

Transcript Prepared by Clerk of the Legislature Transcribers Office
Education Committee January, 21, 2020

WALZ: Welcome to the Education Committee public hearing. My name is Lynne Walz and I represent Legislative District 15. I also serve as cochair for this committee. The committee will take up the bills in the posted agenda. Our hearing today is your public part of the legislative process. This is your opportunity to express your position on the proposed legislation before us today. To better facilitate today's proceeding, I ask that you abide by the following procedures; please turn off cell phones and other electronic devices, 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. If you will be testifying, please complete the green testifier sheet and hand it to the committee page when you come up to testify. If you have written materials that you would like distributed to the committee, please hand them to the page to distribute. If you are not going to publicly testify or need to leave early, you can turn in written testimony, testimony with a completed green testifier sheet. We need 12 copies for 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 testimony limit to five minutes. We will be using the light system. Green is to start and you have five minutes. Yellow gives you a one-minute warning and when you see the red light, please wrap it up. If you would like your position to be known but not wish to testify, please sign the white form at the back of the room and it will be included in the official record. If you are not testifying in person on a bill and would like to submit a written position letter to be included in the official hearing record as an exhibit, the letter must be delivered to the office of the committee chair or emailed to the committee chair of the committee conducting the hearing on the bill by 5:00 p.m. on the last legislative work day prior to the public hearing. Please speak directly into the microphone so our transcribers are able to hear your testimony clearly. The committee members with us today will introduce themselves beginning at my far right.

MORFELD: Introduce yourself.

MURMAN: Oh, sorry. Dave Murman from District 38 and it's seven counties south of Hastings, Kearney, and Grand Island.

MORFELD: Adam Morfeld, District 46, northeast Lincoln.

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LINEHAN: Lou Ann Linehan, District 39, western Douglas County.

WALZ: And I'd like to introduce the committee staff. To my immediate left is legal counsel--

GROENE: Can I introduce myself?

WALZ: Oh, I'm sorry.

GROENE: Senator Mike Groene, Lincoln County.

WALZ: I'm sorry, Senator Groene.

GROENE: No, it's fine.

WALZ: To my immediate left is legal counsel, research analyst Chris Jay and Nicole Barrett. To my right, at the end of the table, is committee clerk Kristina Konecko and our pages are Nedhal Al-Kazahy and Noa Snyder. Please remember that senators may come and go during our hearing as they may have bills to introduce on other committees. I'd also like to remind our committee members to speak directly into the microphones and limit side conversations and making noise on personal devices. Lastly, we are an electronics-equipped committee and information is provided, provided electronically as well as in paper form. Therefore, you may see committee members referencing information on their electronic devices. Please be assured that your presence here today and your testimony are important to us and it is critical to our state government. And with that, I would like to ask Senator Groene to introduce his bill, LB880.

GROENE: Thank you, Vice Chair Walz. Members of the committee, my name is Senator Mike Groene, M-i-k-e G-r-o-e-n-e. I'm here to introduce LB880. This bill changes the certification dates of TEEOSA this year, and this year only, from March 1 to May 1. These dates are for certifying state aid, budget authority, and applicable allowable reserve percentages. This change of date is necessary so that we don't reach the March 1 deadline before the Legislature has had a chance to consider introduced legislation that modifies the-- that may modify the TEEOSA formula; for example, LB974, introduced by the Revenue Committee-- through the Revenue Committee. This change of certification day will allow the Legislature to make those decisions before we expand-- expend, excuse me-- expend resources on certifying the formula only to redo it. This change of certification was done last year with LB430. In 2017 and in other prior years, it was also

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done. This is standard practice when we have a situation that includes possible adjustments to TEEOSA because of bills that are on-- being introduced this year. Thank you for your time and I ask you to advance LB880 to General File. And I would ask the committee that we could "exec" on this really quickly so that the Department of Education has some assurity of what they need to do.

WALZ: Thank you, Senator Groene. Questions? Patty, do you want to introduce yourself?

PANSING BROOKS: Oh, hi. Senator Pansing Brooks, District 28, right here in the heart of Lincoln. Thank you.

WALZ: Questions for Senator Groene? Proponents? Do we have any opponents that would like to speak? Anybody in the neutral? And we received no correspondence for LB880. So Senator Groene, if you want to close? Senator Groene waives closing. That ends the hearing on LB880. And now we're going to have Senator Groene introduce his next bill, which is LB720 [SIC], LB920, I'm sorry.

GROENE: Just a normal day for me. I always introduce noncontroversial bills--

[LAUGHTER]

GROENE: --but anyway, members of the committee-- are you ready, Senator Walz?

WALZ: Yes.

GROENE: I guess I didn't get your--

WALZ: Sorry.

GROENE: --nod. Members of the committee, my name is Senator Mike Groene, M-i-k-e G-r-o-e-n-e. I'm here to introduce LB920. LB920 is the result of the lottery study we completed during the interim and incorporates the adopted recommendations that were published in its statutorily-required five-year report to the Legislature. The current lottery allocation and statute sunsets on June 30, 2021, and the changes in this bill begin after that date. The primary focus of LB920 is to set distribution of educational lottery dollars for the five-year period from 2021-22 through 2025-26. All existing recipients are receiving some level of funding as followed: NOG, 58 percent to the Nebraska Opportunity Grant Fund; 7 percent to the Department of

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Education Innovative Grant Fund; 4.5 percent to Community College Gap Assistance Program; 3 percent to the Expanded Learning Opportunities Grant Fund; 3 percent for distance education incentives; and 8 percent to the Excellence in Teachers, Teaching Cash Fund. In addition, LB920 allocates money to some new recipients because of the adjustments we made on percentages of the prior programs: 9.5 percent will go to the Behavioral Training Cash Fund, which funds a brand new program, the details of which are outlined in LB998 introduced by Senator Murman and set for a hearing date Monday, January 27; 7 percent for career readiness, a whole new program; and dual-credit education to be distributed as follows: the first \$282,500 to fund an online education and career planning tool, which is currently being paid via the NDE, the Nebraska Department of Education, with federal dollars that won't be expiring in the near future. For the remainder of the 7 percent, 40 percent to Access College Early Scholarship Cash Fund to increase what is available from the General Fund appropriations, 45 percent to the Career-Readiness and Dual-Credit Education Cash Fund, and 15 percent to the College Credit Testing Fee Cash Fund. These last two programs are brand new and will be outlined in a bill to be introduced soon by Senator Kolowski. In a nutshell, however, they will provide grants to teachers to meet the dual-credit teaching requirements for workforce development as well as provide assistance to poverty students for AP testing fees. LB920 allows two provisions of current statute to sunset: a requirement that a 10 percent retainer of the education lottery dollars be held as a cash reserve, which then requires that all money, and also requires that all money funneled through one fund before being transferred to its designated location. Following the sunset of these provisions, the leftover retainer will be transferred to Behavioral Training Cash Fund so we can get a jump start on the training, paying for the schools to provide the first year of training dollars to school districts. And then it's going to streamline how the money just goes directly to the, to the, to the overseers of the new programs instead of going into the department head and them having to disperse it. We don't need the 10 percent anymore because we base our-- since the last time, we don't need a cash reserve because we base it on a percentage, no longer on a dollar amount, so that if funds will go up or down, it's based on total amount. Instead of saying we're going to give \$4 million here and then we come up short, we needed a cash reserve; we'd no longer need that. We can put-- do better, put that money to work right away instead of sitting in a fund. LB920 removes the permissive language from statute that allows education lottery dollars to be used to pay for the standard college admission testing for all eleventh grade public school students in

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Nebraska. The department head had asked the Governor to pay for it this year, a year in advance. He turned them down, but we plan to work with the Appropriations Committee and Department of Education does. Then in the next biennium budget, it becomes--in their, in their appropriations. Because lottery funds are innovation, it's been proven, it's a standard practice now, it should be paid for through their operating funding and not through lottery funds. But that will be a question in the next biennium. LB920 makes the following changes to the Excellence in Teaching Act: changes the distribution of funds in the Excellence in Teachers Program to 60 percent for the Attracting [SIC] Excellence to Teachers Program, bachelor's degree, and 40 percent in the Enhancing Excellence in Teaching Program, master's degree. It was vice versa in the past and we have to study and believe that we're trying to attract people to the teaching profession. And you need to spend more of the resources for that purpose instead of teachers taking master's courses. It also adds eligibility for loans to cover the Praxis exam or national board-certified teaching training. LB920 also transfers responsibility for the Excellence in Teaching Program from NDE to coordinate information for postsecondary education-- it just makes sense; NDE goes K-12, this is more of a college program. The Coordinating Commission handles the coordination between all the-- all of the education facilities from higher education to lower, so it just makes more sense because they have more communication with the, with the higher education than the NDE does. Not that they did a bad job, it just makes more sense. Related to the Expanded Learning Opportunity grants, effective July 1, 2021, of the funds available on the program, LB920 specifies that one-third shall be used for existing twenty-first century community learning centers and the remaining two-thirds shall be used to support new programs. NDE was taking 2 percent off the Innovative Grant Fund and, and supplementing the, the Expanded Learning Community Grants. So we just said, why not just give them 3 percent, instead of-- and then took 2 percent away from the Innovative-- because it is an important thing and, and it helps with the management of it. LB920 makes the following changes to Community College Gap Assistance Program: changes the amount of money any community college may use for the fund to defray the cost of direct staff support service to 10 percent of any money received from the fund; and removes the annual award restriction from the fund during any fiscal year of \$1.5 million. This bill adds new reporting requirements for education lottery dollar recipients, excluding individuals to file an annual report to the auditor's office, which then will compile the data and report it to the Legislature. We worked with the Auditor's Office and they think it's a

