, C-e-l-e-l-i-a, Alexander, A-l-e-x-a-n-d-e-r. [LB616]

SENATOR SULLIVAN: Thank you. [LB616]

CELELIA ALEXANDER: Okay. I am a proponent for the LB616 with amendments. We in America, we pride ourselves on being the best. We're considered the big brother for the world. We are called the best and we behave in that manner as far as our entities we set up like Consumer Reports, Better Business Bureau, and best practices performance review. So we want the best. And we want the best models. For our charter school that is also the same. We do want the best models and we want those with entities like KIPP and other entities to be the authorized agent. As far as choices is concerned, we as a people, our...the basic constitutional rights as U.S. citizens gives us the right to life. We have the right to...it's more than a matter of waking up in the morning and breathing. It involves making our own choice about how we're going to live, choosing a career that's right for us, choosing that the...and not having the government choosing for us. Our right to life lets us choose where we want to live and the freedom to live wherever we want to live, whether we can have children or not have children. Choices also deals with what clothes we want to wear to how we want to eat, from being a raw "foodist," to a vegan, to a vegetarian, to healthcare, going to our doctors, even getting first, second, and third opinions. So choice is very essential. And that's another reason why we think...why we are proponents for this bill, because we believe that we should have the best choice for charter schools to be the best that it can be. As far as the money is concerned, I know people are concerned about the money. The money follows the student. And a lot of these...a lot of the charter schools that are successful, it takes less money to run those charter schools than it does for the public schools. We do know that if you're concerned about money, when our kids are in special ed, we know the school gets paid double. So if you're concerned about that money being taken away then, yes, that money is going to be taken away, because it's going to eliminate the cradle to the prison pipeline. It's going to eliminate the rights of passage that a lot of our kids go through from being...for some being miseducated from preschool to 3rd grade, to special ed from 4th to 5th grade, medication from 6th to 7th/8th, and 9th to 10th they drop out. So, yes, that's going to be eliminated. Our...we have a lot of wonderful teachers. I have a daughter who is working on her Ph.D. And she's a excellent teacher, straight A from grade school through college, and even on her Ph.D., straight A student. And she's a excellent teacher, but unfortunately, some teachers, they're not good teachers. And they are...because of "collective bargaining," they are shipped from one place to another, not...and still paid. If you're for that kind of money being taken away then, yes, money is going to be taken away. But I'm sure most of us, we are for the best for our children, ourselves, and our economy. And that's why choice, our constitutional right, is so important. [LB616]

SENATOR SULLIVAN: Thank you, Ms. Alexander. Where did your daughter go to school?
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CELELIA ALEXANDER: My daughter, she went to school...she's in UNL working on her Ph.D. at this time. [LB616]

SENATOR SULLIVAN: But where did she in her elementary? [LB616]

CELELIA ALEXANDER: My...I raised my daughters here in Lincoln, Nebraska... [LB616]

SENATOR SULLIVAN: Okay. [LB616]

CELELIA ALEXANDER: ...where a lot of things that we took for granted in Lincoln, Nebraska, our kids in Omaha are not able to get. For instance, the whole school learned how to sign language. It was...they had mandatory hearing and seeing evaluations on a regular basis. They were tested for giftedness. When they couldn't sit still and antsy, they weren't automatically thought, oh my goodness, this child is naughty, this child needs to be on medication. They would say, well, maybe this child is gifted. So my...I have the blessing to have...my daughters are gifted. My grandkids are geniuses, and Lord knows I'm working on my great-grandkids, so. (Laughter) [LB616]

SENATOR SULLIVAN: Thank you very much for your testimony. [LB616]

CELELIA ALEXANDER: Yes, ma'am. [LB616]

SENATOR SULLIVAN: Welcome. [LB616]

GWENN ASPEN: (Exhibit 4) Hi. My name is Gwenn Aspen, and that's spelled G-w-e-n-n A-s-p-e-n. And I'm testifying today as a concerned citizen and as a member of the LEARN Coalition. Our coalition supports opening the door to high-quality charter schools in Nebraska. And we support the intent of LB616. We believe that an amendment needs to be added to...so that KIPP and Success and the charter schools that have a known track record of success desire to come to Nebraska. In Nebraska, only 5 percent of African-American children, 6 percent of Native American children, and 10 percent of Hispanic children are meeting college-readiness benchmarks as defined by the ACT. This is in comparison with 66 percent of Caucasian children. Charter schools have obliterated the achievement gap in many parts of the country. Take, for instance, Success Academy in New York where the vast majority of attending students are children of color from low income families. Success schools have received...or have actually reversed the achievement gap. We're at 94 percent of African-American students, 96 percent of Hispanic students pass the math exam compared with 56 percent of white students citywide. The laws we have now make schools like this and others like them that actually improve the lives of

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poor and minority students not possible. People protecting the status quo use being poor and minority as an excuse for failure. This is antithetical to our rich history as impoverished pioneers coming to our great state and, through education and hard work, realizing their dreams. At no point did the pioneers just accept poverty as their lot in life. But this is what we do when we deny poor and minority children an education that can reverse the trajectory of their lives. Why have we accepted the status quo and not allowed charter schools in our state despite the data? It's been too politically difficult, I think. We've had six hours of testimony last year, a bus full of people come last year, a bus full of people come this year, a bunch of people testifying this year. People want charter schools. Today I ask you to pass an amended version of LB616, because poor and minority children have intrinsic value, can learn despite poverty, and are worth fighting for. [LB616]

SENATOR SULLIVAN: Thank you, Ms. Aspen. Any questions for her? Senator Cook. [LB616]

SENATOR COOK: Mrs. Aspen, you brought that number last week that only 5 percent of African-American compared to 66 percent. I just don't believe that black people are that much stupider than white people. And that's what it really sounds like, as somebody who is black and has lived in northeast Omaha her whole life. It's... [LB616]

GWENN ASPEN: Well, that... [LB616]

SENATOR COOK: I'm not finished. [LB616]

GWENN ASPEN: Sorry, I didn't mean to interrupt you. [LB616]

SENATOR COOK: I know. And to your point about using poverty as an excuse, I haven't heard anybody on this committee or in this Legislature offer that as an excuse--or the color of their skin as an excuse--for inability to learn. And that is, unfortunately, what I heard from your testimony. People point at the access to education. Absolutely, I agree wholeheartedly. It is a factor. But there are plenty of commitments that the people of Nebraska and the people of Omaha have made to northeast Omaha in terms of institutionalized racism, redlining, discriminatory employment practices, I could go on and on, that have contributed to the situation that we see in northeast Omaha. So I also...I welcome you to the conversation. It's...it sounds to my ear, as a legislator, as a resident of northeast Omaha, just a tiny bit patronizing. So it's not really a question. I apologize. [LB616]

GWENN ASPEN: Well, can I respond? [LB616]

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SENATOR COOK: It's not really a question. [LB616]

GWENN ASPEN: But I really feel like I need to respond to that, because that's quite an accusation that you're saying that I was saying that you...that black people are stupider. Obviously... [LB616]

SENATOR COOK: That's what the stat sounds like. [LB616]

GWENN ASPEN: Well, that's not what I meant at all, because you can see, when they have charter schools, that achievement gap is reversed. It's reversed. [LB616]

SENATOR COOK: But... [LB616]

GWENN ASPEN: And so there's no reason except for the schooling that the kids are getting that they should be achieving less. If you look at this sheet here, Druid Hill Elementary School only shows 25 percent proficiency in math, 15 proficiency in science. We know those kids can do better. And it's not the kids' fault. Something is wrong with the education system if that's the results we're getting. It's not the kids' fault. [LB616]

SENATOR COOK: I do not believe that only 5 percent of the students graduating from the public school district, whether it's the Omaha Public School District, any public district, if they are African-American, that that number is...that disparity is that wide. [LB616]

GWENN ASPEN: Well, I didn't make the number up. It's from the EducationQuest Foundation. [LB616]

SENATOR COOK: Yeah, and I read that. And statistics, you know, we all know the quotation about statistics. [LB616]

SENATOR SULLIVAN: Senator Groene. [LB616]

SENATOR GROENE: Is that number parochial and public schools or just public schools? [LB616]

GWENN ASPEN: The number for the...it's a statewide number. [LB616]

SENATOR GROENE: Statewide. Thank you. That's all I have. [LB616]

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SENATOR SULLIVAN: Any other questions for Ms. Aspen? Senator Pansing Brooks. [LB616]

SENATOR PANSING BROOKS: I just...thank you for coming and talking today. I was interested because...do you know that we're ranked 49th in school funding statewide among...in the United States? Nebraska is ranked 49th in state funding. So I'm wondering if you've ever contemplated coming forward to advocate for more state funding to be able to pay for education so that everybody will have options and chances to succeed. Certainly if we're ranked one of the lowest school funds...school systems in the country, that has to affect something. So instead of necessarily just creating a new opportunity for some, why is there not more of a push to get to the legislators and to get to all the people across the state to provide more funding for education which is our number one priority and constitutional duty here? [LB616]

GWENN ASPEN: Sure, well, funding is important, and that's why I testified last week about the \$5.4 million that's going to busing through the Learning Community that isn't actually impacting the achievement gap, which is important for me that we fix, so I think we could allocate that money better. But funding...there...we know that these schools, these charter schools which are having amazing results, actually are being funded less than the schools. And we know schools like Kansas City schools had the most funding or Detroit schools have been funded way more than our schools and have failed miserably. So funding...it's really about practices that change the educational trajectory. I wouldn't say money has no impact. But it's the way we're administering education and the actual instruction going on in the room that really makes the difference for kids. [LB616]

SENATOR SULLIVAN: Senator Cook. [LB616]

SENATOR COOK: Thank you, Madam Chair. So, Mrs. Aspen, to your mind, if every single school educating an African-American child in northeast Omaha or across the state were a charter school, the achievement gap would be eliminated? That's your arithmetic? [LB616]

GWENN ASPEN: I believe that these charter schools that have a record of success, like Success, like KIPP, have...you can look at that sheet of paper of all the successes that these schools have had. Some of them have 100 percent of the students going to college. And I know that it's a choice, but it is really changing the game and I think we deserve it here in this state. [LB616]

SENATOR SULLIVAN: So, Ms. Aspen, how do kids get to a charter school? [LB616]

GWENN ASPEN: How do they get to a school? [LB616]

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SENATOR SULLIVAN: Yeah, yeah, uh-huh. [LB616]

GWENN ASPEN: Well, I mean, since they're going to be right in the neighborhood where kids live... [LB616]

SENATOR SULLIVAN: Well, but, they show up at the door and they get in? [LB616]

GWENN ASPEN: You mean, how do they get accepted? [LB616]

SENATOR SULLIVAN: Uh-huh. [LB616]

GWENN ASPEN: You could do a lottery. They're looking at neighborhood schools just turning into charter schools. That's a new model that's happening where they're... [LB616]

SENATOR SULLIVAN: So not everybody would necessarily get into a charter school? [LB616]

GWENN ASPEN: Well, not everybody...when nonprofits help people, they can't help every single person in a community. They only can help the certain people. [LB616]

SENATOR SULLIVAN: But a public school has to, right? [LB616]

GWENN ASPEN: Well, public schools are great for a lot of kids. And they work for kids. When public schools aren't working for kids, charter schools are there to help those kids. If your kid is doing well in a school, then you're not going to be apt to change them. It's the kid that's struggling in their current situation where you're going to want an alternative. [LB616]

SENATOR SULLIVAN: But in spite of that, there is no guarantee that those struggling kids will get to a charter school. Is that correct? [LB616]

