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Education Committee  
February 28, 2017

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[LB511 LB512 LB521]

The Committee on Education met at 1:30 p.m. on Tuesday, February 28, 2017, in Room 1525 of the State Capitol, Lincoln, Nebraska, for the purpose of conducting a public hearing on LB511, LB512, and LB521. Senators present: Mike Groene, Chairperson; Rick Kolowski, Vice Chairperson; Laura Ebke; Steve Erdman; Lou Ann Linehan; Adam Morfeld; Patty Pansing Brooks; and Lynne Walz. Senators absent: None.

SENATOR GROENE: Welcome to the Education Committee public hearing. My name is Mike Groene, from Legislative District 42. I serve as Chair of the committee. This committee will take up the bills in the order posted outside the door. Our hearing today is your public part of the legislative process, you're the second house. This is your opportunity to express your position on the proposed legislation before us today. To better facilitate today's proceedings, I ask that you abide by the following procedures. Please turn off cellphones and other electronic devices and move to the chairs at the front of the room when you are ready to testify. The order of testimony is introducer, proponents, opponents, neutral, and closing remarks by the introducer. If you will be testifying, please complete the form at the back of the room and hand it to the committee clerk when you come up to testify or give it to a page. If you have written materials that you would like distributed to the committee, please hand them to the page to distribute. We need 12 copies of all committee members and staff. If you need additional copies, please ask a page to make copies for you now. When you begin to testify, please state and spell your name for the record. Please be concise; it is my request that you limit your testimony to five minutes. If necessary, we will use the light system--green, four minutes; yellow, one minute; red, please wrap up your comments. If you would like your position to be known, but do not wish to testify, please sign the white form at the back of the room and it will be included in the official record. Please speak directly into the microphone so our transcribers are able to hear your testimony clearly. I would like to make a comment, if anybody is sending letters in and listening, you need it emailed to me by noon. We shut off letters at noon because we don't check our emails after noon, we are preparing for the hearing. The committee members with us today will introduce themselves, beginning at my far right. [LB521]

SENATOR LINEHAN: Good afternoon. Lou Ann Linehan from District 39: western Douglas County. [LB521]

SENATOR PANSING BROOKS: Good afternoon. Patty Pansing Brooks from District 28: right where we're sitting. [LB521]

SENATOR KOLOWSKI: Rick Kolowski, District 31: southwest Omaha. [LB521]

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SENATOR EBKE: Laura Ebke, District 32: Jefferson, Saline, Thayer, and Fillmore Counties. [LB521]

SENATOR MORFELD: Adam Morfeld, District 46: northeast Lincoln. [LB521]

SENATOR ERDMAN: Steve Erdman, District 47: ten counties in the Nebraska Panhandle. [LB521]

SENATOR WALZ: Lynne Walz, District 15: all of Dodge County. [LB521]

SENATOR GROENE: Now for committee staff. LaMont Rainey sits at my left; he's the committee counsel for today's hearing. He will also be introducing LB511 and LB512, Education Committee legislation, because he's dealt with the Department of Education and knows the background. So I'll have him introduce those two. To my far right is Kristina McGovern; she's the committee clerk. The pages are to the far right, Alexi Richmond and Sam Baird; they're both University of Nebraska students. Please remember that senators may come and go because they have to present bills in other committees. Lastly, we are an electronically equipped committee and information provided electronically. So you might see us checking our phones or our emails or texting to our staff to research questions before we ask them. So let's begin with Senator Walz as she introduces LB521. [LB521]

SENATOR WALZ: (Exhibits 1, 2) Thank you, Chairman Groene and members of the Education Committee. For the record, my name is Lynne Walz, L-y-n-n-e W-a-l-z, and I proudly represent District 15. I bring forward LB521, which intends to provide incentives for more school districts to offer preschool programs to their kids in their district. As a former elementary school teacher, I know firsthand how important early childhood education is for the success of a child in and out of the classroom. Early childhood education is an opportunity for growth and prepares students for kindergarten. Preschool promotes social and emotional development, preschool promotes language and cognitive skills. It helps develop motor skills and boosts premath and literacy skills. I can continue, but I know other educational professionals will speak after me on the importance of investing in our kids' education at an early age and the effect it has. However, I do want to take a couple minutes to explain the other factors I see in this bill as well. The Education Committee has already heard numerous bills this year that I think, if we invested more in childhood education, we would have seen a decrease in the amount of difficulty and frustration that kids face today. For example, Senator Groene introduced LB595, which provides for the use of physical force or physical restraint or removal from the class in response to a student's behavior. Senator Pansing Brooks introduced LB645, which would add dyslexia for the purposes of special education. In both cases, a large number of people came and testified that many of these behavioral and learning disabilities could have been avoided if the students were first

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identified, diagnosed, and supported at an earlier age. Early childhood education would not completely solve these problems, but it would allow for teachers to work with children to diagnose problems and give students a better chance to succeed in the future. Early childhood education is important for a variety of reasons. The U.S. Chamber of Commerce Foundation, an affiliate of the U.S. Chamber of Commerce, focuses on work force development to strengthen business by advocating for early childhood education. I've also provided a report written by William Canary, the president and CEO of the Business Council of Alabama. Canary writes about how business leaders in one or more conservative states in the country have rallied to expand work force development. The U.S. Chamber of Commerce Foundation promotes this study as part of its work force development through early childhood education programs. Studies show that kids who have early childhood education are less likely to have behavioral problems and less likely to be incarcerated later in life. I've handed out a report on early childhood education in Nebraska produced by an organization called Fight Crime: Invest in Kids. This report provides testimony from the Nebraska law enforcement leaders, statistics of how childhood education is a smart investment for long-term cost savings for the state, and that this is a common sense, bipartisan issue that we should all be behind. I won't go into specific numbers, as I believe this report can explain it better than I do. LB521 seeks to incentivize all districts to consider preschools. It would also provide incentives to consider higher quality and longer periods of time for preschools. This bill would provide assistance to all school districts, not just equalized districts in the Learning Community. This would help rural and urban communities provide the education our kids deserve without being forced with the tough and, most likely, unpopular decision to raise property taxes. The intent of this bill is to provide funding for equalized districts through the TEEOSA formula and create an additional allowance, separate from TEEOSA, for the nonequalized districts who normally don't receive state aid. Under the TEEOSA formula, kids in the preschool age would be classified as 0.8 of a student, rather than 0.6. Students in early child education have been weighted lower, because of the length of the school day, than that of a K-12 student. However, the cost of the student is relatively the same. For example, preschool students require more attention, which causes smaller class sizes. This would theoretically weight students more appropriately for the actual cost of their education. LB521 also has a transportation component that would allow districts to be reimbursed for up to 50 percent of cost for additional transportation expenses. This is an important component for low-income families, rural schools, and others, as it may be difficult to pick up students if their school day is shorter than the regular school day. Finally, LB521 allows for funds to be consorted through the ESU, educational service units, to increase probability for preschools if the number of students and/or resulting funds are not enough for stand-alone programs. ESUs are already providing preschool service in some areas. This would allow school districts to contract with the ESU, who would then provide the service. I've worked with numerous educational professionals and have asked for input from the Department of Education. This is an important conversation to have. And while I expect some adjustments may be needed to this bill, I encourage the

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committee to work with me on this legislation so that we can advance the best bill to help our children and the future of this state. Thank you. I'll answer any questions if I can. [LB521]

SENATOR GROENE: Committee members? Senator Kolowski. [LB521]

SENATOR KOLOWSKI: Pardon me. Thank you, Mr. Chairman. Senator, thank you for bringing this bill forward. It strikes home for a lot of us, depending on our backgrounds and our knowledge of education and what we've learned over the years--I should say over the decades now. The state of Nebraska is very proud to have the Buffett Early Childhood Center at the University of Nebraska campus here in Lincoln, and that truly makes a difference. Your experiences, as an educator, have certainly added to this movement in your own life. What did you see, in the districts you worked in, that led you to this direction of bringing this forward? [LB521]

SENATOR WALZ: You know, number one, I did see a readiness for children to come in and just be ready to learn in kindergarten. The other thing that I feel is really important is the fact that, at an earlier age, children will be able to be identified and diagnosed with any problems that they may have. And I think that the earlier you can diagnose and start supporting those kids, the better that they're going to succeed later on. [LB521]

SENATOR KOLOWSKI: I have the experience, a background of being married to a person who started the Early Childhood Center in Westside. In 1968 she was made the director of the early childhood education program. When I talk to my wife about this kind of conversation, she goes, it's 50 years later. What are we waiting for to understand the importance of early childhood education? And it seems like it falls on deaf ears. With the Sam Meisels program with the Buffett program here in our state, that was incentivized by the \$50 million given by the Buffett Foundation, we should...and our leaders in early childhood education yet sometimes act like we don't know a thing. It's just kind of difficult and it's kind of embarrassing at times. And we also have the highest percentage of parents both working of all 50 states in the union. And that's a factor as to where the kids go, what backgrounds are they getting as far as education, not just childcare as far as babysitting, but other opportunities that there might be available to them. So thank you again for bringing this forward. We're way behind some curves occasionally, but we're also light-years ahead as the potential in this state for where we are and what we're doing. Thank you very much. [LB521]

SENATOR WALZ: Yeah. [LB521]

SENATOR GROENE: Any other questions from the committee? Thank you, Senator Walz. [LB521]

SENATOR WALZ: Thank you. [LB521]

SENATOR GROENE: Proponents. [LB521]

DAVID LUDWIG: (Exhibit 3) Good afternoon, Senator and the committee. I appreciate being here. I'm David Ludwig, D-a-v-i-d L-u-d-w-i-g. I'm the executive director for the ESU Coordinating Council. For the past 34 years, I have had the distinct opportunity to serve as a special education teacher, an administrator, elementary and middle school principal, an ESU administrator, and my current position, so it's in this capacity that I provide my support for this bill. I know and understand the situation we're in right now, the financial times, and the need to identify ways to find solutions at hand. But even during this difficult times, it's important to stay focused on student needs and the task at hand. And it's most important to remain focused. And that's why I really appreciate this bill; it focuses on a particular student needs. And as a result of this process for a continued focus within the education community has been created through an established coalition developed through Dr. Mike Dulaney, NCSA executive director. Through this coalition of educators, facilitated by OpenSky Policy Institute and the commissioner, Matt Blomstedt, the goal has been to keep the education community together with a focus on identified educational needs for the state. And this coalition is comprised of: two representatives from NCSA; NSEA; NASB; STANCE, which is the middle-size school districts; GNSA, larger districts; NRCSA, the rural districts; and ESUCC, which I'm a part of; along with representation from the three largest districts. And this coalition has identified specific needs, with one specific need is why we're here today, with early childhood education throughout the state. It's most important. And as a former elementary principal for 19 years, I had the distinct opportunity of working with prekindergarten students, early childhood students, kindergarten students. And within the rural community, several early childhood programs were provided within our district, each with their own individual program providing the best experience they could for students they serve. With these opportunities buried in philosophies and time and resources and were available for all children within the community if, at times, parents could afford those opportunities, as well as if the parents had access to getting their children to these programs, which proved to be difficult for some. And as an educator, it was apparent each year students entered our program, within the kindergarten level, with an increased variety of experiences and opportunities. Therefore, our challenge each year was how do we meet the needs of those students as they come in with a variety of different needs. And those differences today are yet...exist as well within programs offered through ESUs and through other programs throughout the state. Are we meeting the needs of all students within early childhood? My answer, or my comment, would be this bill would help address that need. So today you will hear from others regarding their support and experiences for early childhood. But as we move forward, even during this difficult times, I keep emphasizing the fact that we need to stay focused on needs of students and then handle the finances as well. So the question then is how do we build that system of support for our students in early childhood, involving school districts, ESUs, NDE and

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so on, and all the parents, and all the stakeholders that go together with that? Again, this bill I think addresses that. So in the words of our commissioner, the focus is on "every student every day." This bill would help facilitate that as well. So again, I want to keep this short, but emphasize the fact of how we got here to where we are. Some of the concerns I had even when I was a school administrator. And again, I'd like to thank you for your time. I appreciate your leadership, your time and effort, and appreciate being here, so thank you. [LB521]

SENATOR GROENE: Questions for the...I have one. [LB521]

DAVID LUDWIG: Yeah. [LB521]

SENATOR GROENE: Do you track how many children show up for kindergarten have attended a preschool, a private one? A lot of... [LB521]

DAVID LUDWIG: I believe NDE...I think that's some information we could get, but I don't at this point in time. But that's some information you could get, I can see what I can do to retrieve that. [LB521]

SENATOR GROENE: Are you concerned that if we keep funding this that we're going to put a lot of private preschools out of business? [LB521]

DAVID LUDWIG: As...well, my focus would be on student needs. You know, how do we provide those opportunities for students? [LB521]

SENATOR GROENE: But opportunities are there in the private. [LB521]

DAVID LUDWIG: Right. I just know, going back from my experience in the rural community which I was, that there's some students didn't have those opportunities. One, they couldn't afford them; or two, they couldn't get there. [LB521]

SENATOR GROENE: Right, thank you. [LB521]

DAVID LUDWIG: You bet. [LB521]

SENATOR GROENE: Next proponent. [LB521]

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SANDRA ROSENBOOM: (Exhibit 4) Senator Groene and members of the Education Committee, my name is Sandra Rosenboom, S-a-n-d-r-a R-o-s-e-n-b-o-o-m. I am the business manager for the Crete Public Schools, but today I am testifying more to present data and information from the Crete Elementary principal about our preschool program. As the only principal in the building I guess tough to get her broke away, so I'm here representing her. For our preschool, we target those students with risk factors, as we do not have space or funds to serve all three- and four-year-olds. Students qualifying for free and reduced lunch make up 81 percent of our students of the 160 that we serve; 23 percent are of an even lower socioeconomic status and qualify for Head Start; 65 percent are from homes where English is not the first language; 15 percent have Individual Family Service Plans, those are students with special needs; 6 percent are classed as homeless; and 6 percent have migrant status. This, of course, adds up to more than 100 percent, because this is a duplicated count because students may fall into more than one category. Attached, on the second sheet that I've handed you, is data that we collect each year to monitor the success of our preschool students as they enter kindergarten. This is data from last fall. We have been collecting this, this is only the recent year, but the data we've been collecting for about 10 years continues to show consistent or improving results over the past 10 years. On the sheet, you will see five rows of data. The first row is the average of all the students enrolled in kindergarten this year. The next three lines break that first line down into three groups. The first group is those students who did not attend our preschool. They are either those students who attended private preschools, and they're probably from more affluent families, or they didn't attend any preschool at all. They did not qualify as one of the factors to attend our preschool. The middle line is the students that are in our preschool that had one year of preschool and had some risk factor. The next line is the most in-need group of students that we try to enroll as three-year-olds so that they can get two years of preschool. The last line is a composite of the two lines above it. The data shows that our preschool is resulting in students entering kindergarten more ready to learn, regardless of the risk factors they have, and also shows that more quality preschool is better. Without our quality preschool experience, these students would be entering kindergarten behind their peers and would have difficulty catching up. In addition to the academic effect, our kindergarten teachers report that students who have had preschool have better self-control and are more emotionally and socially ready for kindergarten. The changes in this bill to the state aid formula are very much needed. The original thought in the original bill was that partners would pick up part of the cost and that 60 percent was put in place to encourage that. Head Start has not had the funds to assist to that degree and changing it to 80 percent would be much more realistic. The bill addresses various aspects of early childhood funding. If you can't fund them all, please start to phase in these changes. Every Nebraska young child has risk factors...with risk factors needs a quality preschool experience to increase their chances at success in school and to decrease society's cost if these students fail. Thank you for considering my testimony and I'll be happy to answer any questions. The second sheet I gave you is more or less explanation of terms on the graph. [LB521]

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SENATOR GROENE: Is there any questions for the testifier? Senator Linehan. [LB521]

SENATOR LINEHAN: Thank you very much for being here. Do you get any money from Head Start? [LB521]

SANDRA ROSENBOOM: Yes. Our total cost of our preschool is in the...oh, quarter million dollar range, and we get about \$40,000. This year's was \$20,000, it was \$33,000 last year. [LB521]

SENATOR LINEHAN: And this year it was \$40,000? [LB521]

SANDRA ROSENBOOM: Yeah, that's what they promised. We haven't seen the money yet. [LB521]

SENATOR LINEHAN: So this is a very helpful chart. Do you have a chart that takes it out, so first grade, second grade, third grade, fourth grade? [LB521]

SANDRA ROSENBOOM: We have done that. Our problem is we tend to...the students that are with risk factors tends to be pretty mobile. And by the time we get to fourth grade, we have about 20 percent of our students left. So, you know, how good a sample that is or not. But we've been doing this for 10-plus years and we can see the effect positively all the way through. But I don't have data that I can share with you today that I can... [LB521]

SENATOR LINEHAN: Could you get that data? [LB521]

SANDRA ROSENBOOM: I will try to do that. [LB521]

SENATOR LINEHAN: Okay, thank you very much. Appreciate it. [LB521]

SENATOR GROENE: Any other questions? Does Head Start give you money in lieu of a program of their own, or is there a Head Start program in Crete? [LB521]

