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Education Committee  
February 12, 2008

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[LB886 LB970 LB978 LB1005 LB1154 LB1158]

The Committee on Education met at 1:30 p.m. on Tuesday, February 12, 2008, in Room 1525 of the State Capitol, Lincoln, Nebraska, for the purpose of conducting a public hearing on LB886, LB970, LB978, LB1005, LB1154, and LB1158. Senators present: Ron Raikes, Chairperson; Gail Kopplin, Vice Chairperson; Greg Adams; Brad Ashford; Bill Avery; Carroll Burling; Gwen Howard. Senators absent: Joel Johnson. []

SENATOR RAIKES: Good afternoon and welcome to this hearing of the Education Committee of the Nebraska Legislature. We're pleased you could be here today. We are going to hear six bills this afternoon. They are listed on the outside of the hearing room, hopefully you saw them as you came in, and we will hear them in that order. For each bill, we will have an introduction by the introducer, followed by proponent, opponent, neutral testimony, and a close by the introducer, if desired. We'll have time limits on testimony, which is our custom. So we will allow each testifier five minutes, you'll get a green light for four, a yellow light, and then the red light. So please respect that if you would, that helps us all, I think, utilize one another's time more efficiently. Also, as you come forward to testify, please be sure to tell us your name and spell at least your last name for us, that's for purposes of our transcriber. Let me introduce our committee and staff. To my far right, I think later on will be Matt Blomstedt, who's our committee's research analyst; Senator Brad Ashford from Omaha is there now; soon there will be Senator Gwen Howard from Omaha; this is Senator Carroll Burling from Kenesaw, Nebraska; this is Tammy Barry, our committee's legal assistant; I am Ron Raikes, District 25; to my left is the committee Vice Chair, Senator Gail Kopplin from Gretna; we have Senator Greg Adams from York; Senator Joel Johnson recovering from some back surgery, but he may be able to join us for a while this afternoon; Senator Bill Avery from Lincoln--Joel Johnson by the way is from Kearney; and to my far left is our committee clerk, Kris Valentin. The only other thing I think I need to mention is that if you have cell phones, please disable them because that can be disruptive in the hearing. So with that, I think we're ready to go, and we have with us Senator Tim Gay, who will introduce LB886. Senator Gay. [LB886]

SENATOR GAY: (Exhibit 1) Thank you, Senator Raikes and members of the committee. For the record, my name is Tim Gay, I represent the 14th Legislative District and I'm here to introduce LB886. After many meetings with superintendents in my district, there is one thing that we all expressed concern with, and it was the transportation issue. This bill would simply delay the transportation component of the learning community law until 2010 school year. Under the law as it stands today, school districts that are members of the learning community must provide free transportation to option students that meet one of the following requirements: qualifies for free and reduced lunches and lives more than one mile from the school; contributes to the socioeconomic diversity of the school building; attends a focus school or program and lives more than one mile from the school; or attends a magnet school or program and lives more than one mile from the

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

Education Committee  
February 12, 2008

---

school housing and magnet school or program. At this point, it has not been determined what impact this will have on the various school districts involved, what number of students will qualify, what will be the cost, what about existing contracts with different busing companies, will all the districts be able to provide transportation in compliance with this law. I have a handout here. You'll see from this handout that 11 school districts that make up the learning community are very different when it comes to transporting students within the districts. Some contract for services, some don't. Some have a large number of routes, some don't. Transportation needs under the learning community law must be carefully studied, and a plan must be put in place in order for the districts to carry out this requirement in the most effective, efficient, and safe manner possible. LB886 does not repeal the transportation provisions, it simply gives the districts more time to implement a major change in policy. I'm aware that LB1154, which will be following today, also delays transportation date, but I do ask that this committee consider giving serious consideration to advancing this bill on its own so we can be assured that this important component of the learning community law is addressed. Senators, when you look at this handout, you'll see that there are just so many different components of this, and whether we agree or disagree on the learning community, I do think this is an important meeting. You will have a learning community form, and then one of the first things they're going to have to do is sort out a very complicated issue. I'm just saying maybe they should get their feet on the ground, get settled, and then take a look at this issue. Senator, if another bill comes that changes that and that bill doesn't pass, I still think we need a vehicle out there that we could move through the process. It's one issue, it's a one issue only bill, quite honestly, so I do think there's some merit in that. And the thing that I look at, and like I say, we've had several meetings and people will agree and disagree on certain components of the learning community, like I say, I thought there was consensus on this one issue as far as transportation goes because it is very complicated, very expensive proposition. And until we know the numbers that are out there, I'm not so sure that we need to forge ahead right away with that component. So I think it's a little breathing room for some of the transportation people to see what's happening before we implement anything. That's the gist of what this bill would do. I'd be open to any questions. [LB886]

SENATOR RAIKES: Okay. Thank you, Senator. Senator Burling has a question. [LB886]

SENATOR BURLING: Thank you, Senator Gay. Would you say that the main objection is the word free transportation, or is the main objection distance that some of these people might have to travel on the bus from one corner of their learning community to another corner? You want to expound a little bit more on that? [LB886]

SENATOR GAY: Thank you, Senator Burling. I'll give you my view of it, and there will be others I think going to testify on this can give you more specific details. My view is just the common sense of all these moving parts and pieces to a new concept. And like I

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

Education Committee  
February 12, 2008

---

say, on some of these concepts if we agree that's fine. But when you look at the transportation and all the routes and all the different mechanisms of doing this, it's just a very complicated issue. And people are saying hold on one minute, because the one thing that would happen is if we don't get this component right and there are breaks, we've all seen what happens when a child is left--oh, we didn't pick up that child, they're left. And if these things aren't in place for safety reasons as well, I think there's a real impact there. No one wants some tragedy, and I'm not going there, but we've all seen that, we've changed our routes and somebody's not picked up, someone's left on a bus. They're newsworthy and I don't think we need that, first of all, but we don't need it for the safety of the child. So to me, this is more of a common sense, let's slow down before we get into it because it has a huge fiscal impact, I think, just setting up the routes. We don't know what we're going to need yet, and this would just delay that. [LB886]

SENATOR BURLING: Thank you. [LB886]

SENATOR RAIKES: Senator Adams. [LB886]

SENATOR ADAMS: Senator Gay, what I'm wondering here, I'm certainly trying to be empathetic to the logistics of what we created last year and I think this is a legitimate effort at raising questions about that. Implementation year 2010-2011, I guess what I'm wondering is in the year 2010 and 2011, even that year, will you really know how many kids are going to need a bus route other than what, let's say Papillion, already offers? Isn't it always going to be from a year to year, something of a plan that's going to have to be ongoing in development depending on how many students you have that actually transfer? [LB886]

SENATOR GAY: I think it would be ongoing, but if I could...I mean we're just looking to the future a little bit. You form the elected learning community, then go form the caucus and you start having meetings. Immediately, they're probably already planning one year ahead and maybe you'd know more with your experience, but I think they're planning ahead. I mean this isn't something that changes overnight, and I'm no expert on this, but I think what they're saying is let's at least get this right because how are we going to do it. You won't know the numbers of kids that are going to be transferred, maybe it won't be a lot, maybe it'll be an awful lot. We don't know yet. [LB886]

SENATOR ADAMS: Right. [LB886]

SENATOR GAY: So what I'm saying if it's an awful lot or none, we still don't know, but let's be a little bit more prepared for it. You know how that goes, I suppose the learning community would figure out. I don't know how that works, Senator. I just can't give you that answer. [LB886]

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

Education Committee  
February 12, 2008

---

SENATOR ADAMS: Thank you. [LB886]

SENATOR RAIKES: Any other questions? I don't see any. Thank you, Senator. [LB886]

SENATOR GAY: You bet. [LB886]

SENATOR RAIKES: Proponents, LB886? Mr. Coleman, welcome. [LB886]

STEVE COLEMAN: Thank you, Senator Raikes, members of the committee. I appreciate the opportunity to support Senator Gay's efforts in this particular bill. As you can see and I'm sure you've anticipated... [LB886]

SENATOR RAIKES: The transcriber will not trust my recognition of you. [LB886]

STEVE COLEMAN: Steve Coleman, C-o-l-e-m-a-n, assistant superintendent Papillion-La Vista Schools, my anxiousness, I apologize. I think everybody has anticipated and realizes the complexity of a transportation program, whether it be with an individual school district or within accommodation of school districts under a learning community. And I think the planning necessary is going to require more time. Senator Adams asked a good question regarding the fact of when will we know exactly what's in store for us. I don't know that we will until a year in advance, and sometimes that will put us on a very short timeline, but at least we can have an alternative in place where we can develop a plan that whether it be 40 students or 400 students, or 1000 students, we have the flexibility in plan with a Plan A, a Plan B, and a Plan C with a large enough provider that we can address those concerns as they happen. Right now we're not able to do that, and primarily because of the different sizes of districts and the transportation programs that we operate. Papillion-La Vista schools, for example, has a very small provider that serves our district with the big yellow buses. We have a lot of van routes that we deal with on our own, but their ability to react and adapt to the potential of 5, 6, 7 additional buses within a short period of time will be very difficult for that company, and we currently are under contract with that company. So we need to look at a mechanism that is larger in scope that may encompass the entire learning community with a transportation system that addresses that. Vehicles, ordering the large buses is sometimes is as much as a six-month time frame and a waiting period before those can be acquired. They don't come through that quickly, as they are made as they are ordered. As we look at some of the options that might be available through this delay, one of them that we recommend looking at and giving us the time to proceed with, is having the transportation for the open enrollment students be a responsibility to the learning community coordinating council, and setting up that system and funding that system that districts all can provide and assist with. I think that can provide a more efficient means than districts heading in numerous different directions individually if we can have a common system that would work to address the transportations areas. It's for those reasons primarily that we think the delay is important so we can deal with the

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

Education Committee  
February 12, 2008

---

issue appropriately and in an efficient manner, and I thank you. [LB886]

SENATOR RAIKES: Thank you, Steve. Questions for Steve? Senator Burling has one. [LB886]

SENATOR BURLING: Thank you, Mr. Coleman. The statute currently lays out the criteria for a qualifying student. [LB886]

STEVE COLEMAN: That's correct. [LB886]

SENATOR BURLING: Does that alone give you heartburn? [LB886]

STEVE COLEMAN: No, that does not give us heartburn. [LB886]

SENATOR BURLING: You mentioned the coordinating council being...should they have some leeway on deciding this student qualifies, but it's really not practical to go over there and get that student. That's not what you're talking about? [LB886]

STEVE COLEMAN: That's not what I'm suggesting. I think the law's pretty clear, and I think the learning community coordinating council would have the same responsibility to follow that same law and establishing transportation for those eligible students as they're defined in statute. They would just have a body to develop one uniform system through the entire two-county area that is in place to address those interdistrict transportation situations in, I believe, a more efficient manner than we can do individually as 11 different school districts. [LB886]

SENATOR BURLING: Thanks. [LB886]

SENATOR RAIKES: Okay. Steve, it can get to be a sticky issue as to the division of responsibility between individual districts in the learning community council. I know that's been an issue raised maybe occasionally in your own district. [LB886]

STEVE COLEMAN: Occasionally. [LB886]

SENATOR RAIKES: Are we retaining our authority as a district or are we not? What you're suggesting, at least in the case of student movements from outside the district that really you would prefer not to have that responsibility within the district? [LB886]

STEVE COLEMAN: I hope I answer your question, Senator Raikes. I think we have an opportunity to more efficiently handle the demands from all corners of the two-county area through one uniform transportation system that deals with the open enrollment students that are products of the learning community process. I think individual district, I would expect, would maintain their own responsibilities on intradistrict students as they

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

Education Committee  
February 12, 2008

---

transport today. But it's for those that may have an isolated pick up here, an isolated pick up there, and other extremes that I think we could be afforded an opportunity to look at that in its entirety, and not district by district. [LB886]

SENATOR RAIKES: This in your view would be something that the learning community council, perhaps in coordination with the superintendents, or better yet, the business managers of each district could look at and make a recommendation as to what ought to happen? [LB886]

STEVE COLEMAN: I think we need the time to explore the alternatives available because I think it's going to require a large carrier, a large contract carrier to provide that service. And I think whether we put together requests for proposals or interviews or suggestions from those professionals on how they could be equipped to handle a situation such as this is going to require some time. [LB886]

SENATOR RAIKES: Okay. I don't see any other questions, thanks for being here today. Other proponents, LB886? Are there opponents, LB886? John, welcome. [LB886]

JOHN DEEGAN: Senator Raikes and members of the committee, thank you. I'm John Deegan, the superintendent of schools in Bellevue, and the Bellevue school district operates 80 school buses. We have a number of special ed buses, as well as full-size 70 to 84 passenger. We're one of the school districts in Nebraska, there's just a handful, that actually own all their buses and operate all their own buses, and the learning community has put forth responsibility that we're ready to meet. I don't know, and I think Senator Adams might have put it well, when would you be ready? When would it be ready? And I personally don't want to sit down and talk about a giant bus plan where you can deal with outside contractors and to lose our drivers or lose our buses in that process, we're not interested in that. We like our buses, they're great buses. We take care of them, we take care of our drivers, and we don't have to worry about what happens on contract busing. And all you have to do is see the contract buses drive around or see our buses, and you know which one would you want to put your children on. So I feel very strongly about maintaining a quality bus system and be able to have the authority in our school district to work to resolve whatever differences as kids want to come to us. As one of the districts, the second largest district in the state with option enrollment, we're more than willing to work with our kids and our families that have need and to resolve that issue, and so we're ready to move ahead with the bussing plan. And I don't see a need to delay unless we're going to delay this, and then we're going to delay something else, we're going to turn over authority to somebody else, and to me that's a wrong move in the wrong direction. [LB886]

SENATOR RAIKES: Okay, thank you, John. Questions for Mr. Deegan? I don't see any, thanks for being here. [LB886]

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

Education Committee  
February 12, 2008

---

JOHN DEEGAN: Thank you. [LB886]

SENATOR RAIKES: Any other opponents, LB886? Is there any neutral testimony?  
Senator Gay. [LB886]

SENATOR GAY: Thank you, Senator. In closing, well, just looking at this thing if you looked at some of the kids who will be moving, option kids, I do think there would be...parents I doubt will be driving them to these schools. We're trying to get people moving back and forth, that means movement, and I understand if one of the schools has their own buses, that's great. Usually, I'm a half full guy, too, on the glass, but by the time the learning community meets, talks, elects, does some of these things, the way government works sometime, it's very slow. This is... [LB886]

SENATOR RAIKES: I don't know what you said, Senator, but they're all walking out on you. (laughter) [LB886]

SENATOR GAY: They're going to the Ag meeting, I think. But what I do think, I think a little caution here, there's other, let's don't kid anyone--I'm not a big fan of this, but I truly do think this is something let's go and do it right because if we don't get it right, we'll deal with it then. But I think people are ready to meet a challenge, I'm not saying that, I just think that the process that's going to happen here, it is a complicated issue because if you look at that sheet I handed out many of the schools do not own their own buses. They're doing contracting, and what if they are in a contract, a two-year contract or a three-year, I don't know some of those answers, but that can also hinder. You just going to amend those contracts and what's the cost, and some of these things. So I know you're looking into it. I have confidence that you'll do the right thing, but I would, if we could, hang onto this bill a little bit in case the comprehensive bill doesn't pass. I do think it's important enough that it stands on its own. Thank you, Mr. Raikes. [LB886]

SENATOR RAIKES: Thank you, Senator. Any questions for Senator Gay? [LB886]

SENATOR AVERY: I have one. [LB886]

SENATOR RAIKES: Senator Avery does, a reluctant question. [LB886]

SENATOR AVERY: Thank you, Mr. Chair. Senator Gay, have you seen these? These came in the last few days from Sarpy County mostly I think. And my staff gave this to me because they list LB886 as a bill that they're opposed to, but then their comments all relate to take Sarpy County out of the learning community. [LB886]

SENATOR GAY: I didn't get any of those, they probably didn't want to waste their stamps on me. [LB886]

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

Education Committee  
February 12, 2008

---

SENATOR AVERY: So I presume that you don't see this bill as a serious threat to the learning community concept. [LB886]

SENATOR GAY: No, I don't at all. I just think it's common sense, quite honestly. No, I truly...you've worked with me. I think it's something to improve the situation. I'm not going to kid you, you know where I stand on this. I just think it's a proper thing to do probably, to make sure that this thing works because, like I say, if you look at the calendar here, I don't think you jump right into this issue right away. I think they're going to have other issues to look into, so this could wait a year. [LB886]

SENATOR AVERY: I should've asked this question to Mr. Deegan, who preceded you, I notice he has 218 routes and they own their own buses and they bus over 2000 students, so they have resources. So it might be easy for them to implement it right away. The others don't seem to have that many resources, except possibly for OPS. That's what I want to ask you, to respond to that, I should've asked him. Thank you. [LB886]

SENATOR RAIKES: Any other questions for Senator Gay? I don't see any. That will close the hearing on LB886, and we'll move to LB970. Senator. [LB886]

SENATOR GAY: Thank you, Senator. Once again for the record, my name is Tim Gay, District 14, here to introduce LB970. First off, let me make it clear that I am not opposed to the concepts behind the learning community. I recognize the problems facing the metro-area schools, particularly OPS. I believe it is the duty of the Legislature to guarantee that all our state's children receive a quality education. I respect the challenges the Education Committee has faced in its attempt to address these issues. However, I don't think the law we have in place now is the answer. It might seem that I am belaboring an issue that some believe has been adequately discussed. However, I disagree and would be doing my constituency a great disservice if I did not ask you to revisit this. It is no secret that the Papillion-La Vista school district opposes many provisions in the learning community law. One of the components that causes the biggest heartburn is the common levy. LB970 eliminates the common levy for the general fund budgets and the special building funds for the member districts. It puts back into place \$1.05 maximum levy for each district and puts the authority to determine the levy back with the locally elected school boards. Taking property tax dollars from a specific group of taxpayers and essentially giving that money away is simply not fair. The learning community law has constantly and drastically changed since its inception. Some questions to consider are what are the different levy limits among member districts examined? Do we know how much property tax dollars are diverted for public schools because local TIF projects? What about the different assessment practices of the two counties? And on that, that's a real sticky issue with me because Sarpy County reviews and assesses all properties every year and then they are assessed every year. Douglas County, on the other hand, which has been an argument for years, does