GWENN ASPEN: Well, unless we open more than the five in the bill. We could open up more if that's what people want, if that's what the parents are asking for. [LB616]

SENATOR SULLIVAN: Okay. Thank you. Senator Groene. [LB616]

SENATOR GROENE: I don't care if you're green or purple. I'd like to have one in North Platte. [LB616]

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SENATOR COOK: There aren't green or purple people. [LB616]

SENATOR GROENE: And we have very successful young black people there. It doesn't make a difference what your race are, I just believe in charter schools. I get tired of black versus white. But anyway... [LB616]

SENATOR COOK: Okay, well, I do too, Senator Groene. [LB616]

SENATOR SULLIVAN: Excuse me, excuse me. [LB616]

SENATOR GROENE: Did you know that when...the 49 percent is state funding per student, it's not funding for students. When you throw in our property taxes, we're not 49th, just to let you know that so you don't leave here with a misconception about how we fund our schools. But anyway, no, I...would you consider sending your child to a charter school if you had one? [LB616]

GWENN ASPEN: I would absolutely send my kid to a charter school. You bet I would. [LB616]

SENATOR GROENE: Thank you. [LB616]

SENATOR SULLIVAN: Any questions for Ms. Aspen? Thank you for your testimony. [LB616]

GWENN ASPEN: Thank you. [LB616]

SENATOR SULLIVAN: Welcome. [LB616]

ADAM WEINBERG: Thank you very much, Senator Sullivan. I believe my remarks originally said good afternoon, and I think it's about good evening now, so thank you very much for all of your time. In a professional capacity, I'm Adam Weinberg, A-d-a-m W-e-i-n-b-e-r-g, here as the communications and outreach director at the Platte Institute for Economic Research, in a personal capacity as a member of the LEARN Coalition. Thank you very much for the time to speak to you today providing testimony in support of LB616, the Independent Public Schools Act. I'd like to begin by reiterating Mr. Litt's point about a recent editorial which I read in The Columbus Telegram that referred to public charter schools as a solution without a problem. The same article also claimed that public charter schools disadvantage minority students, contribute to school segregation, and that proficiency schools...proficiency scores at public charter schools are below that of traditional public schools. And it was troubling for me to read these claims not

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only because they are inaccurate based on the research available and the growing body of research as we get farther into the country's experience with public charter schools, but because the statement of solution without a problem suggests that we don't have a problem in Nebraska. And we do have a problem. We have a problem of inequitable access to high-quality education in Nebraska today and we do need more solutions that meet the unique needs of children and families. And while no public policy is perfect--I think we've made that clear here today in discussing the variety among charter schools throughout the country, the available choice of public charter schools is indeed helping to lift low-income and minority students out of an educational inequity across the vast majority of the country. And though this study that I'm about to reference is often misstated or miscited, in 2013, there was a national charter school study by Stanford Center for Research on Education Outcomes, and they found that the greatest gains in reading and math proficiency in public charter schools relative to traditional public schools were among African-American students living in poverty and Hispanic English-learning students. And this is part of the reason that the Independent Public Schools Act would be a valuable investment. This is a charter school pilot program in Omaha. And it's not meant to denigrate the great work anyone is doing whether it's in OPS or any other district in the Omaha area. It's simply to offer more options for families in Omaha who feel they have an immediate need to try something else. All the Independent Public Schools Act would do is let parents and teachers band together to apply to start no more than five new public schools in the next five years and contribute some new solutions to address the achievement gap under that period of time. And this is a limited pilot program. This is an issue, of course, that's been debated among this committee for some time now. And just in reflection, if the program had begun in earnest as it had initially been offered, we would already have some very good data to see whether this is a program that would be continued or whether it should be canceled. And so we think...and our message is that public charter schools are an investment worth trying to see how it goes, to collect the data, and see the experience that we can provide for Nebraska families. I don't think this is just an education issue. This is also an economic development issue. If we can create more high-quality, independent public schools in communities, we can build those communities from the ground up and build stronger communities with better economic opportunities for everyone. Without a doubt, there are children whose lives can be changed for the better by the creation of independent public schools, and we would ask for your support of LB616. Thank you very much. [LB616]

SENATOR SULLIVAN: Thank you, Mr. Weinberg. Any questions for him? Senator Pansing Brooks. [LB616]

SENATOR PANSING BROOKS: Thank you for coming, Mr. Weinberg. I would agree that schools have to do with economic development. And in Lincoln, when I cochaired the LPS bond issue for \$250 million, businesses without exception talked about how great our schools are and how people are coming to settle in Nebraska and are staying here because of our great public

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schools. So to start siphoning off dollars, already very difficult dollars to get from people...we've had meeting and hearing meeting after hearing meeting. And to siphon them off to a new plan, a new type of system, there's no question that if you take a small group of people and bring a great group of teachers, you're going to have great results. But what happens to the other kids as the money is siphoned off? More money is siphoned off. We have a huge population in need because we are sitting here focusing on a lotteried few, a lucky few, who make that lottery. There's no question that that's going to be valuable for that specific group. But what about boosting what we have now? We don't...it's like we don't have a pro team here in Nebraska. We don't have the money or finances to have a pro team here in Nebraska, so we all surround the University of Nebraska and root for the Huskers and we do that all together. And that brings the state together. Does it...I believe that the same thing is necessary here for our educational system, that we need to rally behind it, to bolster it, to make it as strong as possible, to pay teachers appropriately so we can get great educators and to focus on dyslexia and all sorts of learning tools that can benefit our children and not abandon public schools to go off on a new path but to bolster and support and help the public school system that's here in Nebraska and bring in innovation. We've got career academies. That is innovative. We're working with business. All sorts of wonderful things are happening. But to start siphoning off dollars from public education to support a few, I think, is very detrimental to our future, to our economy in Nebraska. That is not going to attract people here. That is...I disagree with that opinion. [LB616]

ADAM WEINBERG: Well, thank you so much for those comments, Senator. I think a couple of points on the out-migration issues, in terms of attracting young people who would like to be education professionals, in terms of attracting families to stay in communities, we see a lot of good evidence that public charter schools would be an opportunity to bring more people to want to not only stay in communities in Nebraska but be attracted to Nebraska for an even wider quality of public school options that are available. The other principle that we're operating here from within independent public schools is that the funding should follow the child. If there's great deal of confidence that the quality of educational outcomes in a public charter school model would be better, which is not always what we hear from opposition, then of course, if that pilot works, we would love to expand those options to everyone. I don't see this as abandoning the existing public school system. I see this as providing more options within the framework of public schools and providing an opportunity to create a rising tide for all public schools. Public schools that are of the traditional variety are going to be a great choice for a lot of families. If there is an immediate need for a family where a public charter solution could offer an opportunity, we think that will make Nebraska even more competitive and more attractive for families and for education professionals and, as well, can address some of these special needs that maybe we're not even...and I'm sure there are programs to this effect, but just from a personal experience and communication I had, one of our very first Learning Community meetings...Learning Community, forgive me, LEARN Coalition meetings that we had was at the Goodwill Industry Center at 72nd and Ames in Omaha. And a representative for Goodwill

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Industries informed me that Goodwill, in other states, functions as a charter school organization and they use that model to be able to help students who have already dropped out of the traditional public schools to be able to get them the high school diploma that they need so that they can be employable for the future. So I think there's...the great thing about this policy is we don't have all the answers, which is why a pilot is all the more valuable, because we can provide some answers to problems in our community that are in serious and dire need. So I look forward to talking more about improving public schools in the future. [LB616]

SENATOR PANSING BROOKS: Okay. I guess I'm just interested, because you're saying that if somebody has a need, they'll be provided an opportunity. And that's not really true, is it, because only if they are chosen by the lottery do they possibly get to have the opportunity of that choice? [LB616]

ADAM WEINBERG: Well, the only reason the lottery would be a necessary function is if there was greater demand than supply. And so creating a charter school law, under this pilot, of course, it would be limited to five because, at least as I would read it, this is an attempt to provide some evidence that this is a working model for Nebraska and we're starting with Omaha where we see the most dire need, where we want to immediately begin affecting the community that has the greatest issue with the achievement gap and proficiency issues that are most immediate. And so it would be my view that if we're able to demonstrate that this is a working model, we can open up the number of charters that could be reviewed by the State Board of Education or perhaps the University Regents or any other institutions that state law and the Legislature would authorize to permit charters to be reviewed. And we could expand capacity. And so the lottery...certainly it's definitely a focus point of films that people have seen and we want everyone to have access. And the way we would have access is by expanding supply. [LB616]

SENATOR PANSING BROOKS: Thank you for your comments, Mr. Weinberg. [LB616]

ADAM WEINBERG: Sure. [LB616]

SENATOR SULLIVAN: Any other questions for Mr. Weinberg? Thank you for your testimony. [LB616]

ADAM WEINBERG: Thank you very much, Senator. [LB616]

SENATOR SULLIVAN: Welcome. [LB616]

CHARISSE WILLIAMS: Hi. Hi, my name is Charisse and I...do I spell it first? [LB616]

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SENATOR SULLIVAN: Please, please. [LB616]

CHARISSE WILLIAMS: Okay, C-h-a-r-i-s-s-e, Williams, W-i-l-l-i-a-m-s. [LB616]

SENATOR SULLIVAN: Go ahead. [LB616]

CHARISSE WILLIAMS: And I am behind the LB616. And I have dyslexia. And so do my child. And so I am behind this all the way. And I have grew up in foster care and so, as for that, I don't believe...I just want to say that I think that it's a good idea that we go ahead and go for a charter school. And I think that's it. [LB616]

SENATOR SULLIVAN: Where does your...where do your children go to school? [LB616]

CHARISSE WILLIAMS: My daughter? [LB616]

SENATOR SULLIVAN: Your daughter, yes. [LB616]

CHARISSE WILLIAMS: At...she goes to school at...oh, goodness, I'm sorry, I just got, like... [LB616]

SENATOR SULLIVAN: That's all right. That's all right. [LB616]

CHARISSE WILLIAMS: ...my brain, I'm sorry. [LB616]

SENATOR SULLIVAN: That's all right. But... [LB616]

CHARISSE WILLIAMS: This is my first time. My brain just got frozen. [LB616]

SENATOR SULLIVAN: You're doing fine. You're doing fine. [LB616]

CHARISSE WILLIAMS: She goes to school at Indian Hill Elementary. [LB616]

SENATOR SULLIVAN: Okay. All right. And has she been diagnosed with dyslexia? [LB616]

CHARISSE WILLIAMS: Yes, she has. [LB616]

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SENATOR SULLIVAN: Is she receiving some special assistance? [LB616]

CHARISSE WILLIAMS: Yes, she has. [LB616]

SENATOR SULLIVAN: Okay. All right. Any other questions? Thank you so much. You did a great job. [LB616]

CHARISSE WILLIAMS: Thank you. [LB616]

SENATOR SULLIVAN: Any other testimony in support of LB616? It's fine. You can fill out your green sheet after you talk. How would that be? [LB616]

DEVEL CRISP: Okay. Cool. [LB616]

SENATOR SULLIVAN: As you long as you tell us and spell us your name. [LB616]