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great idea that they have a report filed so that they could-- in case it needs to be audited, they have the, the background. There are additional cleanup provisions included in the bill related to education lottery dollars and the programs they currently or have previously funded. Finally, LB920 requires this committee to submit another report in five years with a recommendation on how the education allocation of lottery should be used for the five-year period beginning with year 2026-27. That report will be due December 31. Senator Sullivan and I was [SIC] on the committee prior when we did this and I think Senator Pansing Brooks and so, so was Senator Morfeld. We, we realized that with term limits, a five-year period was just like right now. We've got Senator Morfeld, myself, Senator Kolowski that have some institutional knowledge of what we did last time to understand what we do into the future. And it's supposed to be innovative money so we really should look, as a Legislature, at the program that we've got. Are they working? Can we do, do better with the money available? And is it, is it successful, the program? It's successful now. It's common practice and we no longer need to fund it with lottery funds. That's-- so the five-year period is a good period. It matches term limits and gives them plenty of time to see if the program is working.

WALZ: Thank you, Chairman Groene. Do we have many questions? Thank you. Now we'll ask for any proponents? Good afternoon.

MOLLY ASCHOFF: Good afternoon.

WALZ: Can you please state your name and spell?

MOLLY ASCHOFF: Yes, my name is Molly Ashoff, M-o-l-l-y A-s-c-h-o-f-f. I'm the digital learning coordinator at ESU 8 in Neligh, Nebraska and I am here testifying in support of LB920, which supports the distance learning education throughout the state. I want to first thank Senator Groene and the Education Committee for continuing to fund distance learning across the state of Nebraska through the support of the Nebraska Education Improvement Fund in the form of incentive dollars. I know that distance learning has been a part of Nebraska's education delivery system for several years, but with emphasis on equity in education for all students, it's still a game changer. Currently, I have five small districts that do not have a foreign language teacher. Their students receive their foreign language courses through distance learning. Last year, I had seven schools that sent 15 courses, with eight being dual-credit courses. And those numbers might not sound significant, but when I paint a better picture, I have 19 districts,

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all but four of them are sending or receiving distance learning courses. But some of them aren't recorded. I have a district, Nebraska Unified, that has three high schools in three different cities or towns. And so they exchange courses all-day long, but none of those are reflected because it's within district. They don't qualify for incentive dollars. I also have a lot of students that take courses completely online from Northeast Community College and get-- for dual credit. And once again, those aren't recorded in this number. So distance learning has been a very cost-effective way to keep schools, rural schools open. If a school would add up what it would cost to send their students to those other schools, time on transportation, time out of class, it just would be too cost prohibitive. So this is a way that my small schools can keep their doors open. Part of the Nebraska Department of Education's strategic plan is to offer students across the state dual-credit opportunities with a goal of 85 percent of all students taking dual-credit courses before they graduate. The only way my students in my small towns that are far enough away from Northeast Community College to do that is through distance learning. We worked very hard with Northeast Community College to not only add dual-credit courses for those schools, but also industry certifications for our students so that they can leave with that from high school or at least well on their way to a certification. Distance learning, though, isn't just for course exchange. I've had districts use this equipment to serve homebound students. One in particular, I had an eighth grader who injured his foot three days before school started and didn't return until a few days before Thanksgiving. And when I saw this student, the first thing he said was, I'm not behind in anything. He was able to attend all his classes through distance learning technology that the school, that the school had and that he was able to stay, stay on task. I also had the opportunity, using this equipment, to watch a student in Stuart, Nebraska, drive a iPad robot through the Ebola lab at University of Nebraska Medical Center, something-- someplace probably no one else in this room has been, but I got to experience that. And so did these students because of this technology. Even the elementary schools use it. They go-- we call them virtual field trips. They enhance and supplement their curriculums by going to museums, meeting with industry specialists, taking tours of museums, all those kind of places with this same technology. As I close, I would like to thank you for continuing to support the distance learning opportunities across the state as a way to provide equity and learning for all of our students. Thank you. I would entertain any questions.

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WALZ: Questions for Ms. Ashoff? I don't see any, thank you--

MOLLY ASCHOFF: Thank you.

WALZ: --so much. Other proponents?

JENNI BENSON: Thank you, Senator Walz and members of the Education Committee. My name is Jenni Benson, J-e-n-n-i B-e-n-s-o-n, and I am the president of the Nebraska State Education Association. And I am here to represent our 28,000 members in support of LB920. Last week, the Legislature debated LB147, which would provide greater guidance to educators to help keep our classrooms safe. To that end, NSEA supports expanded funding, funding for the Behavior Awareness and Intervention Training Program in order to expedite training across the state. LB920 provides this support. I believe it is important to understand LB998, as it outlines in detail how and for what the funding of LB920 will be used. While each school district would continue to exercise their local control in terms of training offered, best practices would be promoted statewide by requiring school districts to provide evidence-based training on a continuum of interventions including recognizing the detrimental factors affecting student behavior; including students affected by trauma, positive behavior support, and proactive teaching strategies; verbal intervention and de-escalation techniques; clear guidelines on removing and returning students to class; behavioral intervention that will take place when the student is outside the classroom; and physical intervention for safety. Please notice physical intervention is the last part of the continuum and that is because professional educators seek to use preventive and deescalation techniques first. I have been a special education teacher for more than 30 years. I was provided specialized training to help me assist with behavioral issues. The fact is that now, today, all teachers and staff need tools available to assist not only with special education students, but the rising number of students we serve who come to school with many experiences of trauma that deeply affect them. This is a significant issue that with your help, we can work to address. We want to give all children the opportunities to succeed. And for that to happen, all teachers and school staff may need and have adequate and appropriate training. So I spent the last two and a half years going around the state as the president. I've put over 80,000 miles on my cars and I've been to a lot of schools and I've talked to a lot of educators and staff. I have a tendency to interview everybody as I go, whether in the hotel or the grocery store or this classroom. [SIC] So since we've been talking about LB147, I've been

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interviewing a lot of people just saying, hey, what's going on? What do you need? What have you been doing? Recently, I interviewed two security officers that just happened to walk into the lounge. Sorry for them, but I said to them, as security officers-- and they had jackets that said security so I knew that that's what they did-- and I said, what kind of training do you have in this large high school to provide security for these students? And both of them looked at me. One was a young lady who was much smaller than I am and one was a young man and they said, and I quote, absolutely none. And I said, what do you mean, absolutely none? And they said, no, we were told once that we'd have an eight-hour course, but then the district decided that it was too expensive to send us. So they are the security officers for this school and they've had absolutely no training. The week before last, an "interventionalist" for this school, it's a behavioral interventionist, and she has all the training. She has been trained. She has what we call Mandt training, which is one of the behavioral intervention trainings, which is on deescalation, which is on all of those things. She was called to a classroom to ask that a-- to have a student go with her that was having some difficulty in class. She took him by the hand to help him leave class. That student's parent called Child Protective Services because she took him by the hand and she touched her child. We have to do better. We have to provide services for our students and we have to provide good training. And this bill will help us do that along with LB998 that defines what that training looks like. Thank you.

WALZ: Thank you so much. Do we have questions? Senator Murman.

MURMAN: Yeah, thank you very much for coming in and testifying. You've been a special education teacher for, I think more than 30 years.

JENNI BENSON: A long time, yeah.

MURMAN: Could you expand on how this training would be beneficial for special education?