Education Committee  
February 12, 2008

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portions of the county at a time. So if I own a home and every year I'm getting it, and we can go back and look at the problems, if that is a practice...it's not fair that somebody's getting assessed every year on \$100,000 home, let's say, versus the home that's assessed every 3-5 years. And I know Douglas County's trying to make strides in that, but according to some of the data that I've seen, they just haven't met that yet. Then even if you have that, you have different county boards assessing, so you have a whole group of different commissioners that are assessing different properties. We have that going on and they're looking at things different, yeah you can appeal things to TERC, but what if their appealing process is different? Their whole hearing process is different than what's happening in Sarpy County. So I do believe right there is an inequity. And when we take the whole \$.95, the bulk of the money and move it to the learning community, it doesn't make sense to me. If we're going to take a portion of it, let's take the smaller portion that they need to operate and then leave the \$.95 for the local decision-making authority. And I think that's part of the problem here, too, is constituents, taxpayers feel that my money is going here and we're losing local control on the school board. And I know the issue has been you aren't, but I believe we are when we shift that kind of dollars to a different entity that argue for or against, but also the way that was formed there's a little heartburn there. I do think if we take the amount they need to operate it and shift that to the learning community, then we'll have better representation. I'm still not saying that would be great with everybody. I think it'd be a large step on the right direction. So and then also, we look at administration, teacher pay, employee benefits of the different districts, I mean I'm not so sure how those are all addressed under this levy, because we're doing it then with a smaller amount. So as I said, I do understand the challenges facing OPS, and I agree there are funding issues that need to be looked at with respect to the cost of educating high numbers of poverty students and ESL students. However, it is a state problem. The problem is that the underlying funding mechanism for our public schools no longer works, and the common levy does not address that. I feel that the taxpayers in Sarpy County are being used as a transfer agent to fund a larger statewide funding problem, and this is just not right. There isn't one of us who doesn't believe every Nebraska child should have the right to learn and succeed. As you know, during our debate I spoke several times about poverty being a statewide problem and the need to address this problem as a statewide proposal, which is a TEEOSA funding program. The child living in poverty in York or Lincoln or Kearney or rural Nebraska should not be treated any different than a poverty child in Omaha. I think parts of learning community concept have merit. LB970 retains the \$.05 levied by learning community coordination council for the purposes of establishing elementary learning centers and helping establish focus schools. Based on 2007 valuations, a \$.05 levy would give the learning community nearly \$22 million. I think this should be enough to allow the council to carry out its task, which still include the implementation of integration plans, limited English proficiency plans, and poverty plans. It could be enough funding for the council to conduct school fairs, facilitate mediation, and administer open enrollment provisions; \$22 million might even be enough to allow the council to establish and provide transportation for these students

that we just discussed. I honestly believe the learning community could work without siphoning the taxes of a select group of Nebraskans, and I urge the committee to advance LB970. The committee's legal counsel has drafted an amendment to make the changes in state aid work, and I would support those amendments, and, Tammy, thanks for that. I guess what it is, is we should take the money, and the way I understand it, we shift it then and give it back. Why should \$.95 go to the learning community and not just what they need? That would alleviate 95 percent of a valuation problem, which I think is not been addressed. Just this summer we had in the World-Herald, and I apologize I don't have the article in hand, but this summer we talked about valuation, every summer when they're doing a board of equalization hearings we see valuation problems. And it was all but said in that article by the World-Herald that they admit, hey we got a funding problem and got a discrepancy in valuation. So it's a real issue, and it does cause a lot of heartburn in my area. Once again, I discussed several times and you heard me say I do think this is a statewide poverty program. I didn't like the idea that we're treating poverty kids in the metro area different than a poverty kid in Columbus, Nebraska, or anywhere else. I think if we're going to deal with it, we should deal with it as a state and not a select group of citizens. So that's why I came with this, to see if we could have a discussion and see if we could get any change in the current funding format. Thank you, Senator. [LB970]

SENATOR RAIKES: Thank you, Senator. Questions for Senator Gay? Senator Adams. [LB970]

SENATOR ADAMS: Do we have...and I've thought about this issue a lot, the one of disparity in valuation and I've gotten notes to that effect, and it is something of a concern. However, what I'm wondering is don't we have other political subdivisions wary and there's overlap of that subdivision into another county where we've not heard about that disparity in valuation? [LB970]

SENATOR GAY: Well, you may have not heard about it. I've heard about it for 12 years on a county level, but yeah, an NRD would be an example of what you're talking about, so they have taxing authority throughout those entities. The NRD money, all the citizens of Sarpy County are treated fairly because it's one assessor doing that, you don't have, you're not pooling--it goes to the NRD, true--but it doesn't go there and then given back to you. So it's a different mechanism, a whole different animal. Another example of that, I've been trying to think of one off-hand, but that would be a cross levy. That's where you do rely on your county commissioners, at least they're being fair to everybody in that county. So what I'm saying, when you pool that money again and then give it back is where I think the discrepancies are going to lie. And I know, Senator Adams, you know, we had discussed and this is a complicated issue, I understand...but it's early enough I think we need to discuss this again. When we were dealing with this issue, it was we have a common levy, now we don't, we have a common levy, now we don't, came out and, you know...it is what it is. I mean, I think this again, every bill I'm bringing

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

Education Committee  
February 12, 2008

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to you today I sincerely believe will help if we can put our heads together and kind of work this thing out. And I know you're working on some of these things, too. Senator Kopplin and I, and he's had some bills that I think address the situation. Being long winded, Senator, I'm sorry, but I think it's a different animal because you don't commingle those funds and then ship them back to your local district. [LB970]

SENATOR RAIKES: Other questions for Senator Gay? Senator Avery has one. [LB970]

SENATOR AVERY: Thank you, Mr. Chair. Senator Gay, I don't doubt for one minute that you're committed to educating all the children in the metro area and the state. I want you to know that. And I remember that you behaved very nobly in the debate on LB641. Without you, that compromise in the government structure would never have taken place. We would've never gotten past that logjam, and LB641 would probably not have taken place. So I do appreciate what you did. I have one question for you. If we change the current law with common levy, does that in any way undermine the likely success of the learning community? [LB970]

SENATOR GAY: You know, Senator, if I understood exactly how it worked, I'd love to answer that question because I don't think it hinders it any. I still think we should go back and fund it through TEEOSA and change the whole thing, not just do it by one region what we've done. Lincoln was doing some of these same things, and I don't want to rehash that whole debate. I don't think it undermines it at all, but you know this is crafted here and I think if you take another look at it again, a serious look at it, I don't think it would. How could we have a common levy at one point, then we did, then we didn't? I'd heard throughout the session, and I don't mean this to offend anybody, but we just weren't sure where it was. Then when it came out it had it in there, and you're still having a common levy on a smaller piece of the funding. Now how that works on the whole formula, I'm not sure. I'd ask you in all sincerity to take a harder look at that. And then on your other previous thing, Senator, don't give me too much credit on that bill. [LB970]

SENATOR AVERY: We had 30 minutes to make it work. [LB970]

SENATOR GAY: It was what it was, and that's where we're going with it. There's some representation, I understand you're addressing that as well. We're addressing things here, let's don't kid ourselves. I'm not opening this up just with these bills. This is going to be opened up again, I just want us all to look at it and see if we can find better ways to make it work. At the end of the day, when it's all said and done, am I going to love this thing? You know, doubtful, but can we make it better? I think every one of us wants to that, so that's why we're here today to try to do. And I sincerely believe some of these things make it better, and I'm willing to work with you on anything that I feel would help represent my area and the people I need to represent. Thank you, Senator. [LB970]

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

Education Committee  
February 12, 2008

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SENATOR AVERY: Thank you. [LB970]

SENATOR RAIKES: Anything else for Senator Gay? Senator, just for clarification, in terms of the Papillion school district, and I know your interest in education is broader than the Papillion school district, but just from their standpoint, is the common levy financially harmful to Papillion? [LB970]

SENATOR GAY: The way it's projected for when it's getting to come out...the way it is now? [LB970]

SENATOR RAIKES: Right. [LB970]

SENATOR GAY: It is not now, but down the road could that change as we become a, you have a growth factor you're looking at, I'm not so sure that it's always going to be that way. I don't think we look at one year and say, well, it's not too bad of a deal because you're going to make out okay. This isn't all about money; it's about fairness and equity, I think, in the process. You know if it's just about money, are you a winner or a loser in this thing, it's not just about that. I think it truly is that a local person getting taxed by a local entity feels that money should stay locally. Now we're trying to expand, I know what you're trying to do, and you're trying to expand how we're doing things. There's nothing wrong with looking at different options to change things. But I still think local people like to see their local dollars be spent by local elected officials. So it's a fairness thing, I mean you got different, like I said, you got a whole different assessment practices going on, yeah, and then we can go have a whole another discussion on a TERC board how that's working. And you'd probably understand this better than anybody in the room how the...how it's balanced out and maybe you have something different. If we could revisit this issue, though, and you make it work in a different way, I do think this solves 95 percent of the valuation problem. Because I hear that an awful lot, it's just we don't feel that's fair to take all this money, shift it to a pool, then redispense it back out to the district. And that's the way it's presumed now and I may be completely wrong on that process, but the way we understand it I think that's the way it works now. So I think that's, like I say, that's a big problem, yeah. [LB970]

SENATOR RAIKES: Senator Ashford. [LB970]

SENATOR ASHFORD: I would second what Senator Avery said about your willingness to help get the bill passed last year, but I am interested in your comment because I really want to know what Papillion thinks. And I know you're not speaking only about Papillion, but what is unfair and inequitable about a formula that gets the funding to where the needs are, number one. Now I'm not suggesting that it can't be changed. Then number two, you're not suggesting that the learning community itself is...that's not what you're talking about, you're talking about the financing formula essentially. [LB970]

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

Education Committee  
February 12, 2008

---

SENATOR GAY: At this point I'm talking about a financing formula that will fix the existing law as it stands today. [LB970]

SENATOR ASHFORD: Okay. [LB970]

SENATOR GAY: And again, don't give me too much credit on that. [LB970]

SENATOR ASHFORD: No, but I'm interested... [LB970]

SENATOR GAY: Senator, well, you know what, that's a... [LB970]

SENATOR ASHFORD: I'm interested in your answer. [LB970]

SENATOR GAY: I know you are. And one thing on that... [LB970]

SENATOR RAIKES: LB641 passed only because of your efforts (laughter). [LB970]

SENATOR ASHFORD: I'd go further than that, I don't think there's a bill that passed the Legislature last year except for Senator Gay's efforts...I think he was the whole...(laughter) [LB970]

SENATOR GAY: You know what, well, Senator Ashford, I think that shows. Truly, let's fix things. I thought that was better than what was going down the rail at that point in that one particular thing. Now, we're still trying to fix it as we go. [LB970]

SENATOR ASHFORD: Right. But if we have a situation where Papillion's needs, either because of their growth of their school district or because of their valuation, their needs are greater than let's say Westside where I'm from, where I live. And what we're trying to do is we're trying to get a situation where every child has equal access to educational opportunity. That's both with education itself, but also with funding. And you have these two counties, which are pretty integral. I do agree with you that people like to pay property tax for their areas...they're still doing that, by the way, in LB641, but there is a redistribution of some of it. Other than they don't want to pay property taxes to Westside or OPS, the money that goes to OPS via some formula, is that it? Is that basically the point, that they would rather their property taxes just stay in that school district? Is there what we're talking about? Even if there's a financial benefit to having those distributed out throughout the two-county area? [LB970]

SENATOR GAY: Well, it's a fairness and equity issue. I don't think some of those issues you talk about...we all agree on some of these issues. [LB970]

SENATOR ASHFORD: Right. [LB970]

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

Education Committee  
February 12, 2008

---

SENATOR GAY: But it's just a fairness issue. I don't see in any other county throughout the state, I don't see Platte County giving to Colfax County. I mean I just don't see it being done. [LB970]

SENATOR ASHFORD: So it's the giving of the money in a sense. [LB970]

SENATOR GAY: It's the giving of the money, but the only statewide is the funding formula, TEEOSA. I just think different valuation methods, the way it's done and how it's done. You know there's a lot of different, I mention them,...it's just a lot of different issues I think. [LB970]

SENATOR ASHFORD: Okay. Thank you, Senator. [LB970]

SENATOR RAIKES: Senator Avery once again. [LB970]

SENATOR AVERY: Is there a possibility that we could adjust, or meet your concerns by changing the TEEOSA formula so that the areas of need in the metro area get more, but it would not be a factor that would be in the formula, say for Sarpy County and other counties that didn't have the greater needs? Is that another way to go about doing this? [LB970]

SENATOR GAY: I think it's probably, you're talking a tall order right there, first of all. [LB970]

SENATOR AVERY: I know it. Because first of all you have to understand TEEOSA. [LB970]

SENATOR GAY: Well, there you go, once you get that done, but if we're going to look at that again and I think it is being looked at. We're going to have to because the funding issues are looming, but yeah, I said it many times. Are we going to address poverty different, and we are, in the metro area than we are in rural Nebraska? And to me, I don't see the fairness of that and why we singled out just, well, I've heard of why we're singling that out, because there's differences of concentrations is what we're talking about, but I just don't see any other place like this that the counties are cross-county changing dollars all the time. Now maybe down the road if that opportunity happens, but even if you're looking at some of the other districts that have talked about doing this, in Hall County you're still talking one county and they're all being assessed by the same practices, so I don't think you're going to see the cross-county differences that we're seeing when you look at a Sarpy/Douglas County. And I speak, you keep saying about Papillion-La Vista, of course I represent that as a majority of my district, but Bellevue is part of my district, it's stretching out a little bit to Gretna, but for the whole county I do have some experience on how levies are done, how we assess property. I did it, I sat on the other end where somebody's, you know, this isn't fair, and I know we do it different

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

Education Committee  
February 12, 2008

---

than Douglas County. Right or wrong, it's just a different animal, the way the two operate. So it's a real concern. [LB970]

SENATOR AVERY: I believe the rationale for what was done, which was done not last year but the year before with LB1024, it was that all the Sarpy County and surrounding communities and OPS all contributed to the problem that had been created, which is a huge achievement gap needed to be fixed. And because of that, there needed to be a common solution, which led to the common levy and the learning community concept. What I was suggesting with changing TEEOSA would put the burden on firstly, put it on the state or a lot of it on the state and take it away from some of these groups like your county. So I'm not sure that's the solution, I was just wondering if that might be some way we could approach it. [LB970]

SENATOR GAY: Well, what you're saying though, state aid is aid, it's not the sole means of funding. [LB970]

SENATOR AVERY: Right. [LB970]

SENATOR GAY: So it would still be a local with a influx of dollars to deal with the problem. And like I say, I'm no expert. You and I weren't here when this passed the first time, so I think we're moving target as we go here. But the state aid is, like I say, should it be adjusted that we look at it statewide? I think we're state senators, and we've taken a piece of this and said we're dealing with this problem only. And sometimes we have to do that, I understand. I just think on education that education of poverty kids somewhere out in western Nebraska is as important as it is in Omaha. [LB970]

SENATOR AVERY: It is. [LB970]

SENATOR GAY: But we've taken Omaha and we've used this as the example. And like I say... [LB970]

SENATOR AVERY: Omaha is a bigger problem, though, than other parts of the state. [LB970]

SENATOR GAY: And we can debate that all day and all night and this is, I think goes a ways to fix some of that, and I hope you take a serious look at it. [LB970]

SENATOR RAIKES: Okay, thank you, Senator. [LB970]

SENATOR GAY: Thank you, Senator. [LB970]

SENATOR RAIKES: Proponents for LB970? Steve. [LB970]

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

Education Committee  
February 12, 2008

---

STEVE COLEMAN: Senator Raikes, members of the committee, my name is Steve Coleman, C-o-l-e-m-a-n. I am assistant superintendent Papillion-La Vista Schools and would simply like to offer support to some of the information that Senator Gay has issued thus far in regard to what his constituents feel, what they've talked about, what their concerns lie around, and the common levy certainly is one of those. We look at the situation of the assessment practices. I think another element that you have to look at in talking about a common levy is, I think Dr. Riley put it very succinctly yesterday, in regard to learning community school districts in the past that are growing considerably have had the opportunity to take advantage of the growth in their tax base to help support and fund to that growth. And now for those growing communities, part of that growth that they've relied on in tax base would be diluted, even though their own enrollment growth within their district may remain the same as it has for the last 8-10 years. So there's that issue involved. I think it's the issue of fairness in the assessment practices as we hear our constituents talk is relative and certainly our board, I know that's not a surprise to anyone on this committee, the position they have taken is more in regard to why us? Why just these two counties? Why not a statewide look at addressing poverty and achievement gaps, and are we looking at achievement gaps between students, are we looking at achievement gaps between districts, what that might be. But back to the common levy itself, I think our people are not yet able to embrace the fact that local property taxes that they pay are still going to be local property taxes, and their definition of local is Papillion-La Vista Schools potentially, and not learning community yet has not fit into their definition of their local tax responsibility. And I think you can all understand how difficult that is when you're talking about property tax and something that's as important to people as that. So I think those assessment concerns, as Senator Gay has pointed out, are legitimate, they're real. They are heard within our community, they are issues that I think will continue to grow as we move forward. And if we try to discuss, well, we're not going to do a common levy to try and solve this common problem in the metropolitan area, what can we do? What can we look at? And I think initially what we can look at is providing resources through TEEOSA in a manner that does not threaten that environment for local districts, but through a funding mechanism that does identify special populations, special needs that exist. I think we're moving in that direction, many of the allowances that have come forward already are doing just that and we're seeing those things work. I think allowing learning community districts or any district to access the tax rate limitations that they have by relaxing spending limitations might allow them to gather in the resources they need to put more emphasis towards addressing the problem there. I think these are steps that could occur first and so we can creep into this situation as a solution so that potentially we have the opportunity to gain more support in both counties for a common solution over time. I think the rapid movement of this change is being met with resistance in our communities, and I think we need to continue to look for means to fund those specific areas within the formula that students of limited English proficiency or what poverty may bring that allows us to have different alternatives. We need to look at being able to address those individually before we look at it in a combined method. With