DEVEL CRISP: All right. Devel Crisp, D-e-v-e-l C-r-i-s-p. And I'm testifying for LB616 to have the...I have a four-year-old daughter and coming up in the OPS system. And I also do after-school workshops in OPS and get to really get...have close relationships with the students there. They will tell me things I don't...they're not comfortable with the, you know, the teachers. Basically, I think the focus on at least just the minimum, if it's just 100 kids in that area, could spread. Some kids just need that click. Some kids just need...it's...I feel it's too many students in the OPS classes that the teacher can't reach everybody. But if it's a better, intimate place where they can feel safe and get that one-to-one action with the teacher, I think that would definitely boost confidence. It will...and that's what it really boils down to: confidence. A lot of kids just...if they're not moving up to par, they'll just shut down completely. That's what happened to me, I believe, going through the OPS system. But...and learning how to deal with that and getting people who understand that and do not have to be regulated by all the tests and the deadlines and all the...every...all the statistics just to get numbers, you know, for funding, but actually care about the kids and they're not just numbers. They're not just numbers. [LB616]

SENATOR SULLIVAN: Well, first of all, thank you for working with an after-school program. Do you...is that part of the public school? [LB616]

DEVEL CRISP: This is a independently ran...it's a Louder Than a Bomb poetry competition. [LB616]

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SENATOR SULLIVAN: Okay, okay. [LB616]

DEVEL CRISP: High schools...I mean, it's huge and put on by the Nebraska Writers Collective. [LB616]

SENATOR SULLIVAN: Okay. [LB616]

DEVEL CRISP: And just having those intimate pieces of just small students...it's different. It's their favorite time of the day. [LB616]

SENATOR SULLIVAN: Good for you. [LB616]

DEVEL CRISP: Thanks. [LB616]

SENATOR SULLIVAN: Thank you so much. Any questions for him? All right. Thank you so much for your testimony. [LB616]

DEVEL CRISP: Thank you. [LB616]

SENATOR SULLIVAN: Don't forget to fill out the green sheet. (Laugh) Welcome. [LB616]

DOUGLAS TRAMMEL: Thank you, Senators, for having me. My name is Douglas Trammel, D-o-u-g-l-a-s T-r-a-m-m-e-l. I'm here in support of an amended LB616. I grew up in Omaha my entire life. I'm a product of the Omaha Public Schools system. Myself and my brother included grew up in the same house. We were poor. I'm not ashamed to say that by any means whatsoever. I'm approved of this bill. I've heard a lot of testimony about jadedness or some kids getting special treatment where others doesn't, and that's already happening today. For kids that meet the standard or are above the standard, they have special schools they get to go to that have special funding for them so they can go to college. But the underprivileged kids have nothing. It's where me and my brother...we grew up in the same house. We took the same standardized tests. They sent me down on a different career path in school than they sent him because he didn't score quite as high on the standardized tests. That created friction in our own house which drove my parents apart. So having an alternative school for kids to go to who don't exceed at the status quo or the standard for what everybody is supposed to meet gives another outlet. The one-size-fits-all? It doesn't work. Having one solution to many different problems doesn't work. You have a multitude of kids in the same community with a multitude of different problems, so bringing the same approach to a multitude of different problems can never work. And that's all I really have to say. [LB616]

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SENATOR SULLIVAN: Thank you for your testimony. That's fine. Any questions for him?
Thank you for your testimony. Oh, Senator Groene, sorry. [LB616]

SENATOR GROENE: Thank you, Chairman. Did you go on to college, or... [LB616]

DOUGLAS TRAMMEL: No, I did not. My brother actually did. I did not. And I scored higher
on ACTs and SATs than he did. [LB616]

SENATOR GROENE: But you found the career you want? [LB616]

DOUGLAS TRAMMEL: Yeah. Yes, I did. [LB616]

SENATOR GROENE: Thank you. Thank you. [LB616]

SENATOR SULLIVAN: Thank you for your testimony. [LB616]

DOUGLAS TRAMMEL: Thank you. [LB616]

TERNISHA SMITH: Hi. I still need fill mine out. [LB616]

SENATOR SULLIVAN: Yeah. (Laugh) Welcome. [LB616]

TERNISHA SMITH: Hi. My name is Ternisha Smith, T-e-r-n-i-s-h-a, Smith, S-m-i-t-h, and I
have a nine-year-old child who attends Belvedere Elementary, and she is dyslexic. She struggles
every day with reading, mostly, in school. Like, she does fine in math, but when it comes to
comprehension, she cannot get it, because she cannot read. She is in 4th grade, and she reads on
a kindergarten/1st grade level. She tries so hard every day. And I asked the school for help. I
tried to put her in special ed. They said she did not qualify because she did not meet enough
criteria, I guess. And so I had no other options until I seen a segment on KETV of Ms. Clarice
Jackson with her dyslexia center she had going on, and I reached out to her and that's how I was
able to get my daughter some help she needed, not through OPS. They have...I feel they have not
helped my child. I asked them, can I hold her back, they said, no, you should not hold her back.
They just keep on skipping her up, you know, I think just to hurry her and get her out of school. I
don't know what else to do. I thank God I found Ms. Clarice, because I feel OPS has not helped
me. I graduated but with Cs and Ds from high school at Benson. But I feel I could have learned a
little more, you know? And that's my testimony. [LB616]

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SENATOR SULLIVAN: All right. Thank you, Ms. Smith, for your testimony. Any questions for her? Thank you. Good luck with your daughter and son. [LB616]

TERNISHA SMITH: Thank you. [LB616]

SENATOR SULLIVAN: Any additional proponent testimony? Anyone wishing to speak in opposition to LB616? Welcome. [LB616]

KARL ROTH: (Exhibit 5) Thank you. My name is Karl Roth, K-a-r-l R-o-t-h. I'm a retired pediatrician and I've lived in Omaha since 2002 although you can certainly tell from my accent that I'm not a native-born Nebraskan. I'm actually a New York Public School product, New York City Public School Product, K through 12, and I have three sons, all public school graduates, the youngest of whom spent grades 5 through 12 at Westside Community. I've asked to speak in opposition to LB616, a proposal to allow five pilot charter school programs to operate within the state, and appreciate the opportunity to do so. I wanted to make an editorial remark that I've found it instructive that Mr. Larson, Senator Larson, used the term industry in reference to charter schools and that his citations were to The Economist which is not a source that I would go to if I wanted information on education. To begin, it should be noted that an underlying rationale for charter schools by the corporate sponsors is the concept that by improving the quality of performance of these "selected" students from the public schools, it will spur improvement by the latter through the free enterprise Holy Grail of competition. Setting aside the credibility of such a rationale as well as the increasing number of studies which show that, in fact, charter schools generally demonstrate little positive impact on a child's education, I would like to approach the matter from a very different perspective, that of the state's voters and taxpayers. Local school board members throughout the state are elected by the voting public including a total of 730,579 households according to U.S. Census figures for 2013. Whether or not each individual over the age of 18 actually votes is irrelevant to the matter of taxation levied per household by the school district for the purpose of administering and operating the schools within its jurisdiction. Within those 730,000-plus households, there are more than 500,000 households with only one person who lives alone and is over 18; couples whose children are nonexistent, over 18, or do not live in their household; and unmarried partners with no individual under 18. It should also be noted the school levies are not dependent on the number of children within a household, hence the only conclusion which can be reached from these figures is that the vast majority of taxed households in Nebraska have no children attending any school let alone a public school. LB616 proposes requiring these five pilot schools to be located in municipalities and accountable to the State Board of Education, an elected body of eight people representing an arbitrary division of districts in the state. Election of this body is overwhelmingly favored by the population in the eastern portion of the state, if one looks at the map attached to the Web site, where all municipalities seems to exist. Such a skew may be insignificant in its usual sphere of operation. However, this body becoming the oversight group for these pilot

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schools will control over the local districts where these schools are located and will supersede state control and local tax monies. In addition, taxes paid by the voters in the western part of the state through state subsidies to school districts will be used to fund them. A foundational pillar of the right of a government to tax its citizens is the consent of the people for monies so collected to be used for the benefit of all or, at minimum, a majority. [LB616]

SENATOR SULLIVAN: Dr. Roth, I'm afraid you're going to have to stop here. It...the red light is on. [LB616]

KARL ROTH: May I just read the last sentence? [LB616]

SENATOR SULLIVAN: Okay. [LB616]

KARL ROTH: I ask you, therefore, to consider very carefully the voter disenfranchisement which clearly will result from passage of LB616, voters who may very well, like myself, be completely supportive of public school improvements such as increased teacher salaries and retention, even without children of our own who might benefit. Thank you for the opportunity to share my views. [LB616]

SENATOR SULLIVAN: Thank you, Dr. Roth. Any questions for him? Appreciate your testimony. [LB616]

KARL ROTH: Thank you. [LB616]

SENATOR SULLIVAN: Welcome. [LB616]

ISAAC PAVKOVIC: (Exhibit 6) Thank you for letting me talk. My name is Isaac Pavkovic, I-s-a-a-c P-a-v-k-o-v-i-c. And I am not a parent. I'm not a teacher. I'm not a school administrator. I'm not a school board member. But I'm a student at Omaha Central High School in Omaha Public Schools and I'm an international baccalaureate student. Most of you probably don't know what international baccalaureate means, but it's an internationally recognized educational route that focuses on interdisciplinary studies, not testing, analysis, independent thought, and international perspectives. We have required service, action, and creativity hours and we have to write an extended essay which is essentially a high school level dissertation on a topic that we choose. It's the most rigorous standardized curriculum in the United States. You will not find a program more rigorous that is standardized across the United States. And schools must go through an extremely long and complicated and, in many times, expensive accreditation process to become an IB school. I'm testifying against LB616 because it would essentially prevent the forming of

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new IB schools. Charter schools are temporary in nature and very fluid. If you look at LB616, Section 5, page 5, lines 29 through 31, it says that the contracts will only be given for five years at a time. It can take upwards of seven years to create an IB program. And high percentages...well, not very high, but large percentages of charter schools fail for a variety of reasons every year. Data from, actually, a charter school group--my sources are listed on the back of your sheet--shows that roughly 13 to 20 percent of schools...charter schools total in the United States close every year. And this isn't because of academic performance. This isn't because parents disagree with them. This is because a lot of them are fraught with corruption and mismanagement and don't have their financial plans laid out correctly. Any questions? [LB616]

SENATOR SULLIVAN: Okay. Thank you, Isaac. How do you get into the international baccalaureate program? Is this by a lottery? [LB616]

ISAAC PAVKOVIC: Nope. You just have to attend Central High School... [LB616]

SENATOR SULLIVAN: Okay. [LB616]

ISAAC PAVKOVIC: ...and talk to our coordinator, Cathy Andrus. [LB616]

SENATOR SULLIVAN: Okay. [LB616]

ISAAC PAVKOVIC: And we let all students in. I'm a terrible standardized test taker. I was probably deemed a failing student throughout 8th grade, and I've succeeded in the most rigorous academic program available. So it's not based on test scores. It's not based on grades. It's based on willingness and whether you're ready to accept the challenge. [LB616]

SENATOR SULLIVAN: And tell me again which school you attend. [LB616]

ISAAC PAVKOVIC: I attend Omaha Central High School. [LB616]

SENATOR SULLIVAN: And how do they inform students about this international baccalaureate program? [LB616]

ISAAC PAVKOVIC: Well, most of the students that are in the IB program are opt-in students. They don't live in Central's attendance area. They live in other parts of the city. And IB is heavily marketed--I don't know if that's the proper word--during recruitment sessions. And it's

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on...basically, if you go on our school Web site, it says IB, like, World School. It's pretty much flaunted everywhere. [LB616]

SENATOR SULLIVAN: When you talk about recruitment, that means during the open enrollment program? [LB616]

ISAAC PAVKOVIC: Um-hum. [LB616]

SENATOR SULLIVAN: And...okay, part of the Learning Community? [LB616]

ISAAC PAVKOVIC: Yeah. [LB616]

SENATOR SULLIVAN: All right. [LB616]

