

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

Education Committee
February 02, 2010

[LB937 LB974 LB1069 LB1070 LB1095]

The Committee on Education met at 1:30 p.m. on Tuesday, February 2, 2010, in Room 1525 of the State Capitol, Lincoln, Nebraska, for the purpose of conducting a public hearing on LB1069, LB1095, LB1070, LB974, and LB937. Senators present: Greg Adams, Chairperson; Gwen Howard, Vice Chairperson; Brad Ashford; Bill Avery; Abbie Cornett; Robert Giese; Ken Haar; and Kate Sullivan. Senators absent: None. [LB1069]

SENATOR ADAMS: Today we're going to start with LB1069, go to LB1095, LB1070, LB974, and then LB937, today. As we proceed through all of these bills today, what I would like for you to do is make sure that you--if you intend to testify--that you have filled out the registration form. They are at each doorway. And I'd ask and remind you again to please have it filled out before you come up to testify. We are going to use the lights. Unlike yesterday, we'll go with five minutes today rather than three unless you get rowdy on me, then I'm going to shut you down. Be sure that you have turned off your cell phones, so that it doesn't bother anybody--we don't have any interruptions as we're proceeding through this today. And start over here with Becki Collins, our committee clerk--and when you come up to testify, you can hand your registration sheet to her. Next to her eventually will be Senator Ashford; Senator Giese from South Sioux City is here; Senator Cornett will join us very soon; the committee legal counsel, Tammy Barry; I'm Greg Adams, representing the 24th District; next to me is the Vice Chair of the Committee, Senator Howard; Senator Sullivan; Senator Avery is here; and Senator Haar is here. With that, we will begin on LB1069. Senator, if you'd take over. []

SENATOR HOWARD: Senator Adams, welcome to your Education Committee.
[LB1069]

SENATOR ADAMS: (Exhibit 1) Well, thank you. Thank you. I hope I'm still welcome on a regular basis. But that may change, I realize. Senators, before you...my name is Greg Adams, A-d-a-m-s, representing the 24th Legislative District. What you have in front of you to start this afternoon off is LB1069. And LB1069 proposes to do basically three things. This bill comes to us after discussions with the educational service unit and particularly the executive director of the educational service units--all of them combined. And Matt Blomstedt is that fellow, and he's here today to testify. And quite frankly, he can probably answer many of the more definitive questions you might have about this bill. But let me at least talk to you about the three categories. One of the things that this bill does is to clear up issues that have prevailed for a while with the State Auditor about whether or not the Educational Service Units Coordinating Council--the administrators of all 19 that meet--is or is not a political subdivision. You can imagine, if it is unclear whether they are, then there are questions raised about open meetings, public disclosure, all of those types of things. What this bill will do is to clarify once and for all that they are a political subdivision, with no taxing authority--but they are a political subdivision. Hence, they would have to comply with all the other open meetings laws,

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

Education Committee
February 02, 2010

those kinds of things that other political subdivisions do. And that would meet the requirement of the State Auditor's office and clear that up for everyone concerned. The second one has to do with the funding mechanism that we use for educational service units. We have a formula for the distribution of core service dollars. Those are the dollars that come from the state to the educational service units to help them provide services to the school districts that are members of that ESU. And we have a formula for doing that. A few years ago we have gone through some reorganization of ESUs. And as part of that at the time we built into the formula a hold-harmless for aid--for aid, now, not needs but for aid--because of that reorganization--the fluctuation of values and membership and all sorts of things; so we held the aid. What this provision in the bill would do is to move us away from an aid hold-harmless--I think we're beyond that now--and move instead to kind of a needs stabilization or a needs hold-harmless. However, what we would do in calculating the needs is to remove from the needs calculation the telecommunication allowance, for one. And, again, Matt can better speak to that. But if we bring the telecommunication allowance into the needs calculation, it is a number that fluctuates too dramatically per ESU on an annual basis. So hypothetically, let's say you had a \$300,000 allowance and you brought it in from last year and you calculated it in, but this year it's actually zero. In a needs hold-harmless, you're still being held harmless for that \$300,000. And we shouldn't ought to do that; we need to clean that up. The other thing that we're doing I look at as truly a matter of clarification also. And that would be this. Currently for distance education--and this dates back to LB1208, for distance education offered by the educational service units and schools. In statute it says that schools do not have to hook up to Network Nebraska if they don't want to; it's their prerogative. An ESU, providing distance ed, does not have to hook up to Network Nebraska if they don't want to. That's currently in statute. What this does is to further reaffirm that and clarify that. There's been some question about it. This cleans that up. The other thing that it does--and if the pages would hand out this amendment. We've put some language in the bill, and we're following that with a clarifying amendment that is designed to further delineate the relationship between educational subdivisions that are providing distance education--the hardware that they buy for that purpose--and the role of the NITC's Technical Panel in approving that hardware. And the essence of it is, what we are saying here is that if an educational service unit or a school is going to be making a purchase of over \$10,000 for hardware...and specifically in the amendment that's being handed out to you, we're talking about infrastructure hardware--not the computer that sits on the teacher's desk, but the infrastructure hardware. If it's going to exceed \$10,000, then the approval process that we currently have in effect should stay in effect, that the request should be run through the Technical Panel of the NITC so that we have some consistency on the kinds of equipment that they're using. Now what we've also attempted to do even further in the amendment is to smooth up that process even more by in effect saying that if a school is going to go out...let's say the router goes down this afternoon at an ESU or a school district, and they need to get a router right away to get up and running. I'm not sure that it would be fair for them to have to go through a 60-day approval process of

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

Education Committee
February 02, 2010

the NITC's Technical Panel. If they are buying equipment that is equivalent in specification to what they have been using--notification to the NITC and the CIO's office of what they're doing, and go about and get the router, and move on. Otherwise, the approval process is there. It really is designed--all of this on the technical side--to clear up issues that have lingered on year after year about exactly what the issues can and cannot do, what the role of the NITC is and the CIO's office in all of this. And, hopefully, those that testify can further substantiate that and answer questions that you might have. And I'd try right now too. [LB1069]

SENATOR HOWARD: Thank you, Chairman Adams. Does anyone have any questions? [LB1069]

SENATOR HAAR: Yes. [LB1069]

SENATOR HOWARD: Yes, Senator. [LB1069]

SENATOR HAAR: Again, for my education, what is the NITC? [LB1069]

SENATOR ADAMS: The Nebraska Information and Technology Commission. I don't recall the date; I should. I was one of the first members, but I don't recall when it was created. But its intention was, in part...and I know that Brenda Decker and Walter Weir here could better explain that if they come up. As I remember the intention of it, it was to coordinate state technology efforts, develop a statewide plan, and at certain levels of state government create some consistencies in terms of architecture and technical aspects. [LB1069]

SENATOR HOWARD: Do we have any other questions? Yes, Senator Giese. [LB1069]

SENATOR GIESE: Thank you, Chairman Howard. The...Senator Adams, why would somebody not want to hook up to the network? Why would an ESU not want to hook up? Is it cost? [LB1069]

SENATOR ADAMS: Cost typically is it and the service that they're provided. A lot of schools already do. ESUs already do. But LB1208 gives them that option, and I think that option ought to stay there. And they can make their choice in terms of what they want to pay and service provided. And they may find that the Network Nebraska is the better way to go; they can get with the CIO's office and get hooked up. They want to go a different way, they currently can. [LB1069]

SENATOR GIESE: Okay. Thank you. [LB1069]

SENATOR HOWARD: Senator Haar. [LB1069]

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

Education Committee
February 02, 2010

SENATOR HAAR: Then one more question. Just looking at this really quickly, on line 16 of the amendment--where it talks about identical in technical specs to another piece of equipment previously approved. Technology is advancing so quickly that I think you might want to give some latitude to actually upgrade as long as you're replacing something. And, I don't know, that's just an initial reaction to this. [LB1069]

SENATOR ADAMS: Yeah, that could be, and we can take that under consideration. I suspect before this day is out, we're going to hear some other recommendations. This is a difficult area for the very reason that you've said. And so we've got to keep up to date on it. We don't want to encumber Network Nebraska, nor do we want to encumber the educational institutions that want to get moving on things. [LB1069]

SENATOR HAAR: Right. Thank you. [LB1069]

SENATOR ADAMS: So you raise a good point. [LB1069]

SENATOR HAAR: Thank you. [LB1069]

SENATOR HOWARD: Right. Any other questions? Do we have proponents? Of course, we have proponents. (Laugh) Hi, Matt. [LB1069]

MATT BLOMSTEDT: Hi. [LB1069]

SENATOR HOWARD: Welcome to the Education Committee. [LB1069]

MATT BLOMSTEDT: Thank you. It's good to be here today. My name is Matt Blomstedt; the last name is spelled B-l-o-m-s-t-e-d-t. And I am the executive director of the Educational Service Units Coordinating Council. I think I told you last year that I was the wet-behind-the-ears one; I hope I'm not quite as bad this year, but we'll see how that goes. But as I look at LB1069, I think...first of all, I thank Senator Adams and, really, Tammy as well for working on the issue for us. There are three issues described in here. I'm going to really focus on the first two; they're very specific to ESUs. And we have other folks, I think, that will be here. But Gordon Roethemeyer in particular will talk a little more about NITC; I'll address a couple of those points. But the ESU--Service Units Coordinating Council--in part, we're looking at structural clarifications on how we operate. And so that political subdivision line, which is actually quite important to us as we structure ourselves over the...you know, we've had several different things that have occurred, and one of them is in dealing with the State Auditor, and we're working quite well with them, to be honest. I mean, I...it always sounds so bad, but the reality is we're trying to figure out how this ought to look and how it ought to be organized. And we're looking at...you know, currently we have several different projects underneath the ESUCC. And some of those are co-op purchasing at Ainsworth--at ESU 17 in Ainsworth--our instructional materials purchasing at ESU 5. Over time, they had built

these projects and had fiscal agents run each of these projects. We're now in the process of looking at: How should we be structured? And should they all be underneath--I'm not going to say one roof, necessarily, but one clear management structure? And so those are the types of things that we're having conversations about. I think the language in LB1069 opens up opportunities for us on how we're structured, as far as being able to run those as fiscal agents or being able to run them in-house. And quite honestly, that's a conversation the 17 ESU administrators are still engaging in. And we have some pretty good plans, I think, in place that do that, and this language helps us have some flexibility in how we do that. I'm also looking at...just generally with political subdivision language, is just making clear what our legal standing is. And again, I think this language does that quite well. So the second part of that is the issue...core services funding formula. And what we did run into last year was the dynamic of, what I would say is, an unintended consequence of a hold-harmless. And Senator Adams described part of that. Really, that distance ed and telecommunications piece that was in there is an allowance. Some years for ESUs it might be a substantial amount of money, like \$300,000. And the next year it might be zero. And that really is a dynamic of when things go together for E-Rate and a whole bunch of things and how ESUs end up working with schools. So that clarification, I think, is really important to the ESUs. I'm not going to say that there aren't other issues surrounding core services funding formulas; as you guys always know, there's something that pops up. But the fact of the matter is, this one kind of puts...everyone was in agreement that this was an issue that needed to be addressed and fixed. And again, I believe LB1069 does that. So on the issue of the, you know, clarifying what the NITC's role is and things along those lines, this is one of those issues where I've kind of watched that process, and we are trying to figure out what our role necessarily is in the--from an ESU Coordinating Council. But we also have all the statutory roles on distance ed and what we're supposed to do. And we've gone...LB1208--I mean, if you're not familiar with that, it was the process of building this statewide network for distance ed. And actually Gordon--again, Gordon Roethemeyer that's here is our distance ed director. It's really quite an exciting project. And so I don't necessarily want to get bogged down in the details of those things, but the fact of the matter is we can't have...we have to figure out how to properly do the upgrades to equipment and things along those lines as well. And I think...I know what the intent...we had some concerns, actually, raised by our ESU folks on what the language was in here currently. I know that the amendment--I haven't looked at it so specifically, but I...there's always a willingness to try to figure out what language that ought to be specifically, and we'll certainly be part of that conversation. So with that, I'll end my testimony and take questions if you have any. [LB1069]

SENATOR HOWARD: Thank you. It sounds like you're working as hard over there as you worked when you were over here with us in Education. [LB1069]

MATT BLOMSTEDT: Yeah, maybe. Yeah, there's days, you know. [LB1069]

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

Education Committee
February 02, 2010

SENATOR HOWARD: We have days here too. [LB1069]

MATT BLOMSTEDT: I didn't have to sit through your hearing yesterday. (Laugh)
[LB1069]

SENATOR HOWARD: Do we have questions for this testifier? Yes, Senator Sullivan.
[LB1069]

SENATOR SULLIVAN: Thank you, Senator Howard. Could you explain to me what the election procedures or the election process are for the council? [LB1069]

MATT BLOMSTEDT: The council is actually, by statute, the 17 ESU administrators. So that's how that is selected, essentially. By statute it says that one ESU administrator from each ESU will serve on the council. [LB1069]

SENATOR SULLIVAN: And this is designating this council as a political subdivision without taxing authority. But by virtue of the fact that they would be a political subdivision, what other parameters do they have? [LB1069]

MATT BLOMSTEDT: We're actually...essentially we follow everything that the Budget Act has and just...we're actually--I've described it this way: The assumption always has been that we are a political subdivision; this just clarifies it. So we're subject to open meetings law, the Budget Act, and all those things. In my conversations with the State Auditor, I mean, certainly wanting some clarification about, you know, this is really what we are...there would be...if we're not that, we must be something else. And everything else that we've looked at doesn't apply either. So I call it my "Miracle on 34th Street" thing, when you prove that there's a Santa Claus by getting--you know, the post office says so. And so that's kind of how we've gone. And I think this has really given us clarification that the way we're operating is the way that the law would intend. [LB1069]

SENATOR SULLIVAN: Okay. [LB1069]

SENATOR HOWARD: Any other questions? I don't see any. [LB1069]

MATT BLOMSTEDT: All right. Thank you. [LB1069]

SENATOR HOWARD: Thank you. Other proponents. [LB1069]

DON FERNEDING: (Exhibit 2) Thank you, Senators. My name is Don Ferneding from Educational Service Unit Number 5. Last name is spelled F-e-r-n-e-d-i-n-g. Each of you has a folder--a blue folder--with a little bit of information about Southeast Nebraska Distance Learning. I am the director of Southeast Nebraska Distance Learning. And in--to just save time, we've put a lot of the information in a flier. But I would like to simply

address the last page of that--in that document--the last actually typed page, not the graphics. We also put a lot of graphics in here, on one side, to give you the ability to kind of look at stuff in a snapshot look. First of all, I'd like to say that SNDLC is a distance learning consortium in southeast Nebraska. We have 62 school districts, over 200 buildings, that we serve; and we serve about 58,000 students. And we have--we're governed by a 12-member board, and we have Southeast Community College as our college voting partner. As such, SNDLC is really not opposed...a question was asked why we would not join Network Nebraska. We are not a member of Network Nebraska at this point in time. And as stated, the reason we're not is a financial--is for financial reasons. SNDLC is certainly not opposed to Network Nebraska, but it is simply a cost-effective situation that we're constantly looking at. And we will continue to analyze the cost of membership and report them--or report the results--to our board at all board meetings; and we always take a look at whether or not that is a feasibility, at those board meetings. Some of the concerns that we have are...the cost of Internet to districts must be considered--the total cost and not just the cost of Mbps. I have outlined in the document that you have all of the costs that we consider part of an Internet provider. Internet2, which is a great device for education...but we have not had any of our superintendents ask us to deliver Internet2 to our schools at this point in time. There's not something that they think that they absolutely have to have there for the cost. We have a lot of educational partners within our system. Those are outlined also in here. And our educational partners are mostly National Park services. With some other types of educational partners, such as the district court in Beatrice--District 1 courtroom, our live courtroom in Beatrice...they don't have access to Internet2, neither do all of the National Parks at this point in time. So we have to function with Internet1. The other main thing is the SNDLC backbone is a high-speed 1-gig up to 3-gig backbone. Ironically, we lie, for the most part, directly in the same geographic area that the core backbone of Network Nebraska lies--Omaha, Lincoln. And that's pretty much, again, where we are. We also have a map in your packet that shows the SNDLC mapping. So for us, our backbone is pretty much a duplicate service to Network Nebraska's core backbone. To kind of get around the fact that--or not get around the fact but to allow our schools to go anywhere, we've installed 160 multi-point control unit. And that allows us to go anywhere and connect any kinds of connections we want to connect to. For example, we have Wheeler, Chambers, and Spalding all receiving courses from us in an elementary Spanish environment. The other--last two things on my comment list is our elementary contacts are never considered for incentive programs. And we have a lot of them; we have over 2,300, almost 2,400, students taking a weekly elementary Spanish course. None of those count. And the same kind of holds true that if a hosting center...as the ESU, we'd have a lot of center-based product. And if ESU does not become network eligible, then none of the others that receive this are eligible for incentive programs as well, even if they would be Network Nebraska. All in all, like I said, we consider Network Nebraska all the time. For us, it's a \$170,000 buy-in, and we have to take a look at the cost of that \$170,000 and whether or not it becomes cost effective. And that's pretty much the only reason. With that, I'm going to close my

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

Education Committee
February 02, 2010

testimony and ask for questions. [LB1069]

SENATOR HOWARD: Do we have questions for this testifier? I don't see any. I guess we'll let you go. [LB1069]

DON FERNEDING: Thank you. [LB1069]

SENATOR HOWARD: Thank you. Other proponents. Welcome. [LB1069]

GORDON ROETHEMEYER: Thank you, Senator. Thank you, committee, for allowing me to give my testimony. I am Gordon Roethemeyer; last name is R-o-e-t-h-e-m-e-y-e-r. And I am the executive director of the Distance Education Council. I am a proponent of LB1069. I do have some comments specifically about the amendment and how it might change somewhat. I had the same concern that Senator Haar does about the language in line 16, or 15 rather, that referred to equipment that is identical to specifications that--prior purchases being deemed approved or whatever. I would say not restricted to "identical" but say meets or exceeds those standards, you know, because of the changes that are always happening with technology. The other thing--the other concern that I had was with the approval process, just making sure that things can happen in an expeditious fashion and that...and I'm glad for the language that says, you know, if certain technology had prior approval, then it would be approved for all other purchases of a like or similar nature. I expect that as this gets interpreted to our schools and other ESUs, this will be a new thing for them to...and they're going to raise questions about: You mean we have to have every single purchase over \$10,000 approved. And I think that--I mean, the answer is yes, if it's going to have an impact to Network Nebraska; it's at the infrastructure, so it'd be key for us to interpret that what is being talked about here is impacting that infrastructure. And I think the other thing that will be helpful is if we can work with the NITC to say, you know, there are some types of purchases that should be preapproved. You know, if it's the new model of videoconferencing system that has come out this year, then, you know, that's on a list as preapproved. If it's computers for a one-on-one-initiative buy at school, then there needs to be something to expedite the process and, I think, some way of coming up with a preapproval process of some of those equipments...and that the important thing as we work with the NITC is that as there becomes significant changes to the network architecture or things that are going to significantly impact demand of bandwidth, then it will be those project proposals that need to go the full distance and to have that review. But I hope that we can, you know, pare it down so we don't have to explain to our superintendents that every time you want to make a purchase of computers for a one-on-one initiative, you better be writing up a project proposal and seeking that time slot on the NITC's agenda. And I think those things can be worked out. So those were my concerns. And I'll limit my testimony to just that aspect and respond to questions. [LB1069]

SENATOR HOWARD: Thank you. Do we have questions? We don't have any right now.