SANDRA ROSENBOOM: They co-op with us and we educate their students and they give us support for part of a teacher. [LB521]

SENATOR GROENE: Just funds, no structures or employees. [LB521]

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SANDRA ROSENBOOM: Right. I think they give one para half a day to sort of fill in for lunches and stuff like that. [LB521]

SENATOR GROENE: Well, I appreciate the support of the business community for Head Start, I hear the advertisements. Do you have any business community support? [LB521]

SANDRA ROSENBOOM: No. No dollars. We get they're happy to have the kids come visit and that kind of thing. [LB521]

SENATOR GROENE: Pat on the back. [LB521]

SANDRA ROSENBOOM: Yeah. [LB521]

SENATOR GROENE: Income tax cuts, but they want preschool. I understand. [LB521]

SANDRA ROSENBOOM: Yeah. [LB521]

SENATOR GROENE: Thank you. Any other questions? Thank you. [LB521]

KRISTINA LUNZ: (Exhibit 5) Senator Groene and Education Committee members, my name is Kristina Lunz, K-r-i-s-t-i-n-a L-u-n-z. I'm a preschool teacher for Crete Public Schools. This is my fifth year teaching preschool and I believe that early childhood education is crucial in the development of the whole child, school readiness skills, and academic success. I have experienced this firsthand with many of my students. One story I would like to share with you is my friend J. J came into preschool as a priority student. He was three years old with a developmental delay and a speech and language impairment; this includes coming in with as little as two words. The first few months of school he had never interacted with other peers, he didn't know how to follow a schedule, or had any school readiness skills. Fast forward to February, he's sitting with his peers for large group times--which include stories and interactive literacy activities, he greets his friends every day and is starting to ask for help. Our center time is a substantial portion of our day and he can successfully play with a friend, he can take turns, and he cleans up. He is able to identify basic shapes, some colors, counts, and identifies a few letters. He has successfully mastered using 20 words. Without preschool, J would not have acquired these skills that are crucial for his development as a child. We have seen this growth in just a few short months. With another year of preschool, he will have that many more kindergarten readiness skills and ready to enter kindergarten on a more level playing field. Within the Crete school district we follow a priority system to place children in our preschool program. That system includes children with special needs, children of low income, and children

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with limited English. Serving these children that fall under these priorities reach a large portion of our community needs. We see a wide variety of needs, some of our students coming in with...have little to no experience with social-emotional opportunities, literacy, math, language, and gross and fine motor. Students come into preschool speaking only their home language. Each classroom has a bilingual para that assists teachers with teaching and building relationships with our ELL students. By the end of their two years, many of our students are speaking both English and Spanish. Many of our students come into our program with having very little exposure to books, letters, letter sounds, numbers, and number sense. They leave our program knowing how to hold a book, identify letters, letter sounds, numbers, and counting. The Crete preschool allows our children to begin their school career as a learner, a good friend, and allows us to close that achievement gap. Thank you for your time and I can answer any questions that you may have. [LB521]

SENATOR GROENE: Senator Kolowski. [LB521]

SENATOR KOLOWSKI: Ms. Linz is it? [LB521]

KRISTINA LUNZ: Lunz. [LB521]

SENATOR KOLOWSKI: Lunz. Thank you very much for your presentation and thank you for being here today. What is your own background as far as early childhood education? Would you tell us about your degree, work and all? [LB521]

KRISTINA LUNZ: Yeah, I got my degree in early childhood and elementary, and then my master's is in special education K-12 and curriculum and instruction. [LB521]

SENATOR KOLOWSKI: Okay. And how many teachers like you in Crete at this time? [LB521]

KRISTINA LUNZ: There are five of us, next year we're looking at six. And we all have our master's, as well. [LB521]

SENATOR KOLOWSKI: Excellent, excellent. Thank you, I appreciate that. [LB521]

SENATOR GROENE: Senator Ebke. [LB521]

SENATOR EBKE: Thanks. Can you talk to us just a little bit, since you're the expert in this field, can you talk to us a little bit about what kinds of expectations there are for kindergarten students

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on day one of kindergarten these days? I think it's probably very different than it was when most of us went off to school in kindergarten. [LB521]

KRISTINA LUNZ: Yeah. Some of our goals that we have that we talk about: sitting for story time, we want our children to know 10 letters, count to 20, identify to 10. Those are just academic. But also: interacting with peers, entering a group, asking for help, zipping their coat. It's just kind of the basics of that. Do you want more? [LB521]

SENATOR EBKE: And, well, yeah, more. Tell me what is the expectation, if you know, for kids? You know, what is our hope by the time they finish kindergarten? What are they able to do academically for instance? Are they reading? [LB521]

KRISTINA LUNZ: Yes, they're reading and writing stories. We look at writing our names in preschool and beginning to write, sound out just words. But by the end of kindergarten, they're writing stories, reading whole books. [LB521]

SENATOR EBKE: When I was in kindergarten, we were coloring and pasting yet. So things have changed a lot. [LB521]

KRISTINA LUNZ: Yes. [LB521]

SENATOR EBKE: Thank you. [LB521]

SENATOR GROENE: Senator Kolowski. [LB521]

SENATOR KOLOWSKI: Thank you, Mr. Chairman. What are the ages of the kids? Are they three- and four-year-olds? [LB521]

KRISTINA LUNZ: Three, four, and some turning just five. [LB521]

SENATOR KOLOWSKI: Just five. And what experiences have they had before they get to three-year-olds to be in your program? Is it mostly just babysitting service in the community or things like that or whatever parents might know and they help with? So it ranges I'm sure across the board. [LB521]

KRISTINA LUNZ: Yeah, so it's mostly in-home daycare or at home. [LB521]

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SENATOR KOLOWSKI: Thank you very much. [LB521]

SENATOR GROENE: Senator Linehan. [LB521]

SENATOR LINEHAN: Thank you, Chairman Groene. Ms. Lunz, J, that you talked about in your opening here, did he have an IEP? [LB521]

KRISTINA LUNZ: Yes, he does. [LB521]

SENATOR LINEHAN: So I'm trying to remember, since you're special ed you can probably help me, if you have a student that's a preschooler and they have some kind of disability, is there funding from the state? [LB521]

KRISTINA LUNZ: There is some funding...no? [LB521]

SANDRA ROSENBOOM: No funding from the state for preschool and special ed. [LB521]

SENATOR LINEHAN: Okay, is there any federal funding? [LB521]

SANDRA ROSENBOOM: We use--if I may--we use our federal IDEA funds to help pay for the special ed portion. [LB521]

SENATOR LINEHAN: Okay, let me ask is there somebody, because I don't want to... [LB521]

KRISTINA LUNZ: Okay, yeah. No, I couldn't answer that. [LB521]

SENATOR LINEHAN: Maybe we can just take for the record I can ask you a question and then you can get back to me. [LB521]

KRISTINA LUNZ: Yes. [LB521]

SENATOR LINEHAN: So I would like to understand because I had a child that qualified for an IEP at like 18 months. So he was provided services through Millard Public Schools. And so my recollection was that that was paid for partially. I didn't think it was, if I recall--and this is what I'd like you to bring me up to date on--it was no cost to us, but it was the school district had to provide the services. [LB521]

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KRISTINA LUNZ: Correct. [LB521]

SENATOR LINEHAN: So if that's still the situation or whatever the situation is, that could just...I would appreciate knowing that. [LB521]

KRISTINA LUNZ: Yes. I know the public school provides the services, but I'm not sure where that funding comes from. [LB521]

SENATOR LINEHAN: Okay. So and how do you find the kids that need IEPs? [LB521]

KRISTINA LUNZ: I know some doctors are...recommend to our birth-to-three special education program or our special ed program in our community. I think it's mostly through doctors or parent requests for services. [LB521]

SENATOR LINEHAN: And do you know what percentage of your kids--I think it was on this chart, wasn't it--percentage of kids with IEPs that are in your preschool program? [LB521]

KRISTINA LUNZ: I'm not sure of that number, it may be on the other. [LB521]

SENATOR LINEHAN: Okay, that's very good. [LB521]

KRISTINA LUNZ: Thank you very much. [LB521]

SENATOR LINEHAN: Sorry, I don't mean to hard question. [LB521]

SENATOR GROENE: I want to ask, is the Department of Education going to testify at this hearing? Anybody? [LB521]

FROM AUDIENCE: We can, absolutely, if you want that. [LB521]

SENATOR GROENE: Because you could answer these questions. All right, so let's wait until the Department of Education comes forward. [LB521]

SENATOR LINEHAN: All right, thanks. [LB521]

SENATOR GROENE: Senator Ebke. [LB521]

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SENATOR EBKE: I was just going to say, Senator Linehan, if you want to find out about all this stuff, talk to Sandy Rosenboom afterwards or have her send stuff. She knows it all. [LB521]

SENATOR LINEHAN: Okay, thank you very much. [LB521]

KRISTINA LUNZ: Thank you. [LB521]

SENATOR GROENE: I had a question. How many students are in your class? [LB521]

KRISTINA LUNZ: I have 16 in the morning and then we have 16 in the afternoon. [LB521]

SENATOR GROENE: And you have five instructors now? [LB521]

KRISTINA LUNZ: Five, yes, teachers. [LB521]

SENATOR GROENE: So... [LB521]

KRISTINA LUNZ: So we serve 160 kids. [LB521]

SENATOR GROENE: All right. I was looking at this chart, but it's kindergarten. But you have three- and four-year-olds. How...what's the turnover? I mean, if you see them as three-year-olds, what's the chance they're going to be as four-year-olds in your classroom? [LB521]

KRISTINA LUNZ: We...most of my kids that I've experienced stay both years for preschool. And they have priority if they come the first year at three years when they get in at four-years-old as a way to get those two years. [LB521]

SENATOR GROENE: Thank you. Senator Kolowski. [LB521]

SENATOR KOLOWSKI: Thank you, sir. Do you have a lot of volunteers with the college right next door? Do you get a number of education students that want to get early childhood experience in your program? [LB521]

KRISTINA LUNZ: Yeah, we have practicum students almost every semester. We have probably 5 to 10 a year. [LB521]

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SENATOR KOLOWSKI: Okay. That helps a great deal, thank you. [LB521]

KRISTINA LUNZ: Yeah. [LB521]

SENATOR GROENE: Thank you. [LB521]

KRISTINA LUNZ: Thank you. [LB521]

SENATOR GROENE: Any other questions? Thank you. Next proponent. [LB521]

JASON BUCKINGHAM: (Exhibit 6) Good afternoon, Chairman Groene and members of the Education Committee. My name is Jason Buckingham, J-a-s-o-n B-u-c-k-i-n-g-h-a-m, and I am the business director for Ralston Public Schools. I appreciate the opportunity to appear before you today to speak on behalf of the students, staff, and the Ralston community. I appear before you today in support of LB521. We appreciate the opportunity to speak on behalf of this bill, as we feel the potential impact for our school district and several other schools is very significant. We are currently a district with 3,300 students. Of those students, nearly 60 percent qualify for free and reduced priced meals in our district. Our district has witnessed dramatic growth in the percentage of free and reduced eligible students, since 2000 we've nearly doubled the percentage of eligible students. As the demographics of our district have changed, we have tried to change our programs and offerings to meet the needs of our parents and students. One of the areas where we have dedicated a good deal of resources is the area of early childhood education. Research has increasingly shown the high value of providing quality early childhood education for students at risk. For example, the Buffett Early Childhood Institute states that at-risk students who did not receive high quality early childhood education are 25 percent more likely to drop out of school, 40 percent more likely to become teen parents, 50 percent more likely to be placed in special education, 60 percent more likely to never attend college, and 70 percent more likely to be arrested for a violent crime. And that information was from the Buffett Institute Web site. We've been one of the leaders in the state of Nebraska promoting and providing free early childhood education to three- and four-year-olds in our district. Due to our current budget restraints and the current reimbursement rate from the state for early childhood, we are only able to accommodate 168 students in our preschool program. If we're able to receive a higher rate of reimbursement for our early childhood expenditure, as proposed by this bill, we would certainly be in the position to hire additional staffing and to expand our current programming. Though the costs of this bill are an increase from the current rate of reimbursement, it is imperative to consider the costs to the state of Nebraska, and to our society as a whole, if we're unable to provide quality early childhood programming to our most at-risk students. Allowing more of these at-risk students access to high quality early childhood education will provide a savings to the state in the form of lower health and human services costs and will provide a better, more

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highly trained work force. Thank you for your time and your continued commitment to the children of the state of Nebraska. I'll try and answer any questions but, before I finish my testimony though, I would like to bring your attention to the back of my testimony. We have a chart on there. This was taken from First Five Nebraska, an organization that supports early childhood education, as well. And if you look on the chart, on the line graph you have there, this is a comparison of cumulative vocabulary of students, based on age in months. And you have the three different lines there: high socioeconomic status, middle socioeconomic status, and low socioeconomic status. With what we talked about earlier in our demographics and the way our district is situated, we are probably more concentrated on the low end of this. This is one of the things that we look at as being a primary motivator for us to continue to advocate for increased early childhood education. Before I wrap up my testimony, I would also like to thank Senator Walz for bringing this bill forward. We are very much in support of this and appreciate her efforts in trying to increase the reimbursements for early childhood education. At this time, I'd answer any questions you may have. [LB521]

SENATOR GROENE: Any questions? Senator Kolowski. [LB521]

SENATOR KOLOWSKI: Thank you, Mr. Chairman. Jason, good to see you again. [LB521]

JASON BUCKINGHAM: Good to see you. [LB521]

SENATOR KOLOWSKI: How many centers do you have in Ralston? [LB521]

JASON BUCKINGHAM: We have one at each of our elementaries, so we have six centers, and we might have multiple sections depending on the size of the building. [LB521]

SENATOR KOLOWSKI: And at the high school, what do have there? [LB521]

JASON BUCKINGHAM: At the high school we have a day-care program in our building. And that currently serves members of our community, staff members, and also students who may be parents. [LB521]

SENATOR KOLOWSKI: Excellent, thank you. And you've had this how long? [LB521]

JASON BUCKINGHAM: We've had this, oh my goodness, at least 10 years, maybe a dozen. [LB521]

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SENATOR KOLOWSKI: Thank you very much. [LB521]

SENATOR GROENE: Any other questions from the committee? Thank you, sir. Next proponent. [LB521]

JAY SEARS: (Exhibit 7) Good afternoon, Chairman Groene and members of the Education Committee. For the record, I'm Jay Sears, J-a-y S-e-a-r-s, and I'm testifying in support of LB521, on behalf of the 28,000 educator members of the Nebraska State Education Association. And no, I'm not the J who was in Ms. Lunz's class. Never went to school in Crete, went to school in Omaha. Anyway, the provisions of LB521 would increase the calculation factor in TEEOSA as you've been told. It also has an early childhood allowance, which is new, and it includes a transportation allowance also. We think each of these provisions incentivize districts to adopt or continue qualified early childhood education programs. We know, from numerous research studies, that early intervention supports the development of the brain and prepares children for learning experiences they will encounter throughout life. LB521 is especially beneficial to nonequalized school districts who may not be able to financially support early learning experiences for children in their school districts. And in fact, collaborating together with ESUs will actually expand the number of opportunities and sites in rural Nebraska. An investment in qualified early childhood education is an investment that pays dividends for life. We encourage the committee to vote LB521 out of committee and to General File debate. Thank you very much for the opportunity to testify today. [LB521]

SENATOR GROENE: Any questions from the committee? Do you...nationally I'm sure there's states that have had early childhood for years. Is there? [LB521]

JAY SEARS: Yes, yes. Probably not as long as Senator Kolowski's wife's program. I would have qualified back then. [LB521]

SENATOR GROENE: But I mean as another statewide program. [LB521]

JAY SEARS: No, right. Yeah, there are. [LB521]

SENATOR GROENE: Are the graduation rates better than Nebraska, is the crime less, is the dropout...? [LB521]

JAY SEARS: You know, and I think it's kind of difficult to compare because many of the early childhood programs that states have started are in our southern states and so you're looking at

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bringing up people way, way behind. Also in more poverty and issues like that. So we're not the first to start the program and, well, probably won't be... [LB521]

SENATOR GROENE: The New Yorks and Californias and Massachusetts, do they have it? I would think they would. [LB521]

JAY SEARS: Yes, yes. [LB521]

SENATOR GROENE: Thank you. Any other questions? Senator Kolowski. [LB521]

SENATOR KOLOWSKI: Thank you, sir. Mr. Sears, on the difficulty of some of that data, is one out of five families moving every year? [LB521]

JAY SEARS: Yes. [LB521]

SENATOR KOLOWSKI: Across the country there's a great deal of mobility and looking for jobs, settling in different places, and all the rest. It's kind of hard to read to get that answer, but we certainly have the evidence, over decades now, of early childhood education and the difference that makes. Not just talking about babysitting services, we're talking about early childhood education being delivered by a trained teacher and the different subjects and the preparation and welfare of that student. [LB521]