ISAAC PAVKOVIC: We have lots of kids that...well, I wouldn't say lots, but we have a couple kids that do not live in OPS that attend Central and participate in IB. [LB616]

SENATOR SULLIVAN: Okay. Thank you. Any other questions? Thank you. Welcome. [LB616]

CINDY COPICH: (Exhibit 7) Good afternoon, Senator Sullivan. Members of the committee, my name is Cindy Copich, C-i-n-d-y C-o-p-i-c-h. I'm a board member with Bellevue Public Schools and the parent of three school-aged children. I'm here today representing the Greater Nebraska Schools Association. The 24 member districts of GNSA are responsible for educating two-thirds of all Nebraska's public school children. The purpose of GNSA is to collectively advocate for all public school students in Nebraska. During this testimony in opposition to LB616, I will refer to the schools created in this legislation as charter schools. This opposition will focus on four key areas. First, LB616 would remove students in schools from the local elected school board and provide for nonelected governance structure. This configuration circumvents local authority. Second, the proposed funding for charter schools based on the average cost per student does not equate to the actual funds necessary to meet the needs of each student. Public schools serve all students, many with significant needs and higher costs associated with these services. A district's per-student cost varies significantly depending on these services. Funding on an average cost basis rather than actual cost may pull dollars out of public schools in an inequitable fashion. Third, LB616 forms schools that do not serve all school-aged students. Therefore, they do not fit the definition of public schools. As written, charter schools are allowed to offer only certain programs for certain grades to certain students. Because a charter school can decide which students it will serve, it may exclude students with special needs or any student that does not fit the focus of the charter. A charter may also expel a student and return them directly back to

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public school. This is a rather selective process that creates an unjust approach aimed at educating those students who are able to just follow the rules. Accountability and comparability are an issue when charter schools get to select their students and public schools welcome all regardless of need. Fourth, the charter school...or LB616 causes an unnecessary financial burden on public schools and taxpayers. Charter schools can take and return staff to public schools without regard to cost or impact on that district. Allowing a two-year leave, or possibly four, of a year leave...of absence for teachers to go to a charter school and still retain their public school position seems like an easy solution. But how does the public school fill this position in the meantime? Who will likely fill a two-year temporary position in the public school? This legislation does not define a Nebraska public school. It creates a separate entity with different rules for a specific type of student. Public schools don't simply quit when they're done as charter schools are allowed. Public schools continue to improve and work to educate all students. Nebraska's students deserve better. For these four reasons, we oppose LB616. We provide additional handouts and information linked to reputable research. We encourage members of the Education Committee to learn as much as possible about charter schools, paying particular attention to the CREDO study. Thank you for your time. Do you have any questions? [LB616]

SENATOR SULLIVAN: Thank you, Ms. Copich. Anyone have a question? Thank you for your testimony. [LB616]

CINDY COPICH: Thank you. [LB616]

SENATOR SULLIVAN: Welcome. [LB616]

ROBERT MEYERS: Thank you Senator Sullivan and other senators. I appreciate your tolerance and your patience as well as your standing power. My name is Robert Meyers. I'm a retired public school administrator and I'm speaking for myself as a concerned citizen. I'm here today to oppose LB616 for the following reasons: The bill provides for the privatization of public education, there is little evidence to support the claims of improved student learning, and there already exists a plethora of public school choices for parents and students. Listening to Senator Larson's introduction, there were a number of things I would love to say but time will not allow, so I'm going to focus first on something that Senator Kolowski touched on, and that's the idea for the additional expanded opportunities for involvement in public school systems that is listed in the bill. Choice: I believe that most of us agree, the parents should be able to exercise choice when it comes to selecting schools for their children to attend. In Nebraska, that opportunity now exists. Parents can choose to have their children attend any school they wish regardless of school boundaries. Within the metropolitan Omaha area this legislation specifically targets, a multitude of choice options already exist. The greater metropolitan Omaha area includes 12 different school districts. And within those districts exist many options for elementary and secondary

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school students. Options in and around Omaha include the international baccalaureate programs that start at the elementary level and continue through high school; Montessori programs at both elementary and secondary levels; specialized magnet schools where thematic programs are available in the human services areas, technical services, communications and information services, and include specialized academies in a number of areas including health sciences, zoo programs, aeronautics, agricultural science, and education. In addition to the many public school options in the metropolitan area, there are also a number of private, denominational, and parochial schools for parents to opt into if they wish. One of the interesting things for me is the language in LB616. And Senator Cook touched on it, and Senator Larson didn't respond. And that has to do with establishing the charter school as a political subdivision. The funding for the private...or for the independent public schools would depend on the money that comes from the...and follows the student plus transportation costs, which is already figured into that dollar amount, plus one wonders if being a political subdivision then also gives them the taxing authority since they have the same status as cities, counties, school boards, and power districts. So it looks to me like perhaps what we're talking about isn't at all. If there were more time, I would share with you the results of the 2014 U.S. Department of Education studies and the 2014 CREDO Stanford studies that show that students show very little difference in performance if they attend a charter school or if they attend the tradition public school. There are some differences, of course, if charter schools...that have selective populations and have selective rules and can eliminate students. The bottom line, ladies and gentlemen, is that LB616 isn't a bill about choice or school improvement. It's simply a bill to allow the creation of corporate schools, to allow the use of public funds to support private education. For those reasons, I encourage you to oppose LB616. [LB616]

SENATOR SULLIVAN: Thank you for testimony. Do you have any thoughts, though, without charter schools, how we address some of the concerns that have been expressed today? [LB616]

ROBERT MEYERS: Exactly. I think...you know, I happen to have been a candidate for the State Board of Education and didn't win that race. But during the time, we talked with...I talked with the Omaha Public Schools that are the teachers' association, because one of the things that we hear is that there seems to be an opposition to all the flexibility, the kinds of things that Senator Larson talked about in his address. The teachers' association with the Omaha Public Schools has no objection to having differentiated length of days, with having year-round school, with having...they want to make sure their teachers have the same kinds of status and that they are treated in a fair and equitable manner. But they said, we were...are open to all kinds of opportunities and changes. Some of the testimony we heard today talks about issues within particular schools. And those certainly exist. And those are things that, as educators, we always want to deal with. But I'm not sure that the charter school is the answer to do that. I think that we can do that by utilizing the resources that we have perhaps better, by working closely with the teachers and the administrators and the boards of education, find out what works best for

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students. The focus school has had great success and I think we can do more of those kinds of things. [LB616]

SENATOR SULLIVAN: Thank you. [LB616]

ROBERT MEYERS: You're welcome. [LB616]

SENATOR SULLIVAN: Any questions? Senator Groene. [LB616]

SENATOR GROENE: Thank you, Chairman. Public schools have been around, what, 150 years in Omaha? [LB616]

ROBERT MEYERS: I don't know. I would guess, probably. [LB616]

SENATOR GROENE: If we got all the answers, why do we have this problem? [LB616]

ROBERT MEYERS: I don't know that anybody has all the answers. As a high school principal, as a superintendent of schools, one of the things that I said to my parents, my students, and my staff all the time was, as public schools, we can't be satisfied with the status quo because I don't believe there is such a thing. I think we either strive to improve or we are not going to improve, we're going to go backwards. And I think that it's an inexact science. We have to keep working at it. We can't...keep having to find the things that work. In all honesty, Senator, I'm glad you asked that, because if you look at the Voices for Children report on poverty and other things...and poverty is not an excuse but the fact of the matter is that until we deal with abject poverty, which creates pockets of unemployment and a feeling of helplessness and hopelessness among some portions of the population, and until we're willing and able to deal with those issues in a concentrated manner, I think that we're going to continue to have problems. And all we can do is continue to work to make them better. [LB616]

SENATOR GROENE: But I keep hearing this litany of the zoo school and all these things that are for the gifted kids and the kids that have motivation. But that ain't who we're talking about, all of these litany of programs. We're talking about the 30/40 percent on the bottom that, for some reason, aren't going to the zoo school. They're not given those opportunities. They just want to read. [LB616]

ROBERT MEYERS: Exactly. And I don't know that there's an answer that I have. But I can share with you that the Voices for Children report pointed out that 77 percent of the families of Nebraska students, all of the eligible people, adults in the household, are working. And that

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means they're not there...some...many of them two jobs because, at minimum wage, people working 40 hours a week, 52 weeks a year, with no sick leave, nothing, make 83 percent of the poverty level. So they're not there to provide the support. You know, when I hear about the New York schools that have been very successful, those schools have contracts with parents that the students will not be absent, the parents will work with them at least two hours a night with homework. If we get that kind of parental support, any student will be successful because they'll be able to work well with the students. I'm not going to blame the parents, because parents are doing the very best they can, many of them working their heads off to keep it above water. But I think we have to acknowledge the fact that, if you have a selected population with very strict rules and you aren't allowed to attend that school without that then you've probably got a better chance for success. [LB616]

SENATOR GROENE: So can the public schools do that? [LB616]

ROBERT MEYERS: No, we can't. We accept everybody that comes in. There's a... [LB616]

SENATOR GROENE: So you advocate the status quo, just do what we're doing. [LB616]

ROBERT MEYERS: No. No, I don't think that's the status quo at all. I think we can change the work. As I said, we have to continue to work to find ways to help people. In Omaha, we have some private groups that are working. NorthStar is in the area now that's working with students after school. They work with them with their homework, work with them. This is a voluntary thing. It's paid for by grants and donations. And I think those kinds of programs are going to help. I don't think anybody is giving up on any students or on anybody else. We need to keep working and finding ways that are going to be more effective to help all students. [LB616]

SENATOR GROENE: Thank you for answering my questions. Thank you. [LB616]

ROBERT MEYERS: Yes. [LB616]

SENATOR SULLIVAN: Senator Cook. [LB616]

SENATOR COOK: Thank you. I have a question. There was a statement to the effect that teachers are not evaluated on effectiveness. That was made by one of the proponents for this amended version. I've not seen an amendment. I don't know if anybody on the committee has seen an amendment. I think they are. Can you speak to your direct experience as an administrator and superintendent as to teacher evaluation on effectiveness of transferring the pedagogy, I guess, is what they meant? [LB616]

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ROBERT MEYERS: Yes. Yes, of course. And with the proviso, I was not an administrator within the Omaha Public Schools. [LB616]

SENATOR COOK: All right. Thank you. [LB616]

ROBERT MEYERS: I was a principal at Ralston High School, superintendent of the smaller district, Raymond Central Schools. We had a very specific set of observation and evaluation that's prescribed by state statute. And, quite frankly, if administrators aren't and the school district isn't having teacher evaluations on a regular basis then they're in violation of the state law and that's a whole different issue. [LB616]

SENATOR COOK: All right. Thank you. [LB616]

ROBERT MEYERS: You're welcome. [LB616]

SENATOR SULLIVAN: Any other questions? Thank you for your testimony. [LB616]

ROBERT MEYERS: Thank you. [LB616]

SENATOR SULLIVAN: Welcome. [LB616]

ANDREA NEUZIL: Good evening. My name is Andrea Neuzil, N-e-u-z-i-l. I'm a graduate student at UNO currently working on my doctorate in education leadership getting my superintendent certification. I'm also a parent of two children here in Nebraska. I was amazed as a newcomer to Nebraska--I just moved about a year and a half ago from Missouri--at the amount of choice that was offered me. I looked at the IB programs. I looked at the zoo schools. I looked at all these great things, and I chose the school district in which my children live and reside. I'm also a former charter school teacher. And both of my children also went to school in a charter school in Kansas City for nine years. We received amazing care. They received an incredible education and are very well prepared now that they are in Nebraska. However, I am opposed to legislation LB616 for a few reasons. One is the fact that LB616 allows for the board of trustees to be basically anyone in the community. That allows for-profit organizations to come in, the Race to the Top organizations to come in, and there is no language about a university sponsor overseeing curriculum and instruction. Also absent from the bill is how charter schools acquire school buildings which is a huge issue with charter schools all over the United States trying to open programs, because they don't know how to find a building. The language regarding the metropolitan area was really interesting. It's my understanding that Omaha Public Schools is accredited. Asking for a financial plan for only one year is reckless. In Missouri, charter school