JENNI BENSON: So through the years, you know, my special education and my, my specialty is behavior. That was what I chose when I started teaching in Austin, Texas, 32 years ago. I chose to work in a self-contained classroom with very severe-behaved seventh and eighth graders. And during those time, [SIC] I had the students in there and I was sent many times to training. I wasn't said [SIC], OK, here you go, here's your classroom and good luck. That wasn't what happened. But I also then went to training for-- or, you know, in

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services because I taught eight subjects as well, because I had self-contained seventh and eighth graders. I had to teach them everything. But when I looked at what I had, I had, you know, physical intervention, de-escalation, but I also had developmental things. I had all sorts of things on, you know, what was happening in classrooms and in families. And it was about building relationships. We-- then when I came back to Nebraska to teach, which I taught in Lincoln for 25 years, we had those same kind of trainings. And some of them were trainings that the district offered, some of them were trainings that the association offered. We've been doing much more in the area of trauma-sensitive kind of trainings, working with our educators. I think we used to do a way better job at providing those trainings, but resources became less and less, people were going to less and less. We used to have a behavioral interventions conference in Kansas City that we used to send 40 or 50 teachers to from the area. And there's just not resources to send people to those kinds of trainings. The conference is still there, but unless you get a scholarship for something, you're not able to go to those things. So the association has stepped in and done some of those things. But when these security officers told me that they had received no training-- and they said to me, we have plenty of time, we have plenty of days, because every time that the school is off, they don't work. So they have the time to get the training. They just weren't offered the training.

MURMAN: Thank you very much.

WALZ: Other questions? Senator Pansing Brooks.

PANSING BROOKS: Thank you for coming, Ms. Benson. So are their discussions about due process protections from students being placed within that and any discussions of making clear guidelines on removing and returning students to the class?

JENNI BENSON: I would think that part of the discipline is always part of due process. And if you are a student that has an IEP through special education, that's always part of the process, that everyone is aware of what that IEP is and what the individual education plan says. And that is part, is part of that due process.

PANSING BROOKS: I would hope, I would hope that would happen.

JENNI BENSON: It was in my classroom--

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PANSING BROOKS: I know what the kids with the IEPs get, but not necessarily the ones without, so stating that would be helpful.

JENNI BENSON: Well-- and I would hope that the educators get that due process as well.

PANSING BROOKS: I agree.

WALZ: Any other questions?

JENNI BENSON: Thank you.

WALZ: Thank you so much. Next proponent. Hi.

PHILLIP PICQUET: Hello. Members of the chair [SIC]-- or the committee, Madam Chair, my name is Phillip Picquet. That is spelled P-h-i-l-l-i-p P-i-c-q-u-e-t. I'm currently the superintendent of schools at Perkins County in Grant, Nebraska. We have approximately 435 students. Our county is about 880 square miles, so to say that we're rural would be an understatement. I am here in support and I would like to thank Senator Groene and the Education Committee for continuing to help support distance learning opportunities to our students across the state. Currently, Perkins County would be with ESU 16, but we partner quite a bit with ESU 15. These dollars, if you're not aware and you can see in the letter, have been used to subsidize grants through the USDA and recently, we were awarded a \$835,000 grant. This will help us purchase new distance learning equipment and the internet infrastructure. Additionally, we work hand-in-hand with Mid-Plains Community College to provide our students with many distance learning courses. In the fall of 2019, we've had over 122 distance learning courses that were offered. But really, what I want to speak to you about is just a perspective from our standpoint as a school and how these dollars are used. Over the last five years, the distances of dollars have averaged about \$21,000 to our school district. Perkins County Schools offers a program in which we have a teacher that broadcasts Spanish classes. We serve eight districts, a, a total of 119 students currently. We've been doing this for a number of years. Without these dollars-- and when we heard that this, this may go away, we had to take pause. We've used those dollars to offset cost. There might be years where we have 90 students instead of 119. And what we do is we, we bill that out. But I think if you get to a point where you're, you're telling other school districts it's going to cost you \$1,100 per kid, you're getting up there on cost. So the \$21,000 can help offset that. It also helps us purchase equipment that we might

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need; a new computer for that instructor, et cetera. So the impact would be great though, as I, as I look at that. In Perkins County, were we to decide not to do that, maybe it's something the ESU would pick up, maybe it isn't, but it would impact a number of school districts across the state and more importantly, it would impact a number of students. Some of our rural school districts cannot afford to go and find or hire a Spanish teacher. So \$12,000 a year to serve ten, 15 of their, their students; it's a pretty good price point. Beyond that, that's kind of where I would be with, with my support. I would entertain any questions that, that you would have of me.

WALZ: Questions from the committee? I don't see any, thank you so much for your testimony.

PHILLIP PICQUET: Thank you again.

WALZ: Welcome.

MADDIE FENNEL: Good afternoon. I had some dental work. I can't smile. Thank you, Senator Walz and members of the Education Committee. My name is Maddie Fennell, M-a-d-d-i-e F-e-n-n-e-l-l. I am the executive director of the Nebraska State Education Association and work with Jenni to represent our 28,000 members in support of LB920. I would like to call attention to the language in LB920 that will expand the ability to support both preservice and current educators. NSEA supports changing the allotment of funds to provide 60 percent to the Attracting Excellence to Teaching Program and 40 percent to the Enhancing Excellence in Teaching Program. This allows 60 percent of the funds to be used to assist students seeking to become educators and 40 percent to be used to support current educators who are working to enhance their professional learning and their teaching. NSEA also supports adding national board certification training grants to the Enhancing Excellence in Teaching Program. Multiple studies by outside folks have shown that national board certification does more to improve student achievement than does obtaining a master's degree. I have a handout for you on this that's been distributed and I'm happy to provide more information. In order to enter into a Nebraska college of education, students must first successfully complete the Praxis math, reading, and writing assessments. In addition, students must pass their specific subject area Praxis test after they complete their college courses before they can be certified. We've heard from many students that payment for these tests on top of student loans is a hardship. We support easing this burden on future educators by assisting with payment for the subject area of Praxis. That's the one

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that they take before certification, after graduation. Finally, NSEA supports transferring the duty to administer these loan forgiveness programs to the Coordinating Commission for Postsecondary Education with assurances that the same or greater level of service currently provided by the NDE is maintained. We ask you to vote in favor of supporting the educational advancement of both our perspective and our current educators by advancing LB920 to General File.

WALZ: Thank you.

MADDIE FENNEL: Thank you.

WALZ: Do we have any questions from the committee? I don't see any, thank you.

BRIAN HALSTEAD: Good afternoon. For the record, my name is Brian, B-r-i-a-n, Halstead, H-a-l-s-t-e-a-d. I'm the deputy commissioner of education for the Nebraska Department of Education. I'm appearing this afternoon because Commissioner Blomstedt is ill and decided not to come to the hearing and infect anybody else with what he might possibly have. So in the sense of that, it may be the best part of my proponent testimony is we're not going to be infecting you. We are here in support of the bill. Many of the areas that are identified for use of lottery funds are areas the state board believes are in fact, important areas that need to be funded. We certainly do appreciate that the bill recognizes that for the past three years, lottery funds have paid for the ACT college entrance exam. We have, for several years, asked that that be moved back to the General Fund. That has not occurred with Appropriations. It is not in the bill that the Governor had introduced last week. We do have a concern though, if this bill goes forward, that you strike from statute the use of lottery funds because if appropriations never puts the money in our budget, then we have no funding source for ACT. It might be better to wait until Appropriations puts the money in our budget before you take away the statutory authority to use lottery in case there's revenue downturns or whatever. But that's more of a timing issue. But we do want to thank Senator Groene and the committee for recognizing this really should be a general fund that the state as a whole is paying. We certainly do support use of lottery funds to begin doing training for behavioral health needs. I know you all have known that the department has appeared last session on bills that focused on that topic. It is an ongoing issue. It is the number one topic that we hear from schools across the state, of the need of training. So we think that's a good area to start with. We do have some concerns in future years as to

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whether there's going to be sufficient lottery funds to provide all of the training to all of the staff and all of the schools who may interact with any child. I know there was some testimony about special ed children. The reality is we're here about protecting all children. And the special ed children are not the only one [SIC] that are working with them, there are others. So I know this may be a starting point at least to get some training started, but better coordination of that moving forward. We're clearly supportive of career education. We know the bill as currently introduced is just a piece. We certainly are now aware that Senator Murman's LB998 will be heard next Monday. There's a third bill, we believe, that's going to be introduced that we haven't seen. So we're trying to put all three together and understand them. But at the same time, the topical areas, we think, are important. We do not, however, believe moving the Excellence in Teaching Act work from the department to the Coordinating Commission should be done. There are a whole number of systems and processes that the department-- that are connected to that whole topical area. Although it may seem like we'll know postsecondary education works with the institutions, the State Board of Education is the entity that approves all of the standard institutions of higher education who prepare teachers, administrators, and special services providers. We think leaving it at the department is more cost effective. We already can connect directly with all of the colleges. And I think probably, if you saw the fiscal note, there is a cost to moving all of that to another agency who doesn't work with the data every day. So-- but in that regard, we are here as a proponent on the bill and certainly willing to work with all of you on the bill and the other bills that will be coming before the committee. I'll stop there and take any questions if you have any.