JAY SEARS: If not early on, right. That's correct, and I am fortunate enough to serve on the new commission through the Buffett Institute. And thanks to the Governor for appointing me in that process, representing NSEA. We're looking at the whole continuum of early childhood care, so it starts at birth and continues. So any opportunities for quality care, whether it's daycare, mom and pop working with their children, grandpas and grandmas. I'm fortunate enough to have five grandchildren and have been involved in their care when their parents were off working also. So, you know, it's a continuum. And as we look at...you know, I've testified in front of this committee on a number of what I'd call back end or future costs for us as we're looking at dealing with discipline and mental health issues. And if we put the money up front in the very beginning for early care, early childhood preschool programs, I think we'll save money in the long run. But it's hard to do, yet, you have to start someplace. [LB521]

SENATOR GROENE: Do you know what percentage of students now are in preschools across the state or how many are in? I'm just trying to get... [LB521]

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JAY SEARS: I don't have that, well, I'm sure that we can get that from the Buffett Institute or First Five. They keep track. [LB521]

SENATOR GROENE: Well, we can get it from the Department of Education, can't we? [LB521]

JAY SEARS: Yeah, yeah. And so Brian will give you those figures right off the top of his head. [LB521]

SENATOR GROENE: Senator Erdman. [LB521]

SENATOR ERDMAN: Thank you, Senator Groene. Thank you, Mr. Sears, for coming. Your testimony says that the increase in calculation factor of TEEOSA could be 60 percent, 80 percent. So this funding very well could come from property tax, would that be true? Where is it going to come? [LB521]

JAY SEARS: No, this is state aid. [LB521]

SENATOR ERDMAN: State aid? [LB521]

JAY SEARS: State aid, right. [LB521]

SENATOR ERDMAN: Okay. So like \$4 million, how many students are you going to reach with that \$4 million? [LB521]

JAY SEARS: I'm not (inaudible). [LB521]

SENATOR ERDMAN: Tell me, what is the cost to educate a student now? [LB521]

JAY SEARS: I don't have those figures, I'm sorry. I'm sure we can get those for you though. [LB521]

SENATOR ERDMAN: Thank you. [LB521]

JAY SEARS: Sure. [LB521]

SENATOR GROENE: Any other questions for the testifier? Thank you, Jay. [LB521]

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JAY SEARS: Thank you. [LB521]

SENATOR GROENE: Next proponent. [LB521]

SARAH ANN KOTCHIAN: (Exhibits 8, 9) Good afternoon, Chairman Groene and members of the Education Committee. My name is Sarah Ann Kotchian, S-a-r-a-h A-n-n K-o-t-c-h-i-a-n, and I appear today in support of LB521 on behalf of the Holland Children's Movement, a nonpartisan, not-for-profit organization founded by Richard Holland, committed to improving public policies essential to providing opportunities for success for children and families living in poverty. We would like to commend Senator Walz for the introduction of this important proposal to expand opportunities and access to prekindergarten programs. With awareness of the current budget challenges and the many difficult decisions ahead of you, we strongly support the vision and actionable solutions proposed in LB521 to move education forward in Nebraska and find it all the more meaningful that so many school districts and educational organizations worked together to craft this proposal for a statewide benefit. LB521 brings to bear the science and research that shows children with high quality early childhood experiences do better in school and life. They participate in the work force at higher rates, earn more, and access public benefits at lower rates. Research has also found that high quality early learning experiences improve children's academic performance, build strong social and cognitive skills, reduce the cost of K-12 special education, and lower health and criminal justice costs. I've passed around a issue brief we drafted in support of the Nebraska Education Collaboration, which examines some of the research regarding the positive impact of full-day prekindergarten. I'd like to point out that in the 2014-15 school year, although 84 percent of school districts in Nebraska offered a state early childhood education program only 28 percent of all school district preschool programs were full-day. Added hours of quality preschool education have been found to be substantially effective at closing the achievement gap, which is measurable and apparent as early as 18 months of age. The expansion of Nebraska's part-day prekindergarten programs to full-day would benefit children at risk, who the program is intended to target, and better accommodate the schedules of hard working families. LB521 not only incentivizes prekindergarten, but it also incentivizes higher quality programs and greater dosage and duration of programming for students that can have an important and lifelong positive impact. Investing in expanded high quality opportunities for learning for our youngest students is smart education policy and smart economics, and we would encourage you to consider this important proposal and the advancement of investments in early learning now and in the future. And I would thank you for your time and consideration. [LB521]

SENATOR GROENE: Thank you. Any questions from the committee? Senator Kolowski. [LB521]

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SENATOR KOLOWSKI: Thank you, sir. How many programs, how many locations do you have in the state at the present time, please? [LB521]

SARAH ANN KOTCHIAN: How many locations? I believe there were 240 full-day pre-K programs and 681 part-day programs in Nebraska, and they serve 31 percent of our four-year-olds and 14 percent of our three-year-olds. [LB521]

SENATOR KOLOWSKI: And those are all Holland or a mixture of all combined? [LB521]

SARAH ANN KOTCHIAN: Oh, Holland? [LB521]

SENATOR KOLOWSKI: Yes. [LB521]

SARAH ANN KOTCHIAN: Oh, we don't provide any direct services, this is statewide NDE data. We don't provide any...I'm no pre-K. I wish I were as experienced as a proud pre-K teacher, but I'm just an advocate here today. [LB521]

SENATOR KOLOWSKI: But the funding amount, that's important. [LB521]

SARAH ANN KOTCHIAN: The funding supports those classrooms and the students. [LB521]

SENATOR KOLOWSKI: And how much is the funding approximately? [LB521]

SARAH ANN KOTCHIAN: Well, it breaks up in between formula funding and then also the grant funding for the education grant program. So it's kind of...let's see. The pre-K investment was roughly, let's see, around \$33 million, which amounts to around roughly \$3,000 per student. And of that, \$7 million was appropriated to the early childhood education grant program according to NIEER, the National Institute for Early Education Research, which gets their data from NDE for their annual report. [LB521]

SENATOR KOLOWSKI: That's quite a legacy Dick Powell (sic: Doug Powell) left as far as (inaudible). [LB521]

SARAH ANN KOTCHIAN: It absolutely is; we miss him dearly. [LB521]

SENATOR KOLOWSKI: Yes. Thank you very much. [LB521]

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SENATOR GROENE: Question. What percentage did you say of three-year-olds are in public schools? [LB521]

SARAH ANN KOTCHIAN: 14 percent. [LB521]

SENATOR GROENE: 14 percent and 31 percent for four-year-olds. [LB521]

SARAH ANN KOTCHIAN: That's correct. And that's also according to NIEER in the 2015 school year. [LB521]

SENATOR GROENE: Oh, there it was. Do you track how many students are in private preschools? [LB521]

SARAH ANN KOTCHIAN: That would be in the other category. Well, we don't. I think it's a little trickier to track students in private pre-K because we track as a state, as far as early childhood data is concerned, and young students served, we know how many licensed childcare programs there are, that they're serving young children. But we only know how many children they're serving based on the childcare subsidy because the money follows the children and then we know how many children are served through the subsidy. But we don't know how many children are served in total in licensed childcare programs. [LB521]

SENATOR GROENE: Does anybody track how many students don't go to any pre-K and when the parents stay home in the old-fashioned way and teach them how to read and the ABCs? Does anybody track that? [LB521]

SARAH ANN KOTCHIAN: I do not believe that is data that would be tracked, but I am hard-pressed to find a kindergarten teacher who can't identify on the first day the students that have had a quality early childhood experience and those that have not. And I have a daughter who is starting kindergarten this year actually, and we just attended kindergarten roundup, and I was able to see that among her peers herself, when they did a small exercise, some were not able to color inside lines, they did not know how to hold scissors, while my daughter who did have those important experiences was cutting it out, writing her name, adding details to this little bear. It was really...it's a really wide variance, and it's just...to me it was a living example of the academic achievement gap that I know is talked about so often in this committee and what we can do about it before children in our public schools. And that's why we're in such strong support of LB521, because more students, particularly our most at-risk students, can benefit so dearly from this type of legislation and so can our state. [LB521]

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SENATOR GROENE: Thank you. Any other questions? Thank you. [LB521]

SARAH ANN KOTCHIAN: Thank you very much. [LB521]

SENATOR GROENE: Any other proponents? [LB521]

LARRY STORER: (Exhibits 10, 11) Good afternoon, ladies and gentlemen. My name is Larry Storer, 5015 Lafayette, Omaha, Nebraska. I'd like to speak as a proponent for it, however, I do have some critical things I'd like to... [LB521]

SENATOR GROENE: Could you spell your last name again? [LB521]

LARRY STORER: Storer, S-t-o-r-e-r. [LB521]

SENATOR GROENE: S-t-o-r-e-r, it's like (inaudible). [LB521]

LARRY STORER: I've closely followed my grandson's problems since about third grade but, as I got into it and started learning from people, I found out that there were very early education things such as find a child in need in the community that needs help, hopefully through the school system, even before they're enlisted in kindergarten or third grade. My daughter was a single parent, somehow he slipped through that well-intentioned legislation. Fast forward into special education and various things, and I have some major complaints. The people that run special education for example, if they don't get the right input, they may not assess those childs (sic) properly. Now, as I understand the bill that I'm glancing through, special education is mentioned in here, but so are grants. Well, you know, we have budget problems and there's quite a few agencies that are getting grants from outside agencies. And whenever we do that, do we not have some responsibility to those people? What I'm asking to be read into the committee does mention some organizations that are of a lot of concern to us taxpayers. But I'm for this bill. However, first of all I think you should read into these bills, or maybe an amendment, what the real intent of the privacy laws are. Because I really do not see how anybody can accomplish your goals and these people's goals when the privacy laws shackle you. Everybody is afraid to discuss the situations. I know I'm about out of time, but now I was at a meeting yesterday of OPS, OYS, another somewhat program funded by the Sherwood Foundation, etcetera. And what I heard shocked me again. Even in after-school programs that are helping kids off the street and helping kids that are in and out of the Douglas County Youth Center and sent down here and sent over there because there's not enough beds or whatever. We have people that are running around that are education experts, they're mental health experts, and I asked a question. I says, excuse me, even in after school programs you have people observing and maybe asking children questions

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about well, find out if they're mentally impaired or something. Why are they behaving badly. It's not about behavior in a lot of cases. And what I'm saying is the people that assess problems do not necessarily know it all, so why don't they ask grandparents? You've heard a grandparent besides me here that it's generational. And I'm sure he's had problems. I ran into a person the other day that overheard a conversation that says oh, they're not reimbursing me for transportation. Well, they don't know that you have to fight, you have to fight the special education people, the district for everything you get. Number one, because they're preserving their budget; number two, they think they know it all. They don't necessarily hire the right doctors and everything, why did everything that occurred with my grandson get strictly defined as behavioral all the way along when some things are caused by behavior? Now we've got agencies wanting to keep kids in the system and give them educators and mental health because they're truants, something or other, to help kids keep in-home. It's all well-intentioned, but it won't ever be accomplished if you restrict people that know about the child. And that's in the law. People like me that know my grandson know him better than you do, so why should you make the decision on his special ed program or why should you make the decision that this district is getting more funds when it doesn't work? So I hope it works, I hope this law passes. But put some different blinders on and put some amendments in there that says none of our state agencies will restrict people from having input. Otherwise, you are going completely around the taxpayers of this state, city, and county. And outside foundations and grants should not rule the day. Thank you. [LB521]

SENATOR GROENE: Thank you, sir. [LB521]

LARRY STORER: Thank you. [LB521]

SENATOR GROENE: Questions for Mr. Storer? Senator Pansing Brooks. [LB521]

SENATOR PANSING BROOKS: Thank you for coming, Mr. Storer. What was your comment on privacy? What were you talking about? [LB521]

LARRY STORER: Well, everybody seems to think because of HIPAA and FERPA, that I don't even have to discuss his name or any possible implication of a medical problem. So they deny discussing it, some of you have heard me talk about that before, I won't go into that. But they think it gives them the right for anybody other than the person who has the court order or the parental custody, anybody else who's not included, when the laws imply differently. If you're with this person through life, you are an interested party, you are an involved party, and they do want your input if you're going to save families. If you exclude people that have knowledge, you are not saving families or children, okay? [LB521]

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SENATOR PANSING BROOKS: Thank you, Mr. Storer. [LB521]

LARRY STORER: Thank you. [LB521]

SENATOR GROENE: Sir. Next proponent. [LB521]

MICAELA LaROSE: (Exhibits 12, 13) Good afternoon, Chairman Groene and members of the Education Committee. My name is Micaela LaRose, M-i-c-a-e-l-a L-a-R-o-s-e, and I'm the senior fellow at OpenSky Policy Institute. OpenSky strongly supports Senator Walz's efforts to invest in early education and increase state support for districts that choose to provide early education programs. According to The State of School Preschool 2015 (sic: The State of Preschool 2015) report by the National Institute for Early Education Research, Nebraska ranks 16th out of 41 states that have early childhood education programs in terms of access to such programs for four-year-olds, and 5th for access to programs for three-year-olds, but we ranked 35th among these states in state dollars spent per child enrolled in early childhood education. Because early childhood education is one of the best investments we can make, we support additional dollars going to such programs. First, early childhood programs are widely recognized as an effective tool to boost public school achievement. A random assignment experiment conducted by the Perry Preschool Program in Michigan started in the 1960s and followed students through age 40. In its study, researchers found participants in the preschool program were more likely to have higher earnings, lower public assistance, and lower rates of criminal activity than children in a control group who did not receive early childhood education. Early education programs are particularly beneficial for at-risk students. Nebraska boasts a high graduation rate, however, as you can see in the chart we've provided, significant gaps exist for students receiving free and reduced lunch and English language learners. If Nebraska wants to further strengthen the education system, we should focus on eliminating these educational attainment disparities, and early childhood programs are a proven means to do so. Second, not only will investments in early childhood education produce long-term benefits for the students who participate, research has also shown that state investment in early childhood education can be a powerful economic development tool that benefits the state, as well. According to Timothy Bartik, senior economist at the W.E. Upjohn Institute for Employee Research, early childhood education can bring more and better jobs for a state and thereby promote higher per capita earning. Bartik's research shows that for each dollar a state invests in high quality pre-K, present value of state earnings per capita increases by \$6. For a low-income child, he finds that their career earnings will increase 10 percent from attending pre-K, and a middle-income child will see their career earnings increase 5 percent. Furthermore, he finds that more workers with higher skills pays off in higher wages and better jobs for the entire community, not just those who attended the preschool program. Similarly, the Minneapolis Federal Reserve found that, as an economic development tool, early childhood education provides a much greater benefit than subsidizing private businesses. They found that, when investments in early education are

prioritized by states, potential returns far exceed most other economic development investments. Their analysis of the Perry Preschool Program found that, excluding the benefit by the participants, the general public received a 12-to-1 rate of return as a result of the program. We acknowledge that investing in early childhood comes with significant upfront costs, while the payoff of such investments do not appear for 15 to 20 years. Bartik found that it would cost about \$30 billion to establish universal early childhood programs for all four-year-olds in the U.S., however, this works out to \$100 per capita and the \$30 billion investment would pay off in \$83 billion in extra earnings. Early childhood education may be an investment now for the future, but if our goal is to grow Nebraska, investing in pre-K programs should be a key strategy to improve our community's long-term future. That said, we would strongly recommend that LB521 be amended so that it is structured as an adjustment instead of an allowance. As an allowance, equalized districts will not all see a dollar for dollar increase in equalization aid and some districts may actually lose state support under the proposal. Generally, allowances in the formula do not provide new dollars and instead just redirect existing dollars to districts that have a higher allowance relative to other districts in their comparison groups. Adjustments on the other hand, are added on at the end of the needs calculation, generating new dollars for equalized districts. Therefore, to ensure that equalized and nonequalized districts both receive dollar-for-dollar increases in state support and that no districts actually lose state aid, we would recommend structuring this early education support as an adjustment. Finally, while we strongly support this proposal, we just want to raise the caveat that this proposal should be funded with new dollars and not take existing TEEOSA aid away from districts. Given the current budget shortfall, we would recommend that the existing current law formula be fully funded first. Thank you for your time. I'd be happy to answer any questions. [LB521]

SENATOR GROENE: Any questions for the testifier? [LB521]

SENATOR PANSING BROOKS: I have a question. [LB521]

SENATOR GROENE: Senator Pansing Brooks. [LB521]

SENATOR PANSING BROOKS: Thank you, Chairman Groene. So thank you for coming. First off, I didn't hear the spelling of your last name. [LB521]

MICAELA LaROSE: L-a-R-o-s-e. LaRose. [LB521]

SENATOR PANSING BROOKS: Okay, thank you. Maybe I just missed it. And Ms. LaRose, so is this graph that you gave to us, is that all Nebraska? Is that my understanding? That is nationwide... [LB521]

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MICAELA LaROSE: Yep, that's the graduation rates in Nebraska. [LB521]

SENATOR PANSING BROOKS: Those are...I know that it says state average, I just want to make sure that the English language learners was Nebraska as well. [LB521]

MICAELA LaROSE: Yeah. [LB521]

SENATOR PANSING BROOKS: (Inaudible). Okay, thank you very much. That's what I wanted to know. [LB521]