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

Education Committee  
February 12, 2008

---

that, I'd urge the committee's consideration of this bill and I know at least dialogue relating to this concept to try and make a situation that exists now better. I thank you. [LB970]

SENATOR RAIKES: Thank you, Steve. Questions for Steve? A couple of things, Steve. One, you mention if we need to address poverty issues or achievement gap issues, we ought to do it with TEEOSA funding, and I assume that would be more TEEOSA funding. [LB970]

STEVE COLEMAN: Potentially. TEEOSA funding... [LB970]

SENATOR RAIKES: Do you consider that a realistic possibility? [LB970]

STEVE COLEMAN: You would know that better than I. [LB970]

SENATOR RAIKES: Okay. Let me ask you one other thing. Suppose...Papillion is a equalized school district. [LB970]

STEVE COLEMAN: Um-hum. [LB970]

SENATOR RAIKES: Suppose that all of the school districts in the learning community were equalized. What then would change as a result of the common levy? [LB970]

STEVE COLEMAN: I think it's that definition of what a local property tax is to the people that they've not yet embraced that. It would still require a pooling of a common tax levy of dollars, some of which would come from someplace to help another place and vice versa, and they would move in different directions. But it's that propriety of their property tax that they feel very closely associated with that we're having difficulty explaining to that constituency to look at this situation bigger, more than just the Papillion-La Vista Schools, but in a broader perspective. And I can just say, Senator Gay is absolutely correct when what he's hearing is people aren't willing and ready to do that. [LB970]

SENATOR RAIKES: But you would agree with me that in practice, in operation, really what we're doing now in equalization for individual school districts is very much parallel to what we do with the common levy at \$.95. We equalize the operating levy at \$.95. Anything over \$.95 is in effect, it's an individual levy that you get more if you have more valuation per student, you get less if you have less valuation per student. So there's a very common theme that runs between equalization and the mechanism that's in place for the common levy in the learning community. [LB970]

STEVE COLEMAN: And I think it would appear that way. Number one, the if is if all the districts in the learning community were equalized. [LB970]

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

Education Committee  
February 12, 2008

---

SENATOR RAIKES: Which they're not. [LB970]

STEVE COLEMAN: They are not. [LB970]

SENATOR RAIKES: Right, although Papillion is. [LB970]

STEVE COLEMAN: That's correct. And again, from a financial win or lose, that's not where we're coming from in our testimony. Just like Senator Gay indicated, that's not a position that's based on winning and losing. I think you have to look at the fact that not all districts are equalized within the learning community and especially with a nonequalized district will be sharing in their tax base during the first year of implementation, but will not start participating in the state aid share until later. That could create a sacrifice for those districts from the onset in the early years, until the five-year phase-in comes into place. [LB970]

SENATOR RAIKES: So you're saying that there's a timing mismatch between the sharing of the common property... [LB970]

STEVE COLEMAN: ...and the sharing of state aid. [LB970]

SENATOR RAIKES: Okay. I'll have to study that issue, but thanks for bringing that up. Any other questions? Thank you, Steve. Other proponents, LB970? Are there opponents, LB970? [LB970]

JOHN LINDSAY: Senator Raikes, members of the committee, for the record my name is John Lindsay, L-i-n-d-s-a-y, appearing as a registered lobbyist on behalf of Omaha Public Schools. Last year, this committee put a lot of blood, sweat, and tears, probably mostly Senator Raikes's blood, but a lot of effort into creating a cutting-edge proposal that has drawn national attention as a 21st-century approach to educating kids in a larger metropolitan area. And I think the uniqueness in this is that it blends the ability, the strengths of large school districts with the strengths of the smaller school districts. It allows all school districts to retain that unique identity which they had, and nothing in LB641 changed that. Each of those school districts continues to be the school district that they were prior to LB641, and there are a lot of strengths that certainly OPS started to draw upon from those other districts. An example, and I believe Senator Ashford touched on this yesterday, but there's a focus school now as a result of school districts working together in the Omaha area, a focus school with a leadership emphasis that has room for 120 kids but has drawn applications for 700 kids from around the Omaha area. And I think that is a testament to what this committee put together last year, which was to put together a structure that would allow and encourage cooperation among school districts, and I think LB641 as I mentioned, was cutting-edge legislation. At the heart of LB641, were two issues and those were, and I think Senator Raikes would tell you that he was either beloved or despised depending on what version of what

approach he took to those different issues at any given time during the whole negotiating process on the bill, but the common levy was one, diversity of plans was the other. And you can all, I think, recall how much this committee had to struggle with those issues last year, but those were the heart of this bill. So when we try to take the common levy out, we are going to the heart of LB641. I think that the goal, and certainly there is--I should make that clear--it's not in any way a criticism of Senator Gay--Senator Gay has a different policy position than does OPS on this issue, and it's a legitimate policy position, one that we happen to disagree with and that is my purpose in getting up here today. Superintendent Mackiel has heard after this body passed LB641, heard from school districts around the country, heard through the Great American Schools Organization, which is metropolitan-area school districts, had inquiries about tell me more about what your Legislature did. And there was some excitement to that, and I again commend the Legislature on taking on a very tough issue, would point out that if you remember when this issue first came up, LB641 is not anything near what we were hoping it would be when we first came to the Legislature. If you recall what the situation was like at that time, it was a whole different mantra that was being used, and yet I think the Legislature looked through those issues and got to what are the problems, and tried to address those problems. If disparities in valuation are an issue, and they may very well be, I would defer to Senator Gay and his experience on the county board on that, if they are an issue, then those ought to be addressed. Senator Adams raised the question about whether there are political subdivisions that maybe are already subject to multiple county valuations. I would suggest Omaha Public Schools, with I believe seven or eight schools in Sarpy County, is one of those districts, one of those political subdivisions. Millard Public Schools I believe straddles Douglas and Sarpy Counties as well, and is already subject to any of those issues. TEEOSA as a equalizer is a very good system, but it cannot equalize...my time is up and I would urge that the committee not advance the bill. (laughter) [LB970]

SENATOR RAIKES: Senator Howard. (laughter) [LB970]

SENATOR HOWARD: Thank you. Thank you, Chairman Raikes. Mr. Lindsay, would there be more that you would like to add to further clarify? (laughter) [LB970]

SENATOR ASHFORD: It's got to stop, isn't there a way. [LB970]

JOHN LINDSAY: Senator Howard, you ask the most difficult questions. Actually, just wanted to finish up, and TEEOSA alone I don't think can resolve the issue. I think we've been down that path before and not really successfully. It continues as a decision made at the state level that we are going to rely on property tax dollars for significant piece of school district funding. As long as we're doing that, TEEOSA alone cannot address this issue. We would urge that the Legislature maintain the common levy, we think it's at the heart at what we believe to be good legislation. [LB970]

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

Education Committee  
February 12, 2008

---

SENATOR RAIKES: Thank you, John. [LB970]

SENATOR ASHFORD: I'm sorry, Senator Kopplin. [LB970]

SENATOR RAIKES: Senator Kopplin and then Senator Ashford. [LB970]

SENATOR KOPPLIN: Thank you, Senator. John, what is OPS' general fund levy?  
[LB970]

JOHN LINDSAY: I wish I had that little book in front of me. [LB970]

SENATOR KOPPLIN: Would it be about \$.95? [LB970]

JOHN LINDSAY: Pardon me? [LB970]

SENATOR KOPPLIN: Would it be about \$.95? [LB970]

JOHN LINDSAY: I would guess so. [LB970]

SENATOR KOPPLIN: So would you see any value in saying that OPS should have to charge \$1.03 like many of the other districts before they have access to common levy funds? [LB970]

JOHN LINDSAY: I have not obviously run that question at all by Omaha Public Schools. My guess is that would not be the case, or that they would not support that. I know when we get up, some of what our levy is that it's constrained by the spending authority as well in that there would be a willingness to increase some spending, excuse me, increase that levy if we could increase that spending. So we are constrained by that. There is also I know in our building fund, which I believe is a portion of that, I think is also capped by that \$1.05 limit, there is some spending in that as well. I believe that we're up around \$1.02 after everything, or we could spend \$1.02, if allowed by the spending lid, or \$1.03. And we also, in case we need to increase spending, leave a little bit of a buffer, but I think part of it is constrained by the spending lid. [LB970]

SENATOR KOPPLIN: So if we eliminated that, and you increased even the \$.03, if you're at a \$1.02, that would be a sizable amount for the Omaha schools, wouldn't it?  
[LB970]

JOHN LINDSAY: It would be. [LB970]

SENATOR KOPPLIN: And that would reduce what you need to take in common levy funds from other districts, would that be correct? [LB970]

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

Education Committee  
February 12, 2008

---

JOHN LINDSAY: Probably. The issue then becomes a question of whether you have a requirement of \$1.05 across the board for everyone. [LB970]

SENATOR KOPPLIN: In other words, a \$.95 common levy for income, \$1.03 common levy for spending. Would that be fair? [LB970]

JOHN LINDSAY: I'm sorry, a \$1.05 common levy for... [LB970]

SENATOR KOPPLIN: \$.95 common levy for tax purposes. [LB970]

JOHN LINDSAY: Right. [LB970]

SENATOR KOPPLIN: \$1.03 common levy for spending purposes. In other words, everybody has to raise what they can on \$1.03 before they access the \$.95. [LB970]

JOHN LINDSAY: I'm trying to remember through some of the discussions from last year. I know there were discussions last year of where to set that common levy, whether it should be up high or whether it should be lower. I believe some of the other districts wanted some room where they had the ability to raise additional dollars for unique purposes within their own communities. [LB970]

SENATOR KOPPLIN: So if we changed it all to \$1.01, then they'd all have the same amount of leeway? [LB970]

JOHN LINDSAY: I'd be happy to discuss that with the superintendent and let you know. Frankly, I just don't know. [LB970]

SENATOR KOPPLIN: Okay, thank you. [LB970]

SENATOR ASHFORD: I just, that was a good question, but I was going to ask, too. Also, the other one is the point you're saying about TEEOSA not being adequate, the point is that the common levy provides additional revenue to districts that would need it in addition to state funding. [LB970]

JOHN LINDSAY: Property taxes is a very stable source of funding. [LB970]

SENATOR ASHFORD: Right, and so in effect the common levy resource, the money that comes from the common levy and is redistributed back pursuant to the state aid formula, that's another pot, or another source of funds that is more or less stable compared to the vagaries of state aid. [LB970]

JOHN LINDSAY: Yes. [LB970]

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

Education Committee  
February 12, 2008

---

SENATOR ASHFORD: And that's your point. [LB970]

JOHN LINDSAY: Yes. [LB970]

SENATOR ASHFORD: And that's another reason why the common levy makes sense to districts that rely upon state aid today. [LB970]

JOHN LINDSAY: Yes. As we saw, was it three, four years ago when the Legislature struggled with cuts in all sorts of different areas, not just TEEOSA, but TEEOSA is a big user of state dollars. It was obviously a big target in times of cuts, and so at that time, TEEOSA is subject to some reductions. [LB970]

SENATOR ASHFORD: And theoretically, a district like let's say Westside that has a higher valuation per student, would not...so all this discussion about winners or losers, and I would agree with Senator Gay and the other comments that were made about winners and losers, is really maybe not the way to put it. Because if you get into a situation where you have cuts on the state aid side, you have higher valuations on the local side. Then a district like Westside, for example, would be potentially a contributing district because it is higher valuation, but isn't that the way it should be if we have an overall goal of educating the kids and the children in the urban area on an equal plane? And children who are in poverty or ESL have higher needs. [LB970]

JOHN LINDSAY: Yes. [LB970]

SENATOR ASHFORD: And so that's all in the formula. [LB970]

JOHN LINDSAY: Yes. [LB970]

SENATOR ASHFORD: And if you're Papillion, it's the same deal. If your property tax, I realize that people like to pay property tax to their schools, but if that property tax is not enough to run your schools in a time of declining state aid, for example, in that scenario then the common levy would be there to help support Papillion schools. The other point is that they're still making their decisions locally. [LB970]

JOHN LINDSAY: As I mentioned at the outset, the curriculum decisions, some of the innovations that have come from some of the smaller schools in the Omaha area, those all remain in place. [LB970]

SENATOR ASHFORD: So theoretically, it is the potential, TEEOSA's not always going to be going up at the rate it has gone up. It could go down, it could go up, it could fluctuate. The common levy is a bit of an insurance policy... [LB970]

JOHN LINDSAY: Yes, it is. [LB970]

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

Education Committee  
February 12, 2008

---

SENATOR ASHFORD: ...for districts that have higher needs, like Papillion, like OPS, like Bellevue, and other districts. [LB970]

JOHN LINDSAY: Yes. It is a much more stable source of revenue. [LB970]

SENATOR ASHFORD: Okay, all right. [LB970]

SENATOR RAIKES: Thank you, John. [LB970]

JOHN LINDSAY: Thank you. [LB970]

SENATOR RAIKES: Are there other opponents, LB970? [LB970]

JOHN DEEGAN: Senator Raikes, members of the committee, I'm John Deegan, superintendent of schools in Bellevue, D-e-e-g-a-n, and I'm here to oppose LB970 and ask for a continuation of the common levy. I don't have anything against Tim, he's really a nice guy and he does a lot of good things, and the bills he offers, I understand where they come from, but from our standpoint it's very, very important. If you remember back a couple years ago, I was speaking out, always against the whole learning community idea because at that time we were picking up transportation for all kids, and we didn't have a common levy. And we had a number of things that were not correct in the bill, that was old LB1024. Eventually, when it got around to LB641, you've done a number of things to take care of poverty children, transportation, take care of that cost, and the common levy. To me when the common levy came around and was final, you actually then created the reason for the learning community. That to me is the reason you have a learning community. Without a common levy, you should just get rid of the learning community because all you do is freeze school district boundaries, makes some superintendents happy because they've got frozen boundaries and they've got room to do things. But there are some schools, like the Omaha school district, the Bellevue school district, that are frozen up against time and can't move and can't go ahead, and we have poverty issues to deal with. And so when you deal with those poverty issues, you've got to deal with the resources. And so when you deal with the resources, you only have a limit of whatever the state might decide they're going to give you. And every year when we sit down and calculate our state aid or it's been told to us what we're going to get, there always comes an adjustment afterwards and we lose \$1 million or \$1.5 million and there's nothing you can do about it, you just have to make the cuts. And so in districts like Bellevue where we have that situation, I think the common levy is a tremendous equalizer for all children, that's what people forget sometimes in this learning community. It's not about the districts, it's not about the superintendents, and it's not about the boards, it's about the kids and taking care of all the kids no matter what you incur. So to say, well, the taxpayers aren't quite ready to buy into an idea doesn't hold any water at all. The idea is what's needed for the kids, and the question

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

Education Committee  
February 12, 2008

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that Senator Avery came up with earlier on transportation, it isn't that we have the resources, it's the idea that we have the needs. So we find the resources and give up something else. We also have a no-fee policy in our school district. Kids go to every activity, we have the largest participation by students anywhere because there's no charge to go to a school dance, a school football game or anything. And to me, that's what schools ought to be about, is what are we doing for kids? And so the choice there was not because we had the resources, it's because we made the choice. And to me, that's what we're doing here in the learning community. And I hope that we don't do anything to remove the common levy. I think it's an essential part and it's the great equalizer that will carry you through this process, and we're ready to move ahead with the learning community. [LB970]

SENATOR RAIKES: Thank you, John. Senator Howard. [LB970]

SENATOR HOWARD: Thank you, Chairman Raikes. John, as one that was here for LB1024 and fought to keep the common levy in and really supported the common levy, I have to say I really appreciate you coming in today and saying that because I know that you had some early misgivings... [LB970]

JOHN DEEGAN: Yes, I did. [LB970]

SENATOR HOWARD: ...and a lot of concerns. [LB970]

JOHN DEEGAN: Right. [LB970]

SENATOR HOWARD: And so for you to be able to come to us today and endorse that, frankly really makes me happy. Thank you. []

JOHN DEEGAN: Thank you very much for doing that, too. Believe me whether I'm here telling you or not, we stand up. I mean I don't do a bunch of cards like we're selling a bond issue, you know, the idea is you people can make the decision about what's right for the kids in Nebraska, understanding that there are individuals out there that want to sway you one way or another. I'm just here to say this is what we believe in and that's why we want to build support. So, thank you very much. [LB970]

SENATOR RAIKES: Thank you, John. [LB970]

JOHN DEEGAN: Thank you. [LB970]

SENATOR RAIKES: Are there other opponents, LB970? Is there neutral testimony in LB970? Senator Gay, close. [LB970]

SENATOR GAY: Thank you, Senator Raikes. This bill would still allow for \$22 million of



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Transcriber's Office

Education Committee  
February 12, 2008

---

shared revenue under the way it is. It does not remove the common levy, it readjusts the levy to fit the portion that we'd need to fund the learning community. I heard a lot of good things here about kids in education and some of those things, and, of course, it doesn't surprise me that OPS and Bellevue, who are what we'd call winners in this issue, would be opposed to that because they are coming out fairly well in this situation. I'm not opposed to like I say, sharing some of these things. It makes it work better in my mind. We talked about TEEOSA alone cannot solve this problem, I agree. But should we prioritize TEEOSA or incentivize it some way that others would want to create a learning community? I think sometimes we have created the structure yet that say, people, hey I want to go do that. Maybe we're working on it, and maybe this would be...but we have a unique situation here. In most counties, you can have all-in-one county. We do have cross-counties, and we can't erase that fact or ignore that fact. So when we look at that, I see that as obviously they're going to oppose something like that, but maybe if we could look into this and see where we're going to go. Like I say, just in closing, I think if we look at it and we take a real hard look at this again, can we find out what we truly need and then at least let's share the smaller portion of this then instead of the whole \$.95, I think it's just reversed quite honestly. And if we can find another way that it could've worked, it'd make it more palatable. Thank you, Senator. [LB970]