WALZ: Thank you. Questions from the committee? Senator Murman.

MURMAN: Yeah, thanks for coming in and testifying. You mentioned behavioral training and my experience is that special ed kids, just to expound a little bit on what I asked earlier, are quite often the ones that are, are abused. Do you think-- is it your opinion that behavioral training will be a benefit for special ed, including all students?

BRIAN HALSTEAD: Senator, it should be a benefit for all students in our school systems, for all the staff and individuals who interact. So at- we at the department have taken the perspective that the safety issue is not a special ed issue, it's an entire school district issue.

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I know that's where a lot of people initially go and think about it. At the same time, let's just take-- the special ed child is going to be in that school building with all the others and have-- people are going to be interacting all the time, even if it's not in a classroom setting. So the picture of the training staff may need in all of our schools is broader than special education. So in that regard, right now, the educational service units get funding for core services and one piece of core services is professional development. But none of the professional development money may be used for-- the very topical area of this is that system might be better for delivering it in our smaller schools in that regard. So building off of that system and again, this is a good starting point-- at least to get lottery funds-- to start to get that set up for the entire school system, the sustainability and future years out of continuing that training because staff change. Teachers move from school district to school district, buildings to buildings. So 244 school districts doing training 244 different ways presents its own logistical issue in that regard. Even though everybody here-- I know safety of the children and the staff should be a top priority, irrespective of the school district or setting in which the child or the staff find them. But it is an important topic.

MURMAN: Thank you very much. I, I agree with your reinforcement that students and all employees of the district would benefit from the training.

BRIAN HALSTEAD: Absolutely.

WALZ: Other questions? Thank you so much.

BRIAN HALSTEAD: Thank you.

WALZ: Next proponent.

MIKE BAUMGARTNER: Good afternoon, Vice Chairman Walz, Chairwoman Walz, and members of the Education Committee. My name is Mike Baumgartner, M-i-k-e B-a-u-m-g-a-r-t-n-e-r, and I'm the executive director of the Coordinating Commission for Postsecondary Education. I'm here today to testify in support of LB920. It was just two months ago that I appeared before you in the context of the Education Committee's lottery study. I want to thank the committee members and the staff for a thorough examination of lotteries distribution, past, present and future. We appreciate the efforts you have made to be balanced and fair and address as many priorities as you could with the limited pool

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of funds. College affordability is a crucial issue of our time. You've heard, I'm sure, that the student loan debt in the United States in late 2019 was \$1.5 trillion spread across 43 million borrowers; a very large increase over the past 15 years. Also, a recent federal Department of Education study following ninth graders over seven years-- that is three years after graduation-- from the three years after high school graduation, only 37.7 percent of the lowest fifth had entered and remained in college, compared to 57.4 percent of the middle fifth, 68.3 of the second highest, and 82.4 of the highest. Given the differences in college-going rates that we observe in Nebraska, I suspect it is very similar here, that that SES is a great determinant of college going. Affordability is affected by many things; family income and wealth, academic preparation, choice of college, tuition and fees, enrollment intensity, and financial aid being among the most important. Lottery funds for postsecondary education are a crucial support-- source of support for Nebraska's multipronged affordability strategies. And while we will always advocate for more funds for low-income students, so long as there needs to be met, LB920 effectively attacks affordability at multiple levels. With the Access College Early Scholarship, LB920 would provide lottery funds to the Access College Early Scholarship for the first time. The ACE program pays tuition and mandatory fees for eligible low-income Nebraska high school students taking dual-credit courses. For FY2020, \$965,000 has been appropriated from the General Fund for the ACE program. In 2018-19, that program served 2,309 students from 223 high schools, received 4,057 scholarships. The scholarships are awarded by statute, first come, first served, and the commission limits the number of scholarships each student receives so that we can serve more students. In the past two years, we've had to turn away about 500 applicants per year due to lack of funding. While we may not be able to meet all student demand as a result of this funding, we will at least be able to make a big dent in those 500 students and the number of courses that they are enrolling in. Career-readiness and dual-credit education; while equity demands that low-income students be able to access the same courses as "non-low-income" classmates, all Nebraska students need access to teachers who are fully qualified to teach college courses and career and tech ed courses. Without those teachers, colleges and high schools can't offer the courses that will allow students to gain college credit early or be workforce ready at graduation. Almost a decade ago, the Coordinating Commission produced the LB637, the study of dual enrollment and career academies, which included a recommendation that the state create incentives for high school instructors to earn content-specific graduate credit hours and

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for postsecondary institutions to offer them. In the intervening years, the Higher Learning Commission, which accredits nearly all Nebraska colleges and universities, made a master's degree in a content-specific area or a master's in a different area, along with 18 graduate courses in a specific area, the requirement to teach. Recent review of dual-credit policies and practices in Nebraska undertaken by the Coordinating Commission and the Department of Education with the assistance of the Education Commission of the States found that we have a continuing issue with the number of teachers who are able to offer dual credit to their students. Building on work underway such as at UNO, which has developed graduate certificates in several fields that meet HLC requirements, the career-readiness and dual-credit lottery funding will have a significant effort-- unknown impact on undertaking these efforts. For the Gap Assistance Program, a relatively new program that we are in the fourth year of starting with 12 occupational fields in the demand fields including healthcare, transportation, logistics, construction, et cetera, the program is administered on each community college campus and the college campuses determine eligibility, track outcomes, deliver the education, and market the Gap Program. The Gap Program currently receives about \$1.8 million each year from the Education Improvement Fund. By statute, no more than \$1.5 million can be allocated-- can be awarded during any fiscal year. Because of that cap, \$950,000 currently resides in the Gap Program Fund. Under LB920, the Gap Program will receive 4.5 percent of lottery funds or approximately \$900,000 a year. The short and long of it is that there will be less funding available going forward, but there is a significant amount in reserve at the colleges and in the fund at the moment. Nebraska Opportunity Grant, if I may have just a second here-- in a nutshell, the Nebraska Opportunity Grant provides need-based financial aid to Nebraska undergraduates attending Nebraska colleges and universities. Thanks to lottery funds, the program has been stable and predictable for postsecondary institutions, even during recent tight times. We use a combination of general funds and lottery funds and in 2018-19, 12,753 students received awards; 22,000 students, however, did not receive awards. The stability of the lottery funding is important to institutions packaging aid and provides security from potential mid-biannual reductions. While the General Fund appropriation for NOG is basically stalled for a decade and is currently less than it was 12 years ago, lottery funds have allowed measured, but steady growth. Lottery appropriations will have increased \$3.3 million between 2017 and FY2021, from \$10.1 million for \$13.4 million. The reduction in the percentage of lottery funds for NOG will slow growth. But with 58

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percent of lottery transfers and responsible spending in the balance, lottery funds will provide stable support at about \$14.5 million a year beginning in FY2022 for at least the next seven years. That will provide a good foundation for affordability, but the program ultimately needs additional funds to make the gains and affordability that Nebraska needs.

WALZ: Thank you. Do we have any questions from the committee? I see none, thank you for your testimony.

JUSTIN BROWN: Good afternoon, members of the Education Committee. My name is Justin Brown, J-u-s-t-i-n B-r-o-w-n, and I serve as the director of Scholarships and Financial Aid at the University of Nebraska-Lincoln. On behalf of the University of Nebraska, our four campuses, and 51,000 students, I'm here today in support of LB920, which would reallocate the current use of state lottery sales revenue as a dedicated source of funding for the crucial Nebraska Opportunity Grant, or NOG program, as well as other higher-education programs. We want to thank Chairman Groene, the Education Committee, and the committee legal counsel in working with the university and other higher-education partners on last year's lottery funding study and subsequent report that serves as the foundation of LB920. The Nebraska Opportunity Grant program is our state's only need-based financial aid program that provides state financial aid assistance to qualified low-income Nebraska residents to attend the college of their choice in Nebraska. Over 4,000 students enrolled at the University of Nebraska, including the Nebraska College of Technical Agriculture in Curtis, Nebraska, received Nebraska Opportunity Grants out of nearly 13,000 students across the state of Nebraska. These funds are crucial in supporting students-- student access and affordability for students to continue their education and training beyond high school. The state lottery revenue supports over half of this nearly \$18 million program, which is also made up of General Fund appropriations. As a result, the NOG funding has increased as state lottery sales have increased, allowing the program to maintain its positive impact to some degree as college costs increase. The University of Nebraska supports LB920 as it maintains the use of the state lottery revenue in support of the Nebraska Opportunity Grant program. University of Nebraska is committed to higher-education access and affordability through public and private partnerships of the financial support for students. The NOG program is an integral part of that partnership, along with federal campus and private sources to support low-income students. Through these partnerships and students' support, the university is

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able to generate over \$3.9 billion annually for the-- Nebraska's economy. An independent student report called the Equality of Opportunity Project also demonstrates that 16 percent of the University of Nebraska's students advanced two or more income quartiles, providing upward social mobility for students to be engaged, active, and productive Nebraska citizens. The support for NOG funding is a key component to student success and access in higher education at all education sectors in the state of Nebraska to help make college education financially within reach for our citizens and to retain students within the state to contribute to our economy. Without LB920, the current funding structure of the Nebraska Opportunity Grant program would expire, resulting in the loss of financial aid funding for nearly 8,000 college students across the state. And in its current state, the NOG program falls short of funding for all eligible students. As it stands, the nearly 13,000 students across the state that receive this grant are among over 36,000 students overall who could be eligible to receive it, but do not due to a funding Gap in dollars available versus students eligible. The reallocated funding of LB920 would allow more currently-eligible students to receive the award or allow student-- or allows schools to increase the average award per eligible student who receives it. For these reasons, the University of Nebraska strongly supports LB920 and I'd be happy to answer any questions you may have.