SENATOR GROENE: So you found that we're 5th in the nation already on participation, is that right? [LB521]

MICAELA LaROSE: Access for three-year-olds. [LB521]

SENATOR GROENE: Does that mean they're enrolled or they have the ability to be enrolled? [LB521]

MICAELA LaROSE: That they're enrolled. Yeah. [LB521]

SENATOR GROENE: And we're 16th for four-year-old? [LB521]

MICAELA LaROSE: But again, that's compared to the states and I think overall just publicly funded. [LB521]

SENATOR GROENE: But of the 41 states, that's where we rate. So we've done a pretty good job already if that's what your mission is. [LB521]

MICAELA LaROSE: Relative to other states. [LB521]

SENATOR GROENE: Yeah, all right. Thank you. [LB521]

MICAELA LaROSE: But again, we rank 36th for state support compared to... [LB521]

SENATOR GROENE: Well, we do that a lot around here, that's better than 49th overall. Thank you. [LB521]

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MICAELA LaROSE: Yep. [LB521]

SENATOR GROENE: (Exhibits 14, 15, 16, 17, 18, 19, 20) Any other proponents? That ends proponent testimony. We had six letters of support: Todd Hilyard, Holdrege Public Schools superintendent on behalf of STANCE; Nebraska Child Health and Education Alliance; First Five Nebraska; NASB; Coalition for Children's Mental Health; and David J. Partsch, Otoe County Attorney. We will now move to opponents. If there is no opponents, there is no letters of opposition, now we'll move to neutral. [LB521]

BRIAN HALSTEAD: Good afternoon, Senator Groene, members of the Education Committee. For the record, my name is Brian, B-r-i-a-n, Halstead, H-a-l-s-t-e-a-d. I'm with the Nebraska Department of Education. I'm here in a neutral capacity and I'll try to answer any questions you have. [LB521]

SENATOR GROENE: (Inaudible). Did you want... [LB521]

SENATOR LINEHAN: Thank you, Mr. Chairman. Thank you, Brian, for being here. Do you know how much Head Start, what the funding from Head Start to Nebraska is? [LB521]

BRIAN HALSTEAD: I do not, but I'm sure I can find that out for you. [LB521]

SENATOR LINEHAN: Okay, thank you. And do you know, special ed funding, is this state and federal? Is there special ed funding for preschoolers with IEPs? [LB521]

BRIAN HALSTEAD: Nebraska state law has provided special education services to children from the date of diagnosis until they're 21 years old. So in the sense of that includes both federal, the infant and toddler, under IDEA. There's also state funding that reimburses special ed costs. But I believe we use all of the federal funding to cover the infant and toddlers, and the state funding for special ed is for the school age. But I can check with our special ed office as to the exact use of those funds. [LB521]

SENATOR LINEHAN: So is it correct to state that if you have a child who has needs, has an IEP, then you will have preschool services provided through the public school system, is the way it's working right now? [LB521]

BRIAN HALSTEAD: Under Nebraska law, a child, if they're below age five, has an individualized family service plan, IFSP, for which services are provided to the child and the

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family under that. And that's covered under our now Rule 52 at the Department of Education, that spells out requirements for that and everything. [LB521]

SENATOR LINEHAN: Did you get...do you have this chart that she handed out? [LB521]

BRIAN HALSTEAD: I don't have that chart, so... [LB521]

SENATOR LINEHAN: Okay. I'll give you my copy and maybe I can get another one. Because it kind of shows where the special ed funding is a huge part of it. Also on here it just shows that half the kids--or almost half the kids--are paid lunch. So I'm assuming that many of the kids that attend these programs in public schools...if they're paid lunch, they're probably paying for the services too, right? Aren't there some? [LB521]

BRIAN HALSTEAD: In the sense of early childhood education for the nonspecial ed there is supposed to be a sliding-fee schedule so that, if you have the ability as a parent to pay for that, you're supposed to contribute to the funding for early childhood education. If you don't have the funding, that's what the school district would come up with the funding, whether that's through a whole number of possible funding sources: property taxes, state aid, Head Start. Title I funding can be used for early childhood education. There are other grant funds, we provide some start-up grant funds to early childhood education. So in early childhood in Nebraska there's a whole laundry list of possible funding sources that schools may be utilizing to provide the services to the families and to the children. [LB521]

SENATOR LINEHAN: So is it...could you find out for us how many schools actually have paying participants in their preschool program? [LB521]

BRIAN HALSTEAD: I can certainly see if we collect that, yeah. Absolutely. [LB521]

SENATOR LINEHAN: The number of students...yeah, that would be good. [LB521]

BRIAN HALSTEAD: If there's something on that sheet, I'm assuming they probably got it from... [LB521]

SENATOR LINEHAN: Well, it just says paid lunch, and I have a little personal information. I know my grandkids attend and they pay and it's a public school. So I'm sure they're not the only ones. So I just don't know what the percentages are. And then finally, are you aware of any state that has full-day preschool for third and fourth graders...three and four-year-olds? [LB521]

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BRIAN HALSTEAD: I'm not the expert, but I can try to find out for you. I know that there are many states that have kindergarten both at the four-year-old and five-year-old level. And I've had that for...my wife went to school in Wisconsin and had four-year-old kindergarten and then five-year-old (inaudible). And that would have been in the 1960s so. [LB521]

SENATOR LINEHAN: So if that would be, Wisconsin does then. [LB521]

BRIAN HALSTEAD: That's what it was at that time. What they're currently doing, I can't speak to it. I mean, Nebraska, we didn't mandate kindergarten until 1988, and that is only for up to 700 hours of instruction in kindergarten is the maximum that we, at the department, can require of school districts. That's set by the Legislature, that was done in the 1980s. [LB521]

SENATOR LINEHAN: Okay. Thank you, Brian. [LB521]

BRIAN HALSTEAD: Sure. [LB521]

SENATOR LINEHAN: Very helpful. [LB521]

SENATOR GROENE: Senator Kolowski. [LB521]

SENATOR KOLOWSKI: Thank you, Mr. Chairman. Brian, thank you for being here today. It's good to hear your points of view on this. A question came up earlier about impact on community where they have early childhood centers or daycare centers. I know in the mid 1980s, when the Millard district went to Latchkey program in the elementary schools, we had a gym full of people that were very concerned over their businesses, what was going to be taken away from them if we open Latchkey programs in elementary schools. Now the district has a Latchkey program in every elementary school and every one of the daycare centers in the city. And that southwest part of town are filled, there's a waiting list on ours and theirs. It's just endless number of kids. But it really proved to be a negative point when we first talked about that, but it wasn't a problem as we got into the establishment of the Latchkey programs which have developed from basically childcare into more academic trends over the years as they've matured and latched into other connections with the kids and their learning issues during the school day. So a child does get an extended aspect of reading or math or something else that would be beneficial. So I think it's important that we talk about that because it does happen. People do become concerned about their business in a community and what would something, if the schools get going, what would that do to my business because my business is childcare. But it's more than that, it's education, not just childcare. So I think that's one issue. The other aspects, our state law basically for education reads K-12, does it not? [LB521]

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BRIAN HALSTEAD: The Article VII Section 1 of the Constitution talks about a free instruction in the common schools for every person between the ages of 5 and 21, correct. [LB521]

SENATOR KOLOWSKI: So not just ages, but not just grades from that perspective. [LB521]

BRIAN HALSTEAD: From that age point, Article VII Section 1. The Legislature also has the authority to enact laws for greater education, which you've clearly done, or past Legislatures have to provide for services prior to 5 and in that regard. So that's been an initiative that this Legislature has taken on in the past, and it's an ongoing discussion as to where else it should be going, so... [LB521]

SENATOR KOLOWSKI: So the 5 to 21 becomes the 18, 19, 20, 21 are more or less the special education outreach to kids. It can be other kids as well, but wouldn't that be the normalcy as far as special ed opportunities working with those kids? [LB521]

BRIAN HALSTEAD: Well, in the sense of special education services can continue for any person through the school year of their 21st birthday, because you've enacted a statute that lets it finish out that school year in that regard. So we do provide...it's possible the services we're providing to a child may start as early as shortly after birth, if a doctor makes a diagnosis, until after their 21st birthday. And even the Department of Education, since we do vocational rehabilitation and we're supposed to be doing transition services, we're working in the school districts, transitioning kids out into the real world so they can have job opportunities, irrespective of when they finish the school, so that they are, in fact, productive citizens. That's the other half of the Nebraska Department of Education you rarely hear about, but that's a large portion of our services is helping make sure all Nebraskans can learn, earn, and live. And that's part of it. So our work doesn't even finish at 21, we're still working with individuals long even older than I am, trying to make sure they have job skills for whatever injuries, brain injuries, whatever in that regard, trying to make them productive citizens, so... [LB521]

SENATOR KOLOWSKI: Excellent. So 5 through 21, as we're talking about it, that junior and senior year of high school we also extend into college and do some things with students will dual-enrollment programs, advanced placement, and international baccalaureate. Go right down the line and you can see a number of things that we've linked with colleges and universities and grade- and credit-granting institutions that help us with those things. We don't have anything from before 5 though, do we? Because it says 5. [LB521]

BRIAN HALSTEAD: Well, you've enacted a number of statutes for early childhood education, so in the sense of school districts can...I think your definition it's prekindergarten programs, we call them early childhood education. Any school district has always had the authority to offer a

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prekindergarten program. Some of them, before any state funding came along, were doing it through foundations where the community was supporting that. Our start-up grants that we still give out to schools to start up an early childhood requires a 50/50 match. You have to match with local resources, funding or whatever. We also, at the department, are leading on Step Up to Quality to make sure that all providers of early childhood, whether that be mom-and-pop daycare or whatever, are involved in quality training, have the opportunity to receive training and get ranked in the Step Up to Quality. All public entities and all entities that get certain public funding are required to meet a level three...I want to say later this year and next year and that, but that's an initiative the Legislature started three years ago and that's so. Had I known this was going to be such a big interest, I would have found our early childhood education director, who could be far more specific on this than I can. [LB521]

SENATOR KOLOWSKI: But having a clean, safe, and secure environment is important at those ages also with all that. [LB521]

BRIAN HALSTEAD: Absolutely. [LB521]

SENATOR KOLOWSKI: And that's in laws as well. So we have, before five years old, that we're working into and doing things. And we have things after senior year in high school, all the way up to 21, and sometimes beyond. So we have an overlap then that exists, it's just a matter of how well it's written in the statute and what our interpretation would be. Thank you. [LB521]

SENATOR GROENE: Any other questions? Wasn't there a constitutional amendment just a few years back? I remember Governor Heineman's wife, Ms. Ganem, pushed it, and we have funding, there was \$20 million put into it. And \$40 million private is...that is the money we fund now. [LB521]

BRIAN HALSTEAD: There is the public/private trust for early childhood education, what's referred to now as the Sixpence, where the private entities put up...I want to say it was \$40 million, and the state put up \$40 million of the permanent school fund from the school lands as the matching. And the interest off of that generates funding for early childhood education programs that the Sixpence board is the term we use for that. [LB521]

SENATOR GROENE: In our public schools, right? [LB521]

BRIAN HALSTEAD: It's not necessarily in the public schools because some of the work they're doing is actually in the home with individuals. The Buffett Early Childhood Institute is working with them, I'm sure somebody back here who talked to you before could explain that better than

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I can at the moment. But yeah, that was the people of the state of Nebraska amended the constitution to provide, yes, the state will match I think it's \$40 million of the permanent school fund, and private providers had to come up with the other matching funds before that kicked in. And they met...or that's been going on now for several years. [LB521]

SENATOR GROENE: All right, thank you. The private funds that come in, that is a one-on-one with each school district or does this Department of Education have any play in that, with the Buffetts? [LB521]

BRIAN HALSTEAD: The private... [LB521]

SENATOR GROENE: Now I'm talking about something else. I mean, the Holland Institute, the Buffett Institute...how is that money directed, does the Department of Education have any play in that or is that a one-on-one to each individual school district? [LB521]

BRIAN HALSTEAD: I guess I'm not sure which one you're referring to. The public/private partnership, the \$40 million? No? [LB521]

SENATOR GROENE: No, I'm talking about something completely different. There's a lot of money out there in grant money for early education. [LB521]

BRIAN HALSTEAD: Okay, that's what I'm trying to...grant funding. Okay. [LB521]

SENATOR GROENE: How is that distributed? [LB521]

BRIAN HALSTEAD: Well, we do distribute still start-up grant funds to school districts to start an early childhood education program. The regulation... [LB521]

SENATOR GROENE: That's state funds? [LB521]

BRIAN HALSTEAD: That is state funds, it's state aid in our budget. We issue those grants to school districts to start up part of that. The regulation requires that to get a fund, you have to match 50 percent, whether that's funding or in-kind services or whatever, bringing in private providers, whatever in that regard. Because the whole point was to generate a community involvement with... [LB521]

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SENATOR GROENE: But the Department of Education does not track private funds flowing into our schools to support early childhood? You have no idea how much money the Buffett Institute, the Buffetts...any foundation applies money for early childhood programs? [LB521]

BRIAN HALSTEAD: We probably would off the annual financial report, if they're getting... [LB521]

SENATOR GROENE: They have to report that... [LB521]

BRIAN HALSTEAD: I think the AFR would have a line on that. [LB521]

SENATOR GROENE: I mean, there's national foundations, too, I'm sure that a school district could apply to, to get early childhood. [LB521]

BRIAN HALSTEAD: We would know what school districts are spending out of their budget for early childhood education programs as to... [LB521]

SENATOR GROENE: But we wouldn't know how much is coming from private money? [LB521]

BRIAN HALSTEAD: Yeah, I think actually we would on the AFR. [LB521]

SENATOR GROENE: Oh, that would be nice to find out, thank you. [LB521]

BRIAN HALSTEAD: Sure. [LB521]

SENATOR GROENE: Any other questions? Thanks, Brian. [LB521]

BRIAN HALSTEAD: Sure. [LB521]

SENATOR GROENE: Any other neutral testimony? Thank you. There's no opponents or no neutral letters on LB521. Senator Walz, would you like to close? [LB521]

SENATOR WALZ: Thank you. Senator Linehan, and I think I have a couple answer for maybe a couple of your questions hopefully. School age special education is state funded, preschool special education is only federally funded. The actual preschool allotment from the feds is

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capped at the \$19.95 level, and it covers about 30 percent or less of our cost right now. And I got that information from our friend sandyr@creteschools.org, if you'd like to email her for more information. A little commercial. [LB521]

SENATOR EBKE: Crete can always use a good commercial. [LB521]

SENATOR WALZ: There you go. I also know that my staff has had some conversations about potential amendments, including the one that Ms. LaRose mentioned, and we're happy to talk about that. I know one of the amendments is to ensure that the money is actually going to pre-K programs and the other one has to do with the fiscal amount note. The bill was intended to increase funding in TEEOSA and provide allowance for nonequalized schools as well, so we'll be doing some work on that. In closing, I want to say that I understand that it will be...this bill will be hard to pass with the fiscal note. But I think it's very, very important to consider this, not only for our kids, but for the long-term success and stability of our state. Early childhood education is a vital program for children, it allows for early detection and the opportunity to prevent learning difficulties and disabilities before they enter kindergarten. Prekindergarten programs enhance children's cognitive abilities and foster social skills they will need to thrive in kindergarten, making them less likely to need special education. I urge you to maybe stop scratching our heads thinking how, you know, could this ever work and start scratching our heads and open up some ideas on how we can make this work. Let's roll up our sleeves and work together. I know that there's a lot of things that we've heard today that we need to look into, but I urge you to consider bringing this important issue forward for further discussion so Nebraska can provide preschool opportunities to all children in Nebraska. With that, I thank you for your time. And I want to thank the testifiers for coming today as well. [LB521]

SENATOR GROENE: Any questions? I appreciate your plug for my LB595, but everybody forgets they have to be physically violent before they can use force or restraint, not just remove them from the classroom. But thank you for that plug on my LB595 in your introduction. Thank you. [LB521]

SENATOR WALZ: And if we have early childhood education programs, we may be able to prevent that altogether. Thank you. [LB521]

SENATOR GROENE: Thank you. Miss, do you want to change the sign? LaMont will now introduce LB511, representing the Education Committee. [LB511]

LaMONT RAINEY: Chairman Groene and members of the Education Committee, for the record my name is LaMont Rainey, that is L-a-M-o-n-t R-a-i-n-e-y, legal counsel to the Education Committee, here today to introduce LB511. LB511 is a bill that the Education Committee