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legislation was enacted. Fifty-four schools were opened and only 39 are operational today. The language in LB616 regarding teacher leave is also reckless. I appreciate holding a place card for our men and women serving in the military. I find it an undue burden for school districts to have to hold that place for teachers that would want to go teach in a charter school. Rather than seeking a magic bullet in a charter school, it's my recommendation to support the current public schools to have the flexibility in this programming; to increase early childhood programs; to increase backpack programs, dental, vision, that are currently provided by community programs; expanding healthcare; quality childcare options. This will reduce the opportunity gap from the start of the child's life. However, the recent wage increase certainly did take a step in the right direction. I am not against school choice. I'm for good policy. Thank you. [LB616]

SENATOR SULLIVAN: Thank you, Ms. Neuzil. You mentioned the number of charter schools in Kansas and then what happened with the remaining. So what happened to those children that were attending the 20-plus schools that closed. Do you know? [LB616]

ANDREA NEUZIL: Well, I did actually do a statistical analysis for Dr. Smith's statistics class. Unfortunately, I didn't track the students as far as where they went back, but I could tell you about their academic achievement levels...were really not statistically significantly different, better than the mean of the state. They were better than the Kansas City, Missouri public school. They were better than the St. Louis, Missouri, public school--that I will not deny--on average. But there were schools that were better, but there were also schools that were worse. [LB616]

SENATOR SULLIVAN: Thank you. Any other questions for her? Thank you for your testimony. [LB616]

ANDREA NEUZIL: Thank you. [LB616]

SENATOR SULLIVAN: Welcome. [LB616]

TROY LOEFFELHOLZ: (Exhibit 8) Good evening. Senator Sullivan, members of the Education Committee, my name is Troy Loeffelholz. It's spelled T-r-o-y L-o-e-f-f-e-l-h-o-l-z. I am the superintendent of Columbus Public Schools, and I'm here representing the GNSA, the Greater Nebraska Schools Association. Much like you heard before, it's 24 member school districts of GNSA are responsible for educating two-thirds of Nebraska's public school-aged children. The purpose of the GNSA is to collectively advocate for all Nebraska public school students. During this testimony, I'll refer to the schools created by this legislation as charter schools versus the independent public schools to avoid confusion with current public schools. I offer testimony today in opposition to LB616 because it would not...it would be inappropriate for the Unicameral to find that charter schools provide the outcomes listed in this legislative bill. I'd like to share

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some brief points and then I'll be happy to try to answer some questions. First of all, the proponents of this bill are parents who love their children. They're doing their job. They're being advocates for their children. So it's an emotional issue. Any time you talk about alternative education, charter schools, academies, etcetera, it is an emotional piece. But I truly believe charter schools are successful because the children in most charter schools want to be there and they're not assigned...they just don't walk in the door. It's the lottery, so to speak. We believe charter schools to circumvent local authority. We also believe charter schools...that they create an inequitable funding process. And we also believe charter schools create a definition of a public school that does not have any resemblance to what the public would consider to be a public school. LB616 would remove students in schools from the local elected school board and provide that supervision to a board that is not elected by constituents. Average cost per student does not equate to the funding needed for each student. School funding is not as simple as what is in the average cost per student. Different students need dramatically different funding depending on their needs. And some students are more expensive to serve than others. A personal example: Columbus Public Schools, we had a child move into our school district and now we have a contract for \$30,000 to educate that child for this year. A district average cost per student averages much more in expensive programs with those with severe and profound disabilities, advanced career/professional courses, and even STEM courses or academies. If LB616 wants to be an independent public school, but it only wants to create ones that fit this definition, then they're not responsive to an elected board. They do pull resources from other schools without consideration to the impact. And it's a policy that implies that it does not discriminate against students but is allowed to only offer certain programs in certain grades to certain students. It is not required to grow in size when a student population grows. Putting these things together, it is not the definition of a Nebraska school. In closing, our primary objection is a concern for resources going to another education requirement. If required in the metro area, it could be required in all districts. If the state initiates the acceptance of charter schools then the state should step up with appropriations. For these reasons, we oppose LB616. [LB616]

SENATOR SULLIVAN: Thank you, Dr. Loeffelholz. Any questions for him? Thank you for your testimony. [LB616]

TROY LOEFFELHOLZ: Thank you. [LB616]

SENATOR SULLIVAN: Welcome. [LB616]

JULIE KALKOWSKI: (Exhibit 9) Hello. Good evening. My name is Julie Kalkowski, J-u-l-i-e K-a-l-k-o-w-s-k-i. I am here as a proud OPS parent. My two daughters, one who graduated two years ago and this year, are National Merit Scholarship finalists, so that's a big deal. But I'm also here because, for all my life, I've worked with low-income families. And I think the issue that I

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handed out...we're talk...we really need to deal with this elephant in the room, and that's poverty. If 73 percent of the kids in the OPS are eligible for free and reduced lunch, the issue clearly is poverty. And I was on the student accountability committee for OPS from 2002 to 2009. What we saw during those seven years was the mobility rate for the kids that lived east of 42nd street was about 90 percent. So those kids moved an average of two to six times a school year. No elementary school kid is going to be successful in school moving that frequently. So the issue really is poverty. So this year, Senator Cook has...I'm not here to grandstand for her, but she's introduced a couple of bills. So if we really want to reduce childhood...student mobility, we really want to get to have kids succeed in school, we need to address the financial and the economic issues of their parents. This year, there's a ton of really good bills that could help improve the financial stability of low-income families. If we pass those bills, a lot of this stuff is going to go away. Not all of it...we're always going to have some troubled kids. But there's really, really a good opportunity this year to address those issues. If we can address student mobility for kids at...up to 6th grade, we're going to go a long way to teaching them how to read by the time of third grade. So thank you for your time. I...and I really am impressed at...you're all so good right now and it's been so long, so. [LB616]

SENATOR SULLIVAN: Thank you, Ms. Kalkowski. Any questions for her? [LB616]

SENATOR COOK: I have a... [LB616]

SENATOR SULLIVAN: Senator Cook. [LB616]

SENATOR COOK: Thank you. Thank you for your testimony, Ms. Kalkowski. We here in the Legislature hear the term poverty. And while you and I have an idea of what that might mean as a way to sort of delineate, others might feel as though we're using it as an excuse for not demanding rigor in our educational system or hard work among our families. Can you help to offer that distinction between children in poverty, the number increasing over the last ten years, and those expectations? [LB616]

JULIE KALKOWSKI: I think what is happening is...I work with primarily single mothers. And they don't have the energy, when you're working two jobs, to really get on the kids about school and education. I think there's poverty which is material, and there's the spiritual poverty. A lot of single moms I work with, we help them become financially stable and then, even though they're still poor, they're still living in poverty, their kids do better. They do better. We're seeing our moms get promotions. So there's a real huge distinction between not having money and not having hope. And what I see is, when our kids, our mothers, have hope, their kids do a lot better. And a lot of my single moms tell me, they said, I don't know what it is. My kids are doing better in school. And it's that...it's because you're not stressed out of your mind. You have time. You

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have room to parent. So I think if we can address the financial stability issues...and we can do a lot. There's some really good bills. The cliff effect would be huge that you both introduced. So I thank you for doing that. And it just...we just need to have different policies that don't tie my single moms' hands behind their backs. [LB616]

SENATOR COOK: Thank you. [LB616]

SENATOR SULLIVAN: Thank you. Any other questions for her? Welcome. [LB616]

CAROLYN GRICE: (Exhibit 10) Good evening. I admire you for not taking a potty break, because I have to. (Laughter) [LB616]

SENATOR SULLIVAN: They're mad at me. (Laughter) [LB616]

CAROLYN GRICE: My name is Carolyn Grice, C-a-r-o-l-y-n, Grice, G-r-i-c-e. I am a proud union carrying member, president of the Omaha Administrators Education Association. In my spare time, I'm an assistant principal at Omaha South High School. I'm a product of the Omaha Public Schools. I am a 38-year veteran of the Omaha Public Schools. So if you have some questions, I can answer them maybe. You have questioned throughout the testimony on this bill...has taken care of most of my testimony. So I'm just going to highlight a few things for you. Omaha South is a visual performing arts and informational technology magnet. And I listed for you what all of the...what some of the classes are. I provided the course catalog in case you had questions regarding that. Our mission, which we read to the students every day in the announcements, is to prepare all students to reach their highest academic potential, develop skills and technology, demonstrate creative expression, and practice respect for others. With that, our attendance rate is 89 percent. Our...we have programs in place to improve that percentage. Our student population: 71 percent Hispanic, 11 percent African-American, 10 percent Caucasian, and 4 percent Asian. We also have a 5.5 percent refugee population which is larger than the district's average. We have a high mobility rate for a high school. We're at 22 percent. Eighty-eight percent of our students are on free and reduced lunch. Eighteen hundred of our 2,400-plus students receive bus transportation. We have 47 buses, because I have dismissal duty. We also provide late buses for those that are in after-school activities, and all of our students have opportunity to participate in athletics and some of the 40-plus extracurricular clubs and other activities. With that, my focus to share with you now is about the importance that we can provide without having to go the route of charter schools. We have magnet schools that do a lot of stuff. We have a focus school that is taking care of a lot of our challenges. Because you have dyslexia doesn't mean that you're going to be successful in the charter school. That's special education. That's not what the charter school focus is. We have the Learning Community, so we do have the option to have all of these choices. I was concerned because in public schools, what some had

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stated, I call it the Statue of Liberty: give us your tired, your poor, your hungry. We educate what comes to our doors and we do the best that we can with the resources that we have. We can always do more with more money, hint, hint. (Laughter) My principal, wonderful, young, young, young, young man, which is why I'm staying around, to make sure I can get him on the right foot, he loves the school because of the staff and he says that he's proud because of the tireless work of our staff offering countless programs and resources to meet our students' needs where they are academically and socially. We talked about hope, and that's one of the statements that I have. We are about providing hope for our students, encouraging them to work hard and focus on the future. This generation doesn't think future oriented. It's right now. So what do we do to get them ready? Thank you. [LB616]

SENATOR SULLIVAN: Thank you. Thank you, Dr. Grice. Are there questions for her? Senator Cook. [LB616]

SENATOR COOK: Thank you, Dr. Grice. It's good to see you. [LB616]

CAROLYN GRICE: Thank you, ma'am. [LB616]

SENATOR COOK: I got a little excited about that statistic--and I'm using hash quotes, for purposes of the transcriber--related to the achievement gap. In your travels, have you identified--and the African American Achievement Council I know is active in the Omaha Public School district--what is, from your base of knowledge and experience, the true gap in terms of achievement gap between African Americans, Hispanics, etcetera? [LB616]

CAROLYN GRICE: It is getting better. We have room to grow. The...I was frightened by the statistic that I heard because I've been around for awhile and I thought that's a little inaccurate, but statistics tell you whatever you want them to tell you. Okay, that was not nice. (Laugh) We are working to close it. We're getting better, high school in particular. We have programs in place to train staff on how to deal with students who don't learn in the traditional learning mode. Again, that's where focus schools would come in. You need that small class setting. So...and then how to teach students that don't go lecture. [LB616]