WALZ: Thank you. Questions? I see none, thank you. Other proponents?

COLBY COASH: Good afternoon, Senator Walz, members of the Education Committee. My name is Colby Coash, C-o-a-s-h, and I'm here to offer support of LB920 on behalf of the Nebraska Association for School Boards. Also, my testimony represents the support of the Council of School Administrators, Rural Community Schools Association, and STANCE, who all wish to be on record in support of LB920 as well. We'd like to thank the committee for-- first of all, for balancing the allocation of funds more equitably to K-12 education. And I'd like to highlight a few changes that we are in support of. As the committee has already discovered that the 10 percent retainer of lottery funds has proven to be unnecessary and reallocating these funds to education is warranted, the freeing in these funds would be used in amplifying other initiatives within the fund allocation and we appreciate the increase in the allocated-- in the allocation to the expanded learning opportunities. These grants have provided for programs that might not have been-- existed otherwise. While the allocation percentage of the innovative grant funds has been reduced, funding the ACT tests through

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the general funds will free up additional funds for these important initiatives. NASB believes that the statewide-- if statewide ACT testing remains a state priority, this testing should be paid for through a General Fund allocation, as the committee has suggested. We do, we do want to go on record, though, to say that it's very important that this gets allocated through the general funds. The school districts would be very concerned if it were "exed" out of the lottery funds and not appropriated through general funds. And then the cost of that ACT testing would be passed on directly to the districts, which would be problematic. We do appreciate keeping the allocation to distance education funds and adding for career-readiness and dual-credit education. Combined, these two funds will result in increased success of students in preparing the next generation of Nebraska workers. The continued allocation of 8 percent in the Excellence in Teaching fund is vital in addressing the workforce needs of schools across the state and we support the ongoing funding of these two programs. Finally, we appreciate the community's commitment to supporting educators in addressing the increasing challenges of students with behavioral health needs and the new 9.5 percent allocation for training is a great start to addressing this issue. We appreciate the committee's time. I've also passed a letter from the Child and Health Education Alliance [SIC] who wanted to go on record in support as well. Thank you.

WALZ: Thank you. Questions from the committee? I see none, thank you.

PAULA KOHLES: Good afternoon, Vice Chair Walz and the Education Committee members. My name is Paula Kohles, P-a-u-l-a K-o-h-l-e-s, and I serve as the director of financial aid for Creighton University and I've been at Creighton for over 25 years. Creighton University supports LB920 because of the important-- it is important to the state of Nebraska to continue funding the Nebraska Opportunity Grant. Thanks to the elimination of the 10 percent withholding, this bill would provide an increase in the overall support of NOG, which is very important to our students. NOG is an important grant program that assists the neediest students in the state of Nebraska by allowing them access and to making it-- education-- higher education more affordable. While the increased funding is beneficial, I would encourage the Education Committee to review the allocations by school type, especially the allocation to the independent nonprofit colleges and universities. Our allocation has been pretty much flatlined, about 20 percent of that fund, for the last five years, whereas the other sectors of the institutions that are receiving funds from there has--

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some of them have seen double-digit increases during that time. While the public sectors have seen the increase in the-- needing financial assistance, the NOG allocation for independent colleges has not kept pace, despite the fact that we award 35 percent of the bachelor's degrees to students in the state in Nebraska. I would like to thank Senator Groene and the Education Committee for recognizing the need for additional funding for NOG and for supporting higher education in Nebraska. These funds are about access and affordability for our neediest students and will allow the state of Nebraska to retain its best and brightest students and to allow them to-- access to the institution of their educational-- that best fits their educational needs. Thank you.

WALZ: Thank you. Questions from the committee? I see none--

PAULA KOHLES: Thank you.

WALZ: Thank you. Any other proponents?

JEFF COLE: Good afternoon. My name is Jeff Cole, J-e-f-f C-o-l-e, and I'm here in my role as network lead of Beyond School Bells. That's a program of Nebraska Children and Families Foundation, where our mission is to build community capacity to support positive change for all Nebraska youth. Thank you, Senator Walz, Chair Groene, for your support of this bill or introducing this bill and I appreciate the opportunity to testify as a proponent for the proposal to increase support for high-quality expanded learning, or ELO programs, from the 1 percent to 3 percent of available lottery funds. This vital funding will allow communities to continue improving existing programs and importantly, to expand support in underserved areas of our state. I'll begin by highlighting why we think this innovation is such a wise investment before focusing on the opportunity it would create to leverage additional funds in our state's youth and to build on current strategic initiatives. The research on the impact of ELO programs on youth success is clear. And I handed out an overview of some, some research, national research that we've been using for a number of years that really show that when young people regularly participate in high-quality expanded learning opportunities, the summer programs, after school programs, we see measurable improvements across the key ABCs of youth development. Their attendance improves, behaviors improve, and ultimately, coursework improves. Equally important, we know that the kinds of engaging hands-on learning that takes place in after school and summer programs is exactly what Nebraska youth need to explore and prepare for the world around them. These school-based

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and community-powered ELO programs complement, but they don't duplicate school day learning and provide important hands-on opportunities youth need and importantly, they enjoy. These [SIC] includes activities like being part of a, a team building and programming robots to solve real-world challenges and compete in state competitions. It means getting their hands dirty and planting, maintaining, and harvesting a community garden. It includes things like virtual field trips that were mentioned previously, where kids get to experience things that aren't readily available in their communities. And finally, it means meeting and interacting with community and business mentors to really learn about and explore careers that will drive Nebraska's future economy. These are some of the many activities that are happening in ELO programs across the state and many are supported by lottery funds that you are, are allocated right now; activities that are proven to positively impact student achievement and youth development. Unfortunately, the evidence is also clear that we don't have enough of these high-quality, affordable ELO programs to meet current needs. Survey research shows that for every child who was in the program, there's another child and a half that would like to be involved in a program. So we know that the-- that that supply doesn't really meet the demand. These survey results are, are complemented by work that my colleagues at Nebraska Children do in communities across the state, where we hear from leaders about what needs they have in their community. And this consistently comes out on top of lists; needs of working parents there want someplace safe and engaging for their children to go after the end of the school day, at the end of the work day. It's very important that this program serve rural communities that are kind of outside of the traditional twenty-first century community learning center funding stream. We are really excited about this proposal to increase the lottery funds from 1 to 3 percent, with that focus on the 2 percent going to underserved areas. That when they're combined with local and philanthropic sector matching funds, these lottery funds will create new opportunities for local leaders to build evidence-based programs and meet important parent, community, and youth development needs. Based on our experience, we're also confident this would be a wise investment of these scarce lottery dollars and ones that will be directly leveraged in communities across the state. Over the past several years, Nebraska's generous philanthropic community has stepped up in communities across Nebraska to support existing-- and to launch new high-quality ELO programs. The one-to-one leverage requirement in this bill will continue to facilitate these kinds of innovative partnerships. Importantly, this new funding will also build on and

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further leverage the \$5.5 million that Nebraska receives annually in federal support for ELOs. We have the Twenty-First Century Community Learning Center Grant program currently serving 148 buildings across the state. This will allow them to continue to innovate and do creative new programming those-- in those sites. But it also really will focus on some of those that fall outside of the twenty-first century world, the small-scale, largely rural programs that really do need a combination of funding sources to sustain. So we think this will be an exciting new direction for NDE, will create opportunities for a variety of partners to step forward. And we at Beyond School Bells are really excited to be a part of that. I have more testimony, but I see my red light so I'll stop there--

WALZ: All right.