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introduced on behalf of the Nebraska Department of Education, a member of which will follow me in testifying and who is better suited to discuss the rationale that led the department to request the introduction of this bill. LB511, as introduced, would make the following changes to the Nebraska Revised Statutes: Section 1 would create a new section to move existing language from Section 79-215(9) and 79-215(10), which section describes which governmental entity pays the educational costs for certain students in out-of-home placements when they are state wards or wards of the court; and how that payment determination and/or state ward or ward of the court designation is determined; and to separate out where a child can be enrolled in a public school district under Section 79-215. Section 2 amends Section 43-1311, which section deals with removal of children from homes, per a court order, by creating a new subsection (2) to require that when a student is placed outside their home they will continue to attend the same school that they attended before the outside placement was made and that the child will continue to attend that school until a determination, that is in the best interest of that child, to be transferred or switched to a different school; in reaching a determination as to the best interest of the child, the court, NDE, and the individual in charge of the case shall consult with each other, when appropriate, before reaching a determination. Language inserted in this section is consistent with language added to Section 79-215 that deals with enrollment and continued attendance of students in public schools. Section 3 amends 79-215 to include the requirements of the federal Every Student Succeeds Act, or ESSA, and the federal Fostering Connections to Success in Increasing Adoptions Act in 2008, that both require states to address stability for the child's schooling when a child is removed from the home. The language added in Section 79-215 that pertains to school districts and NDE is consistent to language added to Section 43-1311, for child welfare agencies to require the best interests of child determination before moving that child out of their current school district and placing them into a school district. Section 4 just updates references made by the changes under this act, the Section 79-215. And Section 5 amends Section 79-1142, that provides for special education to update references with changes made to Section 79-215 through this act. That is basically what LB511 would do. If you have any questions, I would be happy to answer them. [LB511]

SENATOR GROENE: What is happening now that this need...where is the confusion now?  
[LB511]

LaMONT RAINEY: Well, there isn't so much confusion as there isn't a clear line of communication between NDE and the Department of Health and Human Services as to, when a child is removed from the home, who pays, when should this child be transferred from their existing school to a different school, and who makes that determination. In discussions with NDE, it was that this was a beginning discussion and conversation as to clarifying when that should occur, when that child should...that a best interest determination that we currently require under the juvenile codes, in terms of education and schooling of children, should also apply to the education statutes so that we're kind of not moving a child for the convenience, but moving a

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child because there has been a best interest determination by the courts, by the individual, the case manager, and those involved in that child's life. [LB511]

SENATOR GROENE: Thank you. Any questions from the committee? Go ahead, Senator Kolowski. [LB511]

SENATOR LINEHAN: Thank you, Mr. Chairman. [LB511]

SENATOR GROENE: Or Senator Leanne (sic)...Linehan. [LB511]

SENATOR LINEHAN: Thank you. So if the child is going to...let's just pick a school, Beatrice, Nebraska, child is going to Beatrice, Nebraska, to school, they're taken out of the home, they still want him to go to Beatrice to school if possible. I understand that part. But what I don't understand is in the state, the Department of Ed has to start paying Beatrice for the schooling? Where does the pay come in? [LB511]

LaMONT RAINEY: Well, the pay would come in depending on where and what that out-of-home placement is and where that child would ultimately go to school. [LB511]

SENATOR LINEHAN: So if they went to another district it would be like an opt-in kid? Okay, never mind. Thank you. Thank you very much. [LB511]

LaMONT RAINEY: Okay. [LB511]

SENATOR GROENE: Any other questions? Senator Kolowski. [LB511]

SENATOR KOLOWSKI: Thank you, Mr. Chairman. LaMont, basically this is a cleanup bill and we'll get more details coming next year? [LB511]

LaMONT RAINEY: I would not classify this as a cleanup bill. I mean, there is substantive changes being made and, as discussed with NDE, that this is their attempt to get that discussion going. That we clarify who has the responsibility for ensuring that child's education; and if it comes to paying, who pays; and when we, we as the state, will move that child from their existing school to another school when they're in an out-of-home placement. [LB511]

SENATOR KOLOWSKI: So it's way beyond a cleanup bill. [LB511]

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LaMONT RAINEY: It's beyond cleanup. [LB511]

SENATOR KOLOWSKI: Cleanup, paint up, fix up, we're doing the whole thing. Okay. [LB511]

LaMONT RAINEY: I would say clarification, but clarification may give the inference of a cleanup. But it's more detailed than that. [LB511]

SENATOR KOLOWSKI: Appreciate that, thank you. [LB511]

SENATOR GROENE: Any other questions? Thank you, LaMont. First proponent. [LB511]

BRIAN HALSTEAD: (Exhibit 1) Good afternoon, Senator Groene and members of the Education Committee. For the record, my name is Brian, B-r-i-a-n, Halstead, H-a-l-s-t-e-a-d, I'm with the Nebraska Department of Education and the State Board of Education, here in support of LB511. Back in 2008 the federal government changed the law for the child welfare agencies in the Fostering Connections to Success and Increasing Adoptions Act. What that law did for the child welfare agencies and the juvenile justice agencies would add language about how the child should remain in the school the child was attending when the child gets pulled out of the family. And Nebraska did just that in 2008 by amending the section here, 43-1311, to add a new provision that basically said the child shall remain in that school unless there's a best interest determination that the child should attend a different school. No Child Left Behind was still in place and remained in place past its reauthorization time line and in December of 2015 the Congress updated the Elementary and Secondary Education Act, which is now with its new version, the Every Student Succeeds Act. And when they did that, they also inserted similar legal provisions in the fundamental federal education policy, the elementary and second, about how children should remain in their school setting if they're removed from the home, unless there's a best interest determination made that the child should attend a different school. We at the Department of Education have an obligation now, under ESSA in our state plan, to describe how we're going to work with the Child Welfare Agency, that's the federal language, here it's the Department of Health and Human Services. It may also involve the Department of Probation because we made a change several years ago about how certain children are handled in the juvenile court system. When we looked at the provisions of the Every Student Succeeds Act and we looked to Nebraska statutes, what we find under Chapter 79 is we at the Department of Education have absolutely no role up front about education for state wards. When you look to 79-215 what you find in subparagraphs (9) and subparagraph (10) is language about who pays the costs for the education of state wards. And it's been there for decades. We at the department play a minor role and we will decide which is the resident district for purpose of that and we'll decide contract disputes between two school districts about paying for the cost of that. But the Department of Education doesn't have any role at the moment under state law in working with

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anyone on the child's education up front or their change in placement. What we did notice is when the Legislature made the change back in 2008 they just inserted a single phrase about unless best interest determination is made that the child should attend a different school. To us, best interest determination is a conclusion, which means it should be supported by some facts as to why it's in the best interest of the child to be changed. But our statutes have absolutely no language as to what the factors are one should consider in best interest determination. So what we're attempting to do in LB511 is add language to both 43-1311 and to 79-215 that mirror exactly the same thing. What it does say is it, under 43-1311, it applies to the person in charge or the court in charge. Recognizing courts already under the juvenile code, already have due process proceedings in place, already have parties representing interested families, the state of Nebraska, and those court proceedings. Those decisions are going to be made in a courtroom setting, where there's adversaries. The person, however, is just a person, there is no advocacy, there's no mechanism necessarily for the person, whether that be the child welfare agency, to actually have at their hands the facts needed to know about the child education setting. So what we're attempting to do, and 70...or in LB511 has put in some basic legal requirements and facts to help explain that. So, you know, Senator Kolowski, you said cleanup. Well, if there's a cleanup piece, it is in Section 1 of LB511. We pulled out...that section is largely the language you find being stricken in 79-214(9)(10) and we just moved it to a new section because we felt where the child should go to school in one thing. Who pays is an entirely different section of statute. So they cleanup piece would be Section 1, where the Revisor's Office attempted to take the old language from 79-215(9)(10) and make it a little more readable so people could better understand who's paying and the other changes are what we are proposing in 43-1311 and 79-215. And I see the red light, so I'll stop and see if anybody has questions. [LB511]

SENATOR GROENE: Any questions? Who pays, I mean, you got a local school district with property taxes, you got the state with state aid, and you got HHS. Is that the three choices of who's paying here? [LB511]

BRIAN HALSTEAD: Right now, under the current law, if the child is residing in a home in the local school district, foster home, the school district's covering the cost because the foster parents own a home, they're paying property taxes, the school district is getting funding out of TEEOSA or out of special ed or whatever. It is when the child, who is a state ward, is placed in a setting other than a foster home setting that there is language about whether the Department of Health and Human Services pays or the resident school district pays, another school district, or contracts. We're not trying to change any of the who pays language in that regard, that's already current law, that's what's already there. Now, you may want to look at that and make a determination today whether some of that who pays language still fits. At one time, back before the mid '80s, the state paid for state ward costs, regardless of it. But with budget and issues and with the recognition that homeowners, property owners, whatever, are paying property taxes, foster family kids, the school district is already getting funding so that shift occurred. [LB511]

SENATOR GROENE: So this isn't anything to do with foster care? That's set. [LB511]

BRIAN HALSTEAD: It will impact foster care because in this situation, I think, Senator Linehan, if the child today is in the Beatrice school district, attending Beatrice Public Schools, and for whatever reason a decision is made to remove that child from the home, where the child is put next impacts possibly where the child is going to go to school under both the Fostering Connections Act in 2008 and now Every Student Succeeds. The federal government is saying that child should remain in the school they were in today, unless a separate best interest determination is made that the child should attend a different school. So if the child's pulled out of the home in Beatrice and placed in a foster home in Lewiston, different school district, under current law if we don't make any changes Beatrice Public Schools is still paying for the education costs of that kid because that's where the child resided at the moment they were made a state ward. And one could do that prior to the Fostering Connections Act because the child welfare agency wasn't supposed to put them in the Lewiston school unless it was a separate best interest determination that said the child's school setting is such that they shouldn't continue going to school in Beatrice, they would go to school in Lewiston. [LB511]

SENATOR GROENE: Who makes that decision, best interest? HHS or...? [LB511]

BRIAN HALSTEAD: Right now that's made either by the juvenile court, because they can enter an order, and there's proceedings for that. And we've worked with the juvenile court, we've created an education report for them. Or it's made by the person in charge, the statute which I think is largely a staff member or someone with the Department of Health and Human Services. When we look at that though however, here's the problem, the person working for DHHS probably does not have access to the information they need to know at that moment in time. [LB511]

SENATOR GROENE: Would this help? [LB511]

BRIAN HALSTEAD: That's what we're trying. We're thinking... [LB511]

SENATOR GROENE: Because you probably know the instance in my district, which you guys helped us with. [LB511]

BRIAN HALSTEAD: Well, we in education, we do know something about kids, the education. We can get the data from those kids because, under FERPA, we already have the authority to have the individual student data to evaluate or audit the performance. [LB511]

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SENATOR GROENE: So you will have some input on that. [LB511]

BRIAN HALSTEAD: That's what we're attempting to do here to assist. [LB511]

SENATOR GROENE: HHS dropped the kid from the east and in one of my small towns, and then came in and said at registration day this child cannot be around small children without checking in that the small school had a K-12 school system and they could not separate. And huge cost came to that local school district because one HHS employee overwrote the entire education establishment. [LB511]

BRIAN HALSTEAD: And...and I... [LB511]

SENATOR GROENE: But would this help with that? [LB511]

BRIAN HALSTEAD: I think it may help in the sense of that individual who works for DHHS may have more resources available to know where the best school placement is for the child, as opposed to I had to find a home and if in your case it was in that small school district where the child wasn't going before, they may have decided placement there for that and that's best interest determination. But some of this is because right now we... [LB511]

SENATOR GROENE: But now you will, the Department of Ed, will know about this situation as it's happening, instead of me calling you later and asking for help. [LB511]

BRIAN HALSTEAD: Well, the way the bill is written, we would...they would be required to consult with the commissioner of education before they make a change in school placement. As it's written though, that person still has the authority to make the decision, they just have to consult with the commissioner or a designee at the department. So when we looked at all of this... [LB511]

SENATOR GROENE: So this is... [LB511]

BRIAN HALSTEAD: ...number one, we felt we had a responsibility at the Department of Education to be doing something. The handout that you got has a bunch of information, it has language from the Every Student Succeeds Act, it has language from the Fostering Connections, it has the specifics as to what's supposed to be considered under federal law when making a best interest determination, it has language in there about who's responsible for paying the transportation. We're not trying to alter that. What we're trying to do with this bill is, for the first time, put into state statute what we should be doing for best interest determination for children.

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As you can see from the research, every time a child changes a school setting it has an impact on their academic achievement. So the more times a child changes schools, the greater the impact on that. [LB511]

SENATOR GROENE: So... [LB511]

BRIAN HALSTEAD: The Nebraska Department of Health and Human Services and us have done reports, which are attached there, that we did for DHHS about the state ward snapshot, the stability of their placement, the movement, their academic achievement. As you can see from the data, state wards have a high percentage of being students identified in special education. So we're already dealing with children who already have challenges. [LB511]

SENATOR GROENE: So as committee counsel said, this is a framework where you guys can get some regulations under needed state law. And the biggest part of this in reaching a determination as to the best interest of the child the courts and Nebraska Department of Education, individual in charge of case shall consult. That would be a big improvement? [LB511]

BRIAN HALSTEAD: We think that would be an improvement at least to help make sure the information is there to make a sound decision factually on what's in the best interest of a child. [LB511]

SENATOR GROENE: Thank you, Brian. [LB511]

BRIAN HALSTEAD: Sure. [LB511]

SENATOR GROENE: Any other questions? Senator Ebke. [LB511]

SENATOR EBKE: Yeah, this is certainly an interdisciplinary issue, as we know. You know, juvenile justice, education, health and human services, and all that sort of stuff. [LB511]

BRIAN HALSTEAD: Absolutely. [LB511]

SENATOR EBKE: Do we have kids that end up in limbo for awhile? And I can picture instances where you have somebody, a kid for instance, let's go back to Beatrice, who goes to Beatrice schools who gets pulled out of the home either temporarily or permanently, and you know, not determined yet and ends up in foster care in Lincoln. So what happens? [LB511]

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BRIAN HALSTEAD: Well, there is that transition that goes on under federal law and also under state law the child is supposed to be in school every day school is open and in session. [LB511]

SENATOR EBKE: So where does... [LB511]

BRIAN HALSTEAD: And we have promulgated our Rule 19 about school districts...you should make provisions for kids entering at any time during the school year. Anecdotally are you asking do we hear about kids not being in school because of transition, can't get records, all that? Yes, we anecdotally hear that long after the fact. Federal law now requires that child should immediately be enrolled, just like Nebraska's state law is so. But because we at the department aren't involved in any of this, we only hear about it long after the fact, and we think we can certainly help bridge maybe some of that to better facilitate a stable school environment for the state wards and hopefully help whoever, the courts or DHHS, with what they need for a home setting also. We're not the experts on the home setting, that is others. We're not trying to involve on that, we're trying to have some impact on providing stability to the child in their school setting. And as you can see, they are very mobile. I think 37, 38 percent move multiple times in a school year, compared to the state mobility of nonstate wards of 4 percent. [LB511]

SENATOR EBKE: But you could certainly have a situation where you have somebody pulled out of Beatrice, put in a foster home for a month or whatever, awaiting their day in court so to speak, and then sent back to Beatrice. I mean, so you've got several back and forths there. [LB511]

BRIAN HALSTEAD: Absolutely. And that's one of the keys that, I think at the federal level, Congress recognized that the lack of stability for children, whether that's in the home setting or the school setting, has an impact on their success later on in life. So the bill is our attempt to start the conversation about what is the proper role of the Department of Education, how can we better bridge that. We already do data sharing with the Department of Health and Human Services on the very topic. We've already started transmitting, last year, all of the letters to schools informing them that this is a child you have electronically, so they get those the next day as opposed to the U.S. Postal Service and three weeks later like it used to be a decade ago. So we've been working with DHHS on a whole number of issues to work on making the education for these kids better and more stable. So it's not a perfect world, we know that. We know these children present challenges that none of us in this room would ever want to have to experience ourselves. So our attempt with the bill is to start the conversation about how do we actually focus. And as you can see from the attachments I've given you that the report on state wards is not a positive one. But at the same time, if the state of Nebraska, which is all of us, are going to remove the child from the home, what is it we, all of us in Nebraska, going to do to make that child successful? Whether that's in the school setting or in the rest of their lives. So it's not a

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pretty picture at the moment. And I know, Senator Ebke, since you're now Chair of the Judiciary Committee, you've had numerous bills dealing with juvenile justice. This issue has largely been handled in the Judiciary Committee in the past, from our perspective though, not that Judiciary doesn't look at education of kids in the juvenile justice system, but the focus really ought to be here with you as the education policy makers. What can we do to help improve the education for these children who have challenges, their home life is already disrupted? And from the state board and the commissioner's perspective, we feel that we have a moral responsibility to do something because watching this continue is not getting better. [LB511]

SENATOR GROENE: Thank you. Any other questions? Thank you, Brian. Any other proponents? No letters? [LB511]

LARRY STORER: No proponents? [LB511]

SENATOR GROENE: Are you an opponent, sir? [LB511]

LARRY STORER: Or did you say opponents? [LB511]

SENATOR GROENE: What are you, a proponent or opponent? [LB511]

LARRY STORER: Well, I thought you called for proponents. [LB511]

SENATOR GROENE: Yes, proponents. We're not done with proponents yet, yes. [LB511]