SENATOR COOK: Right. [LB616]

CAROLYN GRICE: How do we provide programs for kids that work with all learning styles? Those are the things. We're working to address that. So I think there are a lot of things in place. You have to give it time to work. So...but the actual percentage numbers, it's hard to say because we have 51,000 students. [LB616]

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SENATOR COOK: All right. Thank you. [LB616]

CAROLYN GRICE: Sure. [LB616]

SENATOR SULLIVAN: Any other...Senator Pansing Brooks. [LB616]

SENATOR PANSING BROOKS: Thank you, Dr. Grice. I was just wondering, how do people get to attend your magnet school? Is it by lottery? [LB616]

CAROLYN GRICE: There is a...yes, it is. [LB616]

SENATOR PANSING BROOKS: Okay. [LB616]

CAROLYN GRICE: And then we...the rest is neighborhood. So we have a huge population and we're expected to grow by another 101 students next year. But the magnet part is a lottery but it's the same as in all the other magnets across the district. [LB616]

SENATOR PANSING BROOKS: Okay, thank you. [LB616]

CAROLYN GRICE: And then the rest, neighborhood kids. So we don't turn anybody away. [LB616]

SENATOR SULLIVAN: Senator Groene. [LB616]

SENATOR GROENE: Thank you, Chairman. I remember when they did the bond election. There were some high schools that...they wanted to build new high schools but some high schools were well under population of what they could handle. Which schools were those? [LB616]

CAROLYN GRICE: Benson, Northwest, North...and Benson has something in place with their career academies that will address that. And they're already looking at a minimum of 1,200 students next year. [LB616]

SENATOR GROENE: And they're losing population because they were just a standard high school and the kids were going to South and...or I'm just assuming here. [LB616]

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CAROLYN GRICE: It could be a number of things as...because I'm an alumni of Benson...
[LB616]

SENATOR GROENE: Yeah. [LB616]

CAROLYN GRICE: ...and I'm on the Benson High Alumni Association board. So there are a lot of things in place. But I think it was the course offerings that they had. And then now that they've changed that to focus on the construction and healthcare and entrepreneurship, I think it's going to turn around. [LB616]

SENATOR GROENE: Thank you. [LB616]

CAROLYN GRICE: And then I wasn't in support of building another high school until I got word that our enrollment might be 2,501 next year and I changed my mind. I thought, change the student assignment plan, you don't need another high school but, yes, we do. [LB616]

SENATOR GROENE: But they...would those children leave you or they like South so much they want to stay at the South, even though they build a new high school. [LB616]

CAROLYN GRICE: They'll probably stay and I'll retire. [LB616]

SENATOR GROENE: What's that? [LB616]

CAROLYN GRICE: They'll stay and I will retire. (Laughter) [LB616]

SENATOR GROENE: Thank you. [LB616]

SENATOR SULLIVAN: Okay. Any other questions? Thank you for your testimony, Dr. Grice.
[LB616]

JOHN BONAIUTO: (Exhibit 11) Senator Sullivan, members of the committee, John, J-o-h-n, Bonaiuto, B-o-n-a-i-u-t-o. I want to be on record. NASB is in opposition to LB616. And the NASB delegate assembly position is being handed out. In the blue on that letter is basically what NASB believes as far as charter schools. And the key for NASB and board members is that charter schools, if the legislature deems that it's something that is needed, should be authorized by a school board and accountable to a local school board. With that, I'll conclude my testimony.
[LB616]

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SENATOR SULLIVAN: Thank you, John. Welcome. [LB616]

MARC BOWMAN: (Exhibit 12) Thank you. Good evening. My name is Marc Bowman, M-a-r-c B-o-w-m-a-n. Senator Sullivan, members of the committee, thank you for your time. I come here today as a parent of a special needs child enrolled in the multihandicap program within OPS concerned on the special needs piece about three areas: the cost reallocation, the ability of these charter...academic proficiencies of them--statistics say otherwise--and the increased costs over time. From the funding formula, I have concerns over the per pupil cost average because in that average, and others have testified, includes all the special ed, English language learners, free/reduced lunch. So that should be, you know, striated, what have you, to adjust based on the students that go there. Also, transportation should be deducted from the per pupil cost since OPS would be providing the service. Various studies have concluded that results are not meeting expectations to be higher performing than traditional public schools. The CREDO studies that people have referred to, 75 percent of those...in the 2013 study...75 percent of the 27 states...of the schools were considered at or below reading level of 75 percent. In math, 71 percent of the schools were at or below the traditional public schools. In the same report, they said that they are getting better on average, but this is largely driven by the closure of bad schools. Another study, "Broader, Bolder Approach to Education" was based on the Chicago, New York City, and Washington, D.C. districts. In that, they said the market-oriented reforms implemented in these cities are no match for the complex poverty-related problems they seek to solve. As reported in June 2012, a report--in The New York Times--referring to a GAO report, across the country charter schools' enrollment of disabled students was 8.2 percent versus 11.2 percent for the traditional public schools. One would assume that they would do...perform better because they have the lowest amount of special needs. Increased public funds is a concern. The fiscal note attached to the bill is about \$120,000 a year. And then I think poverty is the real issue here. I think, with a coordinated effort...175-day school is only 20 percent of the awake time of a student. If we put people in athletics, before- or after-school programs, jobs, community service, boys and girls clubs, scouting, the arts, etcetera, can help to promote a positive path to a long life rather than a quick, violent life. Based on state school report, the percentage of students qualifying for free/reduced lunch has increased nearly every year since 2000: 30 to 45 percent for Nebraska, 48 to 73 percent for OPS. Finally, I'd like you to consider, how is poverty defined? It's based on an income level. Some of the proposals by the Governor talking about property tax reform will increase our...reduces that funding that goes to the public schools. This act will increase educational spending partially funded by the property taxes. Providing tax cuts to those on free/reduced lunches may boost their take-home net but does not raise their income level, does not get them off poverty. [LB616]

SENATOR SULLIVAN: Thank you, Mr. Bowman. I think you're going to have to finish up. [LB616]

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MARC BOWMAN: So one last thing: According to the taxfoundation.org, Nebraska has the second highest tax on phone bills. Don't more people have phones than homes? Wouldn't this type of cut reach more Nebraskans in poverty and maintain tax revenue for education? [LB616]

SENATOR SULLIVAN: Thank you, Mr. Bowman. Any questions? Thank you for your testimony. Welcome. [LB616]

JOHN LINDSAY: Thank you, Senator Sullivan. Members of the committee, my name is John Lindsay, L-i-n-d-s-a-y, appearing on behalf of Omaha Public Schools. The Board of Education of Omaha Public Schools voted to oppose LB616. Board members had various reasons for their positions on the bill so it was difficult to isolate the reasons for each member's vote. But since the bill is written especially for Omaha Public Schools, we thought it was important to advise the committee of the district's view of the legislation. As a matter of perspective, we'd like to add that in 2013, this Legislature passed LB125 to reduce the size of the school board from 12 to 9. The election that followed resulted in six of the nine members of the board being brand new. A resignation of one of those incumbent followed shortly thereafter resulting in...currently seven of the nine members of the school board have been in service less than two years. About a month after they were sworn in, a new superintendent took over at the district. In that time since, the board and the administration undertook quite an effort. They...in that first year, they passed a bond issue that I talked about earlier this afternoon that...to address some of the facilities, to address facilities needs. The board also spent quite a bit of time developing, adopting, and then they've begun implementing a comprehensive strategic plan. The...they've made quite a bit of progress over the last year and a half. That strategic plan, which is available on our Web site...one of the things this board has done is, transparency is one of their key things. So you can find just about anything on that...on the Web site. But the strategic plan sets goals, plans, and strategies for improving all areas of academic achievement. And I'm confident that results will be shown, but this board and administration have to be given a little bit of time to achieve that. I'd be happy to try answer any questions. [LB616]

SENATOR SULLIVAN: Thank you, Mr. Lindsay. Any questions for him? Thank you. [LB616]

JOHN LINDSAY: Thank you. [LB616]

JAY SEARS: One less piece of paper. [LB616]

SENATOR SULLIVAN: Welcome. [LB616]

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JAY SEARS: (Exhibit 13) Thank you. Good evening, Madam Chair and members of the committee. For the record, I am Jay Sears, J-a-y S-e-a-r-s. And I'm here representing the 28,000 member educators of the Nebraska State Education Association. And as you know, NSEA opposes LB616. Some people say the third time is the charm. We view LB616 from a different perspective. If the horse is dead, perhaps it's time to dismount. Some...LB616 is the same word-for-word bill we've seen twice in the past. First as LB593 and then as LB972 last year. In both instances, senators wisely filed those bills away as indefinitely postponed. Yet we return again this year to testify on the exact legislation that died a quiet death last year. Three times now, NSEA has come before the committee to oppose this charter school bill. Three times, there's been no change in the language of the bill. Three years have passed and none of the sponsors of any of these three bills has attempted to communicate with the Omaha Public Schools and their Board of Education in the community to have a dialog about what needs to change. As NSEA has testified before, all of the innovations proposed in LB616 and its predecessors can be accomplished right now under statutes, rules, and regulations. In fact, the Omaha Public Schools is making many of those changes as you've just heard. Six elementary schools that I work in the steering committee in a collaborative of the union and the district and the National Education Association and the Sherwood Foundation have been piloting a collaborative effort that works in the community, works with teachers, and empowers educators to work with students. And they are showing great strides in academic achievement. We can do the things that the charter schools do. We need the support. We need the resources. What is it that the sponsors of LB616 really want? Given their failure to work with the school district they target with this legislation, one can only assume they want to remove collective bargaining and they hope to bypass local control. Those are only two things in that bill that actually limit anything that's happening in the public schools in the state of Nebraska. The NSEA asks you to trust the elected school board to continue their process of school improvement and keep corporate interests from taking over our public schools by once again indefinitely postponing LB616. Then perhaps sponsors will realize that corporate schools are not a good fit for Nebraska and will dismount from this idea. Thank you for the opportunity to testify. And I thank you for putting up with the myriad of studies and the information that I provided you in the last week. Thank you again for all of your service and for staying past 7:00 tonight. [LB616]

SENATOR SULLIVAN: Thank you, Mr. Sears. Any questions for him? Thank you for your testimony. [LB616]

JAY SEARS: Thank you. [LB616]

SENATOR SULLIVAN: Welcome. [LB616]