JEFF COLE: --and I welcome the questions that the committee might have.

WALZ: Thank you. Do we have many questions from the committee? I see none, thank you so much. Other proponents?

TOM VENZOR: Good afternoon, members of the Education Committee, my name is Tom Venzor, that's T-o-m V-e-n, T-o-m V-e-n-z-o-r. I'm struggling to spell my own name, so that's a good start. Nebraska Catholic Conference advocates for the public policy interests of the Catholic Church and advocates the, and advances the gospel of life through engaging, educating, and empowering public officials, Catholic faithful, and the general public. And as well through our school system, we represent about, you know, about 120 schools with about 26, 27,000 children in those schools across the state. The church's Second Vatican Council, in its declaration on Christian education, recognized the following: the family, which has the primary duty of imparting education needs the help of the whole community. In addition, therefore, to, to the rights of parents and others to whom the parents entrust to share in the work of education, certain rights and duties belong indeed to civil society, whose role is to direct what is required for the common temporal good. Its function is to promote the education of youth in many ways, namely to protect the duties and rights of parents and others who share an education and to give them aid and according to the principle of subsidiarity, when the endeavors of parents and other societies are lacking to carry out the work of education in accordance with the wishes of the parents. These principles underlie our support for LB920. The Nebraska Catholic Conference appreciates the continued allocation of lottery funds to

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education programs that benefit all students and all teachers. In particular, we would refer you to the continued funding of the Access College Early Scholarship's cash fund and the Excellence in Teaching cash fund. Both of these programs provide students and teachers, regardless of the school they attend or work in, the opportunity to pursue their educational training. While the Catholic school's students and teachers are not a major portion of the overall beneficiaries of these two programs of funding, it is nevertheless important and helps qualifying students and teachers. Though we are unquestionably grateful for the assistance these two programs provide to our students and teachers, we also think it is important to take note of the Nebraska Opportunity Grant fund. In 2018 and 2019, NOG provided over \$18 million in scholarships for predominantly low-income students to attend public or post-- private colleges or university of their choice. Notably, NOG assists students who attend a private, faith-based college or university. NOG recognizes the supplemental needs that many families and students have in pursuing their education and provides a mechanism for the state to assist those in need. As many acknowledge and you've heard already today, the benefits of this policy to the state of Nebraska are unquestionable. You know, we would encourage the members of the Education to just always and continually further consider other avenues that could assist more low income-families to pursue an education that is best for them at the elementary and secondary levels of education through the support of legislative proposals such as tax credit scholarships. Like NOG, scholarship tax credit programs have an array of public policy benefits such as recognizing the primary right and responsibility of parents to direct the education of their children, generating of savings to Nebraska's taxpayers, and preparing students with the education they need to robustly participate in our state's civic and economic life. And with that, we'd just encourage the Education Committee's support of LB920 and thank you for your time and consideration.

WALZ: Thank you. Do we have questions from the committee? I don't see any--

TOM VENZOR: All right, thank you.

WALZ: --thank you.

PAUL TURMAN: Vice Chair Walz--

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WALZ: Good afternoon.

PAUL TURMAN: --members of the committee, my name is Paul Turman. That's spelled P-a-u-l T-u-r-m-a-n. I'm the chancellor of the Nebraska State College System. And I think you all certainly understand our open enrollment and access mission that we have. Tied with that is our ability to make sure that we have access and affordability for the wide range of students here in Nebraska that we try to serve. I know that we look at a variety of different metrics to determine whether or not we're fulfilling that mission for the state of Nebraska. Two of those that are extremely important are maintaining and keeping the overall Gap need that we have for our students as well as making sure that they're able to graduate with a degree program with a significant amount-- or a, a low amount of, of loan rates that they have. Those are metrics that I think we've seen grow dramatically over the last decade, almost threefold in the overall amount of Gap need that we have for our students. And the NOG program in particular has been extremely influential in helping keep that as low as possible. When we look at the funding that's been available, especially just last year, the Nebraska Opportunity Grant program has funded roughly about 1,200 of our students at a rate of about \$1,200 per student, providing us roughly about \$1.4 million this last year. Even though we may see that drop a little bit, I think the impact of the sunset not being removed from this particular legislation would have a much more detrimental impact on our students over time. And so we certainly understand the challenges that the committee has faced as you looked at other opportunities for growing educational funding in the state. We certainly want to commend you for what you've done in maintaining the, the NOG program to the level that we have. The other two programs that have a significant impact for the Nebraska state college systems are the attracting and enhancing excellence in teaching, a number of students that are able to take advantage of both of those programs. And I think the switching of the overall allocation across those two programs and, and awarding more to the attracting is one of the things that we see in the workforce development argument that we're continuing to trying to deal with here in the state, making sure that more students are incentivized to go into teacher education over the last decade. We've seen almost a 30 percent decrease in the total number of students that are going into teacher education across our institutions. And I think the university system is seeing the same types of impact. And so the ability to continue to maintain those programs, entice more students to go into those fields will be very, very important for this state. I think we stand by in support of LB920

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and I'd be happy to answer any questions that the committee might have.

WALZ: Thank you. Do we have any questions from the committee? I see none, thanks. Next proponent.

NICOLE FOX: Good afternoon. Vice Chair Walz and members of the Education Committee, my name is Nicole Fox, N-i-c-o-l-e F-o-x, and I am director of government relations for the Platte Institute. I'd like to thank Senator Groene for introducing this bill and I am here today to testify in support. The Nebraska Constitution requires that 44.5 percent of Nebraska lottery proceeds be used for education as the Legislature directs. LB519, which was passed in 2015, requires the Education Committee to make recommendations every five years regarding how the funds should be allocated to best advance the educational priorities of a state. Current allocations of those proceeds are set to expire June 30, 2021. LB920 is the result of a 2019 interim study, which looked at current lottery distributions for education. It proposes adjustments as to how the lottery proceeds should be allocated for the next five-year period, beginning with fiscal year 2021-22. While a majority of LB920 deals with changes in the distribution of lottery funds used for education, language has been added, which would require allocations to be distributed directly to the agencies responsible for management of the funds. LB920 would then require standardized financial reporting regarding the use of money received in a manner prescribed by the Auditor of Public Accounts starting in September 2022. Subsequently, LB920 would direct the Auditor of Public Accounts to compile a consolidated summary of those reports for submission to the Legislature before January 1 of the following year, starting in 2023. LB920 also provides that an audit of fund receipts should be requested, or the fund recipients should be requested. The Auditor of Public Accounts would prescribe the reporting forms for the audits and the audit reports would be published online. Even though we are talking about proceeds that are voluntarily generated as opposed to revenues generated through tax policy, the Platte Institute supports the concept of prudent spending. At a time when institutional knowledge is lessening due to term limits, the financial reporting aspect of LB920 would enable future Education Committees to better understand and track the allocation of these funds and make well-informed policy decisions for enhancing education in Nebraska moving forward. And that is all I have.

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WALZ: Thank you. Do we have any questions? Next proponent. Do we have any opponents? Good afternoon.

RANDY SCHMAILZL: Good afternoon. Good afternoon, committee. Randy Schmailzl, R-a-n-d-y S-c-h-m-a-i-l-z-l, president of Metropolitan Community College. I'm here today to talk about the Gap component of LB920. I'm not here to go on any details on all the great things that everybody else has said today because you guys have your work cut out in trying to balance this out. It looks to me like many of the other community colleagues did not spend all the money. So that apparently made money available to cut from 9 percent to 4 percent. And I also heard during testimony that the colleges could pick up other expenses here due to availability and reserve. And I've got two staff with me today to talk about Metro's Gap Program because thanks to you all, it's a sensational program that helps others in our community that cannot afford anything to go to school. There is no money available. It's a gap. And so you're, you're in a category that you're either, you know, underemployed, not employed, you need training, people that come out of our reentry program that have just, ex-offenders that just came out of prison, ABE GED students. And so the, the age of our students, you know, has crossed the board. We've had great success in the last couple years of increasing the number of students and also the amount of money that it takes to serve the students. When you serve populations that require a lot of one-on-one work, it not only takes the money that the state provides, but we're able to leverage private resources that we raise in the Omaha area with college money. So these three resources put together make quite a program and we have over 50 businesses now that hire our students. And at, at this point, I'd like to, to end my testimony, but have our two staff that's here with all the details, that work every day in the program, talk to you, testify. Our whole purpose is we really believe in Gap education. It's the only money available and we appreciate your support and would like a reconsideration of the cutting of the funds. With that, I'm, I'm done.

WALZ: OK. Thank you. Questions? Senator Linehan.

LINEHAN: Thank you, Vice Chairman. Are you saying that you used all your Gap funding?