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

Education Committee
February 02, 2010

[LB1069]

GORDON ROETHEMEYER: Okay. Thank you. [LB1069]

SENATOR HOWARD: Do we have other proponents? Do we have opponents? Are there any neutral? [LB1069]

WALTER WEIR: Well, good afternoon, Senator Adams and the committee. I'm Walter Weir, W-e-i-r, and I am the chief information officer for the University of Nebraska and also the chair of the Nebraska Information Technology Commission's Technical Panel. I'm here to express the university's concerns with the bill as originally drafted. I do understand that there has been a proposed amendment, and I believe it will address most of our concerns. As you know, LB1208 was passed in April of 2006, and it tasked the state chief information officer, in partnership with the University of Nebraska, to develop and maintain a statewide, multipurpose, high-capacity, scalable telecommunications network, to be called Network Nebraska. However, LB1208 did not require anyone's participation in Network Nebraska in order to accomplish the intent of the bill. For example, on page 71 of LB1208, it states, beginning at line 21: "The chief information officer shall aggregate demand for those state agencies and educational entities choosing to participate and shall reduce costs for participants whenever feasible." So we believe it was never the intention of LB1208 to require anyone to participate unless they wanted to. In addition, we planned the implementation of Network Nebraska to occur in several phases across the state. In doing this, we gave all the educational entities an option to participate or not participate in the network--or even opt out after the bids had been received, and then the entity could see their entire cost for participation. While participation in Network Nebraska was not mandatory, the legislation did provide a number of financial incentives--or carrots, if you will--to encourage participation. First, it recognized the importance of networking--equipment upgrades--by allowing each high school building and educational service unit \$20,000 in equipment reimbursements from lottery funds if they joined the network and also participated in statewide distance learning. The bill also provided eight years of lottery funding for distance learning incentives, such as up to \$1,000 for each video course sent and \$1,000 for each video course received. Additional incentives were also provided for sending asynchronous courses into sparse or very sparse districts. The result of all of this is that Network Nebraska has been able to significantly increase the overall capacity of the network, at the same time reducing the cost of Internet service by 98 percent over the last seven years. And I think it is also important to point out that Network Nebraska supports more than just K-through-20 education space. We have Telehealth as well as state agencies all operating within the confines of what we call Network Nebraska and all sharing the benefits of increased capacity, security, and lower cost. With specific regard to LB1069, I must admit I'm not fully sure we understand the full intent of the bill, but I would like to offer some suggestions for you to consider that, if adopted, I'm sure would move us to a more proponent position. I've

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

Education Committee
February 02, 2010

been informed, as I mentioned earlier, that Tammy Barry did provide an amendment that would eliminate concerns we had. This includes Section 12 on page 24, line 16 and 17. It currently states: "Participation in Network Nebraska shall not be required for any educational entity except the University of Nebraska." We suggested that that sentence end after the word "entity," eliminating the part that says except for the University of Nebraska. And we understand that Tammy has addressed that in the amendment. In that same section on page 24, line 23, the change indicates that travel cannot be an administrative expense. We would suggest that the word "administrative" be added before the word "travel" to allow payment of technicians' travel should they need to repair a component of the network. And we believe this has also been addressed. Another recommended change is in Section 11 on page 23, line 23. There's a reference to the NITC's Technical Panel review "occurring within 60 days after receipt." This could be problematic, depending on when the request is sent to the technical panel, which meets once a month. We meet every second Tuesday. And, at times, those meetings could be canceled for various reasons. So it is...I understand that approach has also been addressed in the amendment, as we understand it. One final suggestion I would like to recommend would be for you to consider possibly conducting a study of Network Nebraska: Is the network doing what you really intended it to do? What is it doing well, and what is it not doing well? And based upon that study, adjustments should be made. Finally, let me state, the NITC that you created in 1998 through LB924 has allowed the state and the university to work together in a way that creates what I would consider a win-win situation for everyone in the state. I must compliment Brenda Decker and her team as well as members of the NITC and NITC Technical Panel for all the hard work they have put in to make Network Nebraska a reality and a success. We now have over 200 K-12 schools, over 16 institutions of higher learning, 100 hospitals and health departments, multiple state agencies--with over 450,000 users across the state--all connected with greater capacity, greater security, and at a much lower cost. Thank you...and if I could answer any questions. [LB1069]

SENATOR HOWARD: Let's see if we've got some for you. Senator Haar. [LB1069]

SENATOR HAAR: Okay. Again, this is only my second season, and I'm a little overwhelmed today by alphabet soup. (Laughter) So we've got Network Nebraska, but it doesn't include the SNDLC, but they're both overseen by the NITC. [LB1069]

WALTER WEIR: We oversee Network Nebraska. We do not oversee the Southeast Nebraska Distance Learning component. When we designed the Network Nebraska together--we've done it in phases, and so the--actually the last phase, which is due to come on-line in 2011, is that southeast area. So they're actually the last part of the state that we'll be bringing on-line or offering to bring them on-line. [LB1069]

SENATOR HAAR: Well, just sort of what I'm picking up...how come they're not a part of Network Nebraska? I mean, I hear cost, but why is Network Nebraska more expensive?

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

Education Committee
February 02, 2010

[LB1069]

WALTER WEIR: We have similar questions ourselves. We think that what we offer is appropriate. We think the price is...for example, we were paying back in, oh, probably about 2003 almost \$800 per megabit per month of Internet service. And this is kind of like your Time Warner home connection, where you pay so much a month for that service. We've dropped that price down to \$5. Through the aggregation and customers coming together, we're a bigger fish to the telcos, and so they're willing to give us a better price deal. We've built in redundancy into the network, and so we have multiple places where the network gets out into the Internet space. You know, we come out through Omaha, through Peter Kiewit Institute--is one of our main connections. We have another connection out in Lincoln, where we tie in to Time Warner. We have--Unite (phonetic) is another one of our partners. We have partners with Qwest, Windstream. These are all major telco providers across the state of Nebraska that we've worked with in order to provide that lower cost. We think we have a compelling argument for them to consider. If they are willing to do that, we are more than willing to bring them on and provide that for them. We have a participation fee. We try and look--and I think Brenda could talk about this if you'd like--but we have all the costs. We examine all of them very thoroughly, all the expenditures that are made. We're trying to do it as low a cost as possible--a lot of free time. I have people on my staff that work for Network Nebraska, you know, to help...we don't charge the network for those--to pay back those fees. In some cases we do; in some cases we don't--depending on who the technician is. But we've been very reliable; there's been very few outages of the network. The other way to look at this is VHS and Beta. You know, we're trying to keep...one of the things we look at when we looked at standards and compatibility is that these devices all have to talk to each other. And in some cases we know that there's some codexes, which are devices that translate the signal, that are a different type than what we run on the rest of Network Nebraska. So there are some issues there with being able to communicate appropriately. [LB1069]

SENATOR HAAR: So who controls the content of the SNDLC and Network Nebraska?
[LB1069]

WALTER WEIR: That would be at the control of the administrators. All we are, are providing a carrier service. [LB1069]

SENATOR HAAR: Okay. [LB1069]

WALTER WEIR: It's zeros and ones that we're shipping around the country. [LB1069]

SENATOR HAAR: Okay. So no matter which of these you're in, you can get the same programs for Spanish or whatever. [LB1069]

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

Education Committee
February 02, 2010

WALTER WEIR: Right. And the main thing is that we want to simplify it as much as possible, so that when you turn on channel 7 it's channel 7 everywhere and the picture comes across the way it's supposed to come across and the materials and all the features of that distance learning program are appropriately sent across the network. [LB1069]

SENATOR HAAR: I don't suppose you can run service to senators' homes, can you? (Laugh) [LB1069]

WALTER WEIR: No, we don't compete with the public sector on that. (Laugh) [LB1069]

SENATOR HAAR: Just checking. Okay. Thank you. [LB1069]

SENATOR HOWARD: Do we have any other questions? Senator Giese. [LB1069]

SENATOR GIESE: Thank you. Mr. Weir, maybe you could answer this question; I think you can. You mentioned a lot of state agencies that are using or involved in Network Nebraska. [LB1069]

WALTER WEIR: Right. [LB1069]

SENATOR GIESE: Is the Secretary of State's office--is that one of the ones that uses that? [LB1069]

WALTER WEIR: I'd have to defer to Brenda on that particular agency. [LB1069]

SENATOR GIESE: And the reason I ask...and it doesn't really matter so much if they are, but...and I've had a couple of bills this year that have dealt with...we do a lot of things on-line, and we seem to be headed down that road, with technology and all the things we can do. In your opinion, then, is there things that we need to do as a state to get there with that yet? I mean, there's a lot of challenges that we're meeting--I won't say resistance, but we're not getting it done. And, you know, the... [LB1069]

WALTER WEIR: I can't say that there's any one particular thing. I mean, I think all the state agencies are looking at ways to save money, be more efficient, be more effective; we're doing the same thing at the university. One of the things that concerns us is what we call the support tail (phonetic). If I have different...I notice we have a Macintosh over here; we have Dell computers; you have all these different machines. You have Windows 7 as an operating system; you have Mac OS X as an operating system. They are similar yet different. And as a consequence, when you have those differences, it costs money from the standpoint of having somebody with the knowledge base to make effective repairs or fix something when it doesn't work. And so the more you can standardize and the more you can do things in a homogeneous way, then obviously

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

Education Committee
February 02, 2010

your costs start to decrease, because you're not necessarily having to support all these oddball different devices that are out there. I remember when I first got here to Nebraska--I came from New York--and walked in to my help desk guy, and I said: Well, how many items do you support? And he handed me a three-page typed list. I said: Well, we can't afford that; you know, this has to be brought down to something reasonable that we can support--because I needed a depth of expertise in these areas. And if you don't have the depth of expertise, you have these people that are about an inch thick with knowledge, or an inch deep with knowledge, and they can't solve the problem. So we've done a lot of things at the university to bring that together. We're doing similar things through the Tech Panel and looking at trying to develop standards and guidelines that make sense--common-sense approach to these things--that allow multiple vendors to participate in selling their products because they meet these basic requirements. And so far we've been pretty successful. And I do agree that in those cases where a router goes out or a device goes out, we've got to get that fixed as quick as possible. And so we've tried at the Tech Panel to say: I'm not telling you you have to buy Box ABC; you need to buy a box that does these things. [LB1069]

SENATOR GIESE: So in other words, it's going to be a lot more expensive to make it cheaper. [LB1069]

WALTER WEIR: Not necessarily. Not necessarily. You're seeing prices come down across the board. I mean, one of the silver linings in a recession, I guess, is you see a lot of these vendor prices just--the bottom has been dropping out. So we're getting some very good products. During some downtime in the economy a few years ago, a lot of companies were folding and we were picking up hardware for the network at bottom prices, because they were selling this stuff out. [LB1069]

SENATOR GIESE: Thank you. [LB1069]

SENATOR HOWARD: Senator Haar. [LB1069]

SENATOR HAAR: Again, just trying to understand what we're talking about here. Do you actually have connecting cables, or are you basically cloud computing or cloud connection or what? [LB1069]

WALTER WEIR: We have contracts with vendors to provide that fiber-optic service. What we have--for example, if you were to come over to the university, in Nebraska Hall, in our computer room, we have racks, and these racks contain these routers and switches that connect to fiber optics that Windstream, for example, provides or Qwest provides. And so they provide that level of infrastructure. [LB1069]

SENATOR HAAR: Okay. [LB1069]

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

Education Committee
February 02, 2010

WALTER WEIR: All we're buying, really, are the boxes and the leasing, if you will, of that service that they provide. And the way they price this is, depending on the speed or the capacity that you want, they'll...it's kind of like a regulator: they'll turn the price up depending on how much you consume. [LB1069]

SENATOR HAAR: So some years ago there was a, you know, big deal about whether public power districts... [LB1069]

WALTER WEIR: Right. [LB1069]

SENATOR HAAR: ...with their dark cable could--or their dark fiber optics could provide that service. Are you allowed to use that or not? Or you choose not to use it? [LB1069]

WALTER WEIR: As far as I know, we're not. I'd have to go back and check. But we did look into that, I remember, some years ago. The problem I had with it: they were running the fiber optics on the power lines. And with the wind and the rain and the ice on the power lines, I mean, it didn't appear to be very rugged. What the power companies did, though, they purchased what they call 26-strand fiber. Now we only needed 2. [LB1069]

SENATOR HAAR: Um-hum. [LB1069]

WALTER WEIR: So they were willing to give us a price once we got to where we could connect to them. So, for example, in Lincoln, we had to go eight miles out of town... [LB1069]

SENATOR HAAR: To connect. [LB1069]

WALTER WEIR: ...so we would have to put all of that infrastructure in, in order to connect, and then buy all the necessary components to make that work. It was interesting; I think at the time it made sense. I don't know if it still makes sense, based on price, at this point. [LB1069]

SENATOR HAAR: Well, it's all kind of magic. But it sounds like we'll probably be talking about this more in the future... [LB1069]

WALTER WEIR: Yes. [LB1069]

SENATOR HAAR: ...because one system kind of makes sense to me. [LB1069]

WALTER WEIR: Keep it simple. [LB1069]

SENATOR HAAR: Yeah. [LB1069]

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

Education Committee
February 02, 2010

SENATOR HOWARD: Do we have any other questions? [LB1069]

WALTER WEIR: Thank you all. [LB1069]

SENATOR HOWARD: Sounds like we've gotten the information. Thank you. [LB1069]

WALTER WEIR: Thank you. [LB1069]

SENATOR HOWARD: Any other neutral? Welcome to the Education Committee.
[LB1069]

KEN CLIPPERTON: (Exhibit 3) Thank you for the opportunity to testify today. My name is Ken Clipperton; that's C-l-i-p-p-e-r-t-o-n. I'm the director of information technology at Midland Lutheran College in Fremont, Nebraska. I also serve on the Network Nebraska Education Ad Hoc Advisory Group, a group formed by the NITC Education Council last July to assist the state of Nebraska's CIO in crafting the vision and strategic direction for Network Nebraska--Education. Prior to my returning to my home state in 2008, I was the IT director at Buena Vista University in Iowa for ten years. And the university was a heavy user of the state of Iowa's statewide network, called the ICN. While there, I contributed to the 21st Century Learning Infrastructure study, commissioned by Iowa's legislature. Subsequently, I was appointed to the Education Telecommunications Council, one of the oversight bodies for the ICN. The Network Nebraska advisory group held its fifth meeting last week, and LB1069 was included in our discussions. I'm here not to speak for or against the proposed legislation but to address some of the concerns and misunderstandings that appear to lie behind the bill and to recommend that some provisions of this bill be put on hold to give us time to address those concerns through more effective communication. And actually there's...one element, I understand, was changed. And that was I would have recommended striking the phrase to not include travel, but apparently that's already been addressed. In my career--I've used this slogan for a number of years: If we will trust one another, think strategically, and execute well, we can accomplish phenomenal things. Frankly, what has been accomplished with Network Nebraska in just a few short years epitomizes that slogan and bodes very well for the future of the network. I'm impressed by the lean, smart, good-neighbor approach that characterizes Network Nebraska--Education as they work to benefit all Nebraskans through common-sense cooperation. Network Nebraska leaders have clearly taken advantage of being one of the last states to establish a statewide network by studying some of the earlier statewide networks so we could avoid repeating their mistakes. Just before leaving Iowa, the Education Telecommunications Council was asked by the ICN leadership to undertake a stem-to-stern review of the ICN, with the goal of addressing the ongoing and structural issues. For example, one of the ICN's biggest ongoing problems, at least in my view, is the inability to separate fixed from incremental operating costs. The result is a billing structure that causes heavy users to pay far more

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

Education Committee
February 02, 2010

than their fair share. And that billing structure actually suppresses the use of the network rather than promotes its use, by charging per classroom per hour of videoconferencing. In contrast, the Network Nebraska planners have identified the costs that are essentially fixed costs, and those costs are funded through the Network Nebraska participation fee. Variable costs are tied to bandwidth requirements, and each participant pays for the bandwidth that they need separately. I think this is a smarter approach. The fact that education entities are not required to participate has already been identified and the fact that there are incentives in place. Realistically and technically, though, if a school wants to offer and receive videoconference-based classes with other educational entities across the state, they probably need to be on the network. That's the only way to extend a guaranteed quality of service to the videoconferencing equipment in the classrooms across the state. Network Nebraska does offer a quality-of-service-capable, low-latency intranet to all participants. It's a key enabler of reliable statewide videoconferencing. The same is true for access to Internet2-based resources through the University of Nebraska-Lincoln. The only way to get to that connection is through Network Nebraska. And that isn't a policy decision; it's a technical reality. Network Nebraska enables all education entities to get access to Internet2 resources. So participation in Network Nebraska is not required unless you want to access--access to a reliable videoconferencing network linking educational resources across the state, Internet2 access, and/or inexpensive Internet bandwidth through collaborative aggregation of our bandwidth purchases. There are lots of examples of smart collaboration. There are more in the document than I'm going to be able to tell you about. But one good example is how, as we looked at the growth of the network and that it is going to be more and more relied upon for critical services, we said we needed a 24-by-7 help desk, looked around at the participants--and the CSN already had a 24-by-7 help desk for their network operations--and very inexpensively extended support to all Network Nebraska participants through the CSN--again, that common-sense way of keeping expenses low. I'll skip my other examples just to say that Network Nebraska is young. The many accomplishments of the network are based on smart cooperation among many stakeholders, and that's about it. It has been a bootstrap operation from the start and remains a lean organization. You have a solid governance structure in place that is representative of varied constituent interests. You've managed to create an excellent infrastructure upon which to offer services very cost effectively. Now there's no question that we need to do a better job of telling the Network Nebraska story and of engaging current and potential participants in dialogue so that we can achieve the greatest possible benefit for each participant and all Nebraskans. One of the priorities of the Network Nebraska Advisory Group is to recommend ways of doing just that and then to facilitate that dialogue. I look forward to being part of that process. And thank you for the opportunity to speak to you today. [LB1069]

SENATOR HOWARD: Thank you. I was afraid, as a Midland graduate, I was going to have to cut you off. (Laughter) Do we have questions for this testifier? [LB1069]

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

Education Committee
February 02, 2010

SENATOR HAAR: Yes. [LB1069]

SENATOR HOWARD: Senator Haar. [LB1069]

SENATOR HAAR: So now another alphabet--the NNAG. So that is an advisory group that everybody from Network Nebraska participates in. [LB1069]

KEN CLIPPERTON: It actually was sponsored by the Education Council... [LB1069]

SENATOR HAAR: Um-hum. [LB1069]

KEN CLIPPERTON: ...to advise the CIO about strategic issues. [LB1069]

SENATOR HAAR: And the Education Council is... [LB1069]

KEN CLIPPERTON: Which is part of the NITC. [LB1069]

SENATOR HAAR: Okay. Okay. [LB1069]

KEN CLIPPERTON: Yes. So it's a working group, essentially... [LB1069]

SENATOR HAAR: Okay. [LB1069]

KEN CLIPPERTON: ...of the Education Council and the NITC. So it's part of NITC, effectively. [LB1069]

SENATOR HAAR: Okay. Can people who are on Network Nebraska communicate with people who are on the SNDLC? [LB1069]

KEN CLIPPERTON: Ultimately, I believe that would go through a commodity Internet connection at this point, because the Southeast group isn't on the intranet--this internal network. And it's one of the big advantages of being on the intranet--is it's an internal-managed quality-of-service network that you can guarantee bandwidth across. Once you hand it off to Qwest or Windstream or whoever, you've lost control of that quality of service essentially. So can you communicate? Yes. Can you guarantee quality of service across that connection? I don't believe so. [LB1069]

SENATOR HAAR: And that's what you've seen in Iowa, basically, is one system that serves... [LB1069]

KEN CLIPPERTON: Yes. [LB1069]

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

Education Committee
February 02, 2010

SENATOR HAAR: ...very well everybody. [LB1069]

KEN CLIPPERTON: That's right. When I was at Buena Vista University, we had 15 locations collocated with community colleges, and I could rely on fiber from my server room to their server room. Very...and low latency. You know there's going to be a couple hops, and, boom, your packets were going to be there. And that's one of the benefits you get out of the Network Nebraska structure--is a clean network design. [LB1069]

SENATOR HAAR: Okay. Talk to me outside, and we'll talk about this for next year. Thank you. [LB1069]

SENATOR HOWARD: Senator Sullivan. [LB1069]

SENATOR SULLIVAN: Thank you. Of the potential members, how many are actually members of Nebraska Network? Do you have any idea? [LB1069]

KEN CLIPPERTON: I don't have those numbers in front of me. [LB1069]

SENATOR SULLIVAN: Okay. All right. Well, we'll--I'll get them. [LB1069]

KEN CLIPPERTON: I think those numbers are on-line on the NITC site, however. [LB1069]