LARRY STORER: Thank you. My name is Larry Storer, S-t-o-r-e-r, 5015 Lafayette Avenue, Omaha, Nebraska, 68131. I was particularly interested in that gentleman's words because I think that kind of backs up what I've said a number of times, that there is so much confusion and a lot of it is because of the complexity of things. But also lack of reasonableness, judgment, back and forth disagreements as to whether it's the federal government or the state government or the city government, and that kind of thing needs to stop. So maybe simplifying the laws a lot would help. My understanding of the federal laws, the intent of them, is it doesn't matter if the kid is in a DD home versus a foster care home versus taken out of the home by the courts and in the juvenile justice system, Douglas County Youth Center, it doesn't matter. The intent is to make sure those kids get an education. Now how you force it down their throats, I don't know either. But I think he even testified that there's an awful lot of outside organizations that are writing the laws for you or the resolutions, but you don't get the...they have a different set of blinders on than you do. But what about that foster care home, is he in limbo? He needs a place to live and Nebraska is "the Good Life." We don't coast, we're Strengthening Families Act, but how do you

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do that when those kids slip through the holes? Because somebody is saying well, he's in a foster home, so we don't have to do this. That's not the intent of the law, why should the foster parent who takes him in have to cough it up? Why should the aunt or uncle that you find that takes him in have to cough it up? It should be very clear to the Department of Education or state Department of Education here or the special education district. It should be very clear, it applies to all of them. And we have people like TerraLuna and Sherwood Foundation again, because this is a very big concern. They're going into even the Douglas County Youth Center and the juvenile justice system and saying, we want to study this and we want to gather data. How do you do that without violating some rights? And the whole purpose there is they find disparity, well, that's not the only problem. But they're dictating to us that well, now we have to go in there and provide an education for them. They shouldn't be in the juvenile justice system that long, should they? And why do they make the decisions? It's not openly discussed. But even Ernie Chambers spoke on the Senate floor that some of the judges misinterpret things, maybe they're getting wrong input from people that have special interest in preserving the system. I don't know, but we need to find out if we really do want to strengthen families. Some of the things he said back that up. You got budget priorities, but what...you know, special assessments, who does the special assessments? Do they ask anybody other than their own professionals for input before they come through and say, that kid, well, he's just behavioral, so send him through the system, that OMNI Behavioral Health. Put him in a home, a behavior home. Well, maybe there's something causing the behavior that somebody's overlooked because there's not enough communication. That's what you need to try to build into these laws, don't exclude people that should be included. Yeah, some shouldn't, but you have to use your judgment on that. Thank you. [LB511]

SENATOR KOLOWSKI: Thank you, Mr. Storer. And any questions for this gentleman, please? Anyone? [LB511]

SENATOR WALZ: Can I ask a question real quick? [LB511]

SENATOR KOLOWSKI: Yes, ma'am. [LB511]

SENATOR WALZ: I'm just trying to follow what you're asking I guess. So are you saying that other family members who could be involved in the processes and the decisions are not involved? Is that basically what you're trying to say? [LB511]

LARRY STORER: Okay, well, let me give you an example. Yes, is the short answer. But I was told by a state agency person that's the coordinator that it's "habilitation," not rehabilitation. Well, don't use the word rehabilitation in your legal language then. That confuses people like me. I'm sorry, I thought it was about educational...what was the word he just used about the education, the best interests of the child. Well, who determines that? So what I'm saying is from

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the entry point, when a parent says, I'm having difficulty. I'm a single parent, I can't manage him in the home and work. So whether it's a court order or not, wherever he goes, until she's able to take care of him, it's supposed to be in his best interest, not in the best interests of the state or the state education committee or the special education person. It's not in their best interest. So you need more input, but there's just so many people that are confused and it's so difficult to understand the legal language that they fight about, well, who's responsibility is it. He's saying that too. Well, the Department of Education doesn't have any role in what? It's supposed to have...he's supposed to have a role. DHHS is supposed to have a role. Why are they arguing about it? The intent of the law is for the kid, is it not? Is that clear? [LB511]

SENATOR WALZ: Um-hum. That helps, thank you. [LB511]

LARRY STORER: I'm saying there's a systemic problem in the state, yes. But it's made larger than that. Did he refer to Hollywood? I think he did, I'm not sure I heard him. But yeah, we don't necessarily want to do things based on what Hollywood tells us, okay? [LB511]

SENATOR WALZ: All right, thank you. [LB511]

LARRY STORER: Thank you. [LB511]

SENATOR KOLOWSKI: (Exhibit 3) Any other questions? Anyone else? Thank you, sir. Any other proponents, please? And are there any letters? Thank you. We have two proponent letters, it looks like, that have been...National Association of Social Workers and Jamie Jo Thompson, superintendent of Norfolk Public Schools, have sent letters of support (sic: letter from Thompson for previous bill). So we'll move on those. And now opponents, please, to this topic today. Again, any opponent? Seeing none, any letters, please? None, no letters? Any neutral that would like to come forward, please? Welcome. [LB511]

KORBY GILBERTSON: Good afternoon, Senator Kolowski, members of the committee. For the record, my name is Korby Gilbertson, it's spelled K-o-r-b-y G-i-l-b-e-r-t-s-o-n, appearing today as a registered lobbyist on behalf of Boys Town. I'm testifying today in a neutral capacity because we very much agree with the intent of this legislation, in fact we met with Mr. Halstead last week to discuss the legislation. Section 1 of the bill we have no questions about, I think that he's fairly stated that it just moved language and adds some clarity to how payments should be made. Our questions come actually when you look at the bill on Page 6 in Section 2, when it deals with the determination of the best interests of the child. For Boys Town obviously the best interest of the child and providing with stability is of utmost importance. And our fear is that, the way that the bill is currently drafted, requiring this person in charge or the court in charge to make these decisions after they get information from the school district and other parties, may

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lead to delays that could have unintended consequences of actually adding instability to children's lives. So with that, we, in our meeting with Mr. Halstead last week asked him, and he agreed, to continue to work with us and other interested parties who were also at the meeting to discuss the language in the bill so that we can hopefully come up with something that gets the Department of Education involved but also helps protect the stability and the best interests of the child in making sure that that child that is taken out of a home in Beatrice, perhaps if they get moved to Boys Town, aren't held out of school in Boys Town because there isn't a determination made in a timely manner, maybe because a court can't have a hearing in a timely manner or something else happens. And with that, I'd be happy to try to answer any questions. [LB511]

SENATOR KOLOWSKI: Senator, please. [LB511]

SENATOR ERDMAN: Thank you, Senator Kolowski. Thank you for coming. So let me ask you this question. You may already have figured it out, but if the bill is passed as is today you wouldn't be happy with it, is that correct? [LB511]

KORBY GILBERTSON: No. And the reason why we didn't oppose it is we understand what he is trying to do and we think that it's the right thing to do. However, when you look at the specific language, we just think some things need to be changed about trying to get the determination made from the relevant factors, including to the appropriateness of the current school setting, the proximity of the school to the child currently attending, a history of school transfers, impact on the students, services that they are currently receiving, and any additional services the student needs. I have a child with an IEP and I always joke that it takes an act of Congress to get a meeting set up just with the people in his one school. I can't imagine trying to get all of this information pulled together and be able to make a timely decision when a child's life is at risk and we're trying to make sure that they have as much stability as possible. [LB511]

SENATOR ERDMAN: I understand. Not having been here very long, I have never understood neutral. And that kind of... [LB511]

KORBY GILBERTSON: I know. I was always told if you don't want the bill to pass the way it is, you should come in opposed. We're not opposed to the idea and I think Mr. Halstead, when we met with him last week, said that he was...in his testimony I do believe he said it, that this is to start a discussion. With that we agree, so that's why we don't oppose the bill. [LB511]

SENATOR ERDMAN: But my opinion is if you're in neutral you come here to answer questions or you're in agreement if the bill passes, I'm okay with it. So if you come here and you make suggestions on how it should be changed and improved, that should be opposition. [LB511]

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KORBY GILBERTSON: Right. [LB511]

SENATOR ERDMAN: I disagree with your neutral position. [LB511]

KORBY GILBERTSON: Thank you and I appreciate that. And Senator, for a number of years would have agreed with a lot of different chairs of different committees. But we did it in deference to Mr. Halstead, because he said it was to start a discussion. So that's why I did not oppose. [LB511]

SENATOR ERDMAN: That's just my opinion. [LB511]

KORBY GILBERTSON: Um-hum; thanks. [LB511]

SENATOR KOLOWSKI: Any other questions, please? Mr. Chairman? [LB511]

SENATOR GROENE: I don't know what's going on. [LB511]

SENATOR KOLOWSKI: Korby, I think I'd just comment from having had the principalship, for 15 years, of the most severely handicapped students in the Millard district at the high school level in my building. It really does help when you're trying to get all of these different wires connected because the lag time on families and treatment of that child becomes extremely important for us there. We had a very good system set up and really worked with them very well, but it is a challenge and it does take some real challenges to get that done sometimes. But thank you. [LB511]

KORBY GILBERTSON: Right. And I think it's workable. I just think that there needs to be some tweaking of the language a little bit. [LB511]

SENATOR KOLOWSKI: Thank you. Appreciate it very much. [LB511]

KORBY GILBERTSON: Thank you. [LB511]

SENATOR KOLOWSKI: Any other neutrals, please? [LB511]

LINDA COX: (Exhibit 2) My name is Linda Cox, L-i-n-d-a C-o-x, and I am here to testify in the neutral capacity for my executive director of the Foster Care Review Office, Kim Hawekotte, K-i-m H-a-w-e-k-o-t-t-e. To give you just a brief bit of background about the Foster Care Review

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Board, we are an independent state agency; we are not affiliated with the Department of Health and Human Services, the courts, or any other child welfare agency. Our role is to independently track children, review their cases, analyze the data, and then provide recommendations for how to make any needed corrective actions. In any given year, our staff complete an in-depth case file review and data collection process on over 4,000 children in out-of-home care and, from that, we make a number of different recommendations. Many of the children in foster care have lived a very chaotic and stressful environment prior to their removal from the home. Some have had prenatal and postnatal exposure to alcohol and drugs; some have moved often, even during the school year; some did not get early childhood stimulation needed to grow and thrive, such as parents reading to children or teaching concepts like colors, letters, and numbers; some even in school had--early school--had parents that did not ensure their regular school attendance, and they often began their formal education at a significant disadvantage. Further, children that are experiencing separation from their parents and adjusting to a new living environment often are also adjusting to a new school, and that can result in experiencing too much stress to properly concentrate on their education. Grief effects are exacerbated every time a child is moved to a new placement and a new education setting. We've quoted some from the Department of Education State Ward Statistical Snapshot that Mr. Halstead had referred to earlier, so I won't repeat that. I would like to point out some data from our last annual report that was issued to the Legislature December 1 of 2016. One of the questions that we ask during our reviews is information available as to whether or not the child is academically on target. 18 percent of the children that we reviewed did not have sufficient file documentation to determine if they were academically on target and another 19 percent of the children were academically behind. And this has remained constant for about the last three years. Is education information being shared with foster parents and other placements? We are finding that only 55 percent of the caregivers received this educational information that they need to make sure that it's a smooth transition for the children. And then further we ask, have placement changes resulted in the child also changing schools? And one of the things that we have found is that, for children that change placements within the six months prior to the case file review, 42 percent of those children also changed school with that placement move. So they've changed the person that's caregiving them, they've...if they have before- or after-school caregiver, that may be a different caregiver, and they also have different teachers and a different educational environment. That's an awful lot of change for little children to be dealing with. And that has remained pretty constant over the last few years, also. Based on that data and the educational needs of children in out-of-home care, we support the amendments to 43-1311. It's in the best interests of children to remain in their school, even if a placement change is needed, in most cases. And that's why a decision as to whether or not it's in the best interest of children to remain or change schools should be made in writing by the court in charge of the case. These decisions should not be made by a case manager or foster parent; they should be made on the facts with the school input. And these proposed changes also detail out what factors need to be considered in determining a best interest. Too often in our reviews the Foster Care Review Office finds that children are changing schools at the time of

placement because of distance and not because of the educational needs of the child, and that includes even if they're just changing from one school to another within a metropolitan area. Ensuring that the educational needs of children are met is key to providing for the long-term well-being of the child. And I'd be happy to answer any questions that I might be able to for you. [LB511]

SENATOR GROENE: Any questions from the committee? Does...isn't it the responsibility of HHS, too, to make sure before you transfer a student into a foster care home that there is a school capable of handling that student? [LB511]

LINDA COX: That should be one of the considerations that is made, yes. [LB511]

SENATOR GROENE: By HHS, by the employee of HHS. [LB511]

LINDA COX: Yes. When you're trying to determine is that the best placement for the child, that's one of many different considerations that goes into that mix. [LB511]

SENATOR GROENE: Thank you. Any other questions? Thank you. Any other neutral testifiers? LaMont? [LB511]

LaMONT RAINEY: I'm going to waive. [LB511]

SENATOR GROENE: You're going to waive, yeah. We will now go on to the next, LB512. And committee counsel, LaMont Rainey, will introduce it. Committee bill. [LB512]

LaMONT RAINEY: Chairman Groene and members of the Education Committee, for the record my name is LaMont Rainey, that's L-a-M-o-n-t R-a-i-n-e-y, legal counsel to the Education Committee, here today to introduce LB512. LB512 is a bill that the Education Committee introduced on behalf of the Nebraska Department of Education, and a member of which will follow me and testify who will be better able to answer questions as to the rationale that led the department to request the introduction of this bill. LB512 was a bill introduced for the purposes of making several technical, clarifying, and needed changes from the viewpoint of NDE. The changes to be made under LB512 are as follows. Section 1 amends Section 9-812 to eliminate outdated language and to eliminate a limitation of a specific fiscal year that NDE may use lottery funds for the payment of the ACT to be taken by 11th graders. Under LB930 of 2016, Senator Scheer was able to pass, and the Education Committee supported, the provision of a college admissions test to all 11th graders in the state. The department chose the ACT as that college admissions test. And under LB930 there was a one-year limitation for the use of lottery funds to

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pay for the provision of that test, after which the department would request that amount of money be added to their annual budget and/or would use the NeSA test that was administered for that 11th grade year as the funding source for that ACT, if those funds were sufficient. With the fiscal climate that we're currently under, the department is seeking to ensure that that provision of the ACT test occurs, and are asking for the ability to use those lottery dollars for that purpose, if the need should arise. Section 2 amends 79-237 to permit the current year receipt of an application for the Enrollment Option Program. This change will provide greater flexibility for a student and family choice in schools. Section 3 amends Section 79-2144 to extend the date for completion of the assessment of every public school building by the department's state school security director by two years, due to budget cuts. Current completion dates specified in this section is August 31 of 2017, so the new date would be August 31 of 2019. Senator Kolowski was able to create the position of school security director. And one of the duties of that director was to take a look at the security of the school buildings and public schools or offer an assessment as to that security. And that requirement was supposed to be done by August 31 of 2017, so NDE is seeking an extension on that from August 31, 2017, to August 31 of 2019. Section 4 amends Section 79-319 for State Board duties to include technical and career responsibilities. For the State Board, currently there is...we are eliminating a state board of technical education and replacing that reference to the State Board of Education, along with terminating or outright repealing eight sections of statute that were adopted to comply with federal law in the 1950s for vocational education. NDE is seeking the ability to make it easier to comply with federal law for vocational education requirements by striking those sections and providing a reference to federal statute. Section 5 amends Section 79-575 to permit a school board to designate someone other than just the secretary of that school board to draw or sign warrants, to expend funds on that school's behalf. That person could be the treasurer or another member of the board or an employee who would work for the board for the purposes of drawing warrants. But again, it would be under the direction of the school board. Section 6 amends Section 79-746 to strike a reference to the State Vocational Board of Education (sic: State Board of Vocational Education) and, again in its place, just refer to the State Board of Education. Section 7 amends a definition in Section 79-1003, which section provides definitions for the Tax Equity and Educational Opportunity Support Act, or TEEOSA; to strike the best practices allowance, which does not currently exist in the formula and is set to be enacted in the 2021-22 school year; and would also eliminate outdated language. This is done as part of a budget recommendation to address the current fiscal climate. Sections 8 and 9 amend Sections 79-1007 and 79-1017, respectively, to also eliminate the language related to the best practices allowance. Section 10 amends Section 79-1054 to eliminate the reference to the best practice allowance from the innovative grant award that is to be included in TEEOSA aid beginning in the 2021-22 TEEOSA certification aid section...session, excuse me. Sections 11 and 13 amend Sections 79-1065 and 79-1144, respectively, to permit the department to utilize state funds for special education for a specific school district to repay the U.S. Department of Education for that school district's failure to meet federal maintenance of efforts requirements for IDEA instead of the