SENATOR RAIKES: Okay, thank you, Senator Gay. Questions? I don't see any, so that will close the hearing on LB970. (See also Exhibit 7) And we'll move to LB978, Senator Gay. [LB970]

SENATOR GAY: Thank you, Senator Raikes. For the record, Tim Gay, State Senator, District 14, here to introduce LB978. This would allow Class III school districts that are members of the learning community to expand their boundaries to no more than 500 acres in any year and to no more than 1,500 acres with any period of 3 consecutive years. Any expansion or change in the boundaries for the learning community districts that exceed these limitations would have to be accomplished pursuant to the Learning Community Reorganization Act. It attempts to ensure that by allowing the limited expansion is in no way intended to change the boundaries of school districts as they exist today or negate any boundary agreements, which is very important. The reason why I'm looking at this bill, is as a community grows, or a larger community, or if you have a school district here but yet the district runs 10 miles over here, and somebody wants to develop over here, there's no incentive for this school taxpayer or district to build a school in another, quite honestly would be another community in a county. So we have that situation now as it exists. Also as cities are bumping up against school district boundaries, they're then crossing into a whole other community. So for city planning, it's difficult, to say the least, to say oh here we are. Now nothing against other districts, but developers usually when they come in want to know what district they're going to be in. And a community wants to be able to control how their growth is happening. So in this case, like I say, the average-sized development that may come in,

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

Education Committee  
February 12, 2008

---

we had one coming in south of Papillion, it was 128 acres. Let's say times, of course, now with the housing industry, not as booming as they were, but we plat big parcels of ground at one time, they come in. They need to know what district they're going to be in. It's very important that they have some kind of choice. In the old days, it used to be you come in, you plat the district and the larger district could absorb that in an efficient manner. By limiting the amount we can grow, though, and this could change too if you feel differently, we used 1,500 acres, but if it needs to be less that can happen, too, I think. But maybe lowered to 1,000, but basically you're allowing the cities to have proper planning as the districts grow, and as districts are growing southwest and everywhere in our county, it's an important issue. I don't think it would be utilized much in the metropolitan area, when I say that, the Omaha area per se because they're kind of landlocked. But as we continue to grow south and then we're growing west in some of the communities, I think it makes sense that they would have the ability to annex into, not annex in, but be able to plan which school district they're in. And I do think there is a community where once again we get back to that community, Papillion taxpayers are wanting to build in Papillion district. How are you going to pass a bond issue if it's...it's hard to pass bond issue if the school's clear over here. The voters are probably not going to go for that idea very much. So I do think LB978 addresses a concern and it's something we could look into. Thank you, Senators. [LB978]

SENATOR KOPPLIN: Are there questions for Senator Gay? I don't see any, thanks. [LB978]

SENATOR GAY: Thank you, Senator. [LB978]

SENATOR KOPPLIN: We'll move to proponent testimony. Are there proponents for LB978? [LB978]

JOHN DEEGAN: Senator Kopplin, members of the Education Committee, I'm John Deegan, superintendent of the schools in Bellevue and here to testify in support of LB978. It's still my belief that the learning community has a problem on its hands in one particular area, and it's school boundaries. Everyone knows if you're around the state of Nebraska as communities grow, as schools grow, and that's what gives the vitality to those communities. We operated for the last 25 years with a mechanism to allow us to purchase pieces of ground from the other school district and it was a good process, worked really well. However, when the learning community came in, it just froze everything. Well, what that does is takes the fastest growing county in the state of Nebraska and freezes it, which means it freezes our school district growth, which means school developers won't come and choose for those communities where they're tied in and there's no additional ground to go. So what you're doing by Legislature is essentially killing off certain communities by just stopping them and saying, you're not going to grow any larger, you're not going to be able to develop any further. Our community grows as our school district grows. And so you want to talk about something

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Transcriber's Office

Education Committee  
February 12, 2008

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about economic development, it needs to have a school district boundary process, some process. What's in there right now is if the two boards agree, then everybody's happy and we go off to somebody else and get it approved, then we go to the state and get it approved, everybody comes back applauding. Well, that doesn't happen. It doesn't happen to change how school district boundaries do. There's lots of times it's been attempted and worked on and it just is impossible to get the two school boards together unless there's a mechanism to do that. And so we appreciate very much what Senator Gay has put forth as an idea. I think Senator Gay at least shows a consideration for it and an understanding. There are some senators that I'm sure they're in districts where they would just as soon live in their large school district without much development now and they've got a whole future ahead of them. However, in Bellevue, we're limited by our boundaries and our school district growth, and all I'm asking you is give us the opportunity to have a mechanism that works, that isn't just tied to school districts agreeing. [LB978]

SENATOR KOPPLIN: Are there questions for Dr. Deegan? Senator Adams. [LB978]

SENATOR ADAMS: Dr. Deegan, in testimony on the last bill, you said that you felt that the common levy was at the heart... [LB978]

JOHN DEEGAN: Right. [LB978]

SENATOR ADAMS: ...of LB641, and throughout all of last year's session as we developed LB641, I felt that the other side of it was not just integration, but it was school district identity and preservation of boundaries that brought some schools to the table as well. If we don't take those boundaries into consideration, aren't we also cutting at the heart of what was important to a lot of school districts with the learning community? [LB978]

JOHN DEEGAN: That's fine if that's the decision of this Legislature to say, you're not going any further, you're done, that's it, that's your future. But I think school district boundaries in communities, in Sarpy County particularly in the state of Nebraska, like in all other school districts in the state, that's taking away a major mechanism that was found and that we lived on. We think it's important, and so I agree. [LB978]

SENATOR KOPPLIN: Senator Adams. [LB978]

SENATOR ADAMS: May I ask a follow-up question? I realize you're not Bellevue city administrator or mayor, but let me ask you an urban development question. What's Bellevue's philosophy now about annexation and growth and developing infrastructure? What's their model? [LB978]

JOHN DEEGAN: They're about to embark on a pretty large annexation proposal. What's

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Transcriber's Office

Education Committee  
February 12, 2008

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different about the Omaha area, in particular Bellevue I'll speak to, is that with SID development, you have developers go out and develop the sewers, the streets, fix up a development, and these cities sit back and watch them grow and at some point, they go out many years later or whatever and they pick them up and bring them into the district. Well, I give Lincoln as an example, they have their water system, other ways to make it work, everybody's automatically annexed or automatically brought into the city. We don't have that opportunity up in the Sarpy County area and Douglas County, it's all SID development. So we went through some pretty rapid growth, and then it stalled for a long time. And then there was some areas that were yet to be filled in. Developers came and said, if we can be in the Bellevue School District, then there was negotiations, we brought them in, and developed. In about, I think in a 20-some year period, we've taken about two square miles. We bought two square miles from the neighboring district. So to me, the position of the city of Bellevue is...I've actually been asked to serve on a committee because the city is about to embark on a pretty significant annexation procedure. [LB978]

SENATOR ADAMS: Does the county still allow creation of SIDs? [LB978]

JOHN DEEGAN: Yes, that's the only development process in the Sarpy County area. [LB978]

SENATOR ADAMS: But they do still allow it. [LB978]

JOHN DEEGAN: Oh, absolutely. That's not only allowed, but that is the type of development. [LB978]

SENATOR ADAMS: Okay. [LB978]

SENATOR KOPPLIN: Other questions for Dr. Deegan? I see none, John. Thank you. [LB978]

JOHN DEEGAN: Thank you, Gail. [LB978]

SENATOR KOPPLIN: Other proponents? Then we'll move to opponent testimony. [LB978]

CHUCK CHEVALIER: Good afternoon, Senator Kopplin and the Education Committee members, let's get out our planner, look at next year and let's figure out what the date's going to be when I come and testify in opposition to boundary bills. It seems like every year we kind of have some of those questions. [LB978]

SENATOR KOPPLIN: Chuck, would you spell your name? [LB978]

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Transcriber's Office

Education Committee  
February 12, 2008

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CHUCK CHEVALIER: (Exhibit 2) My name is Chuck Chevalier, and my last name is C-h-e-v-a-l-i-e-r. I have to spell it a lot. I represent the Board of Education for South Sarpy School District Number 46, and quite honestly, we oppose the enactment of LB978. First of all, we have several reasons for this. We feel like this bill looks at our district only at this current time. I recognize it can look at districts later on, but at this point it's our district that is in the cross hairs. We feel like the question really has been asked and answered in our mind, and I think Senator Adams in his question got to the heart of our issue, which is why did we go backwards, let's ask why did we close boundaries, freeze boundaries in the learning community? It was so that people could then begin to concentrate on collaboration and working together. And if we open those boundaries again, we lose that. I think that is at the heart of the learning community and you get into the point of, okay, if you open up just South Sarpy's boundaries to people, then why not open up everybody's boundaries and we're back to two years ago when the first part of this had to do with boundaries. I think that is at the heart of the issue. There's also some practical reasons, you know you really think about what happens first, the chicken or the egg, you can say why doesn't South Sarpy go out and build schools in some of these SIDs that are near the cities? Well, in the past those cities have annexed those areas, we've lost that to other school districts and they built schools there. It's very difficult for us as a school district then, as a board of education, to plan where are we going to build these buildings if those boundaries constantly move? We never know where they're going to be, and I think that's part of some of the planning issues. There's some practical issues that are in the testimony obviously, but one of them has to do with being a growing district. You know, you look backwards and you say, you know, it wasn't that long ago that Papillion and Bellevue, Gretna, even Elkhorn were smaller, rural districts just like we are now, and they were allowed to grow and change and build and become more suburban type of districts. We want that opportunity as well, and as that happens, cities begin to work with our district as well, we get used to that and more comfortable with that. It's a change just like any others for the cities. You know, I guess I would counter, I don't have this in the written testimony, but really one of the things if you say this is going to slow down the city growth, you say, well, did Westside Public Schools and Millard Public Schools slow down and limit the growth of the city of Omaha? It's the same type of thing. Maybe back in 1954 Westside was an impediment to growth, but they get used to it and things move on. One of the questions that we have just about the bill has to do with the 500 or 1500-acre approach. At this point in time, we don't understand whether that would be 500 for Bellevue and 500 acres for Papillion each year, which would mean 1,000 acres a year that we would lose. We just feel like this is a bad bill. We think it reopens and ruins the collaboration that we worked so hard to get to at this point and we ask you to kill the bill, and we oppose this bill. Thank you very much. [LB978]

SENATOR RAIKES: Thank you, Chuck. Questions for Chuck? I don't see any. Thanks for being here. Other opponents for LB978? Is there neutral testimony on LB978? Senator Gay to close. [LB978]

SENATOR GAY: Very briefly, feel free to change those numbers if you think that will fit. I mean there is a certain amount of...you know, we put a lot of growth, growth happens. It doesn't happen, developers can't wait for all these different things to come back and then go to the learning community, go to the state. The way it is it's a continual path of growth, and I think the boundaries being frozen are part of the hindrance more than anything. And there's both sides to this issue. I have nothing against South Sarpy, it's a great school district, so there's just different opinions on how this is done. I even, in my own community, I'm conflicted. The city wants some growth, the school district is saying slow down, so it's something that I think we need to sit down and take a look at, and again find a way. I thought it was a compromise to limit so you can't just wholesale go into and take over a large chunk of a different district. If we want to limit it a little less, that's fine. The average development, you know is about 150 acres a year, but sometimes you get 2 or 3 developments coming at once in a super deal, but that can probably be scaled down some, too. So, thank you. [LB978]

SENATOR RAIKES: Okay. Thank you, Senator. Any questions? I don't see any. Thank you, Senator, and that will close the hearing on LB978. And we'll move to LB1005. Senator Howard. Senator. [LB978]

SENATOR HOWARD: Thank you, Senator Raikes and members of the Education Committee. For the record, I am Senator Gwen Howard and I represent District 9. I appreciate the opportunity to present LB1005 for your consideration. LB1005 would change the requirements for the provisions within the community coordinating council's diversity plan defined in 79-2110 to include for siblings of students currently enrolled in a school building as a specific limitation to the open enrollment criteria. This bill is introduced in response to a concern raised by a constituent in my district. The constituent is a mother who was concerned that the open enrollment provisions of the diversity plans for the Omaha Public Schools might preclude her child from attending the same school as his two older siblings are currently attending. She explained the challenge that she and other families in her situation could face if they found it necessary to transport their children to multiple school buildings each school day. Her request to have the youngest sibling attend the school where his older siblings are currently enrolled seemed like common sense to me. Members of this community, along with the school administrators, and other members of the Legislature have worked diligently over the past few years to come to consensus about ways to address the challenges faced by the diversity of the Omaha Public School system. And this is in no way altering that or suggesting that were in error with that. That was a long and a difficult process, and I certainly respect the work that my committee, our committee, has done on that. LB1005 in no way undermines that hard work. It simply changes a provision to better accommodate the real life circumstances of families. The bill would not require any waivers of the space available in the provisions. It would simply offer an enrollment preference to siblings of children already attending schools in a specific

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Transcriber's Office

Education Committee  
February 12, 2008

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building. I believe that as we take on the tough challenges of making decisions about our educational system, we have to be mindful that the numbers on paper actually represent real people. We have to be considerate and responsive as possible to the needs and to the concerns of these families. I thank you for your consideration, and I urge you to advocate this small, but significant piece of legislation. Thank you. [LB1005]

SENATOR RAIKES: Okay, thank you, Senator Howard. Questions for Senator Howard? Senator Avery has one. [LB1005]

SENATOR AVERY: Thank you, Mr. Chair. Do you think this would have no impact on the diversity plan, a significant impact? [LB1005]

SENATOR HOWARD: Do I think it would have no impact or a significant impact? [LB1005]

SENATOR AVERY: The second question's fine. [LB1005]

SENATOR HOWARD: I don't foresee that it would have what I would consider to be a significant in terms of numbers. I think these are families that already have, in this case, there were two little boys enrolled in this school and the mom wanted to have some assurance that the youngest little boy could attend the same school. She liked the school, she knew the teachers, the boys were doing well. It was basically as simple as that. I don't think that it will have a significant impact. I think there will be other situations where families look at a particular school for their child and feel that child hasn't been maybe in science or something and want that child to be in that school while another child may attend another. [LB1005]

SENATOR AVERY: What about the impact on transportation arrangements and costs? Any impact there? [LB1005]

SENATOR HOWARD: I don't anticipate an impact. I don't think, like I say, I don't believe this would be a significant number of families that would have this. This is a mom that came to me after a meeting that we had in the summer over at Westside school. [LB1005]

SENATOR AVERY: Thank you. [LB1005]

SENATOR RAIKES: Other questions for Senator Howard? [LB1005]

SENATOR ASHFORD: What were you doing in my district? [LB1005]

SENATOR HOWARD: I was listening to you, actually (laughs). [LB1005]

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Transcriber's Office

Education Committee  
February 12, 2008

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SENATOR ASHFORD: That's all I have. [LB1005]

SENATOR RAIKES: Any other questions? I don't see any, thank you, Senator. [LB1005]

SENATOR HOWARD: Thank you. [LB1005]

SENATOR RAIKES: Proponents for LB1005? Jay, welcome. [LB1005]

JAY SEARS: (Exhibit 3) Senator Raikes, members of the Education Committee, I'm Jay Sears, J-a-y S-e-a-r-s. I represent the Nebraska State Education Association, and we're here to support Senator Howard's LB1005. We would urge you to vote it out of committee and get it out there with all the other legislation to make the little tweaks in the learning community law so that people can go on about their business learning. Many families have ties to their local school, their neighborhood school, and for some of them it's not even a neighborhood school, it's because an older sibling went to a school and there was a tradition in that. I know in our own family in Omaha, my brother's oldest daughter went to Central High, she didn't live in the Central High district but she went to Central High. My brother-in-law also has an extended younger family, we won't go into those pieces, but there's a tradition now for going through Brownell, a private school, and then going on to the Westside Community Schools; and they, too, would probably want to keep that tradition because the younger kids really enjoy Westside Middle School and the oldest of the second group of the family is now at Westside High School. This gives parents choice, but also keeps them within the tradition of staying in a school that they're comfortable with and may have made arrangements, for example, for day care or other connections that they have around that community. So we would support and urge your support of LB1005, and with that I conclude my testimony and would be glad to answer questions because they don't have numbers. [LB1005]

SENATOR RAIKES: Thank you, Jay, I think. Are there questions? Thanks, Jay. Are there other proponents, LB1005? Are there opponents, LB1005? Neutral testimony? Senator Howard to close. [LB1005]

SENATOR HOWARD: Thank you, Senator Raikes. The purpose of this bill is to increase the likelihood that sibling groups will have the ability to attend the same schools as long as their enrollment in said school is in the best interest of each child. It's a simple change that would make a big difference to families, and I ask your favorable consideration. [LB1005]

SENATOR RAIKES: Okay, any questions? I don't see any. Thank you, Senator Howard. [LB1005]

SENATOR HOWARD: Thank you. [LB1005]



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

Education Committee  
February 12, 2008

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SENATOR RAIKES: And that will close our hearing on LB1005 and, Senator Kopplin. [LB1005]

SENATOR KOPPLIN: All right, we will open the hearing on LB1154 and, Senator Raikes. [LB1154]