SENATOR SULLIVAN: Oh. [LB1069]

KEN CLIPPERTON: The private colleges have been slower to take part. But I talked to two of them last week, and they didn't realize the benefits, and so I'm sending them some information about it. [LB1069]

SENATOR HOWARD: You could always get that information to us too. That would be fine. [LB1069]

KEN CLIPPERTON: Oh. Excellent. [LB1069]

SENATOR SULLIVAN: Okay. Thank you. [LB1069]

SENATOR HAAR: Wait, one more question. [LB1069]

SENATOR HOWARD: Oh, oh. Senator Haar. Sorry. [LB1069]

SENATOR HAAR: So looking at this one map here: Are Omaha Public Schools and Lincoln Public Schools on Network Nebraska? [LB1069]

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

Education Committee
February 02, 2010

KEN CLIPPERTON: Omaha Public Schools are now and are taking advantage, I believe, now of hosting their servers at the data center in Lincoln to improve their disaster recovery posture. It's one of the things I'm looking forward to doing for Midland very soon--is moving some of our servers to Lincoln so that we'll have a better chance of keeping operations going if, you know, heaven forbid, we have a tornado or something in Fremont. [LB1069]

SENATOR HAAR: Lincoln? Do you know? Is Lincoln on Network Nebraska? [LB1069]

KEN CLIPPERTON: I believe Lincoln Public Schools is on, yes. [LB1069]

SENATOR HAAR: Okay. Okay. Thanks. [LB1069]

SENATOR HOWARD: Okay. Any other questions? Looks good. Thank you. [LB1069]

KEN CLIPPERTON: Thank you very much. [LB1069]

SENATOR HOWARD: Other neutral speakers. Welcome. [LB1069]

BRENDA DECKER: (Exhibit 4) Thank you. Senator Howard and members of the Education Committee, my name is Brenda Decker; my last name is spelled D-e-c-k-e-r. And I am the chief information officer for the state of Nebraska. I'm here to testify in a neutral capacity on LB1069. I'm having the pages pass out a letter that will provide the committee with some background on Network Nebraska and some of the advantages that the partners of the network have enjoyed since LB1208 was enacted by the Nebraska Legislature in 2006. And I will not read through that, but I will answer questions if you have any after looking at that. The technical partners of Network Nebraska have discussed and provided Senator Adams' office with a few technical clarifications to the original bill that we wanted to see addressed in the bill. Most of these were pointed out in Mr. Weir's testimony from the university and in our fiscal note that was attached to your documentation. Participation in Network Nebraska has always been considered voluntary to the Office of the CIO and to the NITC--to the Nebraska Information Technology Commission. We agree that it should continue to be voluntary for all participants, including the university. We do have technical concerns that the term "technology infrastructure hardware component" in the original bill may have expanded some of the role of the NITC and the Office of the Chief Information Officer. I just received a copy of the amendment to the bill this morning, so we haven't really had a chance to review it in great depth to give our comments on that. However, we are committed to continue to work with Senator Adams' office and the Legislature to refine the terminology to achieve the goals of this bill. The primary goal of Network Nebraska partners is to provide efficient and cost-effective services to all of our participants without increasing or incurring any unnecessary costs. We agree that conference travel

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

Education Committee
February 02, 2010

should not be calculated in to any of the costs to the participants, and we've never included these costs in our calculation. But eliminating all travel from the network could prohibit the necessary travel costs for technicians, which potentially could increase our costs to the participants in the event of an equipment or a network failure. Without the ability for our technicians to travel to the location of that failure, we'd be faced with procuring that service from an external source and billing the clients on the network. We appreciate this opportunity to provide information on Network Nebraska to the Education Committee, and, really, I'd be happy to answer any questions you may have on the network or on the bill. [LB1069]

SENATOR HOWARD: Good job. You stayed within the green light. Congratulations. We should have an award. [LB1069]

BRENDA DECKER: I'm all about efficiency. [LB1069]

SENATOR HOWARD: Thank you. Do we have any questions? [LB1069]

SENATOR HAAR: Yeah. [LB1069]

SENATOR HOWARD: Senator Haar. [LB1069]

SENATOR HAAR: You handed out a map. [LB1069]

BRENDA DECKER: Yes, sir. [LB1069]

SENATOR HAAR: And tell me real briefly what the different colors mean--the big areas. [LB1069]

BRENDA DECKER: The different colors are the years that we went to those districts. What we did was, when we brought the educational entities on, we decided to chop the state up into various pieces. [LB1069]

SENATOR HAAR: Okay. [LB1069]

BRENDA DECKER: So those are the years and the areas that we talked to those ESUs and those school districts, in those years. So for example, the green is the year 2007; the blue was in 2008. And I think you follow the logic. The little tent--red tents basically--are the school districts that, after offered the Network Nebraska opportunity, came onto the network. And there also are some circles that I believe identify the ESUs and then some pentagons that talk about the colleges--campuses--and the university entities. This is our current membership in Network Nebraska, except for the 2011, which is the schools that will be offered in the next group. [LB1069]

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

Education Committee
February 02, 2010

SENATOR HAAR: Now, although you testify...that the neutral testimony has been neutral, it sounds like, in your personal opinion, you really think there ought to be one system. Or am I misreading that? [LB1069]

BRENDA DECKER: I think what we are looking for, Senator, is not necessarily should there or should there not be one system... [LB1069]

SENATOR HAAR: Um-hum. [LB1069]

BRENDA DECKER: ...but in order to do some of the things that the Legislature--and the state, I think--is looking for, in being able to provide services across the state, I think there is a tendency to believe that, like the railroads, we need to get some consistency in our standards. [LB1069]

SENATOR HAAR: Um-hum. [LB1069]

BRENDA DECKER: The railroads didn't come out and say: We're going to put all engines on the tracks and everybody's going to buy this engine. They really looked at: What's the track going to look like? What are the specifications for the track? We're looking at that same thing for the network. We need to make sure that we've got the same specifications, the same standards, so that people can interchange. And if it is more efficient or more cost-effective for a group to do something in one area and they don't feel that they want to participate in the entire network--but if they can meet the standards and we can make sure the standards and guidelines are all followed, we'd still be able to exchange in the event of exchanges. [LB1069]

SENATOR HAAR: Okay. And obviously that's not the purpose of LB1069, but you're saying we need to look at that--you need to look at that, and then we need to respond to that. [LB1069]

BRENDA DECKER: I think what I'm saying is we want to be sure that we're providing the services that are directed to our office, to the NITC, by the Legislature and yet be able to have interaction between the schools. Am I getting close to your question, Senator? [LB1069]

SENATOR HAAR: Yeah. [LB1069]

BRENDA DECKER: Okay. [LB1069]

SENATOR HAAR: Thank you. [LB1069]

SENATOR HOWARD: Any other questions? All right. Thank you. [LB1069]

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

Education Committee
February 02, 2010

BRENDA DECKER: Thank you. [LB1069]

SENATOR HOWARD: Any other neutral testimony? I don't think so. Senator Adams to close. [LB1069]

SENATOR ADAMS: Thank you, Senator Howard. I want to take just a brief moment to close, because I want to tie up a lot of the questions--or the directions that the many questions took. The bill does three things: (a) we're identifying and declaring the ESU Coordinating Council as a political subdivision; (b) we're moving from an aid hold-harmless on core service over to a needs hold-harmless, and we're taking the distance ed telecommunication allowance out of that calculation, because it distorts it too much; and then, finally, it is a matter of clarification--I think Brenda Decker did a pretty good job of explaining the, you know, the analogy of the railroad track. I don't think it would be appropriate for us to demand that a school district or an ESU must accept this provider. They can make those decisions. And Network Nebraska is a good provider. And I think it's legitimate for Network Nebraska to say that we ought to have some consistency in our technical architecture, so that ESUs or schools as they choose to hook up--we can have a smooth transition and probably a cost-efficient one at the same time. So, hopefully, what we're doing in this third section, more than anything else, is exactly that and making it easier for the ESUs and the schools to get approval on their technical architecture, on the infrastructure that they buy, but at the same time have the NITC--its Technical Panel--still very much involved in that process of looking those things over and trying to strike a balance. Mr. Weir's questions are very legitimate, and we've tried to address those in the amendment. The university is not required to be part of it. The travel expense--we've amended that, too, so maintenance people can go out and be compensated for that. So we've tried to address those, and obviously--what can be said about any bill--we'll continue to converse with the CIO's office and the NITC, and if there's other changes we need to make, we can take those into consideration. With that, I'll end. [LB1069]

SENATOR HOWARD: Thank you. Do we have any closing questions? You did a good job. [LB1069]

SENATOR ADAMS: With that, Senator Lathrop, we will move on to LB1095 when you're ready to open. [LB1069]

SENATOR LATHROP: Good afternoon, Chairman Adams and members of the Education Committee. My name is Steve Lathrop, L-a-t-h-r-o-p. I'm the state senator from District 12, and I'm here today to introduce LB1095. This bill would amend state statute 79-1241.03 by striking references to the learning community and the distribution of core service funding in order to restore funds that have been redirected from the ESUs located within the learning community. Action taken by the Legislature in 2007 and 2008 modified the core services funding formula to include the learning community.

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

Education Committee
February 02, 2010

The result of this action is that approximately \$1.6 million is being diverted from ESU 3 and ESU 19 to the learning community to fund the operations of the learning community. Under LB1095 these funds would be restored to the two ESUs for future fiscal years. At this point the ESUs have covered the loss of these funds by their cash reserves. However, once these funds run out, they will have to make many difficult decisions that will impact the services that are provided to the school districts that they serve. There are testifiers that will follow me and that can provide additional information regarding the impact of this diversion of funds and the impact of LB1095 on the ESUs and the learning communities. [LB1095]

SENATOR ADAMS: Thank you, Senator Lathrop. [LB1095]

SENATOR LATHROP: Thank you. [LB1095]

SENATOR ADAMS: Are there questions for the senator? Do you need to get on to other things, or do you want to stay and close? [LB1095]

SENATOR LATHROP: I am...I need to get back to Urban Affairs, so I'll waive closing and trust that the people that follow will give you a lively discussion. [LB1095]

SENATOR ADAMS: We'll make sure of it. [LB1095]

SENATOR LATHROP: All right. Thanks. [LB1095]

SENATOR ADAMS: All right. Thank you, Steve. First proponent. Whenever you're ready. [LB1095]

GIL KETTELHUT: (Exhibits 5 and 6) Well, good afternoon, Senators. I wish to be respectful of your time today, so I'm going to wear several hats--you don't have to hear from folks time and time again. The first group I'm representing is the Nebraska Council of School Administrators. Mike Dulaney could not be here today, so he asked me to take his place. The legislative committee of NCSA was unanimous in their support that the core service funds should be allocated to ESUs for the purposes of staff development, technology, and instructional materials. Secondly, I'm representing ESU 3 and 17 of our member districts. They are on the information that's being handed out to you right now. These 17 districts know that, in the future, services from ESU 3 will diminish as the result of a loss of almost 50 percent of our core service funds being removed from our access. Next I would like to point out on this spreadsheet that I've handed to you what the issue is for ESU 3. At the top of this spreadsheet, it talks about core service funding. You can see that there are 17 ESUs in the state of Nebraska. In terms of funding per student, ESU 3 ranks at the bottom. We receive just under \$23 per student; we are dead last. Now normally in a state aid or a core service formula, you would say: Well, if you're receiving such little state aid, it must be because you are

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

Education Committee
February 02, 2010

property rich; you have valuation that can make up for the lack of state dollars--which makes sense. But if you look at the bottom of the spreadsheet--you look at property valuations--we are in the bottom quartile. ESU 3 is not a rich ESU in property valuations; we're 15 out of 17. We're not at the bottom, but we can see it from there. Therefore, with limited core service funds coupled with low property valuations, we see difficulties on the horizon for providing services for the largest ESU in the state of Nebraska. I never believed it was the intent of past Education Committees to have the finances work out this way. But this is what has occurred, and this is what is at the core of our 17 school districts' concern at this point. Thank you. [LB1095]

SENATOR ADAMS: Thank you, Gil. Are there questions? Senator Haar. [LB1095]

SENATOR HAAR: We didn't get a name from you, sir. [LB1095]

GIL KETTELHUT: Oh, I'm sorry; I apologize. Gil Kettelhut, K-e-t-t-e-l-h-u-t, and I'm the administrator of ESU 3. And I've been here enough, you'd think I would know this by now. [LB1095]

SENATOR HAAR: You'd think we'd know you too. [LB1095]

GIL KETTELHUT: My apologies. [LB1095]

SENATOR ADAMS: Did you have a question, Senator Haar? [LB1095]

SENATOR HAAR: No. That was just I wanted to... [LB1095]

SENATOR ADAMS: Okay. Thank you for reminding me of that. [LB1095]

SENATOR HAAR: Yeah. [LB1095]

SENATOR ADAMS: Gil, the testimony that Senator Lathrop just provided said that you used cash reserves this year to provide services. [LB1095]

GIL KETTELHUT: What we did is that we lost approximately \$900,000 in core services this year compared to the year before. We said to our schools, we're going to continue to provide this year, 2009-10, all of the same services we did the year before. So the question is: Well, where are your resources coming if you're not cutting services to the schools? We use cash reserve. And we could continue to use cash reserves for a few years, and then the cash reserves will be gone. And then at that point, we'll have to talk about either cutting services or telling the schools we're going to have to charge them for the services. [LB1095]

SENATOR ADAMS: One of the things that I recall--and you can correct me if I'm not

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

Education Committee
February 02, 2010

recollecting properly--was that at the time that the learning community was created, those core service dollars from the learning community schools--not the others but from the learning community schools--it seemed like--as I remember it, and maybe I misinterpreted--one of the intentions was to move that money towards the learning community in hopes that they would turn it around and contract with you for services to the learning community. In effect, in an ideal world, you'd get that money back. What services now are you providing to the learning community, not specific school districts but the learning community? [LB1095]

GIL KETTELHUT: Well, Senator Adams, you're exactly right. That's how it was explained to us, that the \$900,000 would come back to ESU 3 by providing the infrastructure and other programs that the learning community would need. At this point the learning community--they are renting office space from us; they're renting some technological space from us; we're providing them some printing access. Of the \$900,000 that we lost, we probably have revenue, I'm going to guess, in the \$15,000-\$16,000 range. [LB1095]

SENATOR ADAMS: Okay. I just jumped in with questions without asking the rest of you if you have questions first. Senator Haar. [LB1095]

SENATOR HAAR: Another question, please. Now on this one you showed the funding per student is \$22.99. According to Senator Lathrop, is that going to be cut in half again, or that's the...? [LB1095]

GIL KETTELHUT: No. No, it was cut in half a year ago. This is what it is today and probably in the future unless the Legislature would decide differently. [LB1095]

SENATOR HAAR: Okay. And so had you shown this a few years ago, you'd have been up there... [LB1095]

GIL KETTELHUT: \$45. [LB1095]

SENATOR HAAR: Yeah, around \$45. Thanks. [LB1095]

SENATOR ADAMS: Senator Sullivan. [LB1095]

SENATOR SULLIVAN: You have to excuse me--thank you, Senator Adams--I'm still learning a lot about this learning community. What sort of relationship do you have with the learning community? [LB1095]

GIL KETTELHUT: Our relationship right now with the learning community is to rent office space, printing, some technological services--that is our relationship. [LB1095]

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

Education Committee
February 02, 2010

SENATOR SULLIVAN: That's it. [LB1095]

GIL KETTELHUT: That's it. That's all that was requested of us. [LB1095]

SENATOR SULLIVAN: Okay. Thank you. [LB1095]

SENATOR ADAMS: Other questions? So Gil, if this committee were to decide some proportion to go along with this bill and put those monies back in the hands of ESU 6 (sic), how would you use them? [LB1095]

GIL KETTELHUT: Well, we'd prefer the money be back in the hands of ESU 3 and 19, but I appreciate 6, because I know that's your ESU, Senator. (Laughter) [LB1095]

SENATOR ADAMS: Yeah. That occupies...you know what? And you spend more of my mind time in ESU 3 than 6. How could that be? Go ahead. [LB1095]

GIL KETTELHUT: Yeah. Well, you know, the services at this point wouldn't change at all. The change would be that we would still provide the staff development, the technology infrastructure, the instructional materials, the staff that we send out to the schools--what would change is that we would no longer be using our cash reserve. It's similar to a situation in your own household budget: You have your checking account and your savings account, and if each month you don't have enough in your checking account to pay all your expenses, you dip into savings, and you keep dipping into savings every month. And after so many months, you're out of savings. So that's kind of the horizon for us if things don't change. [LB1095]

SENATOR ADAMS: Explain...did you have a question? [LB1095]

SENATOR HOWARD: No, no, no. You're on a good track. [LB1095]

SENATOR ADAMS: Explain to me...this bill was presented in Revenue, wasn't it, last year? [LB1095]

GIL KETTELHUT: Yes, it was. From Senator Pankonin. [LB1095]

SENATOR ADAMS: Explain to me--I'm trying to recollect back--this relationship that ESU 3 has with its member schools for, for lack of a better word, rebating core service dollars back to them. [LB1095]

GIL KETTELHUT: Well, we never rebate core service dollars. Core service dollars all stay inside the ESU 3. What we do is we allow property tax dollars that come from our school districts to be used in what we call local initiative funds. We work under a three-tier perspective: one tier is that we provide services to all 17 of our school

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

Education Committee
February 02, 2010

districts; the next tier is that we have...for example, 10 of our 17 or 18 districts use us for their financial systems--their payroll and accounting; and then we have districts that all do individual projects inside their school districts. So we're doing all three areas. The core service funds have always stayed with us. What's happened now is that property taxes are now really kind of taking the place of core service dollars for us. We're having to move the money from one pocket to the other. [LB1095]

SENATOR ADAMS: So you in effect are saying that if the school districts are providing services to themselves, you in effect are reimbursing them for that with your property tax levy. [LB1095]

GIL KETTELHUT: Absolutely. If a school has a unique staff development program that they wish to put on for their district, they can use their local initiative funds that come from us for that program specifically for their district. They can also use it for instructional materials; they can use it for technology. So that's one of the three aspects how we provide services and resources to our districts. [LB1095]

SENATOR ADAMS: Have...no, that's all right. What other questions? Yes, Senator Howard. [LB1095]

SENATOR HOWARD: When you talk about this \$900,000 that's been removed from your budget and put over with the learning community, does this affect programs such as the early intervention program that you do with the preschool children and...? [LB1095]

GIL KETTELHUT: No, the...if you're talking about the Early Childhood Training Center... [LB1095]

SENATOR HOWARD: Yes. [LB1095]

GIL KETTELHUT: The Early Childhood Training Center is housed at ESU 3. For years, we managed the Early Childhood Training Center. Two years ago, NDE, which was originally in charge of the Early Childhood Training Center, brought that back under their guidance and supervision. But it's still housed at our facility. So as far as I know, that program is operating the same way it's been for the last few years. [LB1095]

SENATOR HOWARD: Okay. [LB1095]

GIL KETTELHUT: But it's technically... [LB1095]

SENATOR HOWARD: So that's not in any kind of danger. [LB1095]

GIL KETTELHUT: It's not an ESU 3 project. [LB1095]

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

Education Committee
February 02, 2010

SENATOR HOWARD: What is affected, or what would...what are...is...? When you come right down to defining what is affected, give me some ideas of what that is. [LB1095]

GIL KETTELHUT: I'm sorry. What is...? [LB1095]

SENATOR HOWARD: For the \$900,000, [LB1095]

GIL KETTELHUT: Oh, okay. [LB1095]

SENATOR HOWARD: What would you be spending that on? [LB1095]

GIL KETTELHUT: Okay. First of all, we provide the Internet for all of our schools. We provide the wide area network system. We provide staff development in terms of standards and assessments. We provide staff development in a variety of areas, including, you know, working with children of poverty. We do the financials for the school districts. We do student information systems. We do e-mail. I mean it just--it's numerous. [LB1095]

SENATOR HOWARD: All right. That gives me an idea of... [LB1095]

GIL KETTELHUT: Okay. [LB1095]

SENATOR HOWARD: Thank you. [LB1095]