RANDY SCHMAILZL: We used this-- I can go back to just last year, I think we used 91 percent of our Gap money at Metro. Our staff has those figures with us, Senator.

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LINEHAN: Do you know what it was the year before?

RANDY SCHMAILZL: Uh, it--

LINEHAN: If they have it, that's fine.

RANDY SCHMAILZL: --was probably less than that. And there's a reason because we moved from noncredit--

LINEHAN: Right.

WALZ: Right.

RANDY SCHMAILZL: --to credit. And in the noncredit arena, it was hard to get people to do the training because you really just got your training and got your job. But there was no upward mobility out of your job when you're done. Now that we got the credit aspect and we're just implementing that, we're ready to go. There'll be a lot more people involved in this program.

LINEHAN: The students you mentioned would be, if I-- my memory is failing me here, but those students you mentioned generally would be eligible for Pell, like the Gap--

RANDY SCHMAILZL: Not always--

LINEHAN: They're not eligible?

RANDY SCHMAILZL: No. In fact, this is last money. I mean, this-- students in this program are not eligible for anything. And I'll have our staff, we--

LINEHAN: OK.

RANDY SCHMAILZL: --we talk about that.

LINEHAN: OK, thank you very much.

RANDY SCHMAILZL: That's why I bought [SIC] the detail people with me today.

LINEHAN: That's good. OK.

WALZ: Thank you.

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RANDY SCHMAILZL: Thank you.

ALEX LOVRIEN: Members of the Education Committee, good afternoon. I-- my name is Alex Lovrein, A-l-e-x L-o-v-r-i-e-n. I am the workforce training coordinator for Metropolitan Community College, MCC, who oversees and manages the Community College Gap Assistance Program. I'm pleased to be here to talk with you today about the critical importance of the Community College Gap Assistance Program and what it means for our community members. As you may know, our mission at MCC is to deliver relevant student-centered education to a diverse community of learners. Our guiding principles that drive our daily endeavors are to provide student-focused learning and service, engage and respond to community needs, manage resources responsibly, and celebrate inclusion and diversity. Statewide, there are 345 Gap-approved programs, with 52 of these programs being approved within the last six months. Since the amendment in 2019 that allowed for Gap programming to be offered for credit, there have been nine, or excuse me, 39 credit programs approved. And that number will continue to increase across the state. The impact of adding credit programs should not go unmentioned. Credit programs are offered on a regular quarterly or semester basis, which will undoubtedly increase the utilization of Gap funds statewide. To date, 276 students have been served by MCC. We've utilized 65 percent of the total funds that have been disbursed over the last three and a half years. Last year, our workforce innovation division took over management of the Gap Assistance Program. We were able to expand and increase program offerings, which resulted in the utilization of 99.1 percent of the yearly funds that were disbursed to us last year alone. We are currently in the beginning of quarter 3 for fiscal year 2019-20. We've been dispersed 200 or-- yeah, \$258,912 so far this year and we've utilized \$333,779.20 so far. We still have 12 programs that are set to launch this quarter and as you can see that we have increased utilization, that trend is going to rise. As of today, MCC has supported Gap-approved programs that are focused on increasing the number of qualified individuals in fields that have labor shortages across the state; 36 programs are noncredit and 4 are credit programs at MCC. The credit programs that were recently approved are scheduled to launch this coming quarter and will be offered on a quarterly basis thereafter. Some of our programs like code school, facilities maintenance, fiber optics, I.T. operations specialists, manufacturing and production training programs, and our sheet metal program paired with our career placement program all make an impact on the students who complete the trainings. One of our students, Chris, has told me

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that he had many doors shut on his face when it came to higher education, whether it was he couldn't access funds or he couldn't get into a specific program. So when he saw the flyer for our sheet metal training program, he decided to reach out. He did complete our program. He fought a lot of personal issues while going through the program that included fighting for custody of a child, lacking transportation while starting a new job, and locating one of his children who had run away. Upon completion of the program, he is employed making \$13.50/hr. He's also applying towards an apprenticeship with the local union that will-- starting wage is \$16.43/hr, walking in. Another one of our students, who is in the project management professional program, recently wrote in and stated that he was enjoying the program and is very appreciative of Gap for providing him the funding to be able to better his life. He disclosed that because of his current place of employment and income level, he was not eligible to receive WIOA funding so he didn't think he would be able to complete the program since he couldn't afford to pay for it by himself. He continued on to say that when he completes the program, he is confident that the PMP credential will help him become financially secure and fully able to provide for his family. Another student I wanted to mention, Warren, he had been working towards earning his GED here at MCC. He saw our production and training program flyer. He disclosed that it was his lifelong goal, which he had not disclosed to anybody else prior to this, was to build a shelter to house individuals who are homeless and providing hands-on learning to them to help them gain employment. He completed the training program and has gained employment with one of our business partners through the work-ready communities earning \$15.66/hr. It is with this data and these students' stories in mind that I am here today respectfully requesting and encouraging you to oppose the proposed decrease in funding and instead preserve funding for the Community College Gap Assistance Program. Thank you.

WALZ: Thank you. Questions from the committee? I, I do have a question or a clarification, I guess.

ALEX LOVRIEN: Sure.

WALZ: Can-- you talked a little bit about the past three years; you used 65 percent?

ALEX LOVRIEN: Yes.

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WALZ: And then last year, it was bumped up; you used 99.1 percent?

ALEX LOVRIEN: Yes.

WALZ: OK. And then, excuse me, the other question I had was 33 new programs are set to launch this quarter; is that--

ALEX LOVRIEN: Um--

WALZ: Can you verify that?

ALEX LOVRIEN: Statewide, there are 39 credits that were just approved since the credit programs have been available.

WALZ: 39 credits.

ALEX LOVRIEN: So historically, we weren't able to offer credit programs under Gap. You can now offer credit programs. And so I think it was approved in-- to go live in September. So since September, we've had 39 credit programs approved. So that is going to boost the spending of Gap and the enrollment of students in the Gap programs.

WALZ: All right. Other questions? Thank you so much.

ALEX LOVRIEN: Thank you.

TAMMY GREEN: Again, good afternoon. I think you've heard that a lot this afternoon. Thank you for the opportunity to present today in opposition of LB920, pertaining specifically to the cut in funding for Gap, for the Gap Program. The packet that's being handed out to you right now has several documents that demonstrate the program.

WALZ: Excuse me, can you--

TAMMY GREEN: Oh--

WALZ: --state you name--

TAMMY GREEN: Sorry.

WALZ: --and spell, please? Thank you.

TAMMY GREEN: Yes. My name is Tammy Green, T-a-m-m-y G-r-e-e-n, and I am the director of workforce and I.T. innovation for Metropolitan Community College. I oversee career advancement and the adult education program for Metropolitan Community College. So in the packet

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that is presented to you, there are several things to note. In our community, the success of the Gap Program has, has really blossomed and to now, four years into the brand new program, to receive almost a 50 percent cut would be detrimental to the program. Within our program, you will notice that our numbers, since its inception, have almost doubled every year for the students served. We're projecting that this next program year, we will double both those numbers again. In 2019, we served 123 students in the program. Of those 123 students, 87 of them secured jobs. And that meant in order for us to really develop that continuum for students, it was essential that we developed strong and solid partnerships throughout the community. Not only do these partnerships include your traditional educational partnerships, but those also include partnerships with businesses, the learning community center, correctional programs, Heartland Workforce Solutions, which is our American job center, and human service agencies throughout the, the community. As a result of the Gap Program and the training program, our program has been able to help students that would not typically qualify for traditional forms of funding, so Pell Grants, WIOA, those dollars. Many times, these students-- actually every time, these students would not qualify for Pell Grants. Another thing to consider in the conversation, too, is don't underestimate the power of, of certification programs. For many of the students that we would consider our working-poor students, many of these students do not have the opportunity to wait two years before they can make a livable wage. That's the power of the certification programs that are offered through Gap. It allows for an earn-and-learn type of a philosophy for what we would call our working-poor in our community. Our working-poor in our community cannot afford to not feed themselves and their family, which means that they can't afford to not go to their \$9/hr job in order to come to a training program that is long term. And the program that we have developed under Gap allows us to bridge people out of poverty using certification programs. Alex Lovrein, who spoke earlier, talked about the sheet metal program, so she did talk about entry-level wages are at \$16/hr. But let me make sure that you fully understand that businesses are part of this partnership. And so in this conversation, what happens is that they may start at \$16/hr, but then they enter the sheet metal union. They increase their wages every six months as their training increases. And by the time they're done with that training program, they're making \$34/hr. When you're talking about bridging people out of poverty and you talk about addressing the needs of the working-poor by using the power of education, that's what Gap does. And yes, you'll notice that it is a four-year program and there is a considerable amount of

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dollars that, that have been left unspent. But let me note that the first two years was to develop the program, develop the partnerships, and grow from there. The last two years that we've had the program, we've spent nearly 100 percent of the program. And this year we're, we're expected to spend 126 percent of that program. And we expend-- we expect that the surplus that is remaining from the first two years of developing the program will be spent and completely utilized within the next two years. So if you think about the impact by cutting a program by 50 percent, saying you can use the surplus, we'll essentially be out of funds by the end of this program year. And then we'll, we'll have to cut the program and the impact, that's meant to assist our, our families that we would traditionally call the working-poor. The other thing that I'll just leave you with is also to consider the fact that the Gap programs, also with the partnership of the businesses, most of the time ensure that individuals are able to attain advanced positions as well. So thank you for your time.