SENATOR RAIKES: Thank you, Senator Kopplin. Ron Raikes, District 25, here to introduce LB1154. LB1154 involves several changes to the committee's work on the learning community. I don't want to describe them all as technical, although I think some of them would fit that description. I think there are some substantive changes as well. I would say that generally speaking the motive here is to address concerns raised since we've last dealt with this issue legislatively, and hopefully I have done a reasonably complete job of addressing issues that have been raised, although there are probably some in here that we'll hear about today that I don't have in here, which maybe you'll understand. But at any rate, let me just give you a quick highlight of the issues that are addressed, and then maybe I'll spend just a little bit more time on a couple of them. First, we're expanding the coordinating council to include nonvoting members. We're creating a committee of superintendents to work with the learning community council. We're loading the Secretary of State with the responsibility of acting as the facilitator for the initial council meetings. We got a provision that deals with allowing school district boundaries to be modified prior to the initiation of the learning community. And also I think included in here is exemption from budget lids for payments by one district to another regarding changes of boundaries. We do a phase-in or a hold harmless, as you might want to describe it, of the common levy so that in the first three years instead of all of it happening, whatever changes instantly in the first year, it is gradually phased in over three years. The potential uses of the learning community capital levy are narrowed--its learning centers, focus schools or focus programs--that's to some extent a clarification. We've got some things in here that hopefully clarify and align the definition of focus schools, focus programs, magnet schools, magnet pathways, and finally we have addressed in here the qualifications to become a learning community, and I'll touch a little bit on that later but to some extent we're undoing or redoing what was done on the floor last session toward the end of the debate. First off, on nonvoting members, and the issue brought here is that we have some voting districts in the learning community that have several school districts, and it's not really possible in some of those cases for each school district to have a member or a person representing that school district on the board, yet it seems to me--I agree with those who have said it would be a good idea to have each district represented so that they can convey information and act as a liaison as well as contribute to the conversation. So that's a change that we're making. I already mentioned the Secretary of State, and by the way, the Secretary of State would replace the Commissioner of Education in that role and I will just tell you that...after the session in which LB1024 was passed, the Secretary of State's office did a great amount of very commendable work toward facilitating that effort, and I think that provides ample evidence of their ability in that regard. The

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

Education Committee  
February 12, 2008

---

advisory committee of superintendents of member districts would meet at least four times per year and have at least the following types of obligations: review issues related to open enrollment and proposals for focus programs, focus schools, magnet schools, and pathways. I regard that as particularly important. I think that group is especially qualified to suggest what should be done in that regard. Those are the educational professionals, and I think it would be a mistake--it has been a mistake up to this point, I guess I should say--to exclude them from this important role. Also, to provide recommendations for improving academic achievement across the learning community and as I say, provide input in other areas as requested by the learning community council. I'll mention quickly, there's a couple areas in the realm of finance that are dealt with here. First, an issue was raised about some deadlines and difficulties that school districts might have in meeting them. There was a requirement for the school districts to present their budgets to the learning community and then before a certain deadline...given the changes that we've made here in a number of areas, we have changed that so that the learning community provides their budget to the school districts ahead of time, which would eliminate the calendar difficulty that school districts would have. There is a phase-in or a hold harmless, as you might describe it, of the division of property tax receipts in the learning community, and if you look at your summary there's a little description of that. It's a sort of a simple mechanism whereby as you go through time you're provided at least what you got the year before, or that's the concept that's used. And then by the fourth year, the ultimate distribution is phased in. I'll mention there are some, we didn't have, I think, a particularly good alignment of definitions of focus schools, focus programs, magnet schools, and pathways. I think it is important to try to clarify that because those programs are a critical part of the learning community achieving the academic success and diversity that certainly it is, I think, our hope that they achieve. So I think those are important changes. Senator Gay brought a bill to delay the transportation requirement for one year. We've actually gone a step further and basically have delayed the implementation of the open enrollment provisions for one year and many, much the same reasons that he mentioned that there's going to be a lot piled up right at the front and there needs to be time to address these issues and to do it effectively. One other thing I'll mention, qualifications to form a learning community, and this I think we're going back to what we had, what came out of the committee in LB641. That, as you remember, got changed on the floor. But what is being proposed here is that the formation of a learning community, again, this is referring to the fact that this is a statewide policy, it's not just a metro area policy, at least three participating school districts to form a learning community. In addition, all school districts in one or more counties are participating and either the districts are all in a sparse or very sparse cost grouping, or the districts have a minimum combined total of at least 2,000 students, or the other sort of option is the three districts have a minimum combined total of 10,000 students. So, again, there are somewhat technical aspects to this, important ones I think, but there are also some substantive ones. So if you have questions, I'll try to respond. [LB1154]

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Transcriber's Office

Education Committee  
February 12, 2008

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SENATOR KOPPLIN: Are there questions? Senator Adams. [LB1154]

SENATOR ADAMS: Senator Raikes, the advisory council of superintendents, I remember in LB603 we created the, or we asked that the, I forget, the coordinating council of ESU administrators comply with open meetings laws. I haven't looked at your bill, is there similar language in here? Or do you think there ought to be? [LB1154]

SENATOR RAIKES: That's a good question. I am knotted that it is not in there, and that certainly is a good point and one that we ought to consider. [LB1154]

SENATOR ADAMS: Okay, thank you. [LB1154]

SENATOR KOPPLIN: Senator Avery. [LB1154]

SENATOR AVERY: Senator Raikes, I'm looking here at your proposals on the change and the makeup of the governing council. Start out with 18 presently, is that correct, 18 members? [LB1154]

SENATOR RAIKES: Yes. [LB1154]

SENATOR AVERY: And then you have...you want to add five nonvoting ex officio members, correct? [LB1154]

SENATOR RAIKES: I don't know that you would necessarily have five. It would be a district that is not otherwise represented. I think it could be as many as five. [LB1154]

SENATOR AVERY: Could be as many as five. [LB1154]

SENATOR RAIKES: ...could be as many as five. [LB1154]

SENATOR AVERY: Because you could have two people from, appointed from the same district. [LB1154]

SENATOR RAIKES: Right. [LB1154]

SENATOR AVERY: And then you are proposing an advisory council, and I hope with open meetings requirements by the way. [LB1154]

SENATOR RAIKES: Okay. [LB1154]

SENATOR AVERY: That would be another 11. [LB1154]

SENATOR RAIKES: Yes, although if you're thinking about all of this being a part of

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Transcriber's Office

Education Committee  
February 12, 2008

---

one... [LB1154]

SENATOR AVERY: That's where I'm going... [LB1154]

SENATOR RAIKES: ...meeting, I don't know that necessarily would have to happen. I think the superintendent advisory committee, although they may well report to the learning community council, or the learning community council, a representative of that group would report to the superintendent advisory committee. I don't think they would necessarily have to conduct business, if you will, all in one group in a single meeting. [LB1154]

SENATOR AVERY: I always thought that 18 was a pretty large governing group, and perhaps even bordering on unwieldy. Adding five more to that, possibly five more, I think would make it unwieldy and very difficult to reach decisions. And if the 11 superintendents join the other 23, you've got a huge roomful of people all trying to make decisions on the same thing. [LB1154]

SENATOR RAIKES: And pretty soon, you're all the way... [LB1154]

SENATOR AVERY: How are you ever going to get any consensus? [LB1154]

SENATOR RAIKES: Pretty soon you're all the way to 49, and we know that doesn't work (laughter). [LB1154]

SENATOR AVERY: Precisely my point. What would be the lines of authority, this achievement--not achievement--the advisory council of superintendents? Are they going to be advisory to the governing council? Is the governing council required to discuss, consider, act upon, vote on these advisory opinions? How would this work? [LB1154]

SENATOR RAIKES: Well, the way it's laid out here, which I'm certainly open to your suggestions on this, is that there would be a couple of areas that they would be responsible for. And that is making recommendations regarding focus programs, focus schools, magnet schools, pathways, and so on and also making recommendations regarding the improvement of academic achievement across the learning community. And so I don't think we have included in here a requirement for the learning community council to solicit these recommendations. Certainly that could be done and maybe that's appropriate, I would hope it wouldn't be needed. There's also an opportunity for the learning community council to put this group to another task or at least a request that this group be involved in another task. [LB1154]

SENATOR AVERY: It sounds like the kinds of activities you would have this advisory council engage in are already activities that the governing council would be dealing with. [LB1154]

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

Education Committee  
February 12, 2008

---

SENATOR RAIKES: Yes, certainly the governing council would be making decisions, for example, about open enrollment plans and options whether or not to fund focus schools, focus programs, and the like. The idea here is that for that group to make decisions on those important matters, it not maybe but would be well for them to consult or have a recommendation from the superintendents group on those issues. [LB1154]

SENATOR AVERY: But superintendents already consult with their school boards. [LB1154]

SENATOR RAIKES: Yes. [LB1154]

SENATOR AVERY: The school boards are represented on the governing council. [LB1154]

SENATOR RAIKES: Yes. [LB1154]

SENATOR AVERY: Is this not a redundant function here? I guess what I'm getting to is what's the motivation? Is it just because the superintendents insist they've got to be somewhere in this governing structure and we had to find a place for them, or is this a real need? [LB1154]

SENATOR RAIKES: My judgment is very much the latter. Yes, you can say that you cannot deny a superintendent an opportunity to be heard through whatever circuitous path, but the point is that you, with this group, would be assembling the real educational expertise, and hopefully not only would it lead to recommendations, but the process of having this group would lead to some interaction and some symbiotic thought, if you will, that may generate ideas that wouldn't be there if each operated on their own. [LB1154]

SENATOR AVERY: And you don't think that would percolate through the school boards? [LB1154]

SENATOR RAIKES: Well, no, not in the same fashion, I don't. [LB1154]

SENATOR AVERY: Not in the same fashion. [LB1154]

SENATOR RAIKES: Right. [LB1154]

SENATOR AVERY: But it might actually percolate through a different method to get to the same goal. [LB1154]

SENATOR RAIKES: Okay. [LB1154]

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

Education Committee  
February 12, 2008

---

SENATOR AVERY: Would you admit to that? [LB1154]

SENATOR ASHFORD: I wouldn't admit to that. [LB1154]

SENATOR RAIKES: No, barely. No, I don't admit to it. I got a vote over here, so no. (laughter) [LB1154]

SENATOR AVERY: I'll leave you alone. [LB1154]

SENATOR KOPPLIN: Senator Adams. [LB1154]

SENATOR ADAMS: No, my question got answered. [LB1154]

SENATOR KOPPLIN: Are there other questions? I have a few. Regarding Secretary of State will serve until the council adopts bylaws, are we going to have attorneys involved in that? [LB1154]

SENATOR AVERY: Paid for by the...(laughter) [LB1154]

SENATOR KOPPLIN: Never mind. [LB1154]

SENATOR ASHFORD: I would sincerely hope so, I mean... [LB1154]

SENATOR KOPPLIN: I have a question on finance. [LB1154]

SENATOR RAIKES: As long as they don't spend more than .15 percent (laughter)... [LB1154]

SENATOR KOPPLIN: Okay. After the first three years and the common levy is in full force, proceeds are divided proportionately, formula need minus state aid plus other actual receipts. Would it be fair to expect all districts to raise the maximum amount they can of other receipts before they access common levy? [LB1154]

SENATOR RAIKES: Now, other actual receipts would typically include, for example, fines. So should we suggest that they double the police force or... [LB1154]

SENATOR KOPPLIN: Any which way they should be required to raise as much funds. [LB1154]

SENATOR RAIKES: I understand your point, and I think what you're saying is that districts should not access funds that are commonly levied unless they show a certain amount of local effort. [LB1154]

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

Education Committee  
February 12, 2008

---

SENATOR KOPPLIN: Correct. [LB1154]

SENATOR RAIKES: Yeah, and I would just...I don't need to remind you because you know, that's been a longstanding part of the way we fund school districts in the state. I mean, we've typically tied it around the minimum levy. But if you don't get to minimum levy, there's the minimum levy penalty, which means whatever state aid you might be entitled to is thereby reduced. So that's a longstanding concept. [LB1154]

SENATOR KOPPLIN: My other question would have to do with transportation. It's listed under elementary learning centers, but transportation for parents would be provided to elementary school functions for free and reduced price parents. What did you have in mind doing it, are the school districts, do they operate a separate bus? Do we pay parents, do we pay taxi cabs? What did you have in mind? [LB1154]

SENATOR RAIKES: Well, as far as I'm concerned, the funding would go to the district that incurs the expense, and I would be very much in favor of allowing that district to make those kinds of calls. [LB1154]

SENATOR KOPPLIN: Okay. Any other questions? Senator Burling. [LB1154]

SENATOR BURLING: Thank you. Building upon Senator Kopplin's question, your definition of school function, is that something that's elective, extracurricular? I'm a free and reduced lunch student and I want to go to the ballgame, so I get transportation paid? [LB1154]

SENATOR RAIKES: Well, right now in statute, we do have provisions that provide for...provide opportunities for free and reduced students to attend school activities without cost, I think, or we dealt with the issue when we were dealing with the issue of school fees. I would have in mind the same list of functions or activities that we were dealing with then. [LB1154]

SENATOR BURLING: This is statewide? [LB1154]

SENATOR RAIKES: Yes. Yes, the fee policy is a statewide policy. [LB1154]

SENATOR BURLING: Okay. [LB1154]

SENATOR KOPPLIN: Other questions? Senator Avery. [LB1154]

SENATOR AVERY: Senator Raikes, often what we do in this committee is we come up with bills that are what I call doorstep bills, that is they're so thick you could use it for a doorstep. And so they are often not read and understood by a lot of people, and

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

Education Committee  
February 12, 2008

---

frequently those of us on this committee have a tough time figuring out what it is we have in the bills, to be honest. And so my question is, are we improving things with this bill? Are we actually adding things in that have unintended consequences? Are we going to have to come back next year, and you will be gone, and try to undo this and try to fix it? [LB1154]

SENATOR RAIKES: Don't express so much delight when you say that, would you? (Laughter) [LB1154]

SENATOR AVERY: I'm not suggesting we can't manage without you, but I am suggesting that a lot of these doorstep bills have been your handiwork, and I'm wondering what we're creating for the future here that might produce unintended consequences that we'll have difficulty dealing with later. [LB1154]

SENATOR RAIKES: It's a good and serious point. We have to be very careful. We have to peruse all of the doorstep. We have to go through, we can do it a number of ways. You can read through the language, we can have summary sheets that explain it, we can have discussions and we can have the what-if sessions, particularly to deal with are there unintended consequences, is something going to happen? Are we likely to come up with a bill this year or next year or last year that we have no unintended consequence and everything works perfectly as we expected? No, we don't. That's why the Legislature meets every year, I think, or one of the reasons anyway. We do, in fact, as a part of our work have to look at what we intended versus what happened and try to make the adjustments. And this is not just in learning communities, this is not just in school finance, this is not just in assessment. This is in lots of areas. [LB1154]

SENATOR AVERY: I know, and almost everything we do produces winners and losers. Now we had this discussion once, and you didn't jump to agreement with me on that point then. And you're not now. You should, because there isn't anything we do in this Legislature that doesn't produce a winner and a loser. Sometimes the wins are marginal wins and the losses are marginal losses. It's seldom that anybody wins everything and somebody else loses everything. What I worry about in these complicated bills is that we are producing sometimes more losers than we expect or we intended. These are some of the unintended consequences of bills that worry me. I like to produce winners. I know that we can't produce winners all the time, but I worry that we sometimes don't recognize that what we're doing is creating losses where we didn't intend. And I'm just asking you to give me confidence that this is not...this is not really a doorstep bill yet, but it's pretty complicated and the committee statement is about four pages. It's not like the bill that I had defeated this morning by the way--one page, simple. Everybody understood it, that's why they didn't like it. (laughter) [LB1154]

SENATOR RAIKES: There you have my strategy, it needs to be more...well, let me just respond this way. You know, some of the bills we dealt with in this committee involve



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

Education Committee  
February 12, 2008

---

change. And you know, I think the judgment of the committee has been painful as change is, we need change. We've got some issues to deal with. We need to take the hard path of change. That's always tougher than leaving things the way they are. And in change, you probably have, well I don't know....you have winners possibly and you have losers, but I don't know that that accurately describes really the outcome you come up with. It may be that I'm a loser in the sense that, well, I got something, but I didn't get everything I wanted. Well, you know, okay, so I lost even though I gained. Or it may be that I didn't really lose anything but, you know, or what I lost was an entitlement that I really, by some standards, wasn't entitled to--if that makes any sense. I had been getting a service, whatever it might be, that I really wasn't paying for or wasn't charged the full price for, other people were paying for it, and I'm not even talking necessarily here about school policy, but all of a sudden that service went away. Well, that was a change in the status quo. I was getting something that I thought I was entitled to, others didn't think I was entitled to that. Or maybe they simply said, well, you can have it but you have to pay for it. Well, so in that sense I'm a loser, so that's why I shy away from the winners and losers. I think these are difficult issues. I think the committee, in the instances I know of, has made the correct decision. We need to push forward here. It's more painful to do so. It's sometimes simpler not to. But when you do push forward, you're likely to incur wrath of various types and forms. You may incur some praise occasionally, although that hasn't fallen our way lots, but... [LB1154]

SENATOR AVERY: It hasn't afflicted you much, has it (laughs)? [LB1154]

SENATOR RAIKES: No, but that's okay because I don't think that's what I'm here for, and I don't think that's what you're here for. We're trying to do the best we can with the opportunity we're given to enhance the greater good for the longer run. [LB1154]

SENATOR AVERY: I agree with that, I do. But I do believe that we have to recognize that there are some parties involved in all of these decisions that perceive themselves to have lost, and I think Sarpy County falls into that category. Right here is a stack, I showed them to you. They all say the same thing. [LB1154]

SENATOR RAIKES: Although even on that one, Sarpy County is by no means unified in that regard. There are many people in Sarpy County who believe that this is something that benefits them. [LB1154]

SENATOR AVERY: I wish they would contact me. [LB1154]

SENATOR RAIKES: Pardon? [LB1154]

SENATOR AVERY: I wish they would contact me. [LB1154]

SENATOR RAIKES: But they're not going to. [LB1154]

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

Education Committee  
February 12, 2008

---

SENATOR AVERY: No. [LB1154]

SENATOR RAIKES: That's just the way it is. [LB1154]

SENATOR KOPPLIN: Other questions? [LB1154]

SENATOR ASHFORD: Just to focus on the focus school pathway issue, which I think is a strong part of the bill to have the superintendents involved in that. The winners and losers argument starts to pale when you see 700 parents of children apply to a focus school for 100 spots. I mean then you start to think about what parents want, so winners and losers really should be defined by what services are provided to children, not so much how much money goes to a particular district as the real (inaudible). I mean, what are the services that are being provided to children across the two-county area is the winner and loser issue isn't it? [LB1154]

SENATOR RAIKES: Well, I think it is, although you can look at it different ways, the example you gave. We can either have 100 winners or we can have 600 losers. [LB1154]

SENATOR ASHFORD: But we shouldn't have 6...if this works. [LB1154]

SENATOR RAIKES: I agree. [LB1154]

SENATOR ASHFORD: If this works, then we'll have other focus schools that will address the 600 children that couldn't get into the first focus school, I mean we've only been doing this for six months and those districts that have worked on this have done an amazing job in my opinion. [LB1154]

SENATOR RAIKES: I agree. I agree. [LB1154]

SENATOR ASHFORD: Okay, thanks. [LB1154]

SENATOR KOPPLIN: Thank you, Senator Raikes. We will move to proponent testimony. [LB1154]

CHUCK CHEVALIER: (Exhibit 4) Good afternoon again, my name is Chuck Chevalier, C-h-e-v-a-l-i-e-r, and I'm representing South Sarpy School District 46. We are in Sarpy County and our school board has taken a position to be for the learning community, and we're supporting the changes in LB1154. I want to say I'm really excited and our board is excited to take a look at these opportunities for kids that are out there that we've come together for. And one of the things that I want to focus...I want to focus on a couple of things in the bill and that's all, but one of those is the hold harmless clause.