GIL KETTELHUT: Um-hum. [LB1095]

SENATOR ADAMS: You know, when you get ready to return those property tax dollars to the school districts, do they...what's the procedure? Do they submit a proposal to you? And who approves that proposal and says: Yes, we'll give property tax dollars back? [LB1095]

GIL KETTELHUT: Those local initiative funds with property tax dollars--they submit bills or invoices to us, and they have to fall under the category that they're using that for inside their district, for either staff development, technology needs, or instructional materials. If they fall under any of those three categories, which was originally the categories of core services in the statutes, that's what we approve. [LB1095]

SENATOR ADAMS: Okay. Senator Haar. [LB1095]

SENATOR HAAR: So if you had this \$900,000 restored... [LB1095]

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

Education Committee
February 02, 2010

GIL KETTELHUT: Um-hum. [LB1095]

SENATOR HAAR: ...would you then go back and pick up some of the services for the learning community that they're now doing for themselves, like staff training? [LB1095]

GIL KETTELHUT: That issue you're going to have to address to the learning community, because the only services we can provide are services that are requested of us. We don't have the authority to tell the learning community to use our services; it's the other way around. They would have to ask us for those services. [LB1095]

SENATOR HAAR: But it kind of sounds...and I'm trying to make sense out of this. And the trouble with term limits: you're going to have to keep educating us on this stuff. Okay. It's sort of like there's been a bite out of your pie chart, okay. [LB1095]

GIL KETTELHUT: True. [LB1095]

SENATOR HAAR: And it's money, but you also provide less services. And... [LB1095]

GIL KETTELHUT: In the future, that possibility is true. We have not cut any services or local initiative funds to any of our school districts at this time. We use cash reserves. And we could probably use cash reserve for another year. But eventually, without these dollars, what's really going to happen is that the individual projects that school districts are dealing with today they're going to have to fund on their own. [LB1095]

SENATOR ADAMS: Other questions? Thank you, Gil. [LB1095]

GIL KETTELHUT: All right, thank you. [LB1095]

SENATOR ADAMS: Next proponent. [LB1095]

ANGELO PASSARELLI: (Exhibit 7) Good afternoon, Senator Adams, members of the committee. My name is Angelo Passarelli; that's P-a-s-s-a-r-e-l-l-i. I'm with the Millard Public Schools--an administrator with the Millard Public Schools--and urging your support for LB1095 that would restore the core service funding for ESU 3 and 19. To give you an example of some of the things Gil was talking about, we use those funds right now in the Millard Public Schools to fund technology projects that work directly with principals and teachers, and we call them data retreats. We bring staff in for a data retreat--these are schools that are seeking to improve their school improvement plan and change it to better meet the needs of their kids. And so they're wanting to dig into the data, and they need help to do that. And these are the technology people that we have that work directly with them to develop those--that data and disaggregate that data so that they can make good decisions on how to change their programs. One thing I wanted to do is explain that--the way the learning community is funded, they have a \$1

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

Education Committee
February 02, 2010

million appropriation; they have this \$1.6 million in addition that comes from the ESU 3 and 19 core services funding; and then they have access to 5 cents--up to 50 percent of that could be used on capital expenditures. So those are their revenue sources, and that's how they will fund their operations. We're talking about one of those three pieces here--in the core services dollars. So it's important for you to know that. Getting back to our examples, if those funds are not restored, and in the absence of any funds from ESU, we would have to eliminate those technology services. And our board feels very strongly about that. They feel like--strongly enough that they took a standing position on this item. And the rationale is that we should not have to reduce those kinds of programs to staff and support a governance of the learning community. There have got to be other ways to fund that governance other than using those core services funds that have been there for quite some time. So we urge your support for LB1095, and I would be happy to try to answer any questions you might have. [LB1095]

SENATOR ADAMS: Are there questions? Go ahead. [LB1095]

SENATOR HAAR: So as part of the learning community...you're part of the learning community. [LB1095]

ANGELO PASSARELLI: Yes, we are. [LB1095]

SENATOR HAAR: Okay. And we just heard that the learning communities now are not requesting all those kinds of services that they did before. So, again, I'm still a little puzzled. If you're not requesting those services and this money were put back in, would you then use it for those services or...? [LB1095]

ANGELO PASSARELLI: I'm not sure how we'd do that through the learning community; right now I know the vehicle that we use--through the educational service unit. And, again, I think you'd have to understand that there's 18 school districts in the educational service unit; 7 of them aren't even in the learning community, so they'll have no access to those funds at all, ever. Those districts are out. So...but the districts range from Millard, with about 23,000 students, to Weeping Water, with under 400 students. So in order to respond to this, the ESU has provided an array of services. And one of the things we do is we get back those kinds of technology personnel that they have--they're actually employed by ESU, but they work in Millard; they work with our student database. And our database is different than the one that all the other ESU schools use, because we're large enough to have that need, and our needs were a little different than what everybody else needed in that. So we have Infinite Campus--is our student database system, and that's what we use. And so we have people that help us disaggregate that data and use that to improve our schools and improve our programs. [LB1095]

SENATOR HAAR: But in trying to make sense out of this in my head, it sounds like, for

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

Education Committee
February 02, 2010

example, Millard isn't getting as many services as they had before from the ESU, so why would the ESU even need that money? [LB1095]

ANGELO PASSARELLI: Well, they need that money because there is no other way to provide those services. I mean, right now, we would have to use other funds from our general fund to do that if those funds were not available there. [LB1095]

SENATOR HAAR: I'll keep listening. [LB1095]

ANGELO PASSARELLI: Okay. [LB1095]

SENATOR HAAR: Thank you. [LB1095]

ANGELO PASSARELLI: Sorry. Obviously, I'm not answering your question. [LB1095]

SENATOR ADAMS: Other questions for Angelo? Thank you then. [LB1095]

ANGELO PASSARELLI: Thank you. [LB1095]

SENATOR ADAMS: Other proponents. [LB1095]

MATT BLOMSTEDT: Good afternoon. My name is Matt Blomstedt; I'm the executive director of the ESU Coordinating Council. Blomstedt is spelled B-l-o-m-s-t-e-d-t, I think. (Laugh) Anyway. I'm here...we've...the ESU Coordinating Council has looked at this issue, and we have...there's also, besides the specific dynamics with the learning community dealing with two of our ESUs, 19 and 3, there's also the potential for a statewide dynamic here, because it's...learning communities are not exclusive, necessarily, to be created in Omaha. So there's an opportunity to look at how ESUs and learning communities work together. I mean, obviously, you've heard about the numbers and what's going on there, and I can try to address questions if I--I don't know that I'll be able to answer all of them. But the fact of the matter is, if we have other learning communities develop, there's the potential for this type of conflict. Now what I'm looking at is I would like to see this somehow resolved so we have a good working relationship between ESUs and the learning community, between the school districts and the learning community. In part, core services funding over time has been, I would say, largely controlled by a superintendents advisory committee in each ESU. So there's been interaction there. And I think one of the things, as I sat and listened to the conversations and what I know from throughout the landscape, I guess--part of the dynamic is how do we establish that working relationship to get the things done that need to be done. I'm going to call myself fatally practical. I understand that you can't take \$1.6 million away from the learning community, necessarily, given the task at hand that they have. On the other hand, we know that we're looking at...within the ESUs, they're trying to do their work. And so I come back to my fatally practical--I'll probably

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

Education Committee
February 02, 2010

get shot here pretty soon. (Laugh) But the fact of the matter is I look at that, and I go: We have to get this resolved, and if there's some way that we could accomplish that in sharing the services or being more descriptive how this might work, I'm certainly open to that conversation. And I know our ESUs watch us and go: It'd be a lot simpler if we weren't--if that wasn't part of the--if the sharing of core services funding wasn't part of that and if there was another resource that took care of the necessary expenditures of the learning community. So with that, I'll take questions if you have any. [LB1095]

SENATOR ADAMS: Go ahead, Senator. [LB1095]

SENATOR HAAR: One more...so in this bill we're not talking about taking--restoring money to these educational service units by taking it from the learning community; we're adding money. Or that's maybe more my understanding. [LB1095]

MATT BLOMSTEDT: Let me...well, actually, the way this is drafted, it would just simply remove money from the learning community that they're currently receiving in core services and return it to the ESUs. [LB1095]

SENATOR HAAR: Okay. Well, that clears up a lot in my mind. [LB1095]

MATT BLOMSTEDT: Yeah. [LB1095]

SENATOR HAAR: Thank you. [LB1095]

MATT BLOMSTEDT: And then, I mean... [LB1095]

SENATOR HAAR: I didn't understand that. [LB1095]

MATT BLOMSTEDT: ...somebody asked about, I think, LB521 that was introduced last year--there was a bill that would actually take a portion of the core services funding and then replace it with levy authority, which is not always a popular thing to do either. [LB1095]

SENATOR HAAR: All right. [LB1095]

SENATOR ADAMS: Senator Cornett. [LB1095]

SENATOR CORNETT: When you talk about removing money from the learning community--the learning community serves the whole metropolitan area, but a lot of the people inside the learning community really aren't receiving services from ESU Number 3, am I correct, that the learning community could provide--in core services? [LB1095]

MATT BLOMSTEDT: I guess I don't know the specifics, but if you're...I mean, the

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

Education Committee
February 02, 2010

question of what types of services they're receiving and whatnot--I'd have to look at that, but... [LB1095]

SENATOR CORNETT: Well--and it's been a longstanding issue in this committee. Bellevue receives no core services, basically, from the ESU--or very limited services--but Bellevue is part of the learning community and could receive those services from the learning community. [LB1095]

MATT BLOMSTEDT: Could receive some types of services. And those are the types of questions that I would--you know, try to figure out how that would work, you know, as part of the conversation that needs to be had. I mean, I think there's a dynamic... [LB1095]

SENATOR CORNETT: We talk about the \$900,000 that they're spending a year--the ESU. How much does ESU Number 3 have in savings? [LB1095]

MATT BLOMSTEDT: That I don't know. [LB1095]

SENATOR CORNETT: I think it's upward of \$6 million. [LB1095]

MATT BLOMSTEDT: I don't know that. [LB1095]

SENATOR CORNETT: Thank you. [LB1095]

SENATOR ADAMS: Matt, can you explain to me, to the best of your knowledge--and it's not just ESU 3, but ESUs--this relationship between the superintendents that are part of the ESU and their input in how the core service dollars gets used? [LB1095]

MATT BLOMSTEDT: There is...part of the core services requirement, I guess, is that there's a superintendents advisory committee that--they actually approve the expenditures of core services funds. So it's based on, I want to say, 75 percent of the schools and 50 percent of the students represented in each ESU. And I don't know the specific history of that, but I would presume that the intent was to try to foster some type of communication among the superintendents or among the school districts as to the types of services provided by the ESU. [LB1095]

SENATOR ADAMS: And, you know, on the surface--and maybe deeper than the surface--that seems reasonable to me, that the ESU would sit down with the area superintendents and say: We're the service provider; what are the services that you need? Does that become, though, imbalanced? I mean, do you reach the point where the superintendents are in effect saying: Give me my money back. I mean, that's what I'm trying to work through here. [LB1095]

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

Education Committee
February 02, 2010

MATT BLOMSTEDT: I mean, I think that's a possibility. And, you know, we have...our ESUs are so different across the state. And I think there's been, actually, a history of where the largest districts in an ESU tend to say: We don't need that service. And my, you know, my position on that is we have to find ways to be able to coordinate the activities of all the school districts in order that we can provide the best and most efficient service possible. I'm not saying that's working perfectly everywhere. And, in fact, as I look at it, I think the relationships among school districts has really changed, and they really have to work with one another; they're responsible for one another. I think that's somewhat the theme within the learning community--that becomes very important as well. So I don't know how we necessarily get there, but, I mean, it's...and I don't know you can get there when you're talking about money, because that becomes another divide-and-conquer type of issue. But ultimately, that's where we have to get in education. [LB1095]

SENATOR ADAMS: Go ahead, Senator Sullivan. [LB1095]

SENATOR SULLIVAN: What conversation have you had as the executive director with the learning community? [LB1095]

MATT BLOMSTEDT: Actually several. I mean, there's been several conversations. And so looking at how we might...first of all, we'll learn from different things that happen within the learning community as far as types of services for poverty. Obviously, it's an innovative type of policy solution, looking at things that are actually different than what ESUs have historically done. Another thing, you know, we have other areas of the state where similar practices might take place. I'm very interested in using ESUs as part of the data analysis piece of that as well as part of our professional development--changing our professional development to better address poverty issues, to better address all sorts of things that might be what we're considering learning community issues that happen all over the state. So I welcome it, actually, and continue to have conversations. I think a year ago the learning community was just establishing itself and, to their credit, have done a lot of work to get to that point. And now they're continuing to have conversations, and we continue to welcome that as well. [LB1095]

SENATOR SULLIVAN: Thank you. [LB1095]

SENATOR ADAMS: Other questions? Thank you, Matt. [LB1095]

MATT BLOMSTEDT: You bet. [LB1095]

SENATOR ADAMS: Other proponents. [LB1095]

BRIAN HALSTEAD: (Exhibit 8) Good afternoon, Senator Adams, members of the Education Committee. For the record, my name is Brian, B-r-i-a-n, Halstead,

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

Education Committee
February 02, 2010

H-a-l-s-t-e-a-d. I'm with the Nebraska Department of Education, here in support of LB1095. You're being distributed a letter that the State Board asked to be included in the record. So for that, I'll just read into the record the letter for everybody else in the audience. "Dear Senator Adams and members of the Education Committee: On February 1, 2010, the State Board of Education met to review various bills before the Education Committee. After discussion, the board voted to support LB1095. The State Board of Education supports the educational service units in Nebraska and has found them to be a vital partner in providing services and support for educators and students throughout the state. Funding for core services and technology infrastructure to ESUs has been critical to improve the learning environment for Nebraska students. Therefore, the State Board supports providing these funds to all educational service units as provided in LB1095. Sincerely, Kandy Imes, State Board president." I'd be more than happy to answer any questions you might have. [LB1095]

SENATOR ADAMS: Senator. [LB1095]

SENATOR HAAR: Again, trying to figure out...in my mind, I'm starting to sort of draw an analogy between the ESUs and the NRDs. I mean, there are 23 NRDs, and they're different across the state, but they all have certain core functions. And the ESUs--would you characterize that...they have certain core functions, but they're quite different across the state? [LB1095]

BRIAN HALSTEAD: They are quite different across the state. They are there to provide services to the school districts within their boundaries. This Legislature set up core services funding because the Legislature identified that staff development... [LB1095]

SENATOR HAAR: Um-hum. [LB1095]

BRIAN HALSTEAD: ...instructional materials, and technology were three key things that needed to be out there for all school districts, and they found the educational service units were the models in which they could meet the unique needs of the school districts within their boundaries. So I think that, along with the creation of the Coordinating Council for the educational service units...because 1 percent of that core services funding is pulled off the top for the Coordinating Council to better look at issues statewide and to try to deliver the services in a collective manner, far more efficiently than everybody out there trying to do it for themselves. [LB1095]

SENATOR HAAR: Okay. Thanks. Appreciate that. [LB1095]

SENATOR ADAMS: Any other questions? Senator Sullivan. [LB1095]

SENATOR SULLIVAN: Thank you. Well, I understand that. But the new kid on the block is the learning community, so how do you see that partnership in coordination with your

philosophy with the ESUs? [LB1095]

BRIAN HALSTEAD: Well, I think the learning community, as everybody...is brand new. They're just getting started. They've done a lot of good things already to start themselves. We already at the department have a relationship with the learning community. You're going to see me up here on the next bill, supporting some changes on data to help us assist the learning community with that. I think the reality is this is all an ongoing process. I think the letter from the State Board is focusing on the critical role the ESUs have played in the past. That is not a criticism of the learning community; that does not mean that the learning community doesn't have an essential function in all of this. We just want to make sure that the staff development, the instructional materials, and the infrastructure--the technology that is statewide needed--is also being provided to all of the children and all of the teachers regardless of where they're located. [LB1095]

SENATOR SULLIVAN: So in saying that, then you would--I would assume you would--think the learning community should look to their respective ESUs for those functions. [LB1095]

BRIAN HALSTEAD: That certainly is one thing. But, again...and that I'll leave between the learning community for them to make decisions, to have the conversations with ESU 3 or ESU 19 or a new learning community to learn from that in that regard. I'm not sitting here telling you I have the answer as to how to solve all the problems; we just want you to understand, from the State Board's perspective, ESUs are going to be critical if we're going to close achievement gaps, we're going to improve instruction in classrooms throughout the whole state of Nebraska. [LB1095]

SENATOR SULLIVAN: Thank you. [LB1095]

SENATOR ADAMS: Other questions for Brian? Thank you, Brian. Other proponents. [LB1095]

BRIAN HALE: Senator Adams, members of the committee, my name is Brian Hale. I represent the Nebraska Association of School Boards, and our delegate assembly has talked about, wrestled with this issue and has adopted a standing position that indicates that we support legislation that provides full core service funding to all ESUs. And, again, the core services that ESUs are charged with throughout the state are important services. It was somewhat unclear at some point about--when the learning community was invented--about how that--how those services might overlap. But clearly, the core services that were mentioned earlier--instructional materials, technology services, and staff development--have ongoing needs and ongoing importance. And also, I think, it's important as a precedent to look--as this learning community idea may or may not get any traction in other parts of the state--that we have a good idea about what are the

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

Education Committee
February 02, 2010

costs and benefits of a learning community and having clear transparency about how the money comes in and where it goes out--as far as taking money from the ESU to make the services balance for the learning community sometimes doesn't give you a full picture, necessarily, of what the learning community might be able to do standing on its own. So with that, that's all I really want to contribute to it, and I'll take any questions that come to pass. [LB1095]

SENATOR ADAMS: Questions for Brian? Well, you've begged a question from me. So giving money back to schools is more transparent? [LB1095]

BRIAN HALE: More transparent? [LB1095]

SENATOR ADAMS: I mean, you were saying, if I understood you right... [LB1095]

BRIAN HALE: Heading toward... [LB1095]

SENATOR ADAMS: Headed back to where we started would create a better trail, if you will, of the money. [LB1095]

BRIAN HALE: Heading towards the core services that you're talking about, certainly larger districts--Bellevue may have, certainly, different capacities, different needs maybe even than Weeping Water. Grand Island may have different needs--in other parts of the state--than some of the smaller districts around that. And so I think as long as those core services are being accessed through the ESU--and be it the ESU providing money back to the districts to provide these services, they're still being provided as--without, necessarily, having it run as an ESU banner, under the ESU banner at the ESU building--that they can do it at a local level. [LB1095]

SENATOR ADAMS: Okay. Other questions? Thank you then, Brian. Other proponents. Let's move to opposition testimony then. Is there any? Welcome. [LB1095]

KERMIT BRASHEAR: Thank you, Mr. Chairman, members of the Education Committee. Given the state of contentious debate on General File on the floor of the body, I want to thank you all for letting me bring my version of a Harley (laughter) and not wear a helmet. Thank you. My name is Kermit Brashear, B-r-a-s-h-e-a-r. I am a registered lobbyist for and am appearing on behalf of the learning community of Douglas and Sarpy Counties. In preparation for today and your agenda and the bills that are before you, we thought that you would want and appreciate us to tailor our testimony so as to not be repetitive or duplicative and to provide you the information we wanted to provide you. So we have--on the next two bills that are scheduled before the committee, we have the chief operating officer of the learning community appearing and the chairman of the learning community coordinating council, and we will be discussing the operation and finances of the learning community. And it's for that reason and out of

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

Education Committee
February 02, 2010

respect for your time that with your sufferance I would simply state the opposition of the learning community coordinating council to the instant bill. [LB1095]

SENATOR ADAMS: Gotcha. Are there questions? Senator Cornett. [LB1095]

SENATOR CORNETT: We have heard about ESU Number 3 and the fact that they were reduced by 50 percent under the formation of the learning community in regard to their funding per student. Was ESU Number 19 also reduced? [LB1095]

KERMIT BRASHEAR: Yes. But I don't know by the percentage, and it was a lesser gross sum, Senator Cornett, than ESU 3. And the numbers are: ESU 3, as I recall, in gross, \$900,000; and in ESU... [LB1095]