WALZ: Thank you so much. Do we have questions from the committee? I don't see any, thank you so much for your testimony. Other opponents? Do we have anybody here who would like to speak neutral?

GREG ADAMS: Senator Walz, members of the committee, my name is Greg Adams, G-r-e-g A-d-a-m-s, representing the Nebraska Community College Association. My board has asked me to come in in the neutral on this. And to be very candid with you, we support most of the bill. Particularly, we like to see that the, the NOG program is maintained, the ACE program is maintained. But we do have concerns similar to Metro about the Gap Program. Admittedly-- and by the way, I'd like to also extend my thanks to legal counsel. Nicole invited me in and we were able to have a long conversation about all of this, far in advance of this committee, so I had time to prepare and I think I understand the rationale. There are balances there. The key is, for us anyway, is that with the passage of LB180 last year and credit courses now being eligible for Gap, we would anticipate-- as I testified this summer, we would anticipate more usage of, of the Gap Program. But the balances are there so I can understand your concern. With that, I think if I continued on, I'd just simply be repetitive of what the Metro people have said. So I'll conclude. Can I take any questions that you have?

WALZ: Questions? Senator Pansing Brooks.

PANSING BROOKS: Thank you for coming, Mr. Adams. So I was wondering, did you come to some sort of-- did you-- were you able to find sort of

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a happy medium so that something could happen with Gap or is that just basically cutting it when you had the discussions?

GREG ADAMS: We didn't. I, I'm not sure that was really part of the discussion. It was more an explanation of, of the various programs and where we were going with it. And it gave me an opportunity to, again, try to make my point that I think LB180 will have an impact. But arguably, I understand the point of the balances being there. I think there are some other procedural things that are in the legislation that may be of assistance; you know, moving balances around compared to where we were at or where we are. And current law might make a difference, but I, I really think there's going to be more stress on the program in time.

PANSING BROOKS: Thank you, Senator Adams.

WALZ: Other questions? I see none--

GREG ADAMS: Thank you.

WALZ: --thank you so much.

RUSS KARPISEK: Hello, Senator Walz, members of the Education Committee. For the record, my name is Russ Karpisek, R-u-s-s K-a-r-p-i-s-e-k, and I am the legislative liaison for the Auditor of Public Accounts, Charlie Janssen. As Senator Groene had, had said earlier, the Auditor does think that this is a good idea. He said a great idea, a good idea to send to our, to our office. It is a great idea to let us-- I say us, I brought in-- come to us so all the numbers are in one place. Nicole did a huge lifting job this summer, getting everything together. We talked quite a few times. The only reason that we're neutral is because the-- where the money shifts or how, how it goes isn't the Auditor's business, really. That is the senators' business. So we are very supportive to have those numbers come to us and do a report and get it back to the Legislature. And if there are questions that we would be able to audit any of the programs or anything going forward-- and I think that's all I have to say, but I'd be glad to try to answer any questions.

WALZ: Questions from the committee? I see none--

RUSS KARPISEK: All right.

WALZ: --thank you.

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RUSS KARPISEK: Thank you.

WALZ: Anybody else that would like to testify in the neutral position? OK. We did have four letters of-- five letters of support from the Council of Independent Nebraska Colleges, Nebraska Association of Student Financial Aid Administrators, Nebraska School Psychologists Association, NRCSA, Nebraska Rural Community Schools Association, and ESU 7. And Senator Groene, would you like to close?

GROENE: Thank you, Senator Walz, a couple comments. When we looked at the, the percentages, it's not only the 10 percent cash reserve, but the \$1.5 million, which is another 7 percent of the fund for the testing. And then the first two years, we think about \$900,000 this last-- two-- a year ago, was taken right off the top for the learning community transition aid. That's gone too, so now that's also being put into the, into the bucket and split out. As to the Gap, as they said, they have enough reserve to help over and above. For the next two years, they have \$665, Metro does, \$665,000 in reserves, which is a little over a year, year and a quarter of what they receive a year. So they got enough in reserve to do an entire year. Plus, of their little over \$3 million total-- it's on page 40 of the study that's done, very well done by Nicole-- there's a \$3.7 million, 68 percent of the total amount we've disbursed over the first three years. It's still sitting in reserves. The Coordinating Commission has the ability-- as the report says, The program guideline for the Gap Assistance Program allows community colleges to be asked to return any unused funds in order to reallocate them. So they could pull back in the reserves from some of the colleges that really not used it [SIC]-- much of their allocation at all. And over the next three or four years, they could allocate that to Metro or another organization that, that-- another college that could use it. So we have that additional funds to get them through the next five years. And we hope every-- the point is we, we don't have enough money. We hope that all of these programs are underfunded, but they all need more money. But our duty is to pinpoint issues in education that need to be addressed and to plant a seed, to plant some seed money to get them going. And, you know, that's what we're doing with the, with the training as the department head said it well; to get it started, to get some funding out there. And it's quite a bit of funding. It's not a drop in the bucket to help them pay for the training on behavior identifications and behavior awareness and behavioral intervention. As you can see by the testimony, we worked really hard with all of the stakeholders, as we call them to use this money to get the most bang for a buck. And I

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believe we're doing that. NOG, it's very important, but remember also, NOG is one program that also gets appropriations and, and we could encourage the Appropriations Committee to appropriate more for that because most states do. We rely on the foundation, I mean, of lottery money. Most states just appropriate a program that's similar to NOG, so appropriations could be increased there. We could-- someone could bring a bill and ask in the next year to put more in. Also, the testing, that's an ongoing thing. That's a, that's a-- that should not be out of lottery fund. It should be in Appropriations. It's from here. And we have other testing-- a lot of testing that's done by the department head and that's all out of their, out of their budget. It's not out of lottery funds. It's time to turn that over to, to Appropriations. And we can work with Senator Stinner and-- well, whoever the Chair is in two years, in a year. Those of us who are pro, pro-education can work with him for more funding through Appropriations. We'll work with the committee with that, but we need to get this done. And I think we'll wait until-- we will-- of course, we will wait until-- Senator Kolowski apparently hasn't dropped his bill yet, so you haven't been able to read it. When he gets his dropped and I know he's been working hard with the Department of Education, with Coordinating Commission and others to write it right, so it's done right. Senator Murman will be bringing his, his training legislation. When we get those two on the floor, then we can look at bringing the lottery bill to the floor as a committee priority and put all these pieces together to do it right. And to-- and of course, if anybody there has more-- other uses for lottery money, they're free to bring it. I haven't seen legislation yet, all the bills that have been dropped, if anybody did bring one to use it. But you heard the testimony today. When you have those many different variances of stakeholders to come to the-- I think we've done a pretty good job. So thank you.

WALZ: Thank you. And that concludes our--

LINEHAN: I have a question.

WALZ: Oh, you have a question. Sorry, question.

LINEHAN: And, and if you don't know this right off the top of your head-- and maybe it's right in front of me and I don't understand it-- how much, historically, does the lottery fund go up every year, the income for lottery fund go up every year?

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GROENE: Quite frankly, this year it's down a little bit--

LINEHAN: OK.

GROENE: --but it's been going from about \$1 million a year-- I believe it's been going about \$1 million. This year it's down-

LINEHAN: Generally it grows \$1 million a year, that's what you're-- generally-- OK.

GROENE: And the reason it's down this year, we haven't had that \$100 billion lottery prize yet where people go out. That's-- quite frankly, that's what happens. When you get the big prize, people buy tickets.

LINEHAN: OK.

GROENE: And it makes a huge difference. Well-- and I think last year, we had at least two of them where we had 3, \$400 million--

LINEHAN: Oh. All right, I was just wondering. Thank you.

GROENE: That's why we want the percentages--

LINEHAN: OK.

GROENE: --in four, five years ago because of that fluctuation.

LINEHAN: OK. All right, thank you.

WALZ: Other questions from the--

LINEHAN: I'm sorry.

WALZ: No, that's fine. Sorry. Now that concludes our hearing on LB-- what is it? LB920.

GROENE: If everybody's OK--