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school district having to send the state funds to NDE and then NDE having to send those funds back to the state...back to the U.S. Department of Education. So in essence, if a school district is not in compliance with the IDEA and they are docked funds, the department wouldn't have to, as the distributor of those funds, wouldn't have to send it to the school and then have the school send the money back to the department and then have the department send that money to the federal government. The department would just be able to withhold those funds before distributing it to the school and then send that difference back to the department, as I understand it. Section 12 is amended to strike a reference to lottery funds as a source for the high ability aid funds, as high ability funds now come from the General Fund. Section 14 amends Section 79-1218 to permit a board for an ESU to employ a secretary for the board, instead of a member of the board having to serve as the secretary. I believe this change was requested by ESUs to the department. The department thought it worthy enough to include in their bill request to us. Section 15 amends Section 79-1221 to permit the secretary, treasurer, or a person delegated by the board, again, to countersign warrants and permit the utilization of facsimile signatures. So currently, there's only one individual designated to sign the warrants and they cannot use an electronic signature for the signing of those warrants. So if you have a meeting and the treasurer or the designated person is not available, you've got to wait for that individual to come back to sign those warrants. They couldn't do it electronically and the board could not designate someone else with the ability to sign those warrants. Sections 17-20 strike references to statutes related to the vocational education sections that are being outright repealed. Section 21 is the outright repealer section. Section 22 repeals original sections, but also outright repeals the best practices allowance and outright repeals the council on student attendance that the Governor's biennium budget would no longer fund for 2017-19. In my conversations with the department, I asked them, hey, why is this in there? They said that the purposes of the council have primarily been met and that any additional work that needs to be done can be handled by the department, utilizing existing staff and resources, and/or they also have the ability to contact individuals to provide information to help them meet that purpose. That concludes the changes proposed under LB512 and we'll answer any questions. [LB512]

SENATOR GROENE: Senator Erdman. [LB512]

SENATOR ERDMAN: Thank you, Senator Groene. LaMont, thank you for coming. I have several questions pertaining to Sections 14, 15, and 16. Let's start with 14. It says the board...to permit the board of an ESU to employ a secretary for the board, instead of a member of the board being the secretary. So when it says employ, does that mean that they would get extra compensation if they played that, they did that role as secretary? [LB512]

LaMONT RAINEY: Well, the individual that would be employed would have to fit under their existing budgets. There's no additional revenues being provided for that particular purpose. [LB512]

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SENATOR ERDMAN: And then as you move on down, Section 79-1221 talks about authorization of signing warrants. So now we're going to have a person who's able to sign those warrants who is not an elected position? Isn't the secretary of that board now an elected position? That's a problem. We have people that are going to be a designee of the board who has not been elected or who isn't responsible to the voters that elected them. So taking that provision there, it says anyone the board authorizes may sign those warrants. I don't understand how that's a good idea to let someone who's not an elected position have that authority. [LB512]

LaMONT RAINEY: Well, certainly the board will still have the responsibility for overseeing the signing of the warrants by the person that they have designated. So there will still be that responsibility to those individuals who are elected. I guess it would be akin to the Board of Educational Lands and Funds has an executive director...various governmental entities have an executive director who works underneath that board and has the ability to act on that board's behalf. So this would be no different. But the ESU or that board would still have the responsibility for all the actions of their employees. [LB512]

SENATOR ERDMAN: I understand. [LB512]

LaMONT RAINEY: Now, whether that's good, you know, this is certainly a policy decision for you guys to... [LB512]

SENATOR ERDMAN: I'm not trying to trick you or make you feel like you are obligated to answer those, but those are the things that bother me about those changes. I read those other day. I thought, you know, what's the purpose of this and the facsimile signature. So if the designated secretary is not there that day, I don't know how significant having these facsimile signatures are. But I have a problem with those three, those three seem to be...they may have a better reason than I understand about why they want to do that. But those don't make any sense to me now. [LB512]

LaMONT RAINEY: Senator Erdman, the fact that you asked a question...I'm your employee; I'm going to answer the question, whether it was a trick or not. [LB512]

SENATOR ERDMAN: You know what I'm trying to say. [LB512]

LaMONT RAINEY: I do, I do. [LB512]

SENATOR ERDMAN: I feel a lot more secure when people who are elected making decisions about the money they handle than most people who are appointed. [LB512]

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LaMONT RAINEY: As do I. [LB512]

SENATOR ERDMAN: Thank you. [LB512]

LaMONT RAINEY: So that way I can pass anything off on you guys because you guys get to push the button. [LB512]

SENATOR GROENE: Any other questions for LaMont? Senator Ebke. [LB512]

SENATOR EBKE: Is Mr. Halstead going to come up and tell us about these things and maybe engage in a bit of a conversation? [LB512]

LaMONT RAINEY: Yes. Yes. [LB512]

SENATOR EBKE: Okay, great. Maybe he can answer some of our questions. [LB512]

BRIAN HALSTEAD: (Exhibit 1) Bless you. Good afternoon, Senator Groene, members of the Education Committee. For the record, my name is Brian, B-r-i-a-n, last name is Halstead, H-a-l-s-t-e-a-d. I'm with the Nebraska Department of Education, here in support of LB512. As Mr. Rainey indicated, the bill is largely a compilation of various concepts or ideas that were presented to staff at the department. In that regard, I will certainly try to answer any questions on any of the provisions in here, or the language. I would note we do have an amendment that we'd like to offer to the bill, and I've handed it to the aide to hand around. The amendment deals with veterans' education. We learned about this on January 27th when we were notified by the federal Department of Veterans Affairs that Congress had made a change in a law, that we also needed to make that change and have it effective by July 1, in order for veterans to continue to receive education benefits. We had been working with Senator Crawford, because she had been interested in the past and was looking for a bill, and couldn't find a bill. So lo and behold, this bill opens up Chapter 85 in three separate sections, and one of those sections is close to the section. So what you can see is the language we would hope you would add as an amendment. The U.S. Department of Veterans Affairs has looked at this and said this will make Nebraska be compliant going forward. The front page is the explanation from the staff member at the Nebraska Department of Education who oversees veterans' education benefits. So we certainly would ask you to consider the amendment be added to LB512 in whatever manner it might be, should the bill advance from committee and be enacted this session. But otherwise, I'll try to answer any questions you have on the bill itself or the amendment. [LB512]

SENATOR GROENE: Thank you, Brian. Senator Ebke. [LB512]

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SENATOR EBKE: Thank you. Senator Erdman is not here, but I'll ask you to take a stab at Section 14 and 15 and the question of the secretary. [LB512]

BRIAN HALSTEAD: Okay. [LB512]

SENATOR EBKE: I haven't served as a school board secretary. For a number of years we hired an assistant secretary. We had a person who was designated as the assistant secretary, rather than the elected secretary, who took all of the notes and all that sort of stuff. I wonder if we can fix that, if that would be an acceptable fix. [LB512]

BRIAN HALSTEAD: Well, I believe if you're talking about a school board, is that not what we're trying to address? We've received... [LB512]

SENATOR EBKE: Well, this is an ESU, right? [LB512]

BRIAN HALSTEAD: Right. That one is ESU, but there is a previous one about the school board. Under 79-5...we got to find the section of the bill. [LB512]

SENATOR EBKE: Get someone else to carry out the duties. [LB512]

LaMONT RAINEY: Section 5. [LB512]

BRIAN HALSTEAD: Section 5 of the bill. These came to us...one came from a school district, the other came from an educational service unit who, on an audit report, had a finding because the wrong person hadn't officially signed. And when we looked at it, it's like, okay, well, in the sense of whoever it is shall draw and sign orders. Obviously right now, under 79-5...the secretary has to sign all orders, even though you're telling me in your district you had an assistant. [LB512]

SENATOR EBKE: Well, we had an assistant secretary, but we also had the use of facsimile signatures. [LB512]

BRIAN HALSTEAD: Right, right. [LB512]

SENATOR EBKE: And so they had a nice stamp with my name. [LB512]

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BRIAN HALSTEAD: Right. And apparently, the ESU one and the use of facsimile signatures, as we understood it, came from an audit report because there is no statutory authority for ESU boards to use facsimile signatures. And it seemed, well, that seems reasonable if local school boards can use it, ESU boards. The language about what the ESU board may decide to do if it wants one of its elected members to be the secretary, it can still do that, or it's up to the ESU board if they decided they want to hire someone. We didn't think that was going to be controversial. I understand the whole idea that elected officials are the ones most accountable, so that's your choice to make. That's why we said sure, we'll include it in there for the conversation. I understand Senator Erdman's concern. Keeping in mind, that secretary can't sign anything until the ESU board at a public meeting votes to do something. That person then handles it. So in the sense it's not just somebody hired who's off doing something on their own. It's still going to require the action of...I'm not saying the ESU board are over there under LB575. The school board, having already acted to do something for which the secretary, treasurer, or other designated official could do it. Both of those, from our understanding, came from audit findings of one the school districts, the other an ESU, about their failure to comply with what the statute required. So I'll leave those for your consideration as to whether flexibility is warranted or not. But we certainly suggest that we include it in the bill for discussion. [LB512]

SENATOR GROENE: Senator Pansing Brooks. [LB512]

SENATOR PANSING BROOKS: Thank you, Chairman Groene. Thank you for talking about this with us. I was just interested if you could give a little...when I see big slots of statutes being taken out, which is good, I just want to understand what happened...why are you taking out all the vocational language? What is...is that because we're now doing trade schools and there's Southeast Community College and they're doing different kinds of schools? [LB512]

BRIAN HALSTEAD: No. [LB512]

SENATOR PANSING BROOKS: Are we calling it different things? Or... [LB512]

BRIAN HALSTEAD: The statute you're seeing... [LB512]

SENATOR PANSING BROOKS: And before you say that, I would really like to have a stamp with your name on it for us, Senator Ebke. [LB512]

SENATOR EBKE: I'm not giving you one of my stamps. I'll be co-sponsoring bills all the time that I don't like. [LB512]

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SENATOR PANSING BROOKS: It's going to be fun. Sorry, go ahead. [LB512]

BRIAN HALSTEAD: If you add a single sentence to the Section 79-319 about how the State Board and one of its duties can handle career and technical education under federal law... [LB512]

SENATOR PANSING BROOKS: Readiness. [LB512]

BRIAN HALSTEAD: The statutes that are being outright repealed were enacted in 1955, when the State Board of Education was first created, and federal law required, at that time, you have a separate state board of vocational education. You had to have a separate commissioner of vocational education. And all of those sections of statute are no longer necessary under today what we call Perkins at the federal level. So we thought, boy, add a sentence to one state board because the State Board has been doing this since 1955 and you can eliminate...I can't remember, seven or eight sections of statutes that are no longer necessary. We can clean up some old language--we don't refer to it as vocational education anymore, it's career and technical education. But those statutes have just sat there for decades and we thought good time maybe to whittle down the number of state statutes. That's all that's going on there. And because there are references elsewhere, you see all the rest of the sections have to be tweaked in order to get rid of some outdated statutes, from our perspective. So long as you add a single sentence in 79-319 about handling the career and technical education, that doesn't need the rest of those statutes. [LB512]

SENATOR PANSING BROOKS: Thank you, Mr. Halstead. As a lawyer who has looked often to legislative history to figure what happened and why, I wanted that part of the record. [LB512]

BRIAN HALSTEAD: Sure. [LB512]

SENATOR PANSING BROOKS: Thank you. [LB512]

SENATOR GROENE: Senator Lou...Linehan. Senator Lou. [LB512]

SENATOR LINEHAN: Thank you, Chairman. [LB512]

SENATOR GROENE: It's either Lou Ann or Louhan (phonetic). [LB512]

SENATOR LINEHAN: I like both. [LB512]

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SENATOR GROENE: Sorry. [LB512]

SENATOR LINEHAN: No, it's all right. It's just that alliteration part gets people tripped up. Thank you, Brian. [LB512]

BRIAN HALSTEAD: Sure. [LB512]

SENATOR LINEHAN: So on Section 1, so it just means you can use the lottery funds every year, right? Is that what we're doing there? [LB512]

BRIAN HALSTEAD: Okay. So I think Mr. Rainey did a good enough job. Last session LB930 was enacted by the Legislature, calling for the State Board of Education to pick a national college admission test that all students in the 11th grade would take. The State Board selected ACT. Last session there was a discussion about what's this going to cost us, is there enough money in the state budget to pay for it. Senator Scheer, in getting the bill enacted, did have language that said for the '17-'18 fiscal year the state board could access lottery funds to pay for the ACT. Well, we've watched the revenue receipts of the state of Nebraska, we also understand that there are budget decisions that need to be made. And the commissioner was thinking, well, we don't want to give up the college admission test. And if our general funds and federal funds for assessment are cut that we are having to struggle, if we strike that specific fiscal year it would allow us, if needed, to access lottery funds to pay for the ACT, which is the test. We do not intend to do that, it was never our intent to do that. [LB512]

SENATOR LINEHAN: That's what I understood; I just wanted to make sure that I understood it correctly. [LB512]

BRIAN HALSTEAD: Right. But if you can tell me what the department's budget is going to be at the end of this session, we'd feel a little more secure. So we realize, okay, if you strike that, it provides a little more flexibility. Not only to you, as legislators, because that's not an easy task, but at the same time, it is not our intent to go use lottery funds for something we think is absolutely a fundamental obligation of the state and the federal government to pay for. That's all that's being done there, is a tweak of that to provide some flexibility if, in the second year of the biennium, you're in a position where you don't have the funds. [LB512]

SENATOR LINEHAN: So now, in honor of your long service to the state of Nebraska education... [LB512]

BRIAN HALSTEAD: Yes. [LB512]

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SENATOR LINEHAN: On Sections 7, 8, and 9, and 10, is striking best practice allowance. [LB512]

BRIAN HALSTEAD: Allowance. [LB512]

SENATOR LINEHAN: Can you tell me the history of how that got in there? And it's never been used, evidently, but where did it come from originally? [LB512]

BRIAN HALSTEAD: Okay. It came from the study this Education Committee did several years ago on what should be the future use of lottery funds. [LB512]

SENATOR LINEHAN: Oh, okay. [LB512]

BRIAN HALSTEAD: All right. So in the sense of the committee decided we needed to shift how we were using lottery funds going forward, you actually have a duty, I think in 2020, to review how lottery funds are used anyway. They created a...grant funds for...innovation grants that the State Board can give out. And the State Board actually, at its February meeting, awarded the first innovation grants to applicants to do innovative things in education that can be, hopefully if effective, can be scaled and used in the future. When they did that, they also created, in the Tax Equity and Educational Opportunity Support Act, a best practice allowance, because those innovation grants that the State Board gives out...in 2019 the State Board is supposed to report to you of those innovative grants what actually may be working, what are good ideas for you to consider funding besides just innovation grants. So they thought, let's create a best practice allowance in the TEEOSA formula that for the 2021 certification of aid there would be an allowance created there that would send equalization fund out to any schools who may be doing those innovative. The commissioner and the department didn't think that was a good strategy for, number one, because equalization aid goes to so few school districts anymore. If innovative things are really best practices, we should be having a fundamental conversation about how should that all be funded statewide, not through an equalization component of the formula. And as to whether the TEEOSA is around in 2021, or whatever in that regard, we just felt that's not a good connect between the innovative grant. If that's effective, if there's things going on, then we should have the discussion of how do you systematically do that, going forward, instead of trying to create an allowance in an equalization formula to try to direct funding for those things. And since it's never been done, we just felt let's get it out of the TEEOSA formula and maybe, in 2019 or 2020, have the discussion with this committee about those innovation grants that might actually be working. What is our best strategy as a state to ensure that type of funding is going and working? So far, we just awarded the grants at the first of this month, so it's going to be a while before we know any of those, whether they produce anything to begin with. So the commissioner felt the connection to an equalization part of a state

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aid formula that doesn't hit all 245 school districts is probably not the place for it to be. So we figured we'd just offer to take it out before it ever gets calculated because, the moment it gets calculated and somebody gets it, we figured there might be some... [LB512]

SENATOR LINEHAN: Okay, understood. But how do you not lose the idea of a best practices then? [LB512]

BRIAN HALSTEAD: Well, that's the whole point of the innovative grants and the evaluation on it and the report the State Board's going to have to produce for you at the end of 2019. Of those grants, what really are innovative? So you're going to get a report from them on what it is. [LB512]

SENATOR LINEHAN: Okay. [LB512]

BRIAN HALSTEAD: And that's the point in time where the commissioner felt that's where you have the conversation about should this be funded statewide and everything else, which is this committee making that decision, as opposed to, two years ago, trying to create an allowance, seven years out, and a formula. [LB512]

SENATOR LINEHAN: Okay. All right, yeah. Thank you. [LB512]

BRIAN HALSTEAD: That's all we're trying to do. We'll be back most likely in 2019 or 2020 with that, but it just didn't seem it fit in equalization aid. [LB512]

SENATOR GROENE: Any other questions? Brian. [LB512]

BRIAN HALSTEAD: Yeah? [LB512]

SENATOR GROENE: I'm back to the lottery. [LB512]

BRIAN HALSTEAD: Yeah? [LB512]

SENATOR GROENE: There's \$1 million from last year's lottery fund sitting in a fund right now. [LB512]

BRIAN HALSTEAD: I'll take your word at that, yeah. [LB512]

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SENATOR GROENE: Well, I mean, that's locked in. [LB512]

BRIAN HALSTEAD: There's allocated funding for...yes, for certain. Yes. [LB512]

SENATOR GROENE: Well, we...of the lottery money that came in, we said \$1 million of it would be used to pay for the ACT test. Is that not correct? [LB512]