SENATOR CORNETT: 19. [LB1095]

KERMIT BRASHEAR: ...19 it was \$750,000 or something like that. [LB1095]

SENATOR CORNETT: But let me just make clear, because we lived through LB1024. [LB1095]

KERMIT BRASHEAR: Yes, Senator. [LB1095]

SENATOR CORNETT: The money was removed from the ESUs for the learning community to perform duties similar to an ESU, for the learning community, correct? To provide technological services for the learning community and some of these core services? Am I correct? [LB1095]

KERMIT BRASHEAR: Yes, I believe you're correct. I'm a registered lobbyist, but the clear import of the legislation was that which is not being done by the ESUs in the metropolitan area should be done by someone, and we will form a new--or a political subdivision to do it. [LB1095]

SENATOR CORNETT: And the difference between ESU Number 19 and ESU Number 3 is--19 is just OPS, correct? [LB1095]

KERMIT BRASHEAR: That's...OPS and Bellevue, I believe. [LB1095]

SENATOR CORNETT: No. [LB1095]

KERMIT BRASHEAR: No. Okay. You...the senator is always correct. [LB1095]

SENATOR CORNETT: No, no, not always, but...no... [LB1095]

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

Education Committee
February 02, 2010

KERMIT BRASHEAR: It is; I think it is a single. [LB1095]

SENATOR CORNETT: And the point of the learning community was to provide these services. [LB1095]

KERMIT BRASHEAR: Yes. [LB1095]

SENATOR CORNETT: And by removing that funding, it would significantly restrict the learning community's ability to provide those services. [LB1095]

KERMIT BRASHEAR: That is correct, Senator, as will be laid out in the testimony we have prepared. [LB1095]

SENATOR CORNETT: Thank you. [LB1095]

SENATOR ADAMS: Other questions? Thank you then, Kermit. [LB1095]

KERMIT BRASHEAR: Thank you. [LB1095]

SENATOR ADAMS: Is there other opposition testimony? Neutral testimony? And Senator Lathrop, I believe, waived closing, so that will end the hearing on LB1095. And, Senator Howard, if you would, please, we'll move on to LB1070. [LB1095]

SENATOR HOWARD: Chairman Adams, welcome back to the Education Committee. [LB1070]

SENATOR ADAMS: Well, thank you. Still in a good mood? [LB1070]

SENATOR HOWARD: Yeah, I think we're good. [LB1070]

SENATOR ADAMS: All right. Greg Adams, District 24, A-d-a-m-s. LB1070 that's in front of you--I'll give you a little of the history of how we got to this point or how I got to this point. And I think, ultimately...Senator Avery has a bill that follows this, LB1095 that we just looked at--in my opinion and my opinion only, probably--for this committee, become a package of things that we ought to look at. And as that package, I could sense, was evolving during the interim, I decided in the final hour to put this bill in, to add my two bits to this ongoing discussion about funding and services and the relationship of the learning community council to ESU 3 to the elementary resource centers. And what this bill does in effect is four things. A couple of these things are a reflection of requests that came to me from the learning community. One of them is the...that would allow for expenses--expenses only, not a per diem but expenses--for nonvoting members. If you recall, last year we had legislation and, as I remember, that if we had any school district that simply had nobody on the learning community council, they could put someone on

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

Education Committee
February 02, 2010

in a nonvoting manner. And what this would do is to say to those persons, we will reimburse you--or that the learning community will reimburse you for expenses. And, I think, today there is one of those persons here who could maybe more specifically talk about the kind of expenses that they may incur as a result of being that nonvoting member. I'm assuming it's travel throughout the metro more than anything else. Another portion of this--and I'm going to kind of skip over and save the bigger portion till last--would be that the reporting requirements...in essence, what this would do, in my opinion, is to clarify...currently, each member school district of the learning community is reporting to the Department of Education their membership numbers, their AFRs, all of these kinds of things that are required of them. And what this language would do is to simply say, once the Department of Ed gets that information, they will then share it with the learning community council. Prior to that--or currently, we have a relationship where the learning community is collecting the data, then it goes to the NDE--and the local school districts are sending it to NDE. And it's not necessary; we don't need to do it that way. Let the Department of Ed receive the data from the 11 school districts the same way they do from all the other school districts in the state, and then let the Department of Ed share that with the learning community council. It cleans up the relationship a little bit. The other thing that was requested from the learning council that is contained in LB1070...by statute, the learning community council can, in time, hire an elementary learning center executive director. And they felt, and I agreed, that the language in statute was a little bit restrictive when it came to deciding when to terminate that person's employment. And, specifically, the language was they would have to be incapacitated or found guilty of neglect of duty or misconduct. What the statute does is to loosen that up a little bit and allow the learning community council, if they hire this person--when they do, to be able to use their judgment if things are not working out. And we in effect lowered the standard for termination than what's in the current statute. The bigger portion of this, I think, came about as I was inquiring this summer of members of the learning community to how things were going. And visiting with a couple of the school districts, having some of the learning community council in my office, their executive director, just trying to get an update as to how things were going and particularly with the assigned duties of them--the diversity plan, the elementary resource centers--and one of the things that I heard from more than one person was: You have assigned us the task of these elementary resource centers, and we've got a nickel here that's basically bricks-and-mortar nickel, and what we need is programming money. And that began to ring true with me; I'm not a fan of bricks and mortar. And it seemed to me that if truly there was a need on the part of the learning community to provide--and, in my opinion, provide wraparound supplemental services, not services to supplant the education that 11 school districts provide...and I'm going to be very clear about that. That's how I envisioned the creation of these things in the first place, and that's the ground that I still stand on today, that these elementary resource centers were to be supplemental, assisting in enhancing the education of the students in these identified areas; it was not to supplant the school districts' efforts--that maybe they did need some money to be able to do that, not for bricks and mortar but monies to actually

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

Education Committee
February 02, 2010

provide some programming. So what I'm offering in this bill is that we take the nickel that is currently in statute that the learning community council can levy and we shrink that from 5 cents to 3 cents, 2 cents of which can still be used for focus schools; and that 50 percent requirement--no more than 50 percent requirement--would still be there, just like in current statute, but 1 penny of it could be levied by the learning community council for these wraparound services. Now, it's in light of that, in response to what we just heard on LB1095, that I think you're going to hear--you did hear some folks say, and I can't necessarily disagree with them, that if the committee decides and our colleagues on the floor decide that we are going to give the learning community a penny or whatever that magic number is for these services, then we raise the question: Do they need the core service dollars--that \$1.6 million? So that--this is my offer. I'm bringing in this bill three things that the learning community coordinating council brought to me and, in addition, reducing the nickel down to 3 cents and giving them that 1 penny for the services in the elementary resource centers. And with that, I'll conclude.
[LB1070]

SENATOR HOWARD: Thank you. Do we have any questions? Senator Sullivan.
[LB1070]

SENATOR SULLIVAN: You were here for the discussion of the formation of the learning community; you're here again as we--as you attempt to hear how they're doing and...
[LB1070]

SENATOR ADAMS: Yes. [LB1070]

SENATOR SULLIVAN: Is this going to be an ongoing thing for the Legislature? Or do we need some objective body or entity out there that continues...no, not the learning community themselves, because they're too closely involved in it--not the ESUs, not anybody...is there an independent entity that can see objectively other than the Legislature? And maybe this is our role. But it looks to me like an ongoing thing.
[LB1070]

SENATOR ADAMS: You know, you've opened, maybe, a Pandora's box. [LB1070]

SENATOR SULLIVAN: Sorry. (Laughter) [LB1070]

SENATOR ADAMS: But that's all right. That's all right, because that very question, or questions, weighs heavily on me and has since the passage of LB641 and even more so now in my capacity on this committee. In response, I think there is a body, and it's us--and it's this committee to make these decisions. Now on the other side of that--and I suspect that there's some folks behind me that, if they're not using other gestures, might shake their head to the positive when I say I have told these folks to do the best that they can to leave us alone, to do their job. However, I think, reasonably, we have

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

Education Committee
February 02, 2010

created an experiment, in effect, and there's going to be some bumps along the road and some things that didn't work the way we thought they would or language that we put in there that isn't shaking out properly. And I think as a committee we need to listen, make adjustments where appropriate, and that's what I'm suggesting here. When I started this session, I thought to myself, Senator Sullivan, we may not have any learning community bills this session. And I was as--potentially as happy about that as I was that we might not have to have a state aid bill this session. But here we are. And three of these things I think are legitimate concerns; they are the bumps in the road that we run against when we develop this. But also this other issue is a policy issue for this body--to decide on that nickel and dollars for programming for these elementary resource centers. And the learning community and the 11 school districts are going to have to deal with whatever we deal to them. But I think it's a policy decision we need to have. Senator Avery has another bill coming right after this one that is not--I don't want to steal his fire, but it's coming at it from a little different numbers direction. And I sense from Mr. Brashear's comments that they, too, are looking at this in totality. And we'll have a response to it. So I've taken a long way around to try to answer your question, haven't I? [LB1070]

SENATOR HOWARD: Did you get an answer? [LB1070]

SENATOR SULLIVAN: Well, yes. It just makes the weight on my shoulders a little heavier, because I need to find out more about the learning community. So I guess, I mean, I continue to ask questions. And now, with respect to the early learning centers, what is the status? Have we--do we have any that have come to fruition? Do we have the bricks and mortar? Are they still in the planning stages, or what's going on? [LB1070]

SENATOR ADAMS: I think that the learning community folks who are here can better answer that... [LB1070]

SENATOR SULLIVAN: Okay. [LB1070]

SENATOR ADAMS: ...but I'm reeling back very quickly to a pre-Christmas holiday reporting session that we had in my office. There are two on the drawing board. [LB1070]

SENATOR SULLIVAN: Um-hum. [LB1070]

SENATOR ADAMS: There are no bricks and mortar to be laid; they're using...their plan was to use existing structures. And what I recall most vividly at that point--and Senator Ashford was part of that discussion as well--is that I was listening, and I was very keen to whether or not we were supplanting the efforts of local school districts or supplementing. [LB1070]

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

Education Committee
February 02, 2010

SENATOR SULLIVAN: Um-hum. [LB1070]

SENATOR ADAMS: And I felt comfortable at the conclusion of that meeting that they were on the right track to providing wraparound services--supplemental, not replacing what school districts are obligated to do and can do. [LB1070]

SENATOR SULLIVAN: And if, in fact, the Legislature is going to be not necessarily the watchdog but--or the intervenor or somebody that helps sort out some of these issues with the community, was the original statute put in place so that there's some accountability and some mechanism for us to find out how they're doing? [LB1070]

SENATOR ADAMS: You know, I don't recall if there's any actual reporting requirements, but certainly, as exemplified this year, these folks were johnny-on-the-spot when I invited them into the office, I think partly because they feel the obligation and feel the enthusiasm for some of the successes that they believe they're upon. [LB1070]

SENATOR SULLIVAN: Okay. Thank you. [LB1070]

SENATOR ADAMS: Um-hum. [LB1070]

SENATOR HOWARD: Any...? Senator Giese. [LB1070]

SENATOR GIESE: Thank you, Senator Howard. Senator Adams, just a comment--that I would assume, then, that what this committee and the Legislature does will just help the next learning community when we go down this path. [LB1070]

SENATOR ADAMS: One would think we should learn. [LB1070]

SENATOR GIESE: Thank you. [LB1070]

SENATOR HOWARD: Any other questions? And I have one before you move away. I was interested in this: The requirement for a learning community to reimburse nonvoting members for reasonable expenses will increase the expenditures of the learning community to provide reimbursements for the 11 nonvoting members. And here's the caveat: "There is no additional revenue source"--as we all know, this year we don't have any money--"so the payments will replace some other expenditure in the budget." I remember, this was brought up a year ago--this request for reimbursement for the 11 nonvoting members. In looking at how we could make that more fair for--some people are getting per diem; some people are getting none, nothing. Would it be a fairer method to look at, instead of per diem, just providing reimbursements for all the learning community board members? [LB1070]

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

Education Committee
February 02, 2010

SENATOR ADAMS: You've raised a tough question. And that...well, I think there's a bill yet today... [LB1070]

SENATOR HOWARD: There is. I... [LB1070]

SENATOR ADAMS: ...addressing that very issue. [LB1070]

SENATOR HOWARD: I checked the agenda there. (Laugh) I just think, we're looking at how we can use the money that we have in the most fair method, and maybe that's something we should consider. Proponents. Welcome to the Education Committee. [LB1070]

JULIE BREWER: (Exhibit 9) Thank you. My name is Julie Brewer. Good afternoon, Senator Howard and other members of the Education Committee. Brewer, B-r-e-w-e-r. And I'm appearing today as the chief operating officer of the learning community of Douglas and Sarpy Counties to provide the committee with a brief overview of our operations. And I apologize; I was diagnosed yesterday with an ear and sinus infection, so I have less than silky tones today, so bear with me. As you know, the learning community commenced its existence January of 2009 as a means to bring about certain metro-wide solutions to a number of interrelated educational issues that had arisen in the Omaha metropolitan area. Some of you served through the debate on the bills that created the learning community, and you know that the issues that led to our formation were substantive, complex, and frequently divisive. Nevertheless, the ultimate statutory framework that emerged has produced both a hopeful spirit of cooperation and a determination to make use of that spirit to achieve solutions to some of the long-term problems that had brought these issues to the Legislature in the first place. Understand, then, that the learning community, if it is to serve its statutory purpose, must make a concerted effort to move forward on a number of fronts while also establishing and maintaining an institutional presence that enables it to sometimes coordinate, sometimes oversee, and sometimes serve the 11 member school districts while keeping, throughout, the ultimate focus on the schoolchildren of the entire metropolitan area. The statutes give the learning community obligations in a number of areas: adopting a common levy as a means to achieve greater fiscal equity within the metro school districts; establishing and operating elementary learning centers to address student achievement; developing and carrying out a diversity plan to permit open enrollment across the 11 member school districts and promote diversity throughout the area; approving focus and magnet programs to be implemented by member districts as a part of the diversity plan; developing and approving reorganization plans for member school districts when boundary changes are brought forward; collecting and reporting on specified data with a metro-wide perspective; providing oversight to the poverty and limited-English-proficiency plans of the member districts; conducting school fairs related to the diversity plan--and I'd like to share with you that we held our first joint-school fair this past Sunday--and developing procedures for dispute resolution. In order to carry out

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

Education Committee
February 02, 2010

these functions, the learning community encompasses eight public bodies. We have the full coordinating council; the six achievement subcouncils; and the advisory committee, which is made up of the 11 superintendents. Each of these public bodies is subject to the Open Meetings Act and must publicize meetings, agendas, and minutes. In addition to these functions, the learning community must provide administrative support for the open enrollment process, the development and ultimate implementation of the elementary learning centers, collection and reporting of data, and other learning community functions. To accomplish all of these functions, two sources of funding have been provided for operations and one source for capital projects only. Pursuant to state statute, an initial \$500,000 was appropriated to the learning community for the partial 2009 fiscal year in which the learning community was in existence for only eight months. For 2009-10 fiscal year, \$1 million was appropriated. For 2010-11, after the special session, \$973,750 has been appropriated, reflecting a 5 percent reduction from the original \$1,025,000. The other source of operational funding is educational service unit core services funding, which is primarily, as we have been discussing, the subject of LB1095. That amount produces approximately \$1.6 million in this current fiscal year. The final source of current funding is property taxes, which may be levied up to 5 cents per \$100 of assessed valuation but only for certain capital projects. LB974 would broaden the use of the 5-cent levy, while LB1070 would both broaden the use of and reduce the amount of the levy available to the learning community. The learning community coordinating council has voted to seek the broadest possible use of its statutory resources, which is reflected in LB974. It also seeks to preserve the core services funding that would be removed by LB1095. Following me will be the chair of the learning community coordinating council, Rick Kolowski, who will provide more background regarding the planning for the learning community's elementary learning centers. At this time, however, I would certainly like to entertain any questions you may have. [LB1070]

SENATOR HOWARD: Thank you. Do we have questions for this testifier? Yes, Senator Haar. [LB1070]

SENATOR HAAR: Yes. Could we have a copy of your testimony? Some of us at least are still in 101 on learning communities. [LB1070]

JULIE BREWER: You know, I have written notes along the margin, but I'll be happy to provide Senator Adams' office with a clean copy of my testimony. [LB1070]

SENATOR HAAR: Okay, I'd appreciate that. Thanks. [LB1070]

JULIE BREWER: And just a few clarifications: It's 3 nonvoting members currently are on the learning community of the body of 21, 18 of which are voting members; 3 are nonvoting members. [LB1070]

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

Education Committee
February 02, 2010

SENATOR SULLIVAN: Hmm. And those...excuse me. [LB1070]

SENATOR HOWARD: Oh. Senator Sullivan. [LB1070]

SENATOR SULLIVAN: I'm sorry. And those 3 nonvoting members represent districts that are not represented on the--of the 18 voting? [LB1070]

JULIE BREWER: Correct. Currently how the process goes is, after the general election--which, this cycle we will have a primary and a general election...12 generally elected members, 2 from each of the 6 achievement subcouncils, will be elected through that system. And then another 1 member--for a total of 6--from each of the 6 achievement subcouncils will be elected through a caucus process of school board members--or school districts within the boundaries of those achievement subcouncils--who also live in those achievement subcouncils. And that's a matter of note, because you have a couple school districts that their boundaries fall into more than 1 achievement subcouncil. So, for instance, Achievement Subcouncil 6 has 7 of the 11 school districts with some or all of their boundaries within Achievement Subcouncil 6. So those members of school boards representing those 7 school districts had to caucus and come up with 1 voting member who holds dual membership to a school board and to the learning community. And then the 3 nonvoting members are currently from South Sarpy District 46, Bennington School District, and D.C. West. So that can change. And that's why those are two-year terms, because every time a school board or generally elected member changes, so, too, may the school districts that are represented through those two other processes. Clear as mud, isn't it? [LB1070]

SENATOR SULLIVAN: And as far as, then, your...am I right, there are this past year been basically three sources of funding--the appropriation from the Legislature, the money that came to you and not to ESUs, and property taxes? [LB1070]

JULIE BREWER: That is accurate. And the 5-cent levy, of which we chose to levy a half-penny--that is the capital projects levy, and it's restricted to brick and mortar, as has been previously discussed. [LB1070]

SENATOR SULLIVAN: Okay. Thank you. [LB1070]

SENATOR HOWARD: And you are saying that rather than 11 nonvoting members, there are actually only 3? [LB1070]

JULIE BREWER: There's 3 nonvoting members. There's a total of 21 members to the learning community coordinating council, of which the 12 are generally elected, 6 are elected through school board caucus; and then after those two processes have completed, any school district that doesn't have direct representation can appoint a nonvoting member--of which there were 3 school boards, school districts, that didn't

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

Education Committee
February 02, 2010

have direct representation, and they appointed a nonvoting member. [LB1070]

SENATOR HOWARD: And I should remember this, because I was an active participant in this legislation, but how many of these are actually paid per diem--of the 21? [LB1070]

JULIE BREWER: Of the 21 council members, 18--the 18 that vote--receive per diem and then expense for mileage and other accepted expenses associated with attendance of a conference or...and right now the 3 nonvoting members, as of August 27, were also, through council action, approved for expense reimbursements, such as mileage. [LB1070]

SENATOR HOWARD: So they had the authority to do that. [LB1070]

JULIE BREWER: Yes. Yes. [LB1070]

SENATOR HOWARD: Okay. Thank you. Any other questions? Looks like that's it. Thank you. More proponents. Okay. Whenever you're ready. [LB1070]

