

Transcript Prepared By the Clerk of the Legislature  
Transcriber's Office

Education Committee  
January 16, 2007

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[LB21]

The Committee on Education met at 1:30 p.m. on Tuesday, January 16, 2007, in Room 1525 of the State Capitol, Lincoln, Nebraska, for the purpose of conducting a public hearing on LB21. Senators present: Ron Raikes, Chairperson; Gail Kopplin, Vice Chairperson; Greg Adams; Brad Ashford; Bill Avery; Carroll Burling; Gwen Howard; and Joel Johnson. Senators absent: None. []

SENATOR RAIKES: Good afternoon and welcome to this, the first hearing of the Education Committee for the 100th Legislative Session. We are pleased that you're here. We have one bill to be heard this afternoon, and that will be followed by an Exec Session and a briefing for the Education Committee. Going to have to bear with me as I get back into the routine here. Let me start out with the pleasant task of introducing to you the new Education Committee, and for the most part it is new. To my far right soon will be, I think, Senator Brad Ashford, from Omaha; next to him Senator Gwen Howard, also from Omaha; Senator Carroll Burling from... [LB21]

SENATOR BURLING: Kenesaw. [LB21]

SENATOR RAIKES: ...Kenesaw is here now; to my right is Tammy Barry, the committee's legal counsel, I am Ron Raikes, represent District 25; to my immediate left is our committee's Vice Chair, Senator Gail Kopplin, from Gretna; next to him is Senator Greg Adams, from York, Nebraska; next to him is Senator Joel Johnson, from Kearney, Nebraska; and Senator Bill Avery, from District 28 here in Lincoln; and finally Kris Valentin is the committee clerk. And just as I speak, in walks Senator Gwen Howard. A little bit on our procedures, we will have each bill introduced by a member of the Legislature followed by proponent, opponent and neutral testimony. Those of you who wish to testify, please fill out one of the little forms and throw it in that box. Also as you come up to testify, please announce into the microphone for our transcriber your name spelled. I think that is all you need to say and then head on your way. We do use a light system in this committee, and so we would like you to finish your comments within a five-minute period. The way the light works, you have a green up until the final minute when you have a yellow, and then finally at the end of five minutes you will have a red light. I hope that you find that not intrusive. I think in the past it has worked well for the committee. Other comments, cell phones, please disable as is appropriate. Anything else? I think of nothing, so we are ready to steer this ship off into the ocean or otherwise and at that moment I am going to turn the reins over to our able Vice Chair, Senator Kopplin. [LB21]

SENATOR KOPPLIN: Thank you, Senator Raikes. [LB21]

SENATOR RAIKES: I don't have a little form but, Kris, I will tell you who I am later. Okay. Mr. Vice Chair, Ron Raikes, District 25, here to introduce LB21. This is a brief bill,

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I guess as bills go...well, not terribly brief. There are not a whole lot of changes, but I will tell you that it is in the vein of a need to make a change in the statute dealing with school finance. I will try to give you a little bit of background on it and the rationale for the change I am proposing to you. In LB577 in 2005 we, I think, made significant advance in the state in terms of serving children in the state in early childhood programs. One of the provisions of that bill was that once children had been enrolled in a early childhood grant program for three years, they then became eligible for those children, as long as the grant provisions were still met, to be included in the state aid formula, and there is a weighting and there are demographic factors applied and so on. This is the first year or this...I should not say this, but the upcoming year, the year for which we are going to certify shortly, 2007-2008, would be the first year in which those early childhood students would be included in and funded by the aid formula. An oversight, which I am responsible for, is that in adjusting or drafting the statute for the needed formula change we included the early childhood students as an addition to average daily membership. The result of that is that there is a growth in students that ends up getting represented in the formula and therefore impacts the growth factor that is applied in calculating state aid which, in my opinion, incorrectly distributes about \$6.5 million, I think, is the additional state aid. In other words, we have artificially increased the growth factor in the aid formula to the extent that it increases state aid by about \$6.5 million in that year of certification. Really I think there are two changes that are called for, one of them is to eliminate the early childhood numbers from the growth factor, which is what I am proposing here now. Eventually, and it will come up in another bill, it makes sense to me to eliminate student growth entirely from the calculation of the cost-growth factor, because it doesn't make sense to me that because the cost per student in the aid formula is, in fact, a cost per student increase...numbers of students are taken into account simply by multiplying that number by the additional students. So it's something that really shouldn't be there in the first place, but we are only doing the first step here. We are taking out the early childhood student numbers. And the second thing we are doing, we are delaying the certification--only by two weeks, until February 15--to allow the department the time they need to do the certification calculations once we get this bill passed, if in fact it's your wish that we do that. I can't imagine that there could be a clearer explanation possible than what I have just given, but ask me some questions. [LB21]

SENATOR KOPPLIN: Thank you, Senator Raikes. Are there questions? Carroll. [LB21]

SENATOR BURLING: Senator Raikes, so would you say that removing the early childhood students from the calculation, is that a cost savings to the state or is it more of a fairness issue between districts? [LB21]

SENATOR RAIKES: I would say both, Senator. It is definitely a cost savings to the tune of about \$6.5 million. The fairness in the allocation is maybe...and I should have pointed this out earlier...the way it is right now, leaving the early childhood students in there

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increases the group cost for all standard school systems whether they have any early childhood students or not. So that, I think, explains why it's not an appropriate way to increase state aid. [LB21]

SENATOR BURLING: Thank you. [LB21]

SENATOR KOPPLIN: Other questions? Okay. Thank you, Senator Raikes. At this point we would take proponent testimony. We would ask that you sign in, then give your name and spell it, please. Proponent testimony. Seeing none, is there opponent testimony? [LB21]

SENATOR RAIKES: I'm used to not having proponents, but no opponents is unusual (laughter). [LB21]

SENATOR KOPPLIN: How about neutral? [LB21]

RUSS INBODY: Good afternoon, Senator Kopplin, members of the committee. I am Russ Inbody, R-u-s-s I-n-b-o-d-y. I'm here as a neutral testifier and since the Senator explained it so eloquently, I'm just here to answer any questions that people may have about this bill. [LB21]

SENATOR KOPPLIN: Any questions from the committee? I think you did your job well, Russ. [LB21]

RUSS INBODY: Thank you. [LB21]

SENATOR KOPPLIN: Other neutral testimony? If none, that should close the hearing on...Oh, Senator Raikes, would you like to close? [LB21]

SENATOR RAIKES: I will waive. [LB21]

SENATOR KOPPLIN: Senator Raikes waives and that will close the committee hearing on LB21. [LB21]

SENATOR RAIKES: Well, I hope that I have gotten you used to the heavy lifting that's going to go on here, but that closes the hearing for today. Thank you for being here. [LB21]

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Disposition of Bills:

LB21 - Advanced to General File.

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Chairperson

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Committee Clerk