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

Education Committee  
February 12, 2008

---

We, a long time ago, in our board set the idea that we were for helping solve the problems in the greater Omaha community that we were all a part of that and we had to be a part of that but we didn't want anything to lower the education that we had "at home," in our home district. And if we can do both of those things, we are on line. The hold harmless clause here, and that's item three in the written testimony, begins to do that. That helps us out quite a bit by taking a look at that. This allows us to focus on the collaborative efforts rather than making cuts at home. I would tell you that I would like to improve it a couple ways and as Senator Raikes has said, I think in future sessions we can take a look at maybe adding a growth component to that part of...because it's based on the year before and so it doesn't allow you much growth, and it only lasts for three years. Those are things we'd like to do. But we think that is a good first step to that learning community hold harmless idea. Secondly is we would like to focus on the ex officio member, which we support. The very quick version of that, it's hard to collaborate if you don't invite us to the meetings. It's kind of simple in that if you look at District 6 and just the way it's aligned, there's a good chance that at least a couple of districts would not get representation on the board. And although there's a person to represent our area as a voting member, they don't represent our school district. A nonvoting member doesn't cost any money, it adds to the discussion. You don't lose when you add to the discussion, and we think that's a great idea. Finally, we really support the idea of the components in this bill that help us finalize the agreement that members of our two districts made between Bellevue Public Schools and South Sarpy District 46. Our district, our board, has taken the position to...they passed a resolution to support the agreement that was made last May as LB641 was coming about, and we're very much for finalizing that agreement. And we appreciate getting over those hurdles, and LB1154 would allow us to get over those hurdles that prevent that. In short, we do support LB1154. Our board of education just wants to throw out that we do appreciate that ideas to help our district maintain, I guess, activity in the learning community and be a good part of the learning community have been put into language by Senator Raikes and looked at by this committee and we appreciate that. Again, if we can meet our goal, which is to be a part of the learning community, help all kids in the two-county area, and John's right, it's about kids in the two-county area--and yet keep our programming stable and as we have it now at home, then we're in. And we appreciate LB1154 helping us get there. [LB1154]

SENATOR KOPPLIN: Questions for Dr. Chevalier? Don't see any, Chuck, so thank you. [LB1154]

CHUCK CHEVALIER: You guys are going to let me off easy? [LB1154]

SENATOR KOPPLIN: Next proponent? [LB1154]

GEORGE CONRAD: Senator Kopplin, members of the committee, my name is George Conrad. I am the superintendent at Douglas County West Community Schools and I'm

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

Education Committee  
February 12, 2008

---

representing our students and families and board there. I address you as a rookie superintendent who has found that moving from the human resources ranks to superintendency is not just a learning curve, but oftentimes a slippery slope, and I am here before you today. I speak in support of LB1154. I am one of those school districts noticed as "a rich school district" because we receive no equalization money, and I'd like to put a face and some numbers to you which help you understand why we like some of the doorstep considerations, Senator Avery, in terms of its consideration for our school district. As we crunch numbers in LB641, one of the things that we found as business managers from the 11 school districts was that there were indeed some people who were going to suffer some financial difficulty. We estimate or project the potential of a loss of \$400,000 to D.C. West Community Schools. Doesn't sound like a lot of money when we talk about millions of dollars, but recognizing that that would be a reduction of 8 teachers, which would be more than 10 percent of my total teaching staff of only 60 teachers, there are some issues. I listened with intent to Senator Ashford's comments regarding students of need, and I think that hits home for me. I'm not sure that you understand that last year behind Omaha Public Schools, D.C. West had the second highest percentage of poverty students and this year we got edged out by Ralston, so we are number three for the highest number of poverty students. We recognize that we are seen as a high spender because we need to provide needs for our students. Our test scores are competitive to none in the learning community and we do that with that high concentration of poverty students through small class size, which I know that you as members of this committee have discussed as being important for the future of education in Nebraska. We provide a number of opportunities, both on site, online, to our high school students and almost double the state's requirement for instructional units. We believe that LB641 by itself potentially brings risk to those offerings to our students, and in addition to that a reminder, as I understand LB641, is that while my district would have the opportunity to provide money to the local property tax sack of the learning community, a reminder to you that as a member of the total learning community, I would indeed qualify for equalization money but would not have access to that because of the "hold harmless" which is provided in LB641, which grants me no access to that money in the first year, only 25 percent of what would be coming to me in the second year, and so on through year 5. I think that the hold harmless concept in LB1154 helps me with those first three years to not have to continually take a step backwards and might also help protect those losses in conjunction with LB988 to provide some support. And I think it's really important to understand the ramifications of equalization when you compare it to individual districts as compared to the total learning community. Because while I'm not equalized now, I would be under the learning community seen in total, but I don't receive any of that money while I'm putting large amounts of money into the property tax sack and getting less back. So I think that LB1154 helps address that for us, and I believe that it's been the work of this committee and Senator Raikes to recognize the dilemma that we've been placed under and to help to mediate that difference. Thank you. [LB1154]

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

Education Committee  
February 12, 2008

---

SENATOR KOPPLIN: Questions for Dr. Conrad? I see none, George. Thank you. [LB1154]

GEORGE CONRAD: I appreciate your time. Thank you very much. [LB1154]

SENATOR KOPPLIN: Next proponent? [LB1154]

JOHN DEEGAN: Senator Kopplin, members of the Education Committee, I'm John Deegan, superintendent of Bellevue. I would say that we're in support of LB1154. I think Senator Raikes has listened real well to a lot of topics and issues. I would tell you, though, just as matter of clarification the issue in there on boundaries gives an opportunity for districts to do certain things, but there's a kind of a deadline, time line. I would want to remind you that we do not have a boundary deal. There is no boundary deal with Springfield. There was a boundary deal discussed, a boundary deal taken to our board and our board felt with legal advice that there was not room to be able to have any agreement, so we stopped talking about a boundary deal. And so I just want to clarify there is no boundary deal. And so with the learning community common levy, there's a number of things that need to be done, and we're willing to work with people to get that resolved. But our board has been real good about understanding how deals can be put together, and so they were not...the deal that was talked about that night, they felt like was not a deal. And so I was told, there is no boundary deal. [LB1154]

SENATOR KOPPLIN: Questions for Dr. Deegan? Senator Avery. [LB1154]

SENATOR AVERY: Dr. Deegan, as I recall last year when we were discussing LB641, I was under the impression...no, I had been told, I believe, that there was a boundary deal. And I was chagrin to see in the paper not too long ago that the deal was no longer a deal. [LB1154]

JOHN DEEGAN: Correct. [LB1154]

SENATOR AVERY: Are you suggesting there never was a deal? [LB1154]

JOHN DEEGAN: There was a deal, but the issue was we agree, we'll take this back to our board, we'll review it with our attorneys, and then we're ready to go. Well, as we did that, both of those failed. So there is no boundary deal. There was a deal that night, but after the board acted... [LB1154]

SENATOR AVERY: Would it be improper for us to see this as a break of faith with the Legislature? [LB1154]

JOHN DEEGAN: No. Absolutely not. We had great members of the Legislature there that night and the issues for the period of time that we were going on, Chuck and I

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

Education Committee  
February 12, 2008

---

talked back and forth about trying to change the payment schedule, trying to spread it out to make any changes. He absolutely saw no change whatsoever and we were handed a resolution in December and our board took action, said there is no more negotiations, the deal is done. [LB1154]

SENATOR AVERY: So it was your board that backed out? [LB1154]

JOHN DEEGAN: That was our board, yeah. It wasn't our board that backed out, it was our board that felt like it wasn't a fair deal. [LB1154]

SENATOR AVERY: Okay. [LB1154]

JOHN DEEGAN: You don't have a deal until you have both boards agree. We had a deal to discuss a deal. [LB1154]

SENATOR AVERY: Oh, that's not what we were told, though. [LB1154]

JOHN DEEGAN: Oh, we can't speak for my board. I mean there's nobody in the world that will believe a superintendent can call shots for his board, and so we went back to our board and that's what our board said. [LB1154]

SENATOR AVERY: The board said we have a deal to work on the deal, and we were told you had a deal then you went back and found out from your board they didn't want the deal after all. Is that right? [LB1154]

JOHN DEEGAN: That's your interpretation. I said that night we had a deal, and I took it back to our board and I couldn't put that together and I tried to make the changes with Chuck... [LB1154]

SENATOR AVERY: Oh, I'm not questioning your efforts at all... [LB1154]

JOHN DEEGAN: ...and I tried to make a deal with Chuck and couldn't get any of the arrangements split, so our board said no. So... [LB1154]

SENATOR KOPPLIN: Are there other questions for Dr. Deegan? [LB1154]

JOHN DEEGAN: We still do hold out hope there can be something put together. [LB1154]

SENATOR KOPPLIN: I see none, John, so thank you very much. [LB1154]

JOHN DEEGAN: Thank you, appreciate it. [LB1154]

Education Committee  
February 12, 2008

---

SENATOR KOPPLIN: Are there other proponents? Okay, then we'll move to opponent testimony. Are there opponents? [LB1154]

RICK BLACK: Senator Kopplin, members of the Education Committee, my name is Rick Black. I'm superintendent of Papillion-La Vista Public Schools. As many times as we've been mentioned already here today, love us or hate us I guess, at least you know we have an opinion. And I'm here today to testify, and Senator Raikes, I was torn on this, sir, in opposition to LB1154. We came that close to being neutral. In doing so, I want to preface my comments with appreciation for the efforts the senator and his staff have made on some of the issues that we have had concerns with, particularly, delaying of the transportation and the open enrollment piece found in LB1154. We acknowledge that and appreciate that very much. My efforts today are not to try and address every point found in LB1154, but I will speak to one area of the biggest concerns for us, and that would be the learning community governance piece. The superintendents of many of the Sarpy and Douglas County school districts have discussed the area of governance, and while I cannot speak for anyone but Papillion-La Vista, I don't believe I'm the only one with concerns but I'm one here today expressing concerns. First item we have a concern with is the concept of limited voting. I think, while very likely, I'm sure the limited voting is legal. Why establish another unique characteristic that's not used throughout the state in just about any other venue to limit just strictly to the learning community? Learning communities already centered up on 2 out of 93 counties. If two slots are to be elected, why not use a standard format found throughout the state and enable the constituents to vote for two people that would be representing them? Why not allow the constituents that are assigned in the districts to vote for the people that are going to be representing and taxing them? The voting districts are already divided by populations throughout the counties, further limitations would not appear to be necessary such as limited voting. Number two, eliminate the board-appointed member for the six election district. This raises a question of someone being appointed to an additional taxing authority to which they are not being elected and we, particularly the learning governing board council, being appointed by the six members that are elected to represent their school boards, but not necessarily elected to represent another taxing authority found within the learning community. We would ask that the added requirement that the learning community governing board ought to go through a primary election, just like every other group does. Right now with the deadline being in August, virtually you could have 10, 15, 20 candidates apply for a board, yet there's no primary, there's no elimination, or narrowing that group of candidates, so now you get to go to the polls and you have to vote for one person. The second vote-getter automatically becomes the representative in that council. Again, that becomes that limited voting concept that I've got a concern about. I would like to compliment and thank the senator for his recognition of the ex officio superintendent advisory council. We'd suggest that at least some consideration with that council be set up somewhat as we do at the ESU district where you have a representation of a population of students and the number of districts represented for any measure to advance from beyond that level to the

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

Education Committee  
February 12, 2008

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governing council, would be where recommendations ought to come from. While it would appear Papillion-La Vista is against anything and everything found in the learning community provisions, much like the federal No Child Left Behind concept, we agree with some of the very basic intentions that are found in the law, and we are in favor of almost anything that has to do with learning and achievement for all learners. However, we just do not agree on how it's trying to be accomplished under the learning community provisions. As a representative of Papillion-La Vista Schools, I need to represent our concerns as well. It is firm belief of our board that as we are hearing from our patrons that every school district that is required to be a part of the learning community should have a voting member of the council. As we all know, if you're invited to the dance but they don't let you dance, you have no voice in what the next song's going to be, you're not really at the dance. A nonvoting voice at the table is no voice at all. Districts must have a voice in things that affect the communities and the students to which they serve. Papillion-La Vista believes in the goals associated with increased student performance and achievement, the recognition of added costs associated with truly meeting the needs of all students, particularly students of high poverty and limited English language, and the recognition of difficulties faced by districts in rapid growth situations are important and need the attention. We're asking for consideration of these suggested concepts, better yet from the Papillion-La Vista school district's view, we'd like to be happy with the same ability that's being offered in other districts around the state except Douglas and Sarpy County, and that's just to make participation in the learning community voluntary, allow the guidelines established in the current law to serve as a road map for those districts who choose to participate. With that, I thank you for your time and the work that you do. [LB1154]

SENATOR KOPPLIN: Are there questions for Dr. Black? Senator Adams. [LB1154]

SENATOR ADAMS: Dr. Black, quite frankly I don't know if I have a question or a comment. You can decipher between the two. It seems like in your last statement you really summed it up. We don't want to be part of the learning community. If I sit here and write down all of the things that I've heard today, we don't like limited voting, we don't like the common levy, we don't like frozen boundaries, don't like the transportation system, so the essence of it is we don't like the whole concept, let us out. There's really nothing this body could do for Papillion that would make this palatable is there? [LB1154]

RICK BLACK: I believe there is, sir, and again I think some of the things have been touched on previously. Our recommendation is, number one, allow a relaxation in spending authority. Allow districts that have not levied up to their levy limit of \$1.03, \$1.05 to first see if that revenue addresses the needs that they have. Our contention all along has been is that some of the very positive things that are found in the learning community are able to be done right now. And we can show you that they are being done. Focus schools, we mentioned several times today, I appreciate the fact that we



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

Education Committee  
February 12, 2008

---

have some districts in the Douglas County area that are looking at a concept that's being labeled focus school. It's called a focus school because that's what the concept is going to be once a learning community is implemented. Right now it's nothing more than an interlocal agreement. For years we've been doing interlocal agreements with English limited language learners for the Ralston Public Schools. For several years we delivered special education services for hard of hearing and visually impaired through interlocal agreements. As districts needed, they contracted for those services. So there's some things I think that can be done, and if there's another way to do that, we certainly can do that. But right now, you have districts coming together, there's going to be costs. Right now Papillion-La Vista Schools' students wanted to attend a focus school that's being designed and will be offered at Underwood Hills. Our district would need to contract with that learning community for roughly \$10,500 per student for the number of students that want to attend that school. Sir, that's an interlocal agreement. I would say of the option enrollment, we've currently shown that if the goal of the learning community is to get the poverty rate, or the average free and reduced lunch rates of the students that attend your school district closer to the metro district average, Papillion-La Vista by itself averages 16 to 17 percent free and reduced lunch. Our option enrollment students, the 583 option enrollment students that we have enrolled in our school, free and reduced lunch rate is 28 percent. To me, sir, that is moving along towards the needs of what was trying to meet the needs of all learners. We have yet to have another district in the metropolitan area come tell us that let's see what you're doing in standards and assessments and we're willing to adopt your mode of operation. So I think that we've always been willing, we've had national, we've had statewide districts come see what we're doing along that line. We've been willing to share along that line. So what we're saying, Senator Adams, is not that we're completely opposed to it, we need to be shown the things that can be accomplished that can't be done under some provisions that are already there right now. If the idea's funding transportation, let's fund transportation for free and reduced lunch kids, but let's find a mechanism to do that. I'm all for that.  
[LB1154]

SENATOR KOPPLIN: Other questions? Senator Avery. [LB1154]

SENATOR AVERY: I think Senator Adams nailed it, frankly. In fact, one of my questions was what parts of the learning community do you support? You don't have to answer it because I think you already have. Not much. I want to talk to you a little bit, and I say talk to you because this is really not going to be much of a question, but to explain something, since you asked the question, what is the purpose of limited voting. It is not a rare concept. It is, however, not commonly used here in Nebraska, except that I believe most of us who are elected to this body are elected by a limited voting formula. In a primary you can have five or six candidates and you get two votes. Am I right? One vote, you get one vote. That's limited voting and you are electing two people, that's the concept. Now, the reason why we put limited voting in that voting formula was because it has been demonstrated over and over and over that limited voting improves the

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

Education Committee  
February 12, 2008

---

prospects of minorities of getting on these governing councils, and these are typically underrepresented and often unrepresented in standard voting formulas. That's the reason they're there. I would hope that you do not disagree with that objective. [LB1154]

RICK BLACK: Senator, I do not disagree with that objective. I just would say that in dividing up the districts, you've already accommodated that with the populations that you put in each of those voting districts. So I think that there's been some efforts along that line to already accomplish the distribution of populations. [LB1154]

SENATOR KOPPLIN: Other questions? I see none, Rick, so thank you. Are there other opponents? Is there neutral testimony? [LB1154]

SENATOR ASHFORD: Didn't you already testify? [LB1154]