RICK KOLOWSKI: (Exhibits 10, 11, and 12) Thank you. And good afternoon, Senator Howard and members of the Education Committee. My name is Rick Kolowski; that's K-o-l-o-w-s-k-i. And I'm appearing today as the chair of the learning community coordinating council. Although much of the learning community's mission entails oversight and coordination, its elementary learning centers will provide services directly to students and their families. These centers will be available to all elementary students within the territory of the learning community. By law, the first two centers are to be established by June 1 of 2010. The achievement subcouncils in Districts 2 and 5 have been developing the plans for the initial centers--one in north Omaha and one in the south Omaha and Bellevue area. To understand the scope and depth of what is facing the elementary learning centers, one should start with the governing statutory language. The first handout, on the yellow sheet, sets forth the potential statutory scope of programming at the centers, as provided in section 79-2114. You will see the laundry list provided in that statute runs from a through q. You will also see the preceding language stating the programs at the centers may include, but are not limited to, the 17 items on the list. It is up to the governing achievement subcouncils together with the whole coordinating council to choose the programming at each center that will best serve to promote the academic achievement of the students being served. Addressing the achievement of elementary students can entail a wide range of potential services and programming. While the scope of the programming is potentially broad, the depth of the target population is also imposing. The second handout, on the coral-colored sheet, offers some of the statistics compiled in the planning process we have gone through. The achievement subcouncil for District 2, in north Omaha, found that approximately 8,200 students attend the schools in its territory. Of those 8,200 students, approximately

6,600, or 80 percent, were affected by poverty status. Students in that area were also impacted by mobility, that is, the lack of stability at a single address and school, and, to a lesser extent, by English language issues. In Subcouncil 5, in south Omaha and Bellevue, research found that 19 of 24 elementary schools had significant levels of poverty and that 10 of the 24 had significant populations with limited English proficiency. In addition, there was considerable overlap between those two issues. Within the first two elementary learning centers alone, the potential population of students that could be assisted by the type of programming described in Section 79-2114 probably exceeds 10,000 students. At the bottom of the handout, you'll see that a significant number of these schools face considerable challenges in bringing their students to the expected level of reading proficiency. Although not included on the handout, these figures for math scores are also similar. I would note that the Governor has stated that this achievement gap is unacceptable. We agree. The learning community was created to be part of the plan to address these issues, and we believe the plans that are being compiled for the elementary learning centers will be a strong step forward. We respectfully submit that there is no effort to build extravagant monuments in these two plans. In fact, both subcouncils have identified existing buildings owned by the city of Omaha that could be converted into facilities for elementary learning centers. Our view, however, is that the existing statutory funding measures will fail to be adequate. While we appreciate the funding the Legislature has provided, we suggest that more will be required. Providing the types of programming listed on the yellow sheet to thousands of students while maintaining the minimal institutional and operational requirements of a political subdivision that incorporates eight public bodies will simply be an expensive proposition. Property tax authority has been granted, but it is limited to capital projects. The learning community, after one year of experience, does not believe that capital projects will be central to its mission. We want to make an impact on student achievement, and to do that, the services provided by the elementary learning centers can make an important difference. The expansion of the property tax levy permitted in LB974 or LB1070 and the preservation of the core services funding that would be eliminated by LB1095 are crucial to bringing about the success of the mission assigned to the learning community by this body. We believe the learning community was envisioned to serve the vital function at the center of the bundle of solutions and compromises forged by this Legislature to address the issues that had arisen in the metro schools. It ought... [LB1070]

SENATOR HOWARD: Excuse me. [LB1070]

RICK KOLOWSKI: Yes. [LB1070]

SENATOR HOWARD: We're running into the red light. [LB1070]

RICK KOLOWSKI: Thank you. May I finish this...? [LB1070]

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

Education Committee
February 02, 2010

SENATOR HOWARD: How much longer? [LB1070]

RICK KOLOWSKI: One...two sentences; that's it. [LB1070]

SENATOR HOWARD: (Laugh) [LB1070]

RICK KOLOWSKI: Thank you. [LB1070]

SENATOR HOWARD: If you can sum it up, that would be good. [LB1070]

SENATOR _____: Or one strong one. [LB1070]

SENATOR HOWARD: I'm sorry; what? [LB1070]

RICK KOLOWSKI: Yes. All right. Thank you. We request the reasonable accommodations on the property tax and the preservation of existing funding. Thank you. [LB1070]

SENATOR HOWARD: Thank you. [LB1070]

RICK KOLOWSKI: Thank you. I am available for questions. Thank you very much. [LB1070]

SENATOR HOWARD: Do we have questions? [LB1070]

SENATOR ASHFORD: I guess I have one. [LB1070]

SENATOR HOWARD: Senator Ashford. [LB1070]

SENATOR ASHFORD: Oh, go ahead, Kate. Senator Sullivan has one. [LB1070]

SENATOR SULLIVAN: Thank you, both of you. [LB1070]

SENATOR HOWARD: (Laugh) Well, go ahead, Kate. [LB1070]

SENATOR SULLIVAN: Thank you for your testimony; this all fits a few more pieces of the puzzle together. But with respect to this laundry list of what would be included in the elementary learning centers, what's your vision on how many staff it would take to accomplish it? And also, along with that, I presume you wouldn't be talking about staffing it in regular school hours but in different... [LB1070]

RICK KOLOWSKI: Correct. [LB1070]

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

Education Committee
February 02, 2010

SENATOR SULLIVAN: ...arrangements--so if you could expound on that a little bit.
[LB1070]

RICK KOLOWSKI: Correct. Thank you. An excellent question. And that certainly has been a great deal of our dialogue beyond the academic aspect. If you get into the listing that's on the yellow sheet, you talk about a lot of different services--social services and other things--that make up a whole community of services that would be beneficial for the safety and security of the students that you're also trying to educate. And that...we certainly don't have a number of staff in mind. It will be a floating number as the services are identified in need in the particular areas of each of the elementary learning centers and how fast we might deal with or expand in those particular areas, also by coordination and cooperation and communication with other agencies that also give the same services better than we could as a start-up to that particular area. We are in discussions with and have had many presentations on many different agencies that can assist in those ways. And we know, of course, of health services and other services throughout the Omaha community that can give great assistance to us. So we--more than anything else, we want to coordinate, communicate, and cooperate with as many existing quality agencies as possible that can give the same assistance as we provide a location where parents can come--and the whole family can come--to make a difference in the lives of those students. [LB1070]

SENATOR SULLIVAN: Thank you. [LB1070]

SENATOR ASHFORD: Rick, just following up with that...doesn't really matter what my idea was when we wrote this, but--now--but the...I agree, it's appropriate to have a place, and it has to be a place that's easily accessible and identifiable. And the two places that you've picked out seem absolutely appropriate. It seems to me that, generally, all of these services can be performed by third-party providers, that then other services are an extension of some of these services--reading into math, as you mentioned, that isn't listed, but math is clearly a part of it. And the idea here is that these particular services not be a school but be supportive-type services that will help children learn. And I... [LB1070]

RICK KOLOWSKI: Absolutely. [LB1070]

SENATOR ASHFORD: Everything you've said is absolutely right, that...my concern, a little bit, is that we not hire a lot of people to do these services, because, in fact, there are people in the community that can do them. And so are we...let me ask it just straight up: Do you plan to hire people to provide these services, or do you...is that part of your plan or not? [LB1070]

RICK KOLOWSKI: Well, Senator, again an excellent question, and I think hiring can also be contracting with people to deliver those services. And that's what I stated earlier,

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

Education Committee
February 02, 2010

that we are looking at the full range of what's out there, how it could be provided. And, as we were touching on, this whole yellow sheet deals with the whole child. And I think of a couple different associations, like ASCD, which is very much wrapped around the whole-child concept, and some legislation that's bubbling up at the national level talking in the same concept. I think we're at a very early stage of some very cutting-edge construction of services that have never been there before... [LB1070]

SENATOR ASHFORD: Right. [LB1070]

RICK KOLOWSKI: ...like this. And I agree with you. And it can be not only in the facilities we may establish...that's not to eliminate the schools also--we also want to be in the schools in certain situations of a hub-and-spoke kind of design, and the academic services, of course, should be greatly enhanced by all that we do at the schools. As the different methods of data collection get improved in our state, our own accountability desires want to be way ahead of the curve as far as answering the questions of: What difference are we making? How can we show that?... [LB1070]

SENATOR ASHFORD: Right. [LB1070]

RICK KOLOWSKI: ...What is the difference? [LB1070]

SENATOR ASHFORD: And I think you're right. I mean, the outcomes will speak... [LB1070]

RICK KOLOWSKI: Absolutely. [LB1070]

SENATOR ASHFORD: ...for themselves as the outcomes... [LB1070]

RICK KOLOWSKI: Absolutely. [LB1070]

SENATOR ASHFORD: ...come forth. You know, I know in LB800 we have a grant--in that juvenile justice bill... [LB1070]

RICK KOLOWSKI: Um-hum. [LB1070]

SENATOR ASHFORD: ...we have language that would permit the learning community to make grants... [LB1070]

RICK KOLOWSKI: Yes, sir. [LB1070]

SENATOR ASHFORD: ...to organizations that deal with behavioral issues that obstruct learning. Clearly, the learning community is, at least in my mind, is the go-to place to provide these supportive services and to help the schools in those needs. I just...I'm

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

Education Committee
February 02, 2010

going to defer to you, Rick, because I've known you a long time, and I know you're very good at what you do. I just...my caveat would be that we'd look to the community as much as humanly possible. We are...Omaha is, as you know, the whole metro area is so incredibly blessed with third-party providers, education-based and other-service-based, in that we...I mean, certainly, it may be--in some cases it may be more efficient to have someone actually hired to work on these issues. I know when we first wrote this, the idea was to have one person...was to have an elementary learning center...one person that would, in each center, that would...and have a laundry list of those organizations that could provide the services and match...and obviously the job is much...you're saying--and I certainly can't deny it--the job is much, much greater than...I...so...I...you...it's your deal. You guys are in charge. I just...we don't want to create such a large group of employees that we create another institution of employees when we have all these services. [LB1070]

RICK KOLOWSKI: How can we best use all the resources... [LB1070]

SENATOR ASHFORD: Right. [LB1070]

RICK KOLOWSKI: ...that are already in place across the board? And sometimes it seems--in some of our connections, it's a matter of the coordination so they don't trip over each other. Or I think those are going to be part of the key things that we've learned. We've had so many different agencies and speakers from different groups come to us and present at our learning community meetings--as well as each of the districts made their presentations by their superintendents...the first half of the year of our first year of existence, all the organizational things we had to go through just to put everything together. [LB1070]

SENATOR ASHFORD: Right. Clearly, clearly, clearly. [LB1070]

RICK KOLOWSKI: All that was important, fantastic for us. [LB1070]

SENATOR ASHFORD: And the event on Sunday... [LB1070]

RICK KOLOWSKI: Yes, sir. [LB1070]

SENATOR ASHFORD: I mean that's what we dreamed when we sat with Ron and with Glen (phonetic) and we--and Tammy--and we sat there--and Bill--and we said what we're going to have are these big events, and people are going to come from all over the metro area, and they're going to be able to pick out the school they want to go to and go to where there--and Matt was there too. And that's the dream; that was the vision. And you've done it. You had that meeting, and you had numbers of people come, and the parents that were there were excited. [LB1070]

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

Education Committee
February 02, 2010

RICK KOLOWSKI: Thank you, sir. [LB1070]

SENATOR ASHFORD: And I just...let's make sure we, you know, don't get so employee-laden that... [LB1070]

RICK KOLOWSKI: No, that is not our dream... [LB1070]

SENATOR ASHFORD: Yeah. [LB1070]

RICK KOLOWSKI: ...in that sense. [LB1070]

SENATOR ASHFORD: Yeah. [LB1070]

SENATOR HOWARD: Well, Senator Ashford brings up a really good point, and I remember it well--all the conversations we had, over two years. And I think we can really learn from some things that are already in place, such as Liberty School, which is doing many of these things. And I looked through this list; you've got a to q in here, and I don't see anything in connecting up with the graduate School of Social Work, as Liberty has done, to have that extended service at no cost to the school at all. So I would certainly put in a pitch for that, to avail yourselves of that service. And it's there, and it's done a great job with that particular school. [LB1070]

RICK KOLOWSKI: You're absolutely right, Senator Howard. We have been to Liberty, and we've held a meeting there and learned about their programs. Every school that we've visited we have picked up another nuance of something we would need to look at and try to do a better job of coordination with. And I think that's served us very well as we've broadened our perspective of potential, of what could happen and what we could do. And the one constant from the school districts we're dealing with, as well as from the budgetary items that Ms. Brewer was talking about, that we're trying to set out: we see the limitations on what we could do because of the dollars being very short, as far as programmatic side. There is a...every district says: We have students and families waiting to be served, and we can't go any further than what the grant can do right now or what this pot of money can do at this current time. And how can we come in and assist? And Senator Adams said so very well--not just with the academic side but with any other portion of this delivery of services to our community beyond where they are at the current time. We think we have a role to play in that. [LB1070]

SENATOR HOWARD: As I remember, we gave you funding for, I believe it was, six social workers, if I'm right in that. So the dollars are put in for that. [LB1070]

RICK KOLOWSKI: Within our current budgets, yes. Yeah. [LB1070]

SENATOR HOWARD: Okay. Senator Sullivan. [LB1070]

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

Education Committee
February 02, 2010

SENATOR SULLIVAN: Thank you very much, Senator. Couple of questions. You don't need to go into great detail about that fair that was held, but I'd like to know where it was held and if you felt it, really, it accomplished what you had hoped in terms of opening up and... [LB1070]

RICK KOLOWSKI: Surely. [LB1070]

SENATOR SULLIVAN: ...reaching out to some people that might not otherwise have been reached to let them know about these opportunities. [LB1070]

RICK KOLOWSKI: Well, we had quite a blanketing of advertising across the board in the whole metro area. And for that afternoon on Sunday we had, by our own count, we had 300--about, right around 300 different families come through seeking information at Milo Bail Student Center at UNO. And we were in the Milo Bail Center, and each of the districts set up a booth, and they had draping and all the rest, as far as their own areas. And they brought in their own materials and people to man their booths and to answer questions for the parents that came in that desired to find out more about different programs and different schools and what the options were within the enrollment process that is now in place. And that is...the deadlines on all that are worked out with each of the districts. The diversity plan was very well done. And I certainly commend the districts for their ability to work together and to do the things that were needed in that law, as far as the diversity section of what we had to accomplish this first year. The districts worked very well together. And we had good leadership on our task force within the learning community to get that done. And we think it's one of those very important first steps. Three hundred may not seem like a lot for the entire metro area--of course not. But it's our first step; it's the process of getting the information out to parents and letting them know that there are options. And there may be ideas brought back to some districts as parents gather some information from other districts, and they may ask the question: Why couldn't we have this program in our own district? And that's a challenge back to their individual administrators and school boards of their individual district they come from. So I was very...we were happy with the day; 3,000 would have been better than 300, but it's a start. And we met the goal of the law to begin this, and we will be debriefing the process on Friday morning to see what we can do better next year. [LB1070]

SENATOR SULLIVAN: Senator Ashford alluded to the fact that the outcomes are going to speak for themselves. What process do you have not only for your own community to assess the progress you're making but then the ability to report back to us if we're supposed to be... [LB1070]

RICK KOLOWSKI: Certainly. [LB1070]

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

Education Committee
February 02, 2010

SENATOR SULLIVAN: ...the overseers? [LB1070]

RICK KOLOWSKI: Well, we're working on all that; those are still in the plans. And when it comes to the difference in outcomes, of course it'll be--the primary ones will be academic outcomes. Where was the student when he or she started with the process with us, and where are they now? And I think the major thing for all of us to look at is growth: How much growth is that student showing by the additional services that--as Senator Adams talked about--that we were able to enhance the learning of that particular student in coordination with all their efforts during the school day with their regular teachers and that particular district? Whatever district that would be. So with my own 41 years in education, not all of us learn at the same rate. And knowing that and using that as a tool for before school, after school, weekends, summer programs, and all the rest to enhance the students' literacy and numeracy--as far as mathematics education--is very important for us. So I think we are putting a number of things in place. Ms. Brewer has worked very well with our state Department of Education with all the things that are being readjusted as far as the testing processes within the state department that'll be coming to all the schools in the state. We're in a large change mode right now, and we want to use all that information plus whatever else we need to find--to get, to judge ourselves and evaluate ourselves and with the constant idea of continuous improvement to get better. That's where we're coming from. [LB1070]

SENATOR SULLIVAN: Thank you. [LB1070]

SENATOR ASHFORD: Just one last question, Senator Howard. And we've got...I don't want to...very quickly. The other major piece is the focus schools. That was...that is a...it is a central focus of the learning community. It is the...it is what creates the diversity; it's what creates the idea for new types of educational opportunity, new schools that are not like the schools we have now but that are just very innovative. That's what a focus school, to me, is. Are we going to have some focus schools in the next five years? [LB1070]

RICK KOLOWSKI: Senator, we... [LB1070]

SENATOR ASHFORD: What's your...how many do you predict? I'll ask it that way. How many focus schools? [LB1070]

RICK KOLOWSKI: Well, I don't have a crystal ball on that, and it's certainly--it must come from the districts. [LB1070]

SENATOR ASHFORD: No, I know. But do you think...in your own...you know, I mean, in your own opinion, do you think we're going to get some good, solid... [LB1070]

RICK KOLOWSKI: I think we will. We have some creative ideas that are already out

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

Education Committee
February 02, 2010

there bubbling up. And we have just talked this last week about another need, that we need to produce, is a small document to help districts on the formation of a focus school: How do you build one? How do you start one? What steps do you go through to make this happen? [LB1070]

SENATOR ASHFORD: Or maybe, you know, just have someone submit an app. We need to just get somebody to submit an application to the learning community to do a focus school, right? [LB1070]

RICK KOLOWSKI: Yes, and... [LB1070]

SENATOR ASHFORD: And then we could jump into action and...I'm not, I mean, I think someone has to start; someone has to make the first--take the first shot at a focus school. And it can be totally different, new, innovative. But at least then we'll have it there and can use it. So, hopefully, one of the 11 school districts will... [LB1070]

RICK KOLOWSKI: There's a lot of creativity... [LB1070]

SENATOR ASHFORD: Yeah. [LB1070]

RICK KOLOWSKI: ...in all the districts. [LB1070]

SENATOR ASHFORD: Right. [LB1070]

RICK KOLOWSKI: And I'm very, you know, I'm very proud of the Omaha... [LB1070]

SENATOR ASHFORD: Right. [LB1070]

RICK KOLOWSKI: ...educational community... [LB1070]

SENATOR ASHFORD: Right. [LB1070]

RICK KOLOWSKI: ...as a whole... [LB1070]

SENATOR ASHFORD: It's there. [LB1070]

RICK KOLOWSKI: ...and I...it's there. [LB1070]

SENATOR ASHFORD: It's there. I just encourage... [LB1070]

RICK KOLOWSKI: It'll bubble up. [LB1070]

SENATOR ASHFORD: I just encourage them to make the application and... [LB1070]

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

Education Committee
February 02, 2010

RICK KOLOWSKI: Thank you. [LB1070]

SENATOR ASHFORD: ...because there's enough people on the...of expertise within your group to be able to steer...once the application comes in, to get them...figure out how to finance it and do those things. [LB1070]

RICK KOLOWSKI: We think they're... [LB1070]

SENATOR ASHFORD: But anyway, thanks for your... [LB1070]

RICK KOLOWSKI: Thank you, sir. [LB1070]

SENATOR ASHFORD: ...everything you're doing. [LB1070]

RICK KOLOWSKI: Thank you Senator. We think there's a lot of seed out there; we're trying to water and fertilize the seed to bring it to fruition. [LB1070]

SENATOR HOWARD: Senator Haar. [LB1070]

SENATOR HAAR: Yes. Obviously, you've put in a lot of time and effort into this. What's the most exciting thing you find about the learning community concept? [LB1070]

RICK KOLOWSKI: To me, it's the community and our state making a decision to do this, to have a learning community, to make a difference in the lives of the students and the families that we're dealing with. And the potential...I think of it as human capital; we cannot afford to waste a single student in any way, shape, or form. That's how I principal-ed as a principal at Millard West High School; that's how I behaved as an educator for 41 years. And you have to look at every single individual student and know that we are doing all that we can to help that student and their family, because this list is a larger list than just academics, and we have to understand that--what the difficulty of what kids are growing up with today. If we can nurture that potential, we'll have better citizens and better results in our state for our future. [LB1070]

SENATOR HAAR: Thanks. [LB1070]

RICK KOLOWSKI: Thank you, sir. [LB1070]

SENATOR HOWARD: Senator Sullivan. [LB1070]