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EAN GARRETT: Thank you. Good evening. My name is Ean Garrett. You spell that E-a-n, Garrett, G-a-r-r-e-t-t. I am a native of north Omaha and the founder and chief innovation officer of Infinite 8 Institute. We are a consulting firm specializing in education and social sector innovation. This past year, we released the Infinite 8 early childhood curriculum which has been approved by the Nebraska Department of Education. Our educational methodologies have been recommended by the federal Department of Health and Human Services. We are a service supplier for Google. Our clients also include charter schools such as Ceasar Chavez Charter School in D.C. and Guadalupe Educational Systems in Kansas City, Missouri. And so we have a stake in charter schools. We have a stake in Omaha, Nebraska, the city and state in which we are headquartered. As a business owner, it is clear to see how unsustainable the current state of educational and social affairs are in the city of Omaha and across Nebraska. And as a result, there must be something done. We agree. But what is to be done? Is it going to be something that will have a long-lasting effect in a positive manner? Or will it be something that was well thought out and not rushed? Or will it be more of the same? So while pro charter, we do in fact not support this bill for the following reasons: First, the piece of legislation solidifies the Nebraska State Board of Education as the authorizing body. This does not coincide with the national best practices which call for an independent authorizing body. And those best practices are determined by the National Alliance for Public Charter Schools, their model state law, as well as the National Association for Charter School Authorizers' "Principles and Standards for Quality Charter School Authorizing." Second, within the legislation there exists a collective bargaining agreement, negating a charter's ability to choose and replace ineffective teachers. And third, the bill limits the geographic scope to the Omaha metropolitan area. But statewide, we are lingering last in education nationally. And with over 700 world charters across America, all Nebraskans can and should have the choice to choose charters. When the state has been labeled the most dangerous place to be black in America by The Huffington Post and the International Business Times, and when you have the highest unemployment rates in the world at 31.7 percent according to the LOCUS redevelopment plan, and when local Fortune 500 companies are outsourcing thousands of high-paying jobs because there's a skills gap among all of Nebraska's work force regardless of race, how would the state respond? While facing the highest adversity with all of the nation watching, how would the state react? Once again, while pro charter, Infinite 8 institute believes all Nebraskans deserve the best the human mind has to offer. And that's just not what is being presented before us. Thank you. [LB616]

SENATOR SULLIVAN: Thank you, Mr. Garrett. So based on your testimony, I...you admittedly said you're pro charter. [LB616]

EAN GARRETT: That's correct. [LB616]

SENATOR SULLIVAN: Are you saying that that concept done correctly, in your eyes, should be offered statewide? [LB616]

EAN GARRETT: Yes. I believe that, looking at the public education system across the state, over the last three years since 2013, to be exact, the state has been in the bottom five states. In 2013 it actually was the worst state for public education in front of the District of Columbia which isn't a state. And so as a result, I think that a lot of what's going on from an international perspective, right, a lot of corporations are sending jobs overseas, right? Our public education system not only in Nebraska but across the entire United States of America was conceived in the early 1600s by John Amos Comenius. And so our system of education is archaic. The public education system is more like the Titanic, right? And we're heading for this iceberg that everybody can see. And so because it's like the Titanic, it's very hard to steer and to pivot, right? Right now we're going through a entrepreneur program through Maverick Innovations and Aksarben Innovations. And as a result, one of the newer types of entrepreneurship training is the Lean LaunchPad model. And so instead of spending a lot of up-front money on investment, you know, long-term projections, right, you go out there and you ask people in the community and in the business community, what is it that, you know, is going on now? You do surveys, ten surveys a week. And so you're able to pivot, you know, each week instead of spending all this money going in one direction. And so the public education system is clearly archaic, if it was invented in the early 1600s and we're still using that system today. But also, at the same time, it's not like a tugboat. And the charter school model would provide that tugboat model to where we could pivot. If the Titanic had been a tugboat then clearly it wouldn't be laying at the bottom of the sea. [LB616]

SENATOR SULLIVAN: Senator Groene. [LB616]

SENATOR GROENE: Thank you, Senator Sullivan. Aside from being statewide, you mentioned something else about an overview...over...somebody overlooking the whole charter schools if they have to report... [LB616]

EAN GARRETT: The authorizers. [LB616]

SENATOR GROENE: What's that? [LB616]

EAN GARRETT: The authorizers, the charter school authorizers. [LB616]

SENATOR GROENE: Yes. You said we're missing that in this bill? [LB616]

EAN GARRETT: Yes. In the bill in particular, if you go to Section 5, it's in Section 5 as well as in Section 7 of the actual bill. It essentially gives the state board of education that authorizing. And with the national best practices, they're looking for multiple authorizers. And so, if you put

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in that legislation, even if it is the State Board of Education, if you give the ability for other authorizers to come about later on--and it could be UNO, it could be Metropolitan Community College as well--those are the models such as that in Louisiana, right, as well as in D.C., these are the models that are the top leading paradigms. And so by, you know, focusing on that particular sector or those particular models, you're 66 percent more likely for that model to be successful. But if you take it as is, you know, and who knows what could happen as it goes through the state Legislature, right, you risk of doing more damage than good, because if we're going to do it, we should do it right. You know? I think Nebraskans, and all Nebraskans, because, you know, we've done focus studies with the Nebraska Department of Health and Human Services, and all Nebraskans are hurting. And all Nebraskans can benefit from this type of innovative model. But we will hope that if we're going to do it, we do it right the first time so that we don't have to backtrack and you guys don't have to see me again, so. (Laughter) [LB616]

SENATOR GROENE: Thank you. [LB616]

SENATOR SULLIVAN: Senator Cook. [LB616]

SENATOR COOK: Thank you, Madam Chair. And thank you, Mr. Garrett, for your testimony. You're right with...who knows what happens when things go through the Nebraska Legislature and its sausage-making process? Yet, the bill before us asks for public money. It is our one and only constitutional obligation as state lawmakers to provide education in the common schools which we interpret as the public schools. So you're aware that there is no express prohibition to starting a charter school in the state of Nebraska, correct, Mr. Garrett? [LB616]

EAN GARRETT: Yes, that is correct. [LB616]

SENATOR COOK: Okay. What do you think about starting one? Then you don't have to worry about the State Board? You can use the national model for your curriculum. I think, beyond the example that I'm aware of--that would be the Lozier Foundation's Nelson Mandela School--there might be some other opportunities. [LB616]

EAN GARRETT: Yes, that is correct. You know, we're not saying that we disagree with that particular model. We're just saying that that's not what's presented before us, the ability to be able to do that. And so if you were able to put, you know, those type of, you know, pieces of legislation in this particular document then I think that's something that we would be open to and something that, you know, we wouldn't mind supporting. There are innovative methods for essentially funding these type of systems. Recently, I've had a conversation with George Overholser, which is the CEO of Third Sector Capital. They essentially created the first social impact bond in the United States of America, particularly Rikers Island. You had Goldman Sachs

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and Bloomberg's philanthropic group that were a part of that. And we had conversations about utilizing the social impact bond model for a charter school. And so you're able to essentially put up funds up front from the philanthropic and the private sector. And the educational system, as far as the public school system, only pays for outcomes. And so for every person that graduates, right, you only pay for successes and you don't pay for anything else. And so that could also be the school system. But also the payors could also be the philanthropic sector as well as the private sector. And so you can completely take out the state if you want to. But if the state wants to be able to save taxpayers money from only paying for successes as opposed to also having to pay for failures then that's something that the state could also get in on as well. [LB616]

SENATOR COOK: All right. Thank you very much. [LB616]

SENATOR SULLIVAN: Any other questions for Mr. Garrett? Thank you for your testimony. [LB616]

EAN GARRETT: All right. Thank you. [LB616]

SENATOR SULLIVAN: Any other testimony in opposition to LB616? I want to read a letter of opposition...oh, I'm sorry. I'm sorry. Welcome. My apologies, sir. [LB616]

SUNDIATA MENELIK: I'm sorry. I have a little cold, a little cold, cold, cold. [LB616]

SENATOR COOK: Going around. [LB616]

SUNDIATA MENELIK: So, actually, I'm here... [LB616]

SENATOR SULLIVAN: Could you give us your name and spell it, please? I'm sorry. [LB616]

SUNDIATA MENELIK: Oh, I'm sorry. [LB616]

SENATOR SULLIVAN: That's all right. [LB616]

SUNDIATA MENELIK: My name is Sundiata Menelik, S-u-n-d-i-a-t-a, Menelik, M-e-n-e-l-i-k. I am the president of MAD DADS now in north Omaha. I've been the president. I've just been kind of lurking in the background trying to see what's going on. I'm from Minnesota. So I've been sitting in here listening to everything. I see you guys got a pretty good job, I mean, you got a job ahead of you, because I also talked to Catherine Lang, and outgoing Speaker Greg Adams

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with Accelerate Nebraska about a few issues about north Omaha. Real quick, my daughter...I'm from Minnesota. I came here from Minnesota. But I'm from Omaha. I was born and raised in Omaha, Nebraska. So they have one of the best charter...I would say one of the best charter schools in the country there. And my daughter has been in that charter school since she was in early childhood development. She has been in there...she's...it's eight...this would be the eighth year right now. They...the charter school outtested, in Minnesota, all the public schools in '10/11, that season, everything. They...and it was located in north Omaha in the poorest area. So when I sit here and I hear the people saying about poverty and all the...you know, it applies sometime and then sometime it doesn't apply because it's the...it's actually the educators and then it's the involvement of the parents. And the charter school up there, I was very, very, very much active in my daughter's schooling. And so I was always there. I'm...I've been gone from Omaha for 35 years. I was born there. I went to Long School, I went to Kellom, I went to Webster. I was there before the freeway came through. My family is one of the largest families, clans, in north Omaha, about 1,000 strong now. So that mean the gangs, that mean in the last seven months I'm back and forth from Minnesota, I've been to six funerals. So it's just...it's...I think that charter schools done right provide high self esteem and a lot of opportunity for kids that really, when they're at home...a lot of times, even with poverty, if you can go to a place of safety where people really care for you, things change. And what...and I grew up in Omaha. And I remember, at one time, the educators in the black community were, like, lawyers and doctors. I mean, it's not like that anymore, you know? And so you can't get the same results unless the people within that structure is willing to do it and it has to come from almost, like, the tribe. So everybody can sit in here. I hear people saying, I'm from this part of the country. I mean, it might as well have said, I'm from this part of the city, that part of the city, but what really has to happen to me...for me in north Omaha is that it has to come from the people that live in the north Omaha and it has to come in a huge, huge way, because everybody...and I went to the University of Minnesota. When I left here in '76, everybody was trying--as far as black--was trying to escape Omaha the way you escape Mississippi or Arkansas because of the segregation and because of the way that north Omaha was set up, which it's still set up, and that's why the violence is just so bad. I mean, so there has to be something, and I think that it has to be...it got to come from the mind. You got to start with the mind. And it has to start with early childhood development. You can't...when you talk about the gap of education, you try to look at the gap at the 8th and 9th grade. Well, you should have started at early childhood development. Okay. [LB616]

SENATOR SULLIVAN: Thank you, sir. Just to clarify a couple things, you referred to your daughter's experience in north Minneapolis, right? [LB616]

SUNDIATA MENELIK: North Minneapolis, correct. [LB616]

SENATOR SULLIVAN: Okay. Very good. And then, I... [LB616]

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SUNDIATA MENELIK: And she's also been on the national honor roll every year. [LB616]

SENATOR SULLIVAN: Okay. [LB616]

SUNDIATA MENELIK: I mean, so I mean...and the director of that school is the president, I think, of the charter schools for the whole country. And he was commissioned by the Minneapolis Public School system to start...open up five more schools two years ago. And I heard someone talk about the public school. My daughter is in 8th grade right now and they share. The public school and them, they share. I think they're on the top floor and the public school is on the second floor. [LB616]

SENATOR SULLIVAN: And just to clarify, you testified in opposition? [LB616]

SUNDIATA MENELIK: I'm with Ean. I'm with Ean. [LB616]

SENATOR SULLIVAN: (Laugh) Okay. Okay. [LB616]

SUNDIATA MENELIK: I'm testifying based on... [LB616]

SENATOR SULLIVAN: Okay. Okay. [LB616]

SUNDIATA MENELIK: ...because I'm with him. I'm new. [LB616]

SENATOR SULLIVAN: Okay. All right. Very good. Okay. [LB616]

SUNDIATA MENELIK: I just came here when I...and I set here and listened to everything, so I figured, you know, I'm with the person I feel is the expert. [LB616]

SENATOR SULLIVAN: Okay. [LB616]