BRIAN HALSTEAD: No, what you...we thought we could make it work within our budget, and we still think it can work, depending on what Appropriations does to our budget. But Senator Scheer wanted to make certain, since we didn't know what the cost of ACT was statewide, we had to put it out for bid because we couldn't say ACT. We put it out for bid to private vendors, and guess what, there were two vendors who bid on it. And believe it or not, ACT was the lowest responsible bidder on it. But SAT also bid on it, so we selected ACT. We never intended, and we don't intend today, to use lottery funds to pay for that, but we also understand the financial problems we're having to deal with, the revenue that's there. So if in fact our budget doesn't have sufficient funds, there would be, if there are any lottery funds that haven't been committed, the ability to tap the lottery funds to pay for that. [LB512]

SENATOR GROENE: Which lottery funds? [LB512]

BRIAN HALSTEAD: The lottery funds right now, the way this would be the innovative grant lottery funds would be the tap in order to cover the cost for... [LB512]

SENATOR GROENE: That you administer? [LB512]

BRIAN HALSTEAD: Yeah, that the State Board just awarded; we administer those. Yeah, you're not shifting it around. We would, in some ways,... [LB512]

SENATOR GROENE: You could make the decision. [LB512]

BRIAN HALSTEAD: ...not award as many innovative grants in order to pay for it, yes. You're not changing who is in charge of the funding, it's just whether we'll (inaudible). [LB512]

SENATOR GROENE: So...Senator Scheer intended that you could only do that one year. [LB512]

BRIAN HALSTEAD: For '17-18, yes. [LB512]

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SENATOR GROENE: And now you want to do it indefinitely? [LB512]

BRIAN HALSTEAD: No, it's only striking the reference to one year. The innovative grant funding is only good until 2020, I believe, because you're supposed to again review that and make changes to the use of lottery funds. So yes, it would continue out into future years if you strike the specific year. But it is not our intention to use it. We're just trying to be prudent and making sure, because of budget cuts we know we're going to take, and we're willing to live with something... [LB512]

SENATOR GROENE: So you're not limited to...could I...you know, you got my curiosity. What was the bid? [LB512]

BRIAN HALSTEAD: ACT I believe right now it's \$1.2 million is the cost. But I can get you the exact number for...it's not just the test, it's also delivering the test results. [LB512]

SENATOR GROENE: That's annually? [LB512]

BRIAN HALSTEAD: I believe that's a ballpark figure, but I can get you the exact. [LB512]

SENATOR GROENE: When the bids were out, was it for a period of time? Or just every year? [LB512]

BRIAN HALSTEAD: We did the bid for the single year with the ability of the contract being rolled over for multiple years. So at the moment, the bid is for the first year and we can negotiate to continue the contract. And depending on that, and the costs are always... [LB512]

SENATOR GROENE: Do you...and are you asking for money in your budget to pay that \$1.2 million? Or are you anticipating using innovative money to pay for it? [LB512]

BRIAN HALSTEAD: Our budget before LB22 had sufficient funds to cover all of this...we think it still has sufficient funds, but we don't have our Appropriations Committee hearing until March 7, and we won't know. And nobody will really know until you get done with the budget in May as to how much funding is in our budget to pay for an assessment. [LB512]

SENATOR GROENE: So this is a backup to make sure we switch to the ACT and you can pay for it. [LB512]

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BRIAN HALSTEAD: From his perspective and our perspective, this would at least be an emergency backup, if for some reason it isn't. But as I said, we don't have any intention of using it unless we're absolutely required to use it. [LB512]

SENATOR GROENE: All right. I have another question. [LB512]

BRIAN HALSTEAD: Sure. [LB512]

SENATOR GROENE: Back to the secretary on Section 5. [LB512]

BRIAN HALSTEAD: This is the school board section? [LB512]

SENATOR GROENE: Yeah, Section 5, the school board one. The secretary of the school board. So there will not be an elected secretary? [LB512]

BRIAN HALSTEAD: No. Well, no, there's still an elected secretary of the school board. I believe what that's saying is about who has to draw and sign all orders upon the treasurer. There's still the secretary of the school board, that's a separate statute where they have to have a secretary of the school board. The School Board Association is the one that brought this forward, whether it's the secretary, treasurer, or another person delegated by the school board. So it's going to take an official action of the school board to say, Mike Groene, you can sign all of our warrants for us. [LB512]

SENATOR GROENE: Why is that necessary? You have a treasurer. If the secretary doesn't, you have an elected treasurer, don't you? [LB512]

SENATOR EBKE: The treasurer of the board...oh, I'm sorry. The treasurer of the board is typically a hired person, it's not an elected person on the board. The secretary is an elected board member. [LB512]

BRIAN HALSTEAD: It is. And again, because the statute says it has to be the secretary, it's always got to be the secretary. So the board member who is the secretary has to do all of this after every meeting and do all of that. And I think they were just looking if their school boards wanted to designate Laura Ebke, who is the assistant treasurer, to do it for them. [LB512]

SENATOR GROENE: I'm not inferring here but, every time we have an embezzlement case--and we've had one or two a year in my area--and it's always the employee doing it, writing checks for

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something that has nothing to do with...I'm not talking education; I'm talking all the way from...  
[LB512]

BRIAN HALSTEAD: Oh, okay. I was going to say, not in education I'm aware of. But yeah, I understand that. [LB512]

SENATOR GROENE: Well, it doesn't happen because we got elected officials signing it.  
[LB512]

BRIAN HALSTEAD: Absolutely. [LB512]

SENATOR GROENE: But in the village, the county, we had it at the University of Nebraska at the research farm. And it always ties to gambling. But anyway...but it happens and it's always an employee. Very, very seldom is it an elected official because all of a sudden that individual, as an employee, has the rights to the checkbook. So I'm not saying there's a tie here, but I've seen it too often. Anyway, just a concern. Senator Erdman. [LB512]

BRIAN HALSTEAD: And I understand that. The internal controls, because every school district is audited every year, and good internal controls require you have three separate individuals who handle money. Whether that's the receipt, the deposit, or the expenditure. [LB512]

SENATOR GROENE: That's by statute or is that by good accounting practices? [LB512]

BRIAN HALSTEAD: That's good internal practices. Those are what the accounting and auditing require. Unfortunately, Senator, when you talk about smaller entities like villages, you only got a couple of people. And that's usually where you find the...in this, this isn't going to change the auditing practice or whatever. And again, it's your decision as to whether you want to grant greater latitude to school boards or not. When the School Board Association brought it to us we thought, sure, we'll put it in, doesn't seem. But that's up to you as to your confidence level in school officials, the handling of transactions. Considering largely most of these transactions are now done all electronically, you rarely see a warrant with somebody actually signing it, just because of the ongoing issues there. So...but again, we told the School Board Association we'll include it in our bill. [LB512]

SENATOR GROENE: Thank you. Senator Erdman. [LB512]

SENATOR ERDMAN: Thank you, Senator Groene. Brian, thanks for coming. [LB512]

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BRIAN HALSTEAD: Sure. [LB512]

SENATOR ERDMAN: In my prior life, several years back, I was the secretary of the school board, and it wasn't a big deal. [LB512]

BRIAN HALSTEAD: Congratulations. [LB512]

SENATOR ERDMAN: It was not a big deal. But my question is \$1.2 million, how many students are going to take that test for \$1.2 million? [LB512]

BRIAN HALSTEAD: Every 11th grader except for those who have severe... [LB512]

SENATOR ERDMAN: I already knew that, I read that. How many? [LB512]

BRIAN HALSTEAD: How many students? I can't give you the number, how many 11th graders there are currently. [LB512]

SENATOR EBKE: How many students do we have in the...how many K-12 students do we have? [LB512]

BRIAN HALSTEAD: K-12, it's 302,000. Divide that by 13. [LB512]

SENATOR EBKE: So I'm thinking 23,000 to 25,000, probably, 11th graders, if you divide it by 13. [LB512]

SENATOR ERDMAN: So \$1.2 million. This company will administer the test, grade the test, get the results. What do you get for \$1.2 million? [LB512]

BRIAN HALSTEAD: If you've never taken the ACT, there's a lot you get from it in the sense of, yes, they are going to be delivering. This is going to be done, you can choose to do it electronically or paper, pencil. Some of us are the old age where all you had was paper, pencil. If you do it electronically, you get the results that much faster, as opposed to that. We will get better information about how well-prepared 11th graders are, in Nebraska, on our college and career, English language arts, and mathematics standards. We're in the process of revising the science standards to be college and career ready, so in the sense of in the future we'll get that also. They're going to measure our standards. So I haven't broken it out on a per student count, I could... [LB512]

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SENATOR EBKE: I'd say about \$55, which is significantly less as I recall than it costs to actually take the test. I've written checks for kids that have taken the test and I think it was closer to \$75 or \$90 or something like that. [LB512]

BRIAN HALSTEAD: So in the sense every 11th grade student, except for the 1 percent who have severe, profound disabilities that you can't do accommodations for ACT, will take it. And they, if they produce results that are sufficient for ACT to submit them to colleges for college entrance, they'll get that free, that mom and dad won't be paying for that anymore. So we also recognize, however, right now I believe 88 percent of Nebraska seniors take the ACT. We also have the highest score in the nation on the ACT. It's probably going to dip because of the additional 11 percent of students who have never taken it will take it, and it will show, you know, that's always...any time you start something new there's the initial dip. Hopefully we'll rebound. But it's an attempt to test at the 11th grade, because most of our 11th graders were wondering what does NeSA in 11th grade do for me. And so that was the motivation for LB930. We think it will get us some better information, at the high school level, on their preparedness. But we'll find out in July and August, when we get all the results and we do the standard setting. And hopefully, by August or September, we're reporting the results. [LB512]

SENATOR GROENE: Any other questions? Senator Ebke. [LB512]

SENATOR EBKE: Is it not true that most of the schools in the Midwest, or at least in Nebraska, prefer the ACT over the SAT? [LB512]

BRIAN HALSTEAD: Probably depends on which postsecondary institution you talk to, because it depends. But most students historically, in this part of the country, have taken the ACT, although the community colleges went with SAT for their test two years ago. [LB512]

SENATOR EBKE: Some of them did Compass, right? [LB512]

BRIAN HALSTEAD: Compass, I think, is an ACT product which, I think, they've stopped now. It's... [LB512]

FROM AUDIENCE: Accuplacer? [LB512]

BRIAN HALSTEAD: It's been a long day, yeah. So... [LB512]

SENATOR GROENE: Are you done, Senator Ebke? [LB512]

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SENATOR EBKE: Yes, I've finished. [LB512]

SENATOR GROENE: Senator Kolowski. [LB512]

SENATOR KOLOWSKI: Thank you, Mr. Chairman. Brian, has there been a tick up of ACT prep courses being offered in the state? [LB512]

BRIAN HALSTEAD: I can't speak to that, Senator. I didn't take an ACT prep when I took it the first time, so I can't speak to what's going on this year. I haven't followed it that closely. There's obviously some ongoing administration, the first time out, by a lot of school districts. We piloted this in, I can't remember if it was 8 or 11 school districts at the time, that represented the demographics of the state of Nebraska. And we had largely successful results from the pilot school districts on its utilization. So it also, at the 11th grade level...for state compliance with the quality and accountability comes the national assessment instrument that's required, so they can use a single test and meet two requirements of the Quality and Accountability Act, instead of administering another national assessment instrument at the high school level. [LB512]

SENATOR KOLOWSKI: I'll put some feelers out and see if there is any activity increase on that. Also is having the test in the junior year is a great advantage because, if there's some remediation or something you want to do as far as preparation for your senior year and then access to college, you have time to make some of those things up. [LB512]

BRIAN HALSTEAD: And parents still have the choice of having their child take it whenever they want. [LB512]

SENATOR KOLOWSKI: Absolutely. [LB512]

BRIAN HALSTEAD: And there may be some parents who want them to take it as a sophomore. But that's the parents' choice and their decision and everything, so... [LB512]

SENATOR GROENE: Senator Linehan. [LB512]

SENATOR LINEHAN: As far as the scores being different, they will clearly be different if every kid takes it because... [LB512]

BRIAN HALSTEAD: The statewide results most likely will be. [LB512]

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SENATOR LINEHAN: But I think there's not very many states that have every junior take it, right? Like five or six take the ACT? Because a lot of kids on the East Coast take the SAT. I think it's about half and half, nationally, between the SAT and the ACT. [LB512]

BRIAN HALSTEAD: Yeah. There were states, yeah. [LB512]

SENATOR LINEHAN: But I'm not sure. But it's just when we use statistics like that...I'm just getting ahead of the game. [LB512]

BRIAN HALSTEAD: Right. [LB512]

SENATOR LINEHAN: It's going to be very hard to do. It shouldn't be just a one-off mission. Just a one-off, that's the whole deal. [LB512]

BRIAN HALSTEAD: So in the sense of... [LB512]

SENATOR GROENE: When does this take place, is it this year? [LB512]

BRIAN HALSTEAD: There are two testing dates, one is in April, early April. [LB512]

SENATOR GROENE: So this year all juniors will take the test. [LB512]

BRIAN HALSTEAD: Yeah, in April. [LB512]

SENATOR GROENE: This year. [LB512]

BRIAN HALSTEAD: Yeah. And there's a date where you can and then there's the makeup or your alternative date. [LB512]

SENATOR GROENE: And we'll get results sometime in this summer? [LB512]

BRIAN HALSTEAD: We will, because we have to do a standard setting against the questions to know which of our standards, at 11th grade, it's measuring. And then we'll have to set the cut scores for the state use of that. That doesn't impact the college readiness that ACT will do. That work will go on this summer. [LB512]

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SENATOR GROENE: So I guess... [LB512]

BRIAN HALSTEAD: So the August board meeting is when cut scores for... [LB512]

SENATOR GROENE: Will this committee just get raw data that says this is the test scores for every school district average? [LB512]

BRIAN HALSTEAD: We will produce the report about what happened, yeah, absolutely. That will be part of our report. [LB512]

SENATOR GROENE: And then we'll dissect it after that? [LB512]

BRIAN HALSTEAD: Oh, yeah. Well, we can break it out by...we'll have to break it out by all the demographics we're required to do. And even I can't...no, we get another year under ESSA before we have to break it out for foster children and military children. Those are two new categories, under federal accountability you have to report the performance on. [LB512]

SENATOR GROENE: Thank you. Any other questions? Thank you, Brian. [LB512]

BRIAN HALSTEAD: Sure. It's just a technical bill. [LB512]

SENATOR GROENE: Any other proponents? [LB512]

LARRY STORER: My name is Larry Storer, S-t-o-r-e-r; 5015 Lafayette Avenue, Omaha, Nebraska. You know, words do matter, and I've listened to quite a bit today that brought up a few words that are "geoistic" (phonetic), I suppose. But I want to start with something I heard last week from somebody that referred to people that, trying to change the system or something, as the rat in the room. Now, you know, if you corner a rat in a room, you know what that rat's going to do, don't you? It's going to try to fight and get out. So I want to add a few words about disabilities, to DD. In this bill here, I think it's a very good bill, I'm a proponent, but there are some things that maybe need to be added or maybe changed, maybe an amendment. I don't know, that's up to you people. But we heard words such as we need to have the greatest impact on academic achievement, in the best interest of the child, and using best practices. Best practices by who? One of the most important words is innovation grants. And in the words here in your bill, innovation opportunity grants, or something like that. I'm generally not a liberal, but wouldn't it be nice if, what I've been saying this week and last about don't be so damn afraid of the privacy laws, maybe you could innovate a lot more than we have been doing. You're talking about special classes of people in here. Well, you know, some of these DD kids are not incapable

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of certain things. Vocational education might be good for them also. Veterans can certainly help in the innovation of new thinking, new achievements. So just ask everybody to open up their minds and think a little bit and forget about covering their butts with the privacy laws. Get people involved. There are people that want to be involved, there are people that can be better than what they are. And maybe they act up because they're put in the corner of the room and treated like the rat in the room. Human nature. Not all kids in special ed in that special little room down on 27th, special little school down on 27th and South Street maybe, maybe it's not that far south. But you know, why can't they have special ed kids progress reports in a normal school building? Why do they have to have a separate building? Vocational education in these rooms, you've got different employers, but maybe not enough employers. Could some of those employers in there, screening kids for moving, from age 18 to 19, out of the system, from living skills only to job skills? Couldn't there be some vocational education things there for like welding? Some kids are good at doing with their hands. A lot of people with brain problems and autism have special things they could do. Can't think of the lady's name now, but she went on to write books and get a doctorate degree and designed a humane system of handling cattle before their slaughter. She could picture things in her head that other people couldn't picture and she went on; somebody helped her to go on and find a success with that. So open those minds. Ask everybody to not be so tight about the HIPAA and FERPA stuff, because it keeps them from learning from people. If veterans aren't afraid to...or if you're not afraid to let veterans go in and see some of these DD kids, some of these veterans might be very useful in teaching them something. Teaching them even vocational skills they learned in the service. But some people are afraid to do that because somebody's name will get out. And that's sad. Thank you. [LB512]

SENATOR GROENE: Sir. Is there any questions for Mr. Storer? Thank you, sir. Any more proponents? Did we have any letters? There's no letters for proponents. Any opponents? No opponents, no letters from opponents. Neutral? Are you closing? We waive closing. That ends the hearings from today. There is no exec. [LB512]