SENATOR SULLIVAN: I just have to get this off my chest, because I want to make sure that in all of this--and I think you're right on point, and I applaud you for your efforts--but I hope that eventually I won't ever have to hear on the floor of the Legislature what

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

Education Committee
February 02, 2010

Senator Council expressed last session and put--basically, in our discussion of state aid to schools--and put out the plea for the fact that they struggle in north Omaha to put good textbooks in that school and all the needs that she tried to articulate, that I got the impression weren't being met there. And I just hope that, you know, she won't ever have to say that again, assuming this learning community is a success. [LB1070]

RICK KOLOWSKI: Well, certainly. But our parameters are again with the learning community charge in the law. We also need to address and work with each of the school districts. They make the textbook selection; they make the purchase of the textbooks. We can assist with materials over time, of course. But the primary source of all those, of course, has to be the school district. [LB1070]

SENATOR ASHFORD: Senator Council was right, though. We have to deal with any... [LB1070]

RICK KOLOWSKI: Absolutely. Absolutely. [LB1070]

SENATOR HOWARD: And Senator Sullivan is right too. Absolutely. [LB1070]

RICK KOLOWSKI: I agree. [LB1070]

SENATOR ASHFORD: Yeah. [LB1070]

SENATOR HOWARD: Right. Thank you. [LB1070]

RICK KOLOWSKI: Senator, thank you very much. [LB1070]

SENATOR HOWARD: Other proponents. Welcome to the Education Committee. [LB1070]

BRIAN HALSTEAD: Thank you. Senator Howard, members of the Education Committee, it's been so long. For the record, my name is Brian, B-r-i-a-n, Halstead, H-a-l-s-t-e-a-d. I'm with the Nebraska Department of Education. We're here to support the changes in this bill that deal with the data collection and data reporting. I think, as Senator Adams indicated, as currently in statute, school districts are required to report all of the data to the learning community; the learning community is required then to turn all that data around and report it to the department. And frankly, that's not an efficient nor an effective way for data to be collected nor for the learning community to have to purchase the computers, the software, and all the technical expertise to deal with it. The bill basically is going to have us, as we've always be doing, collect all of the data from all of the school districts in Nebraska. And for those districts that are in a learning community, we will provide them with the specific information on the students, on the financial information of the schools that are in that learning community. I think, as many

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

Education Committee
February 02, 2010

of the senators here on the committee remember, back in LB653 this Legislature put into statute that the department was supposed to create a student record information, to collect individual student record information--and that's currently in 79-760.05 of the statutes--which we have done and implemented. And the reports that you refer to in Section 79-528 as still being the fall membership report and the annual statistical summary--when those are asking for data about students, we collect that on the individual student basis now. And under this bill, we will report that on the individual student basis back to the learning community for their use, all of that being in compliance with both state and federal laws. With that, I would take any questions. [LB1070]

SENATOR HOWARD: Do we have questions, committee? Looks like you explained it. Other proponents. Welcome, sir. [LB1070]

KERMIT BRASHEAR: (Exhibit 13) Thank you. Senator Howard and members of the Education Committee, my name is Kermit Brashear, B-r-a-s-h-e-a-r. I'm a registered lobbyist for the learning community of Douglas and Sarpy Counties. I am aware of the hour, and I'm going to try to use legislative speed to shorten this up. The...I want to express the appreciation of the learning community coordinating council to Senator Adams and to Senator Avery, because we will not be duplicative and redundant on Senator Avery's bill. Both LB1070 and LB974 put before the committee the opportunity to consider what has just been discussed with regard to the funding of the learning community initiatives. Senator Adams has graciously provided in LB1070 an opportunity and vehicle for some changes, and we're excited about a couple of them. They aren't exciting changes, but we think they're necessary, and we'd simply like to articulate our support. The first is the issue of the matter of the per diem, which--you raise it, and it's immediately of concern, and there is disagreement. But the issue of governance of the learning community was worked out very carefully. A key point was the selection of nonvoting members, as it has been discussed, to represent those districts--likely to be smaller districts--who did not otherwise have representation. Another key point was the provision of per diem payments to council members, because it was understood that we were creating a brand-new political subdivision for the state of Nebraska, to be constructed and utilized as a model for possible duplication in other areas, to cross political subdivision lines, create collaboration, and produce efficiency, thereby reducing expense. We know that the per diem is a source of controversy, but the fact of the matter is we are not asking these people to attend a once-a-month meeting and we're not asking these people to attend a once-a-month meeting for their district, in which their children have or will attend school and in which they pay taxes. We are creating a collaborative, cross-jurisdictional, brand-new political subdivision to deal with first-time issues in communication and coordination of programming, which has not been delivered otherwise--not duplicative, not repetitive, to Senator Ashford's point, but where it isn't being provided. We would respectfully submit the members are unique, and we are particularly...as often as they're meeting multiple times a week in their various levels

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

Education Committee
February 02, 2010

of organization, developing the elementary learning centers and the diversity plan, all of which are on the Web site of the learning community in complete detail for your examination. We are asking these people to meet multiple times a week in their various groups and subgroups, and they are doing it. The attendance--I can tell you that the attendance is very diligent and very complete. So we simply are concerned as a matter...I know there's another bill later; I'll be as brief as I can be on that one and briefer. But there is another bill before you that deals with the per diem. We're simply saying 18...there was a little confusion in the record as I listened. This is not about reimbursable expenses. This is about the per diem. Eighteen people are being paid a per diem, and three are not. The other issue that I would raise is the executive director; we've raised this several times. I'm pleased that Senator Adams has brought it forward. We would ask that there still be an additional change, and I have proposed an amendment that's been circulated. Somehow this got drafted to be a six-year term and that you could not fire or terminate this person no matter how bad their performance was as an educator unless they were incompetent, incapable, or in dereliction of duty. We would respectfully suggest, as I race against the clock, that this person ought to be hireable under a contract pursuant to law, just like a superintendent of schools, to run these elementary learning centers and terminable whenever a majority of the council believes the person ought to be terminated. And reporting has been adequately covered; it's being coordinated. That's a result of collaboration, and we appreciate that. Thank you. [LB1070]

SENATOR HOWARD: Questions? Everyone is studying your documents. So I think you've covered it. Thank you. [LB1070]

KERMIT BRASHEAR: Thank you, Senator Howard. [LB1070]

SENATOR HOWARD: Thank you for... [LB1070]

TERRY HAACK: I needed to let the skateboarder get out of the way before I sat down. [LB1070]

SENATOR HOWARD: Thank you for coming to the Education Committee. [LB1070]

TERRY HAACK: (Exhibit 14) Yes. Good afternoon, Senator Howard and members of the committee. My name is Terry Haack, spelled H-a-a-c-k, superintendent of Bennington Public Schools. I'm here to testify in support of LB1070. To be brief, we are here specifically for the nonvoting and the per diem that goes along with that. Bennington would like to call your attention to the amendment in Section 8 and statute 32-546.01. Although we're appreciative of Senator Adams' recognition of the nonvoting councilmembers' compensation, our district does not believe the proposed amendment by Senator Adams goes far enough to compensate a nonvoting member of the learning community coordinating council. We believe a nonvoting member of the learning

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

Education Committee
February 02, 2010

community coordinating council should be equally compensated for their time in representing the district constituents. And with that and in the interest of time, you have two documents that go along with the testimony. The first is the actual statute, and on the back of that you can see the one word that we request to be struck. That was covered by Mr. Brashear. Also I want to call your attention to a calendar that was developed by the nonvoting member representing Bennington, Virginia Meredith. And it gives you a calendar of events that she's attended, much of those two hours or more in length. And so she's committed 15 to 20, 25 hours a month to this process in a nonvoting-member capacity. With that, I'll stop and answer any questions that you have. [LB1070]

SENATOR HOWARD: Good, timely job. Thank you. Do we have questions? None? Don't see any. [LB1070]

TERRY HAACK: Thank you. [LB1070]

SENATOR HOWARD: Thank you. Other proponents. Opponents. Do we have opponents? Neutral. Are you opponent or neutral? [LB1070]

BOB TWISS: I can be flexible. [LB1070]

SENATOR HOWARD: (Laugh) Well, we appreciate that. [LB1070]

BOB TWISS: And it probably will be. [LB1070]

SENATOR HOWARD: Oh. You do...I've been told you do need to say which side, which...are you an opponent or a neutral? [LB1070]

BOB TWISS: Opponent. [LB1070]

SENATOR HOWARD: Opponent. All right. [LB1070]

BOB TWISS: I could testify neutrally, because the bill doesn't go far enough, quite frankly. [LB1070]

SENATOR HOWARD: Could you give your name and spell it? [LB1070]

BOB TWISS: Bob Twiss, T-w-i-s-s, 433 Sherwood Drive, Gretna, Nebraska. I intentionally didn't wear a tie today; I didn't want to be confused with others around here at all. I'm representing myself as an ordinary citizen, and I find through this process, going back 2005, '06, '07, '08, '09, that the ordinary citizen doesn't have much input, not really listened to, doesn't have that opportunity; so I'm glad to be here today, opposed to LB1070, right? The bill number? [LB1070]

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

Education Committee
February 02, 2010

SENATOR HOWARD: Yes. [LB1070]

BOB TWISS: And it also applies to LB974, which I'll talk about a little bit later. And I hope I have adequate time; I know the day is late--the hour is late; you were here late last night. When the learning community bills first came up, there were those from the education group and others who got to testify, and the ordinary citizens were left until the 11th hour and sometimes wasn't even heard at all. It was a process that George Norris is still turning in his grave; he tried to get rid of the conference committee. The conference committee he did not get rid of in the Unicameral, because, first of all, 2005 was the year of the Class I's basically by the wayside. OPS sent their letter out in 2005, I believe--sine die, three days later. OPS sent their letter out--the law is the law; we're coming, and we're going to take your property tax, property tax valuations, and we're going to take your buildings too. So the Legislature got on this in basically 2006. And the reason I say that Senator Norris didn't get rid of the conference committee is because it was very late in the session, and the bill had priority status with the Speaker, and there were basically only three people that knew about the Ernie Chambers amendment, as I'm going to refer to it--I forget the bill numbers by now. But the Ernie Chambers amendment is the one that broke up OPS into various parts. And everything broke loose. And the reason I say it didn't get rid of the conference committee--because the senators on the floor...and, keep in mind, roughly half of them are gone now...and it was an Omaha problem--it's an eastern problem. And we don't know what's coming out of the committee, so we're not ready to talk to you, because we don't know what's coming out of that Education Committee; we don't know what we're working with. And neither did the senators, because the senators had about 18 hours' notice on the legislation that came out. And the conference committee consisted of the then-Speaker of the Legislature, the then-Chairman of the Education Committee, and Senator Chambers, basically. So the reason I'm opposed to these bills is the process. And when I say it doesn't go far enough--the learning community should be repealed; we don't need it. I know that we're after achievement, to try to improve student achievement, but there are other ways to do this, without having a mandated two-county area going together for a learning community to solve some of the basic problems. And I agree with Mr. Kolowski that we don't want to lose any student, not a single one, because the dropouts cost us \$61,000 for each and every one, and they cost us more in societal cost. But we can't be all things to all people. And the money--the education dollar, the single biggest item in the state budget, for K-12--basically flowing east. Should we have two more learning communities in the state of Nebraska--one perhaps centered in Lincoln and the other centered in Kearney, Grand Island, Scottsbluff, somewhere out there? Or Cedar Rapids? Because we have 38 percent of the students in this two-county--not a cooperative, as the World-Herald reports...it was a mandated learning community shoved down our throat. Thirty-eight percent of the total student population is in that two-county region. Yes, we need to address the problems, but we also need to hold the local school districts accountable for the problems. I have seen before--and I

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

Education Committee
February 02, 2010

see the red light is on--I have seen before that other committees within the Legislature ask really tough questions. I've seen it on water legislation, dams, and other things. Judiciary Committee in particular, Revenue Committee--some call it the killing committee--have asked tough questions. But since I'm not an educator, I don't know anything. And I have not seen the real tough questions come out of this committee recently. And I realize that half of you are new to this committee; these things happened before you got here. But the learning community is not good public policy. And I'll have another opportunity to speak. I can go on now, or I'll come back on another bill. [LB1070]

SENATOR HOWARD: There may be questions for you. Do we have some questions? Ah, Senator Avery. [LB1070]

SENATOR AVERY: Thank you, Madam Chair. Mr. Twiss... [LB1070]

BOB TWISS: Yes, Senator. [LB1070]

SENATOR AVERY: You, I believe, stated that we should repeal the law on learning community, that it's unnecessary, and I think you said there are other ways to deal with the problems. Am I correct? [LB1070]

BOB TWISS: That's correct, basically, um-hum. [LB1070]

SENATOR AVERY: Would you like to tell us what those other ways are? [LB1070]

BOB TWISS: Well, we have an existing state aid formula, and that's a problem as well, tinkering at the edges over the years. And quite frankly, I had conversations with Senator Warner--that does go back a couple years; I'm not that old. But Senator Warner, when the state aid formula at that time...amount was around \$100,000. In 1990, LB1059 was passed, and that increased sales tax by 25 percent, income tax by 17.5 percent to go into the big pot of state aid to education. There was also an attempt to repeal it, and that failed that summer. But that was the big move toward this big, big kitty. Now, you're addressing--what you're concerned about, probably, is the student achievement, and I am concerned about that very much as well. [LB1070]

SENATOR AVERY: Well, I thought you were going to tell us some creative ways we could deal with that problem. [LB1070]

BOB TWISS: Well, I think that, number one, let's thank the private donors who have come forward to help with the achievement problem. I think they deserve to be applauded. But that doesn't necessarily mean we need a learning community. If we need additional dollars for English as a second language, if we need additional dollars for low income, then put the data forward, because some of the school

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

Education Committee
February 02, 2010

districts...particularly OPS was asked to present that for several years and never did, instead went to a lawsuit. But through the state aid formula, if we need those dollars, let's spend them and spend them wisely, but let's also expect results. [LB1070]

SENATOR AVERY: Well, you said we don't ask hard questions. Now I didn't think that was a hard question, but you didn't give me an answer. [LB1070]

BOB TWISS: Well, I think I did. [LB1070]

SENATOR AVERY: You spoke. You did not answer the question. [LB1070]

BOB TWISS: Well, you maybe wanted a different answer. But I think I gave you an avenue to proceed and help with these things. I would also go back to the constitution itself, which addresses education, and it is the state responsibility to educate, basically, from birth to 21, to paraphrase a little bit. But it doesn't say anything about providing nutrition and clothing and health services and many of these other things. Yes, we can say, if we can do that and address some of those issues, that will help, perhaps, with education. But that's not the charge in the state constitution. We can't be all things to all people. And there is not always a political solution to a fundamental problem. I'll repeat that: There is not always a political solution to a fundamental problem. We cannot afford to put a parent in each and every home, a responsible parent. [LB1070]

SENATOR AVERY: So I take it what you're saying is the achievement gap is simply intractable and we can't solve it, so let's forget about it. [LB1070]

BOB TWISS: That's not what I said at all. [LB1070]

SENATOR AVERY: It's--that's certainly implied. [LB1070]

BOB TWISS: I said let's address it through the school... [LB1070]

SENATOR AVERY: Through other means. [LB1070]

BOB TWISS: ...aid formula, through other means... [LB1070]

SENATOR AVERY: But you didn't tell us what those other means should be. [LB1070]

BOB TWISS: ...rather than command a two-county region that is assessed disproportionately between Douglas and Sarpy Counties so that some taxpayers pay a larger amount than other taxpayers within the same community. And it's also invited litigation. You know that there's litigation being looked at, and also there was at least a suit that was filed. [LB1070]

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

Education Committee
February 02, 2010

SENATOR AVERY: I'm not going to prolong this, but am I getting this right? What you really are saying is that: Don't use my property tax money to help those poor kids in north and south Omaha; let them figure it out for themselves. [LB1070]

BOB TWISS: Not at all what I'm saying. I've already said that each and every student counts. I want the school districts to be accountable, and we have good educators--we have good teachers. And the critical aspect is not the building, not the brick and mortar but the personnel. And it's the personnel at the top, administratively, and each person in the classroom are very, very critical. And I think you would agree. [LB1070]

SENATOR HOWARD: Are there any other questions? Thank you for coming down. [LB1070]

BOB TWISS: Thank you very much. [LB1070]

SENATOR HOWARD: Do we have any other opponent testimony? Any neutral testimony? That would leave it to you. And Senator Adams waives closing. Senator Avery, you're up. [LB1070]

SENATOR AVERY: Oh. Okay. [LB974]

SENATOR ADAMS: Senator Avery, welcome. [LB974]

SENATOR AVERY: Thank you, Mr. Chairman. First let me apologize for my absence earlier. I was in the Banking Committee with another bill. We thought at one point my L.A. was going to have to give this testimony, and I'm sure she is quite grateful for the long debate that we had on that last bill. My name is Bill Avery, B-i-l-l A-v-e-r-y; I do know how to spell my name. I represent District 28 in the Legislature. LB974 would allow the learning community coordinating council to have discretionary authority in allocating the property tax levy collected pursuant to Nebraska Statute 77-3442. I believe that was contained in LB641 that we passed in '07. A learning community is currently authorized, as we have discussed in here today already, in law to levy up to 5 cents on each \$100 of taxable property each fiscal year for learning center facilities and up to 50 percent of the estimated cost for capital projects as approved by the council. Capital costs include land and building acquisition, construction, and remodeling. The bill that I am proposing expands the permissible usage of the levy proceeds to any uses or projects approved by the coordinating council, including the projects currently authorized under law. A 5-cent property tax levy would generate approximately \$24 million in revenue in 2010-11; that's assuming a 2.5 percent increase in the 2009-10 assessed valuation for the learning community. Discretionary spending authority would allow the learning community coordinating council to exercise greater discretion about where collected tax levies would benefit the learning community the most. From educational programming to existing capital expenditure authorizations, increased

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

Education Committee
February 02, 2010

flexibility would provide the coordinating council multiple options to allocate funds as it deems essential to the continued success of the learning community. This is not asking a huge amount; it's not asking us to do much more than to say to these elected board members that we trust that you can use your authority and your discretion to wisely spend the money that you're authorized. I think the intent of what we did in '07-08...I'm confusing--I'm a bit confused; I think it might have been '08. At any rate, I think that the limits that we put on the authority of the coordinating council was not intended to tie their hands, but it was intended to simply define the kind of expenditures. I think that the council can be trusted to use their discretion broader than capital expenditures. And I urge that you advance this bill to General File. Thank you. [LB974]

SENATOR ADAMS: Thank you, Senator Avery. Are there questions? Guess not. [LB974]

SENATOR AVERY: Thanks. [LB974]

SENATOR ADAMS: Proponents. [LB974]

KERMIT BRASHEAR: Mr. Chairman, members of the Education Committee, my name is Kermit Brashear, B-r-a-s-h-e-a-r. I appear as a registered lobbyist for the Douglas and Sarpy County learning community. We all thank Senator Avery, as we did Senator Adams for the introduction of his bill. We thank Senator Avery for the introduction of this bill and ask for your careful consideration, which we know we will receive. It's a part of the mix now. We've previously presented our testimony. Thank you. [LB974]

SENATOR ADAMS: Yes, Senator Sullivan. [LB974]

SENATOR SULLIVAN: Just clarification: This does potentially mean higher property taxes. Is that correct? [LB974]

KERMIT BRASHEAR: It's the 5-cent levy that is allowed by the original bill. This is not additional...this is already authorized in statute. The learning community has only exercised one-half of one cent thus far. And it's because of the...first of all, in our new stage we did not have the places to use the money for, so it would be irresponsible to levy it. Secondly, we can only use it as presently written, absent either Senator Adams' amendment, or bill, or Senator Avery's. We can't use it for anything but--as we've called it--bricks and mortar. [LB974]

SENATOR SULLIVAN: Um-hum. [LB974]

KERMIT BRASHEAR: So if we can't use it for operations, then we don't need it, because you've heard that we're, for instance, we're renting city of Omaha buildings thus far. [LB974]

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

Education Committee
February 02, 2010

SENATOR SULLIVAN: Okay. Thank you. [LB974]