CHUCK CHEVALIER: Yeah. [LB1154]

SENATOR ASHFORD: Not on this bill. [LB1154]

CHUCK CHEVALIER: Yes. My name is Chuck Chevalier, C-h-e-v-a-l-i-e-r, and I'm one of the 11 superintendents in Douglas and Sarpy County. Just so you know, [LB1154]

SENATOR KOPPLIN: Just a moment, Chuck. You can't testify both proponent and neutral. [LB1154]

CHUCK CHEVALIER: Neutral, okay. I was representing a different group. And we're not...it's up to you guys. [LB1154]

TAMMY BARRY: Could somebody else represent the other group? [LB1154]

CHUCK CHEVALIER: They've all testified already. [LB1154]

ANDREW RIKLI: Dr. Chevalier, I'd be happy to testify. [LB1154]

TAMMY BARRY: Sorry about that. [LB1154]

CHUCK CHEVALIER: That's okay. [LB1154]

ANDREW RIKLI: (Exhibit 5) Senator Kopplin, members of the committee, my name is Andrew Rikli. I'm the director the administrative services for Westside Community Schools, it's spelled R-i-k-l-i. I will apologize in advance for not being intimately familiar with that which I'm about to testify, but I will certainly do my best. The 11 superintendents of the Douglas and Sarpy Counties, as a group, will remain neutral on LB1154 and we wish to express the following principles that have been agreed upon by

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

Education Committee  
February 12, 2008

---

all 11 separate superintendents. The first of the principles is funding must be adequate to provide an equitable educational experience for all students in all of the 11 districts. Obviously when you look at all of the districts, we all have unique learning needs. We all have unique demographics, but the one thing we're certainly committed to is having an equitable and reliable funding streams. Number two, this is a point that's certainly been touched on before with the hold harmless regardless of what may happen with TEEOSA or what happens with the learning community, we want to assure that no one is hurt, again to reemphasize the hold harmless provision. The next one, independent operation and balanced input. We want to make sure that everyone is represented at the table, and I think we've heard some of this conversation already with how the learning community coordinating council will be apportioned as well as how different districts will be represented, but we want to make sure that all of the districts have a fair and balanced voice at the table. I apologize again if I'm not fairly capturing the combined voices of the 11 districts, but I would be more than happy to entertain any questions that you may have about the respective positions. [LB1154]

SENATOR KOPPLIN: Questions from the committee? Senator Ashford. [LB1154]

SENATOR ASHFORD: Just one brief one, Andy, and thank you for your substituting role here. [LB1154]

ANDREW RIKLI: Absolutely. [LB1154]

SENATOR ASHFORD: These principles were laid down some while ago, were they not, by the superintendent? [LB1154]

ANDREW RIKLI: That is correct, Senator. [LB1154]

SENATOR ASHFORD: And wouldn't it be fair to say that this bill, it may not be perfect, again, but we have addressed in LB1158, Senator Raikes has addressed all those concerns? [LB1154]

ANDREW RIKLI: I think that would be a fair assessment. [LB1154]

SENATOR ASHFORD: Okay, and you don't have to go into any detail, but those principles I think were laid out some while ago by the superintendents prior to or sometime after Christmas, or sometime in that area. [LB1154]

ANDREW RIKLI: That is accurate. [LB1154]

SENATOR ASHFORD: And I think we were aware of those and I believe Senator Raikes was very aware of it and has drafted a bill to address those. [LB1154]

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

Education Committee  
February 12, 2008

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ANDREW RIKLI: Absolutely. [LB1154]

SENATOR ASHFORD: But you're still neutral? [LB1154]

ANDREW RIKLI: Still neutral. [LB1154]

SENATOR ASHFORD: (laughs) I mean the next question I suppose is what do you do exactly to...nevermind. [LB1154]

ANDREW RIKLI: I think my response to that, Senator, and a fair and valid question, would be there's always room for improvement in any legislation. [LB1154]

SENATOR ASHFORD: It's a tough road. [LB1154]

SENATOR KOPPLIN: Okay, thank you. [LB1154]

ANDREW RIKLI: Thank you, Senator Kopplin. [LB1154]

SENATOR KOPPLIN: Is there other neutral testimony? [LB1154]

RON MORAVEC: Senator Kopplin, members of the Education Committee, my name is Ron Moravec, M-o-r-a-v-e-c, I will take about one minute of your time. I'm chief deputy secretary of state for Secretary John Gale and would just advise you that Secretary Gale is willing and anxious to perform in the roles that are under LB1154. As you may know, two years ago under LB1024 I believe, the Secretary had a significantly larger role and has made a lot of preparation and groundwork for performing his duties under the 2006 legislation, so he is willing to accept this and will work as best as he can. Thank you. [LB1154]

SENATOR KOPPLIN: Any questions? I see none, so thank you, Mr. Moravec. [LB1154]

RON MORAVEC: Thank you. [LB1154]

SENATOR KOPPLIN: Any other neutral testimony? Then we'll move to closing. Senator Raikes. [LB1154]

SENATOR RAIKES: Chuck, I can understand your confusion, I've already testified on this bill. (laughter) A couple of things in the way of clarification. George Conrad testified D.C. West about equalization aid, at least our intent and we'll make sure that it works this way, that during this transition period to equalization, the district may not get equalization aid for a year or two, but yet they would get more funding through this mechanism than they otherwise would get. So it is, we intend at least, for it to be a financial help in that transition period for D.C. West. The other, Senator Kopplin, you

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

Education Committee  
February 12, 2008

---

raised the question and I missed it, about transportation provided for parents I think, and that is a provision that deals strictly with the elementary learning centers. It does not involve school districts and the funding would be provided by those learning centers. So that was a point I missed. And other than that, I just want to commend those who testified. I think it was very helpful testimony, including Superintendent Black from Papillion. I think he made clear what it was that they thought was improvement and where they still have problems, but that's helpful. So again, I'll stop there. [LB1154]

SENATOR KOPPLIN: Any questions? [LB1154]

SENATOR AVERY: Could I ask just one more question? [LB1154]

SENATOR KOPPLIN: Senator Avery. [LB1154]

SENATOR AVERY: (Inaudible)...of this, but I'm looking at the fiscal note... [LB1154]

SENATOR RAIKES: Why don't you ask me if I yield to a question from him? [LB1154]

SENATOR KOPPLIN: No chance. Senator Avery. [LB1154]

SENATOR AVERY: I'm looking at the fiscal note, the fiscal note is modest until you read it. And then you realize that there's the potential to increase state aid rather significantly, but the Fiscal Office says unknown at this time what the impact would be. Do you have some idea what the impact might be on increasing state aid under some of these changes? The \$7,650 for the Secretary of State's office is not a lot of money, but we could be looking at significant money in some of these other areas. [LB1154]

SENATOR RAIKES: Okay, give me one of the other areas and I'll make a guess. [LB1154]

SENATOR AVERY: All right, allowing a school district to exceed its applicable allowable growth rate for expenditures to pay another school district for the transfer of land from such other school districts to the district seeking to exceed, boy this is complicated, its applicable allowable growth rate. Any increased spending pursuant to this provision will increase state aid two years later. How much? [LB1154]

SENATOR RAIKES: It doesn't sound like that's a hot prospect right at the moment, but... [LB1154]

SENATOR AVERY: That's just one. [LB1154]

SENATOR RAIKES: ...and that one would be one that, you know, I don't know that we've done it but it may well be that you cleanse, if you will, GFOE, so in terms of

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

Education Committee  
February 12, 2008

---

calculating needs so that you leave that sort of an expenditure out. In fact I think that would be an argument that should be easy to make. [LB1154]

SENATOR AVERY: So you're suggesting that there may not be a significant fiscal impact. [LB1154]

SENATOR RAIKES: No, no, not from that one. [LB1154]

SENATOR AVERY: Okay, number seven then. A change in local receipts for school districts in the learning community will also have an unknown impact on the amount of state aid provided to individual districts during the three-year period. That's Section 7. [LB1154]

SENATOR RAIKES: Well, to some extent that's always true with state aid because we credit school districts with other receipts, other accountable receipts if that's what you're referring to, and those do vary. So one of the reasons we have a cash reserve is to account for unexpected changes in that amount of money, as well as unexpected changes in valuation. [LB1154]

SENATOR AVERY: I feel much better, thank you. [LB1154]

SENATOR RAIKES: Oh, good. [LB1154]

SENATOR KOPPLIN: Okay, that will end the hearing on LB1154. [LB1154]

SENATOR RAIKES: Senator Ashford, would you introduce LB1158. [LB1158]

SENATOR ASHFORD: On certain conditions (laughter), no I'm a...thank you, Senator Raikes and members of the Judiciary Committee, my name is Brad Ashford, I represent District... [LB1158]

SENATOR RAIKES: The what committee? [LB1158]

SENATOR AVERY: The what committee? [LB1158]

SENATOR ASHFORD: What did I say, Judiciary Education? (laughter) This could work in both committees. This is one bill that we didn't get in Judiciary apparently, but I'm here today, I represent District 20 in Omaha and I'm here today to introduce LB1158. And let me give you a little background, and I'm going to kind of throw out the text here because I'm going to ask that the bill be changed from what it's originally introduced to do, but this is an initiative that really emanated from some of my friends in north Omaha and you're going to hear from them, Dick Davis, Tom Warren, Ola Anderson, and others who have made a significant contribution to our community and have been working

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

Education Committee  
February 12, 2008

---

really throughout their lives and careers with the north Omaha community, and have made significant strides in that area. One of the issues we confronted last year, and there may be other testifiers as well, but I also would like to mention that my friend and colleague, Senator Chambers, who represents this district is not introducing this bill, but I have inasmuch as it does apply to his district in many ways, we have consulted together on this and he certainly is in agreement with it and has asked me to introduce it on behalf of the people of his district. LB1158 sets up a fund that is initially in the bill, it's a fund that was to be, comes from, in effect, the Nebraska Advantage Fund. We have changed that to the Job Training Cash Fund, and I have an amendment to that effect and I've talked to Matt about it. The idea is to set aside on an annual basis out of that fund, which has approximately \$20 million in it, an amount of \$400,000 which would be available for grants to be made to groups in north Omaha and to some extent south Omaha, though the census...this bill is set up utilizing census tracts where there is extreme poverty, and the majority of those census tracts are located in north Omaha. Some of those census tracts are located in south Omaha. The idea is to really get at the issue of job training as it relates from school to work. I'm not going to sit here and go over all the statistics that we know about that we heard last year about the difficulty with unemployment in the black population in Omaha and to some extent the Hispanic population, south Omaha, immigrant population, but it's significant. In fact, in many of the indicia Omaha ranks at the very lowest for employing its black citizens, African-American citizens who have left school or are leaving school and are unable to find work. Particularly, Ola Anderson is here who has worked in this field for many, many years and when I was at Omaha Housing Authority, I worked with her and she really was a miracle worker in her efforts to try to find jobs for black young people. And so what this bill would do, members of the committee, is to set aside \$400,000 from the Job Training Cash Fund to be matched with local funding, and what I'm suggesting is that this money, and in talking to Matt about this, that this money would go to the Department of Education. The Department of Education, this is an education bill really, it's that transitional piece between education and work, and the Department of Education has the capability and the expertise to receive grant applications, to make assessments on those applications, and to distribute funds in the area of education. Again, I feel passionate about this bill and all the things we've done in the learning community based primarily on my later in life experience working with Omaha Housing Authority and I've discussed that at great length and I'm not going to go over it again with the committee. But every person in our community benefits from raising the lowest level of our citizens who, for one reason or another, are living in poverty. And as we raise them up, and we're going to do that with the learning community and with other parts of the initiatives that are going with that in the private sector, we're going to raise the level of those people and we're going to raise the level of our whole community and our whole state as a result of that. And again, I'm just...I'm honored to have Dick Davis and former chief Tom Warren here and others are going to testify and they know more about this than I do, but I would certainly urge the committee to advance this bill.

[LB1158]

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

Education Committee  
February 12, 2008

---

SENATOR RAIKES: Thank you, Senator. Questions? Senator Howard. [LB1158]

SENATOR HOWARD: Thank you, Chairman Raikes. And Senator Ashford, this is a really intriguing concept. I'd just like to have a few more details. Do you see this as more of a job preparation kind of training? Or is this, I'm talking about there's a difference between giving the students the skills they need to actually do the work or preparing them to go out and interview and be ready for employment. Are those pieces that you see in this? [LB1158]

SENATOR ASHFORD: Right, those are pieces but I think here's what we really need. We really need to get to link the jobs to the individuals and I think this will...here's my vision. My vision is that this will shortstop a lot of, some of the bureaucracy in the work force area when it comes to working with children of extreme, not children necessarily, but young adults in extreme poverty. And what my hope would be is that this effort would be primarily engaged in finding the job for these individuals. There are numbers of other agencies, including Omaha Public Schools, other public schools involved and the focus school, hopefully, focus school concept, where there will be lots of training opportunities. But I think it's just getting these people working and meeting with the schools and to make sure that we are tying all the knots together, that the training they need is out there. And I know there's North High School, for example, some of the magnet schools in OPS have done a magnificent job in some of the areas where these jobs are needed. I know at Westside in design graphics, I believe, and in computer repair are two areas that they are developing programs in. But what we need to do is we need to get, we've got the programs of getting them trained I think, and Metro has many as well, we must, we must connect the dots sooner rather than later because we're down at the bottom of the heap; we are in the lowest of the low for black unemployment, especially amongst young people in this country. And that is an absolute travesty and it's a tragedy. I think the schools with the learning community, I think we've got the platform for moving ahead there but we really got...it's an emergency situation. We have to, we must connect the dots here, and I think getting this money to the right hands, with people like Ola Anderson and Dick Davis and Tom Warren and many, many others who know about how to do this with the black population, primarily the black population although it obviously applies also to south Omaha, that that is a significant...that's my vision, really. [LB1158]

SENATOR HOWARD: If I could just ask a follow-up to that. I agree with you, it's important for people to feel there are job opportunities out there, but I think just as important is the piece where they feel there's a future in that job. It's not just a revolving door, you get a job at a fast food...but you also have some potential for a more lasting, more sustaining employment, and so I hope that's a consideration as well. [LB1158]

SENATOR ASHFORD: That's a massively important issue, and it's...the



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

Education Committee  
February 12, 2008

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underemployment issue with all of our youth is a huge issue. And it's really an issue in the black community in Omaha, so hopefully that will be addressed as well. [LB1158]

SENATOR HOWARD: Thank you. [LB1158]

SENATOR RAIKES: Any other questions? Senator Avery. [LB1158]

SENATOR AVERY: One of the things I've always admired about you, Brad, is your unrelenting care and support for people in need. I really mean that. I remember our discussions on LB641 last year and you were a shining beacon through all of that, but my question is... [LB1158]

SENATOR ASHFORD: Getting to the nitty-gritty, though. (Laugh) [LB1158]

SENATOR AVERY: No, is this a niche in existing programs where people are actually falling through the crack? [LB1158]

SENATOR ASHFORD: Yeah, this is a niche. [LB1158]

SENATOR AVERY: We have VISTA programs and all kinds of other job development groups... [LB1158]

SENATOR ASHFORD: And we had CITA...this is niche work. This is not...this is niche work. That's a great description, Senator Avery. [LB1158]

SENATOR AVERY: And this you believe actually would improve the lives of significant numbers of people in north Omaha? [LB1158]

SENATOR ASHFORD: Yep. Absolutely. [LB1158]

SENATOR AVERY: But this would only apply to cities of the metropolitan class. [LB1158]

SENATOR ASHFORD: Well, that's how I drafted it. [LB1158]

SENATOR AVERY: Yeah. Well, I don't know if anybody else would qualify for 30 percent or more people below the poverty line. [LB1158]

SENATOR ASHFORD: It's limited to I think a very few census tracks in the state. There are a few others throughout the state, but it's very limited I believe. [LB1158]

SENATOR RAIKES: Okay, thank you, Senator. Proponents for LB1158? Welcome. [LB1158]

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

Education Committee  
February 12, 2008

---

THOMAS WARREN: Good afternoon, Senator Raikes, members of the committee. My name is Thomas Warren, last name spelled W-a-r-r-e-n. I'm president and chief executive officer of Urban League of Nebraska. The Urban League of Nebraska is an advocacy agency for economic self-reliance, parity, civil rights, and equal opportunity for all. Our goal is to close the social and economic gap in African-American community and other emerging ethnic communities and disadvantaged families and achievement of social equity and economic independence and growth. And so we're here in support of LB1158. You've heard mention of the demographics in the city of Omaha. As Senator Ashford mentioned, it's been reported that African-Americans living in the north Omaha community have the eighth-highest rate of poverty in the United States of America. Unemployment rates for youth as well as adults are exponentially higher than that of the majority population. I spent 24 years with the Omaha Police Department and during my career in law enforcement, we dealt with the symptoms of poverty, social and economic deprivation, and the antisocial behavior that is exhibited by certain individuals who live in impoverished areas. And there is a direct correlation between poverty and crime. There's a direct correlation between education and income, and there's a direct correlation between income and economic opportunity. In my role at the Urban League of Nebraska, I have an opportunity to address many of the causes of poverty, and I've had direct involvement in a number of initiatives that are currently taking place in the city of Omaha. I serve on the steering committee of the North Omaha Economic Development Project, I was serving in the steering of policy oversight, the committee of the Building Bright Futures initiative, as well as the African-American Empowerment Network. And so there's been an unprecedented amount of cooperation and support. However, many of these initiatives they rely on volunteers. An agency like the Urban League, we can serve as infrastructure to coordinate many of these initiatives. I mention I served 24 years with the Omaha Police Department, I spent an extensive amount of time of my professional career working in north Omaha. I was born and raised in north Omaha and certainly I'm intimately familiar with those issues and the challenges. The main challenge that we're facing right now is preparing the next generation to become productive citizens. And to Senator Howard's question, there are gaps, there are currently gaps in the system in terms of the programs that are currently being provided. All you have to do is look at the results in terms of those unemployment rates. And so this initiative, this bill it would serve to fill some of those gaps in terms of available employment opportunities, plug in that gap with educating students so that they have relevant qualifications, because right now there's a skills mismatch. And it pertains everything from the lack of job experience, exposure to technology, lack of job readiness skills, and those soft skills, such as get prepared for an interview or how to prepare a resume. The types of individuals we serve at the Urban League, they span in range from never having been employed to unemployed to underemployed, and we provide our services for free. This bill will address several of those needs. It will identify and develop job opportunities, offer training and job development opportunities, it will develop a work relationship with the schools to bring awareness to the types of jobs that

are available, and the qualifications that will be necessary to fill some of those jobs. Primarily looking at juveniles being trained, and there's a current gap in terms of those postadjudicated youth who upon release from the juvenile detention facility, many of them lack basic social skills, but certainly there's a void in terms of preparing them to be productive citizens by getting a job, and so it also an element that will provide basic job and life skills training. And as has been mentioned, the state funding would be matched with private funds. So our immediate focus will be on developing the next generation of the work force, providing them with basic computer literacy skills, enhance social skills, instilling in them a positive attitude towards employment, improving their communication skills, and assisting them by obtaining their educational credentials. Specifically, the types of programs that we at the Urban League could offer, there's a national model called Urban Youth Empowerment Program, and it's a National Urban League program that includes the components of academic achievement, job readiness and preparedness, and civic engagement and leadership. We want to produce solid citizens to become assets in our community and to create an environment that once they have completed these programs, they choose to reside in the city of Omaha, which will have a tremendous economic impact on our community. Thank you for your time, and I will entertain any questions that you may have. [LB1158]