SUNDIATA MENELIK: I'm not a expert, but I know that charter school works. I know that I'm from Minneapolis. I know that that charter school, that they outtested the whole state. They outtested the whole state. [LB616]

SENATOR SULLIVAN: Okay. All right. Thank you. [LB616]

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SUNDIATA MENELIK: And that's...I'm talking about math, reading, comprehension, everything. [LB616]

SENATOR SULLIVAN: Okay. Thank you so much, sir. [LB616]

SUNDIATA MENELIK: Okay. [LB616]

SENATOR SULLIVAN: Any questions? Senator Cook. [LB616]

SENATOR COOK: Thank you. I'm just nosy. And I'm from north Omaha, too. Menelik? [LB616]

SUNDIATA MENELIK: Yes. [LB616]

SENATOR COOK: Is that everybody's last name in your family? [LB616]

SUNDIATA MENELIK: No. My family...I changed my name... [LB616]

SENATOR COOK: I thought... [LB616]

SUNDIATA MENELIK: ...when I went to Africa. [LB616]

SENATOR COOK: Oh. [LB616]

SUNDIATA MENELIK: And it was from an experience because my...when I was in college, my ex-wife was a recording artist. She did a record called "Funky Town..." [LB616]

SENATOR COOK: I know that song. [LB616]

SUNDIATA MENELIK: ...which took...which catapulted me in a whole different type of life. So I went to...I went there. But my family name here in Omaha is Morgan (phonetically), McGees (phonetically), Scathe (phonetically), Scotts (phonetically), and Wales (phonetically). [LB616]

SENATOR COOK: All right. [LB616]

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SUNDIATA MENELIK: My grandmother was 102 when she passed in 1985. She was on "Kaleidoscope." At that time, it was 464 of my family members in north Omaha. [LB616]

SENATOR COOK: Okay. [LB616]

SUNDIATA MENELIK: So I have an...my stake is different than a person from out of town... [LB616]

SENATOR COOK: Yes. [LB616]

SUNDIATA MENELIK: ...because I got to answer to my little nieces and nephews. [LB616]

SENATOR COOK: All right. [LB616]

SUNDIATA MENELIK: Yeah. [LB616]

SENATOR COOK: Thank you. [LB616]

SUNDIATA MENELIK: They expect me to do something. [LB616]

SENATOR COOK: Absolutely. Thank you... [LB616]

SUNDIATA MENELIK: Okay. [LB616]

SENATOR COOK: ...because that was kind of a nosy question, but... [LB616]

SUNDIATA MENELIK: Yeah. [LB616]

SENATOR COOK: It's a nosy little town, so thank you. [LB616]

SUNDIATA MENELIK: Yeah. Thank you. [LB616]

SENATOR SULLIVAN: Thank you, sir. [LB616]

SUNDIATA MENELIK: Thank you. [LB616]

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SENATOR SULLIVAN: (Exhibit 14) Any other testifiers in opposition? Anyone wishing to speak in a neutral capacity? Oh, I'm sorry. We do have one letter of opposition from a Mr. Bert Peterson from Hastings, Nebraska. Welcome. [LB616]

ORRON HILL: (Exhibit 15) Thank you. Greetings, Chairman Sullivan and Education Committee members. My name is Orron Hill, spelled O-r-r-o-n H-i-l-l. I'm the legal counsel for the Public Employees Retirement Board and the Nebraska Public Employees Retirement Systems. And I'm here to testify to LB616 in a neutral status. For those who don't know, the PERB is responsible for administering the Nebraska Retirement Systems for the school employees other than Class V schools, judges, state patrol, state employees, and county employees. It is our understanding that this bill adopts the Independent Public Schools Act. Of significance to us is that it enrolls employees of the various independent schools into the Class V school retirement plan. Currently, the Class V school retirement plan is not managed by the PERB. However, LB448 is pending before the Retirement Systems committee. LB448 proposes to merge the Class V school retirement plan with the school employees retirement plan that is managed by the PERB. If both these bills pass then the bill would have an impact on the PERB's areas of concern. Examples of unique situations the merger could create include but are not limited to adjusting the composition of the PERB to include representatives from the Class V and/or independent schools, synchronization of the plan years, alignment of benefits, and equalization of funding levels. These issues could be addressed by creating and modifying our current IT systems, publications, newsletters, handbooks, education, and training materials as applicable for each plan. Taking these steps will require resources. However, the specific financial impact and time requirements are difficult to predict at this time due to the number of unknown factors associated with these two bills and their passage. The PERB has not formally voted to testify neutrally to LB616 due to the timing of the last board meeting. However, LB616 was discussed with the chairman, Denis Blank, and Elaine Stuhr, the PERB's legislative committee chair. And I am able to state that there is a general consensus that the PERB is neutral towards this bill. I will be happy to answer any questions that you might have. [LB616]

SENATOR SULLIVAN: Thank you for your testimony. Any questions? Thank you very much. [LB616]

ORRON HILL: Thank you. [LB616]

SENATOR SULLIVAN: Any other neutral testimony? Senator Larson, for closing. [LB616]

SENATOR LARSON: Thank you, Senator Sullivan and members of the Education Committee. A few things that I'll clear up and talk about in the closing: We heard a lot about...in the...from the proponents...a company called the Success Academy. And I just wanted to clear up for the

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record, the Success Academy charter schools started as one school in Harlem in 2006. And we heard a lot of...when it did start, there were a lot of naysayers that had the same sentiments as I heard here today such as a charter school will limit how many students can attend. But because of its success and high parent demand, Success Academy is now...operates over two dozen schools in the poorest neighborhoods of New York City. And their students, who are over 90 percent minority students mostly from low-income households, perform in the top 3 percent of all students in New York state. So I wanted to highlight that as something that we can emulate and these are doing great things. A few questions that I heard throughout the testimony...I think Senator Pansing Brooks talked about we're the 49th in terms of state funding. That is state funding. That doesn't include local funding. And that is the majority of how most of us fund our schools. You know, I find it ironic, like, the lobbyist from the Greater Nebraska School coalition, or I can't remember the exact body, came in and testified against the bill, but don't be fooled that the Greater Nebraska School coalition...that...those are just the schools that are receiving equalization aid for the most part. I know very few of the schools that I represent are part of that. And when it comes to...I think another question that was talked about was special needs kids. I think the exact one was, do charter schools take less special needs students and work to steer those students out of their schools? According to recent nonpartisan, publicly funded Independent Budget Office report released in New York City in this past January, the Independent Budget Office reported that charter schools in the city retained 64 percent of their students compared to 56 percent of the students retained by district schools. And among special education students, the IBO found that 53 percent of those students stay in the charter schools versus 49 percent of district schools. And we also heard a lot about a possible amendment. And I'm happy to work with the committee on...and, you know, Mr. Garrett brought up good points. This is a pilot project. Would I mind watching this go statewide? Absolutely not. I think there's room, as I said, with Class I's and things of that nature, for this possibility. You know, I'm disappointed in a lot of the opponents and how many times they mentioned CREDO. I know the director at CREDO wrote Senator Sullivan a letter asking to not let opponents say CREDO says charters are bad. That is something that I know there's been a new CREDO report that's gone through and discussed charters and so to hear that over and over again is not accurate. We heard one testifier talk about, you know, about Kansas and I don't want to follow the Kansas model. I want to follow New York, D.C., Boston, Denver, and maybe you can call us prudent for waiting so long to do a charter school bill. But it's time. In 2008, we heard a lot about hope and change. And as I said, I don't agree very often with certain policies of our current President. But this is one that does offer a lot of hope and does offer a lot of change for students across this country and hopefully across the state of Nebraska, because they've been shown to work and we can draft something that is tight and works well and offers these schools the flexibility that they need. They're obviously some of the most scrutinized schools in the country for obvious reasons. And I don't want a charter school that fails just as much as you guys don't. And I think we can set those mechanics in place to make sure that doesn't happen. But I do want charter schools that can have the possibility to innovate. The success stories that I hear, whether it's in The Economist or on

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NPR or any...you know, we hear about these success stories and we can do that. You know, focus schools, magnet schools, those can be part of the solution as well. But they're not complete. So with that, I appreciate the committee. I appreciate you guys staying so late. Six out of...number six out of six bills...I figured we were going to be here quite a while. But thank you guys and I appreciate your time. [LB616]

SENATOR SULLIVAN: Any questions for Senator Larson? [LB616]

SENATOR GROENE: Senator Larson--thank you, Chairman--we heard over and over again this...public schools have to take all comers. I was trying to read as much of your bill as I can but...any student, disabled, disadvantaged, can put their name in the lottery, right? [LB616]

SENATOR LARSON: Correct. You know... [LB616]

SENATOR GROENE: Can the charter school turn anybody down if their name is pulled? [LB616]

SENATOR LARSON: It's not my understanding that they can. You know, I have a...my stepson has autism and childhood apraxia. It's severe, the childhood apraxia, the autism not as severe. You know, my wife and I would have to think about whether we...you know, within the public school, you know, he has his own paraprofessional and things of that nature. Now, we have to make the decision, do we send him to St. Mary's or pub....right now, O'Neill Public Schools. And, you know, we know the better option for him is public schools. And as a parent of, again, someone with a severe disability, I wouldn't put...I don't think neither of us would put his name in for a charter school because we understand the rigor that they're going to put their kids through. But if we did and he was accepted, they'd have to deal with him. But I'm not going to say that would be the best learning environment for our child. But we also have the means to ensure that he has other help. Now, I think we hear...you know, we heard about the achievement gap. I talked about it earlier. I...this is about another option. And I think this structure and the environment that charter schools can offer will heavily benefit some children. I don't...it's hard and, you know, I get the question of, oh, why did you bring this? You're from O'Neill. I understand the educational process. I spent a decent amount of time growing up on the corner of 20th and Binney street because my best friend from high school lived in that area. And Senator Cook might be the only one that knows where 20th and Binney is (laugh) on the committee. But I understand...one of the most telling experiences that I had as a 5th grader or 6th grader and we were on a wrestling team together is, I went to spend the night at his house and it was getting dark and the parents made us come in. And here I am, I'm a farm kid, and I go, well...I didn't understand. And when he came and stayed at our house--and, like I said, we were close all through high school, still know each other very well--and he thought it was time to go in when it

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was getting dark. And it's like, there's nothing. Nothing. We're in the middle of the country. There's nobody. Nothing's going to happen. And so these schools are...been proven in other communities--in New York and D.C.--to offer something that the local schools aren't in that area and something to do in the summer. And I think we heard Mrs. Jackson talk about crime and education and the relation to education. And charters can help fill that gap. And can everybody be educated by a charter school? You know, obviously not right away. But the situations that are faced in north Omaha are not situations that I face in O'Neill, but I have, in a very small, small, microcosm, I've experienced what those students experienced, not on a daily level. Like I said, I spent nights there, maybe two dozen over four or five years. But it was an experience. And, therefore, like I said, I can't say I have a true...a complete understanding but a small understanding. [LB616]

SENATOR GROENE: Can I finish my question? There are a lot of...latest statistics...my aide found that we were 21st as far as overall funding, 23rd...18th the year before, 20th, 23rd. We stay right about middle on funding. And would you agree that if we just saved one child, this...the charter schools would be a good ideal? [LB616]

SENATOR LARSON: I think we'd save many more than one. [LB616]

SENATOR GROENE: Thank you. [LB616]

SENATOR SULLIVAN: Any other questions? Thank you, Senator Larson. [LB616]

SENATOR LARSON: Thank you, Senator Sullivan. [LB616]

SENATOR SULLIVAN: (See also Exhibits 16, 17, 18) This closes the hearings for today. Thank you all for attending. [LB616]