SENATOR ASHFORD: Just so I...Kermit, the...so the position of the learning community, as Julie suggested, is: one, keep the core service money where it is; two, reduce the levy to 3 cents and 4 or do...wait, what is the position on taxation? [LB974]

KERMIT BRASHEAR: The position we've been instructed to take from the coordinating council is they would like to have the 5 cents made available for operations. [LB974]

SENATOR ASHFORD: Okay. So the...it... [LB974]

KERMIT BRASHEAR: Senator Adams has offered 3 cents... [LB974]

SENATOR ASHFORD: Okay, but you're still at 5. [LB974]

KERMIT BRASHEAR: ...available for operations, with 2 cents for operations and 1 for programming. And we've learned not to reject... []

SENATOR ASHFORD: Okay. [LB974]

KERMIT BRASHEAR: ...an open hand. [LB974]

SENATOR ASHFORD: Okay. Well, and I wasn't--didn't--I didn't want you to pick bills, necessarily, as one...no, but it's...so 5 is--you'd rather continue to maintain that levy authority... [LB974]

KERMIT BRASHEAR: That is the... [LB974]

SENATOR ASHFORD: ...and...okay. Thanks. [LB974]

KERMIT BRASHEAR: Yes, sir. [LB974]

SENATOR ASHFORD: That's all I have, Mr. Chair. [LB974]

SENATOR ADAMS: Okay. Are there other questions for Kermit. Thank you, sir. [LB974]

KERMIT BRASHEAR: Thank you. [LB974]

SENATOR ADAMS: Other proponents. How about opponents, then, to the bill? [LB974]

BOB TWISS: Good afternoon. Chairman Adams, members of the committee, my name is Bob Twiss, T-w-i-s-s, Gretna, Nebraska, representing myself. And that's why I didn't

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

Education Committee
February 02, 2010

wear a tie today; I'm just an ordinary citizen, came down here at my own time, my own expense, as I have for several years. And I've been around education and attended various school board meetings and everything else for well on 25-plus years. And it's good to get to talk to you. I would like to address the question, Senator Sullivan's question, in terms of higher property taxes. The answer is yes--absolutely yes, because right now it's restricted money of 5 cents, and that--this bill, LB974, opens it up to anything, 5 cents for anything. So, yes, property taxes would be, I would think, going up. There were also comments about--let's talk about limited voting; let's talk about the members of the learning community coordinating council, I think is the proper term. There are 18 members who vote, 3 who do not vote. [LB974]

SENATOR ADAMS: Excuse me. It'd be best if you'd stay on the bill, given our late hour. [LB974]

BOB TWISS: I'm sorry. [LB974]

SENATOR ADAMS: And that's not part of the bill. [LB974]

BOB TWISS: I thought there was an amendment on that bill. [LB974]

SENATOR ADAMS: No. [LB974]

BOB TWISS: Okay. [LB974]

SENATOR ADAMS: On the prior one. [LB974]

BOB TWISS: But I'm giving you reasons not to have the 5 cents. And I'm staying on the bill with the makeup of the learning community council. [LB974]

SENATOR ADAMS: Fire away. Your time is running. [LB974]

BOB TWISS: I understand it. Limited voting--and each one of us, if we're in the learning community council district of the two-county region, can only vote for one of the three people from our district, and there's six separate districts. We only have say in a direct election of one person out of the 18. The one who comes in second at the election is also elected, but you and I didn't get to vote for him. Or perhaps Senator Haar did vote for the one who came in second, but he didn't vote for the first one. So the third one comes from the elected school board members in the 11 schools. And those folks are elected at a special election, as was explained a little bit earlier. So we lack direct election of our representatives to the learning community coordinating council--1 out of 18. So I think I'm staying close to the bill. There's also the aspect of...the fair may not be in there, but this is another example of money spent. And out of 107,000 students, the turnout was roughly 300, as reported both in the paper and today. And that's probably a

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

Education Committee
February 02, 2010

parent--at least a parent--and a child, so maybe down to 150. Less than 1 percent of the student population in the learning community was at that fair. Less than--I can't quite do the math--1 percent would be 1,070, for example. The turnout may have been 150 families, perhaps. And the open enrollment, as reported, is also not open; it's restricted. Certain folks are given preference--and especially when you and I and everybody else pick up the transportation--but the open enrollment itself is not open at all. It's primarily because of the limited voting that I am opposed to this legislation. And likewise we can have bond issues on the 5 cents--very important, 5 cents. We can build buildings without a bond issue. It doesn't require a bond issue, because we're gathering 5 cents from each and every citizen in the two-county region to build a school where? And a focus school perhaps. And the host district stands 50 percent of that expense, but all of the rest of us also stand 50 percent of that expense. So this opens up the whole floodgate to everything, with the 5 cents and not having any restrictions. Will the taxes go up? I think so. [LB974]

SENATOR ADAMS: Are there questions? Guess not. Thank you, sir. [LB974]

BOB TWISS: Thank you very much. [LB974]

SENATOR ADAMS: Next opponent. Is there neutral testimony? Senator Avery, do you want to close? [LB974]

SENATOR AVERY: Ordinarily I would waive, given the lateness of the hour, but I do want to clarify one thing: The maximum levy authority does not change in this bill; simply the discretionary authority of how it is to be used would be left up to the coordinating council. [LB974]

SENATOR ADAMS: Thank you, Senator. Any questions? That'll end the hearing on LB974. And I think I saw Senator Fischer; there she is. Sorry for the late hour, Senator. We'll open a hearing on LB937. Senator Fischer to open. []

SENATOR FISCHER: Good afternoon, Chairman Adams and members of the Education Committee. For the record, my name is Deb Fischer, F-i-s-c-h-e-r, and I am the senator representing the 43rd District here in the Nebraska Unicameral. I appear before you this late afternoon to present LB937. The purpose of LB937 will amend Section 32-546.01 to eliminate provisions relating to per diems for members of a learning community coordinating council. The bill aligns the reimbursement structure for learning community council members to that of school board members. As explained in Section 79-546, school board members shall not receive a per diem but may be reimbursed actual and necessary expenses incurred while carrying out their duties. I understand that it's been suggested that no changes should be made to the learning community structure, but I believe that this bill represents a change that must take place. As a former school board member, I believe that learning community coordinating

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

Education Committee
February 02, 2010

council members provide a similar function and should not be paid a per diem for their efforts. I believe this is the fair and right policy with regard to learning community council members, and I urge you to advance this bill to the floor. Thank you, Mr. Chairman. [LB937]

SENATOR ADAMS: Thank you, Senator. Are there questions for Senator Fischer? Senator Sullivan. [LB937]

SENATOR SULLIVAN: Thank you very much. Thank you, Senator Fischer. I, too, served on a school board in Cedar Rapids for quite a number of years and don't recall receiving any per diem. That being said, we did receive some information earlier today that showed the schedule of one of the nonvoting members of the learning community coordinating council, and they do spend--one could look at that schedule and think that they spend quite a lot of time, you know, probably, potentially four or five days out of a week, maybe not on a regular basis but, still, probably meeting more than once a month. Would you entertain some possibility, short of giving them no compensation and the maximum of what they're getting now, to accommodate some of that extra time that they're devoting to this? [LB937]

SENATOR FISCHER: No, I would not... [LB937]

SENATOR SULLIVAN: Okay. [LB937]

SENATOR FISCHER: ...Senator Sullivan. I think that this is obviously a choice; people have filed to run for this position, as they file to run for school board. They want to serve their community; they want to serve their students; they want to serve the patrons--and it's their choice. I know school board members that put in time every day of every week, and they do not get paid. And I regret my vote when I voted for this bill, and I want to see this changed, because it is not right. We are making an exception for a group of people who have chosen to provide this service. [LB937]

SENATOR SULLIVAN: When you were president of the Nebraska state school board association, were you--did you receive a per diem then? [LB937]

SENATOR FISCHER: No, I did not. [LB937]

SENATOR ADAMS: Senator Howard. [LB937]

SENATOR HOWARD: Thank you. Thank you, Mr. Chairman. You and I have talked a bit about this off the floor, and we had an earlier bill come in--LB1070--and I was...I'd asked questions on that, and I'll kind of ask the same ones to you. You don't have a problem with the mileage if that's the reimbursement that they're asking for. [LB937]

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

Education Committee
February 02, 2010

SENATOR FISCHER: No, I have no problem with that, Senator Howard. I can tell you that I served over 15 years on a Class VI school board in Valentine, and one of my school board members drove 72 miles one way for a school board meeting, and they chose not to collect mileage. And I think that's a decision that each board member can make on their own, but I believe that expenses need to be covered. [LB937]

SENATOR HOWARD: Your county is a large county; I can certainly see where they'd be driving quite a distance to attend meetings. There was a request that I remember last year that came in for the nonvoting members to receive mileage, and I was kind of surprised today to learn that the learning community had itself taken on to authorize the reimbursement to the nonvoting members and mileage. And also I didn't realize that the learning community members have authorized for themselves also conference fees. I don't know what amount that is or how often that might be or any of the details, but I thought that was interesting that that was able to be authorized within the learning community itself. [LB937]

SENATOR FISCHER: I believe individual school boards have policies that determine if or how many conferences that their members can attend, whether it's the Nebraska state school board association conference or if they're going to national conferences. And that's done on a district-by-district basis with policy. I would support extending that courtesy to learning community members also. But there again, I think constituents need to be aware of what's happening in their own school districts or in the learning community district, because it is local property tax money that supports all of this. [LB937]

SENATOR HOWARD: I think that's a very good point. Thank you. [LB937]

SENATOR FISCHER: Not--excuse me--not all of it. [LB937]

SENATOR HOWARD: Right. [LB937]

SENATOR FISCHER: As you know, a billion dollars in state money goes to state aid for schools also. [LB937]

SENATOR HOWARD: Thank you. [LB937]

SENATOR ADAMS: Senator Avery. [LB937]

SENATOR AVERY: Thank you, Mr. Chair. Senator, you're talking about \$216,000 out of an appropriation--it's not really an appropriation; it's part of the learning...let's see, the educational service units aid formula--so it's about \$1.6 million. This \$216,000, though, would go back to the learning community to be used in other ways. How would you like to see that used? Or would you like to see it not go back to the learning community?

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

Education Committee
February 02, 2010

[LB937]

SENATOR FISCHER: I think that's a decision that you as senators on this committee, who deal with this issue, would be best suited to answer. If you feel that the money could be used in a beneficial way for the students in the learning community, then my suggestion would be that, certainly, that money should go back. If it would be better served not to be returned to the learning community, I would think that should be your recommendation. [LB937]

SENATOR ADAMS: Are there other questions? Thank you, Senator Fischer. [LB937]

SENATOR FISCHER: Thank you. [LB937]

SENATOR ADAMS: Are there proponents? [LB937]

BRIAN HALE: Senator Adams, members of the committee, my name is Brian Hale, B-r-i-a-n H-a-l-e. I represent the Nebraska Association of School Boards. This concept of paying school board members--and there are six members who are appointed from their regions who are sitting school board members who serve on this 18-member council--it has gotten the attention of our membership. (Laugh) They're certainly in the metro area, where there are board members who now are getting paid and those who aren't, and obviously they're doing an additional service. We got a resolution this year that asked that all school board members be paid. Our legislation committee wrestled with that, talked about the merits on all sides and ultimately came down back where we've been traditionally, and that NASB strongly opposes--we don't often use "strongly"--but strongly opposes compensating school board members and learning community coordinating council members in the form of a salary or stipend to carry out duties they were elected or appointed to perform. The school board members of this state enjoy the status that they receive as volunteer members; they don't do it for the pay; it is a lot of work in a number of districts. And while I understand that the learning community folks, no doubt, are working hard and working multiple days a week, I think if you laid that over the schedules of members of the OPS Board of Education or the Lincoln Public Schools Board of Education, you wouldn't see it to be a dramatically disparate workload. So with that, I need to communicate that the school board members of this state have paid attention to what's happened here and see that there's a little shift and, certainly, there's maybe even a caste system in the metro area in terms of what school board members come to the table to do and what they expect in compensation. So with that, I will stand aside and see what questions come. [LB937]

SENATOR ADAMS: Well, you don't get to stand aside; you've got to stay right there--but questions. Senator Howard. [LB937]

SENATOR HOWARD: Thank you, Mr. Chairman. You know, in this time of all of us

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

Education Committee
February 02, 2010

looking ahead, doing as much as we can with less money than we had before, I think this is a bill certainly worth considering. These are not economic times that they were two, three years ago when we passed this bill. And I was here when we passed this bill. People weren't worrying about how we were going to fund all of our programs. There were actually appropriations bills on the floor at that time. I think we really do need to look at every aspect of what we're paying for, where our money is going. And by the same token, I think we need to really be aware that there are a lot of people that are serving on school boards because they believe in quality education, and they've committed themselves to doing that. I think it makes it tough for us to find good people willing to run for school boards when, by comparison, we've got a body that's actually paid to be there. So thank you. [LB937]

BRIAN HALE: Very true. [LB937]

SENATOR ADAMS: Are there other questions? Thank you, Brian. Other proponents. [LB937]

STEVE COLEMAN: Thank you, Senator Adams, members of the committee. I'll be very, very quick. My name is Steve Coleman, S-t-e-v-e C-o-l-e-m-a-n. I represent the Papillion-La Vista schools, and we also support this legislation, only from the basis of all other elected educational bodies in the area do not receive per diem. They do receive expenses, which we do support, but we don't feel that this body should be treated differently than other elected educational bodies in the state. I would answer any questions. [LB937]

SENATOR ADAMS: All right. Thank you, Steve. Questions? Thank you for your patience. Anyone else as a proponent? Opponent? Opponent testimony? [LB937]

KERMIT BRASHEAR: Mr. Chairman, members of the Education Committee, my name is Kermit Brashear, B-r-a-s-h-e-a-r. I appear before you as a registered lobbyist for and on behalf of the learning community of Douglas and Sarpy County. I have previously spoken to the duties, responsibilities, and original decision to pay a per diem in this instance. I will not belabor that testimony except to express the respect, of course, of all of us involved with the learning community for all of those who do similar service but are not paid a per diem. Nevertheless, the issue here was the initial effort, the organization, the establishment, and the building of the collaborative, communicative prototype for future use, and a decision was made. And the learning community coordinating council has instructed that we endeavor to support and preserve it. [LB937]

SENATOR ADAMS: Questions for Kermit? Senator Avery. [LB937]

SENATOR AVERY: Thank you, Mr. Chair. You used the word "initial" expenses. Was there some contemplation in the early formation of the coordinating council that perhaps

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

Education Committee
February 02, 2010

we may not need the per diem indefinitely or in perpetuity? [LB937]

KERMIT BRASHEAR: I was giving extemporaneous testimony. I even had to recall what you heard. What I was indicating was that--as I recall the discussions at the time--it was considered that this would truly be a very significant, very time-demanding effort. I did not hear at the time any concept that it would someday be changed, but I may not have heard everything. I have heard that idea since, and it would not be telling the truth not to acknowledge that in response to your question. [LB937]

SENATOR AVERY: Thank you. [LB937]

SENATOR ADAMS: Other questions? Thank you, Kermit. [LB937]

KERMIT BRASHEAR: Thank you. [LB937]

SENATOR ADAMS: Other opposition testimony? Is there neutral testimony? [LB937]

BOB TWISS: Good afternoon. Again, my name is Bob Twiss, T-w-i-s-s. I appear here in the neutral capacity because, basically, the bill is a good bill, but it doesn't go far enough. And we have some significant problems with per diem, because, as stated previously, six--and if you include the nonvoting members, that would be nine members are paid; and those nine members also serve on a local board. And the others were, quote, elected by limited voting, basically. But the bill doesn't go far enough. We talk about: Oh, my gosh, they have to serve so many hours in so many meetings. Well, let's think of the taxpayer; let's think of the ordinary citizen. With our open meetings law, how do we get to all these things? They're held in various locations throughout the two-county region, not just one location. If we want to be a good citizen, as at least I was taught years ago, we become involved and we go to public meetings, and we testify--multiple times a week; the meetings are not just once a month. But it's tough and very, very difficult for the ordinary citizen to stay involved and have any input into this. There should be no payment at all, and they should be reimbursed for reasonable expenses, basically. And as I said previously, there is not always a political solution to a fundamental problem. Be glad to entertain any questions you might have. [LB937]

SENATOR ADAMS: Very good. [LB937]

BOB TWISS: I know the lateness of the hour. [LB937]

SENATOR ADAMS: Are there any questions? Thank you then. [LB937]

BOB TWISS: Obviously, I didn't make any friends today. Thank you. [LB937]

SENATOR ADAMS: It's late. Any more neutral testimony? Senator Fischer, yours to

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

Education Committee
February 02, 2010

close. [LB937]

SENATOR FISCHER: Thank you, Mr. Chairman and members. This is a bill that I'm really serious about, because I remember the debate we had on the learning community, as does Senator Howard; I remember Speaker Brashear during that debate. This bill started out with a per diem--with a salary--that amounted to \$36,000 for learning community council members. I let it be known that I would certainly oppose that on the floor and vehemently oppose it on the floor. I recall Speaker Brashear coming over to me and, in his charming way, always charming way, saying: You know, Deb, can't we work something out here? Can't we get something done? And I do regret to this day that I said I would go along with the \$12,000 because, after all, that's what state senators make. This is not right. It is not right. Sometimes we as senators vote for something, as I did in this case, that I regret. It shouldn't have happened. And I hope that you will advance this bill to the floor so we can right this and recognize that school board members are there to represent children. They're not there to make \$12,000 a year, like state senators make. They're not there for whatever reason except to represent children and represent their constituents. But, truly, the first job of a school board member--and those of you who have served know--it's to represent children. This is a choice that these people are making, to run for this board. They supposedly want to serve on this board. And I would hope that they would want to serve on this board to take care of kids. Thank you. [LB937]

SENATOR ADAMS: Thank you, Senator. Are there any final...? Senator Howard. [LB937]

SENATOR HOWARD: I know it's late; I'm just going to make a brief observation. I attended a number of those presentations when people were running for this position in the learning community, and, frankly, no one said: My taking this position hinges upon getting a per diem. It was always: We care about the kids. And if that is the case, then a per diem should not be that significant. [LB937]

SENATOR ADAMS: Other questions? Senator Giese. [LB937]

SENATOR GIESE: Thank you, Chairman Adams. Senator Fischer, just for the record, I agree with you that nobody does--really, if they're genuine in their heart--a lot of things as far as public service...and not get paid. But I just want to make it clear that we have you on the record of being wrong in a vote. (Laughter) Thank you. [LB937]

SENATOR FISCHER: But it was a long time ago, Senator Giese. [LB937]

SENATOR GIESE: I know. I know. [LB937]

SENATOR HOWARD: We learn from our mistakes. [LB937]

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

Education Committee
February 02, 2010

SENATOR GIESE: Anyway, thank you. Thank you. [LB937]

SENATOR ADAMS: Thank you, Senator Giese. [LB937]

SENATOR FISCHER: I've missed you guys here in Education Committee... [LB937]

SENATOR ADAMS: You know, and we've missed you. [LB937]

SENATOR FISCHER: ...but, you know, I'll try and come back again. I'll see you tomorrow. [LB937]

SENATOR ADAMS: Senator Giese doesn't have any more bills this year. [LB937]

SENATOR HOWARD: Not in Transportation. [LB937]

SENATOR ADAMS: Thank you, Senator. That will end the...oh, Senator Haar, I'm sorry. [LB937]

SENATOR HAAR: I was just wondering... [LB937]

SENATOR FISCHER: Now, remember, I see you tomorrow. [LB937]

SENATOR HAAR: Yes, in committee. I was just wondering whether--what you think about Senator Giese's future in the Legislature. (Laughter) [LB937]

SENATOR FISCHER: I think he's going to go far. [LB937]

SENATOR ASHFORD: He'll do just fine. [LB937]

SENATOR FISCHER: He'll do just fine. [LB937]

SENATOR ADAMS: As long as he doesn't cross your path, huh? [LB937]

SENATOR FISCHER: Thank you very much. [LB937]

SENATOR ADAMS: Thank you, guys. Committee, can you hang for one second? And we'll clear the room. []