SENATOR RAIKES: Thank you, Thomas. Questions? I'm interested in sort of an on-the-crown description of how this might work. Now the Urban League for example could be a grantee as you see it? They would receive grants from what would be the Department of Education. The Urban League would have to match that, whatever money they got. Am I right so far? [LB1158]

THOMAS WARREN: If there was a matching requirement, and certainly we have the capability to generate matching funds as well as solicit through private donations within our corporate community, or obviously we have a very generous philanthropic community to provide matching funds if matching funds was a requirement to receive access to these dollars. [LB1158]

SENATOR RAIKES: So would your effort involve actually putting a person in a job or would it involve coursework... [LB1158]

THOMAS WARREN: If I could describe... [LB1158]

SENATOR RAIKES: Sure, please. [LB1158]

THOMAS WARREN: ...because the...Urban Youth Empowerment Program is a very comprehensive program and it addresses everything from case management, mentoring, education--because that's a key component, which may include something as simple as assisting in acquiring a General Education Diploma because we see that as an impediment to gainful employment. We provide work experience, internships,

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

Education Committee  
February 12, 2008

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on-the-job training which are programs we currently administer, community and service activities because there has to be a civic engagement piece and component, there's a role for faith-based organizations. And so the curriculum would be instructing on personal development and growth, personal goals, decision making, anger management, family responsibility, money management, an education on the criminal justice system--or how to stay out of the criminal justice system, and it would provide wraparound services tailored to the individual's needs. [LB1158]

SENATOR RAIKES: Okay, so one more time through this. Now you would deal with either boys or girls, young men, young women, what ages? [LB1158]

THOMAS WARREN: Well, we would have the capacity to serve young adults from 15 to 21, as Senator Ashford mentioned, because we really don't have the summer youth programs that we once had, that's a population that's been underserved. There's also a component that's lacking in terms of postadjudicated youth, and so we would potentially have the capacity to serve up to 100 youth by providing these wraparound services after a comprehensive assessment to determine what those needs are. [LB1158]

SENATOR RAIKES: Okay, and once a young person finishes this program, would they have a job or what would happen at that point? Is this a one year, two year, and then what happens after the one year? [LB1158]

THOMAS WARREN: Well, certainly the curriculum will be designed for one year of participation, and there are others who are going to speak on the job creation component. [LB1158]

SENATOR RAIKES: Okay. [LB1158]

THOMAS WARREN: I envision as a participant progresses through the program and they acquire those very basic skills and certainly as the jobs are available on whether it's work experience opportunity, an on-the-job training opportunity, these are programs that we currently administer. Oftentimes, they result in actual employment. [LB1158]

SENATOR RAIKES: Okay. Senator Howard. [LB1158]

SENATOR HOWARD: Thank you, Chairman Raikes. I would really like to see in something like this a piece where there was also a mentoring role because I think so often with people this age, it's really important to have someone who really commits themselves to that individual and doing everything possible to ensure their success, and oftentimes it's somebody who really just sets a good example and is there for them and provides that opportunity. So more of a suggestion than a question for you, but I think that would be a piece that would be helpful in this. [LB1158]

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Transcriber's Office

Education Committee  
February 12, 2008

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THOMAS WARREN: And I did mention there is a mentoring component. We do have a organization of young professionals that can provide that service, that mentoring. But we also look to instill that notion of mentoring amongst the participants, particularly some of the older young adults, if you will, mentoring some of the youth who will then maybe mentor some of their siblings. And so create that mindset... [LB1158]

SENATOR HOWARD: Continuing mentoring, that's good. [LB1158]

SENATOR RAIKES: Any other questions? I see none. Thank you, Thomas, for being here, and thank you for your patience. [LB1158]

THOMAS WARREN: You're very welcome. [LB1158]

SENATOR RAIKES: Next proponent, LB1158. Welcome. [LB1158]

OLA M. ANDERSON: Good afternoon, thank you. Mr. Chairman and members of the Education Committee, I'm Ola M. Anderson and I'm very pleased to be here and to have the opportunity to express my support for LB1158. My comments are brief and they come primarily from the standpoint of my experience in working and helping to develop individuals over 36 years. That experience began as a high school business education teacher, also 3.5 years as city of Omaha personnel director, 6 years as the tech-prep coordinator, which was a program funded through the Department of Education which involved articulating courses from the high schools to the community college. The majority of over 26 years of my experience has been with employment and training programs. Those programs have run the gamut--the populations have been from youth to seniors as myself, we've had the adults, the dislocated workers, professionals entering into new careers, etcetera. Those have been the populations that have been involved with these programs. Criteria for participating again has been varied. There have been individuals who have been economically disadvantaged, it may have been someone who just been unemployed for 30 days, 6 months. We had programs that involved professionals. Believe it or not, during the time when Nebraska had a double-digit unemployment rate in the late 1970s and early 1980s, we had attorneys, planners, other professionals that was in this program in order to help reduce unemployment. We have had programs for ex-offenders. The eligibility for these, like I said, the criteria has been varied as far as participating in the program. Funding sources have been all the way from starting with cities in the late 1960s, went to counties, it went to organizations in rural areas, and now for the most part the fundings are coming through the state. Administrative structures have changed all the way from having a planning and advisory council to now whereby there are governing boards with mandated representation to, I think a question was asked about representation, in terms of ensuring we do get to the populations that we are trying to serve. But those are some of the changes that have occurred over the years. There's monitoring and oversight that has evolved and developed which would ensure the quality of the program that's being

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

Education Committee  
February 12, 2008

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provided. If we are offering mentoring, is there true mentoring that is really being offered in the program? But what is being asked for here today is unique. It's unique from the standpoint that we have the experience of over 30-some years of being selective in terms of those things that have worked and not getting involved with those things that have not worked. A good example of that in terms of youth programs, for example. I think it was the mid, late 1970s, early 1980s, I can't remember, but ConAgra gave the city \$250,000 for a youth program, and the irony of that is the fact that all of those monies had to be spent in placing those young people in private sector jobs. That was a forerunner to many of the youth programs today because we know many of the jobs are in the private sector. But it's those kinds of initiatives that have been very helpful in terms of what we do today, and I think we can take our experience. We've been fortunate here in Nebraska and particularly in the city of Omaha also that we've had all of these experiences, and now we can build upon them in terms of making sure that this program is unique and it can be replicated in other local areas. I'm available for any questions. [LB1158]

SENATOR RAIKES: Okay, thank you. Senator Howard. [LB1158]

SENATOR HOWARD: Thank you, Chairman Raikes. I, too, remember many of these early job trainings. I remember the WIN program, do you remember that? [LB1158]

OLA M. ANDERSON: Yes, I do. [LB1158]

SENATOR HOWARD: I was a case manager in the old WIN program. And that was a federal employment program, and that one of the real frustrations with that program was people could work hard and go through the training sessions and be prepared to work and then there wouldn't be really what you'd consider a worthwhile job at the end of the road. You can put people through a lot of training and yet if they go out and they have a job that really doesn't have the opportunity to advance in it, it's not the kind of employment that's going to hold them to working. And I would say one of the key pieces that you need as much, maybe more, than you need the financial support of business is the commitment of business to have employment opportunities available to people who are ready to go to work for them. And I would say that's really critical, the Mutual of Omaha, the ConAgra, you name it, that those companies would make a commitment to be there hand in hand with you so that when employees were ready to take that step into being long-term employees, that opportunity would be there. [LB1158]

OLA M. ANDERSON: I fully agree because that's where the assessment come in to ensure that if it's a person with three or four children, you're not putting them in a job whereby they're going to be there for a week and they have to leave because it's not financially feasible. And it brings to mind one other thing is what I call the employment infrastructure, and that's those things like the childcare, transportation, and all of those things that help that person retain their employment. [LB1158]

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

Education Committee  
February 12, 2008

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SENATOR HOWARD: You're absolutely right. That transportation, people don't realize that's a make or break for people. If you have an unreliable car and you can't get out there to work, you lose a job. [LB1158]

OLA M. ANDERSON: Absolutely. [LB1158]

SENATOR HOWARD: And then you're back on the system again. A lot of aspects of this to address. [LB1158]

SENATOR RAIKES: Okay, thank you very much for being here. [LB1158]

OLA M. ANDERSON: Thank you. [LB1158]

SENATOR RAIKES: Dick, welcome. [LB1158]

DICK DAVIS: (Exhibit 6) Welcome. Thank you. Dick Davis from Omaha, Nebraska, I'm generally here talking about the Coordinating Commission, but here's another passion of mine. I want you to pass out a four-page--not yet though, I want them to pay attention to me--a four-page report here. And the reason why, because there's a lot of questions that came from this committee, and the reason why I want to do that is because this particular four-page position paper is the results of a tremendous amount of unified effort within the African-American community. You know, many times you hear in this legislation...have a feeling that the African-American community is not unified. But with this issue, economic development, from the most social justice advocate to the most pro-business enthusiast, we're all basically saying the same thing. An example of this is that, I'll just read, that the folks that this report includes Omaha 20/20, which is a yet to be publicly announced think tank and a financial resource to the African-American community; the well-publicized African-American network, whose members comprise of various African-American businesses, nonprofits, faith-based, fraternal, social, or volunteer organizations; the African-American members of the North Omaha Development Project Steering Committee, sponsored by the Chamber of Commerce; there are also individuals and groups including those that are aligned with the social justice folks. And every elected African-American official is also involved with this program. So the issue here is that we're very serious about this, we know that jobs is number one. Of course there's housing and education as well, but if we're going to make a big effort, we have to basically be focused on this. So the issue very frankly is I'm a business guy, so I start off with the main premise, and the main premise is the goal is to positively impact more than 1,000 sustainable jobs over a five-year period, which will translate into the African-American economic impact of \$20 million or more of additional payroll. And I believe right now we're talking about \$2 million here, we're really talking about a \$6 million packet related to that whole process. How are you to get to that \$6 million is that we had talked about reallocation of dollars...move those dollars

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

Education Committee  
February 12, 2008

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around from the public sector. We're talking about \$2 million to \$3 million from the private sectors, 10 percent of that coming from the African-American community. Then we're talking about Metro contribution in terms of scholarships and support staff. But at the end of the day, the \$6 million is not as important as the issue of a commitment to be fully engaged in this process and so we...from the African-American community as a unified effort. But we're not only just working with the African-American community, we talked about the issue of where are the jobs going to be coming from. Our goal is sustainable jobs, so therefore we're looking at this thing as a whole pattern. And I know that there are LB1158, LB956, LB1033, LB899, all these kinds of economic bills are in various committees. We're asking, the African-American community, is asking for the legislation from the Education Committee, state Senator Chambers, is basically help us pull all these together into a unified area because if you are just working on this piece versus that piece and that piece, and if there's no coordination then, of course, we're not going to be effective. You did that with the Davis-Chambers Scholarship and you know that for every dollar that you spend compared to other areas, you got twice results in terms of graduation. And that's because you're able to put the contributor at the table, the community at the table, the institution at the table, and we'll work together as a group. So my point to you is the fact that there's a lot of things in here that I want you to sort of look at because when about 40 or more people basically put a position paper together, we want obviously you to take a real hard look at it. Now this is nothing but a road map, again how Brad, very frankly, is moving the educational bill is really quite nicely because there are some other bills we can put together with your bill, and all of a sudden, you get that transition of meeting all the needs of all the African-Americans. There's a paragraph in here that says in terms of why this is so important to us, and that is because of a personal commitment that African-Americans will make in this situation. And they're the most vivid memories that I have in terms of my youth, which was based in poverty, was a time where we had to go to the kitchen table and put all our dollars on the table to see if we could survive from week to week, and some weeks we didn't, some weeks we could. And so that kind of commitment is penetrating throughout the Omaha community and I'm positive that we, if we work with you, put all these together that we will be hugely successful because there is a significant will to make sure this gets done and gets done well. [LB1158]

SENATOR RAIKES: Thank you, any questions for Dick? One of the tangible goals you mentioned was 1,000 sustainable jobs, am I correct? [LB1158]

DICK DAVIS: Over a five-year period. [LB1158]

SENATOR RAIKES: Okay, expound a little bit on that. So these would be jobs in which people from the north and south Omaha communities would be placed, I mean what can you tell me about these jobs? [LB1158]

DICK DAVIS: Well, the example is the fact that you talked about the issue of the



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Transcriber's Office

Education Committee  
February 12, 2008

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ConAgras and the Blue Cross/Blue Shields, but there's other folks. We've got other economic initiatives that have allowed to create a couple businesses that the African-American community has put capital in jobs that have created two and three jobs. So it's not only the large corporations, but it's the small corporations. And what we're proposing, very frankly, is to bring the Urban League together in terms of their component; bring the Chamber of Commerce, who's working on a couple of components in terms of childcare and ex-felons; bring the University of Nebraska together that's working on their component; and we're going to basically bring all these folks together and start looking at all of the kinds of opportunity there are. And then for the first time we will be able to start to coordinate those efforts to make sure there's some efficiencies in the delivery of systems and the gaps and the vacuums that we have will be closed or filled. So my bottom line is the fact that if you are favorable to what we're talking about right now, we're going to go back to the African-American community, the larger community, the corporations, etcetera, and say that we do have a partner with the state, and let's continue to work these out. And so as we move to the next month and the following month, we'll be coming back to Brad and Ernie Chambers and your group and start showing you that...how the design of what we're trying to do. [LB1158]

SENATOR RAIKES: Okay, any other questions for Dick? Thanks for being here, Dick. [LB1158]

DICK DAVIS: Okey-doke. All right. [LB1158]

SENATOR RAIKES: And we get our reading material, there, good. Okay, are there other proponents? [LB1158]

DICK DAVIS: That's good stuff, you better read it now. (Laughs) [LB1158]

SENATOR RAIKES: You think we need to stop the hearing so we can read? Are there other proponents for LB1158? [LB1158]

JOHN LINDSAY: Senator Raikes, members of the committee, my name is John Lindsay, L-i-n-d-s-a-y, appearing as registered lobbyist on behalf of Omaha Public Schools. Senator Ashford asked that if OPS could take a look at this bill and see if it's a concept that we could support. And I called and asked them to do that, and they did and they said this would be a wonderful kind of an idea for the community that we serve, not necessarily our kids that are enrolled in Omaha Public Schools, but I think it was described by Chief Warren as that bridging from school into jobs. And what I noticed from reading the bill, it's focused on a small number of census tracts that are I believe 30 percent poverty or higher--30 percent poverty or higher. And we're talking about a small number of census tracts, but a huge problem within those tracts. In the schools we see the, and I don't know if you'd call it a symptoms of poverty and how prepared the

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

Education Committee  
February 12, 2008

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kids come to school or arrive at school--or maybe that's a cause of poverty, or some kind of blend. But I think the innovation that's being shown by those people represented by Mr. Davis and Ms. Anderson and Chief Warren I think is wonderful to show this kind of innovation where you're blending community, blending the business sector, blending the public sector. And I would suggest that OPS would be supportive of the concept and would look forward to collaborating with those groups to help make sure that there's jobs available and the skills are available to make that bridging from education to career. I'd be happy to answer any questions. [LB1158]

SENATOR RAIKES: Okay, thank you, John. Questions for John? I don't see any, thank you. Other proponents, LB1158? Are there opponents? Is there neutral testimony? Senator Ashford. [LB1158]

SENATOR ASHFORD: Just very briefly. I just would stress this, I think what we've attempted to demonstrate here and the individuals who testified did it admirably, and that is these people are at the top of their game. Dick Davis is successful in business. Ola Anderson is just an expert in the area of personnel management and human relations. And Tom Warren, obviously his reputation precedes him. He did a wonderful job as police chief in the city of Omaha in a very difficult time. We really can't afford to fail any more here, and what we have is a group of people, and as Dick Davis suggested, it's a much larger group than just the three people who are here, can hit the ground running. We can get people ready for jobs and we can find the jobs for them and pull, help pull Omaha out of the, what is not a very attractive category in national statistics. So I'm just thrilled to be a part of this effort, and I appreciate your patience in listening to the bill. Thank you. [LB1158]

SENATOR RAIKES: Thank you, Senator. Questions? I don't see any. That will close the hearing on LB1158 and close the hearings for today. Thank you all for being here. [LB1158]

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Education Committee  
February 12, 2008

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Disposition of Bills:

LB886 - Indefinitely postponed.  
LB970 - Indefinitely postponed.  
LB978 - Held in committee.  
LB1005 - Indefinitely postponed.  
LB1154 - Advanced to General File, as amended.  
LB1158 - Indefinitely postponed.

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Chairperson

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Committee Clerk