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EDUCATION COMMITTEE
September 25, 2012

[LR489 LR492]

The Committee on Education met at 1:30 p.m. on Tuesday, September 25, 2012, in the Gretna Public Schools Administrative Building, Gretna, Nebraska, for the purpose of conducting a public hearing on LR489 and LR492. Senators present: Greg Adams, Chairperson; Bill Avery; Les Seiler; and Kate Sullivan. Senators absent: Gwen Howard, Vice Chairperson; Abbie Cornett; Brenda Council; and Ken Haar. Also present: Senator Jeremy Nordquist.

SENATOR ADAMS: Welcome, everyone who's here today for this public hearing. There will be two hearings--that is, on two different subjects. One is LR489, and LR492, and we will take testimony on both of them. Let me, first of all, introduce members of the committee and the staff who are here; outline the procedure for these hearings today; and then we will begin hearing testimony. First of all, to my far right is Becki Collins. Becki is the committee clerk. And if any of you want to testify today, what I would ask that you do is to fill out the testifier's registration form and, when you come up to testify, put it right in that box next to Becki so that we have that for the record. And if you wish to testify on both of the LRs, we would need two registration forms from you. If you would do that, please. Also, when you come up to testify, we'd like you to begin your testimony with a statement of your name and address, and would you please spell your name, too, so transcription comes out clearly. Right now, at this point, I might change my mind given the number of people that are here; I have no intention to put individual time limits on folks, but if you get too long-winded I'm going to bring you to an end, because there may be a lot of people that would like to testify on these various issues today. Next to Becki is Senator Seiler; he represents the Hastings area. Next to him is Senator Nordquist. Once in a while we let outsiders sit up here with the Education Committee. Senator Nordquist is a member of the Appropriations Committee, but as a member of the body I certainly welcome him to sit up here with us and to ask questions. We're hoping that Senator Council will be here. Next to me is Tammy Barry; she is the legal counsel for the committee. I'm Greg Adams, representing the 24th Legislative

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District. Next to me, to my left, is Kate Sullivan from Cedar Rapids; Senator Avery from Lincoln; and Kris Valentin, the research analyst for the committee. And we also think that Senator Haar will be here before all of this comes to an end. We will begin today with talking about early childhood. And let me set kind of the parameters for the study, keeping in mind, I think you're all aware, these are studies. That doesn't mean that legislation will come out of this, but, first of all, we've got to look at the issues and determine if there is a need for legislation; and if so, what you have to say may influence that outcome. On early childhood, I introduced the LR because it appeared to me it became time that we simply assessed, did some kind of a committee assessment of our publicly funded early childhood programs. And there is a whole nother world out there that I'm sure you're all aware--and I know Senator Nordquist is--of early childhood that goes on, that we could also delve into. It's not the jurisdiction of this committee and it was too big a task. So we're looking just at the publicly funded. And the question we've been asking ourselves throughout the interim as we have studied this is: What are the problems, what are the good things, what are the bad things that are going on? What are the problems that we have with our current methodologies in early childhood of our publicly funded programs? So with that, I will reserve introduction of TEEOSA until we reach that point. I will entertain testifiers now on early childhood. We've kind of held an auction in all the other places trying to get people to come up, so we'll see what happens. Welcome.

RICHARD REISER: (Exhibit 1) Thank you, Senator and committee members. My name is Richard Reiser; it's R-e-i-s-e-r, 10041 Fieldcrest Drive, Omaha, Nebraska. I'm a member of Nebraska's Early Childhood Business Roundtable, and I'm here today not with specific recommendations for action but to encourage you and recommend that you continue to make early childhood education the priority in Nebraska. I'm passing out a PowerPoint presentation. I'm not going to go through that; it's pretty much self-explanatory. There is an increasing awareness in the business community of the importance of early childhood education. We think from the standpoint of return on investment, work force development, and just generally what it does for our community,

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makes a compelling case that we need to do more in terms of early childhood education. One of the slides that's in the presentation, which I think is a very interesting slide, is a slide that shows the rate of learning compared to the rate of spending. And the rate at which children learn in the first five years goes up somewhat like a rocket ship, while the spending in the first five years is level, near the bottom of the spending. So basically what it comes down to is we're spending the money not where the learning is actually being done, but we're spending the money later when the rate of learning is not as great. Some of the facts: There's over 131,000 children in Nebraska, age 5 and under. Approximately 60,000 of those are potentially at risk, and those are the children that we need to be finding and helping; and we need to be sure that when they get to kindergarten, they're ready to learn and can keep up with the other children who are showing up for kindergarten with them. So, in summary, thank you for the opportunity to speak to you today on this subject, and thank you for identifying early childhood education as a priority. [LR489]

SENATOR ADAMS: Thank you, Richard, for your testimony. Are there questions for this testifier? Yes, Senator Avery. [LR489]

SENATOR AVERY: Thank you. Thank you for coming. I see on your first slide--that is, not the first one but the second one here--"It's an Economic Development Issue." I think that's absolutely right. But would you explain to me how early childhood education relates to the average employee days missed from work? [LR489]

RICHARD REISER: Yeah, I've... [LR489]

SENATOR AVERY: Is it explained elsewhere? [LR489]

RICHARD REISER: Well, I think there's a slide in here that shows days missed from work. But, if not, I've seen that information. Hopefully, I can come up with it quickly. [LR489]

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SENATOR AVERY: Getting kids out of the house and putting them into early childhood programs and, therefore, the parent doesn't have to be at home to care for them? Is that...? [LR489]

RICHARD REISER: Well, and it's children who, for whatever reason, their day care fails or their preschool, or the parents are at home tending to children; whereas, if they're in a child-care situation, they don't have some of those issues. Now, I'm not talking about when they're ill or something like that, but just a lot of time missed from work dealing with children of that age. [LR489]

SENATOR ADAMS: Senator Sullivan. [LR489]

SENATOR SULLIVAN: Thank you, Senator. And thank you, Richard, for your testimony. I think in Nebraska it probably ranks one of the highest in terms of number of women in the work force. And I'm curious to know what you feel is the role of the business community in getting involved in recognizing...not only recognizing but improving early childhood education. [LR489]

RICHARD REISER: If you look back over the last maybe 10 or 15 years, I think we're seeing more of that, and the business community is recognizing...we see things like the First National Bank here in Omaha, the preschool that they have set up; and there are others who have the work force of a sufficient size where they can recognize that both as a benefit to their employees. But what they do...and you're right, there's an increasing number of both parents or a single parent working outside of the home. That means those kids are going to be somewhere. And often the difference between being in a day-care operation and in a preschool can be pretty dramatic. [LR489]

SENATOR SULLIVAN: Um-hum. [LR489]

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RICHARD REISER: So the standards that...some children are not learning much while they're in day care, while others are on an organized curriculum and are actually learning while they're there. [LR489]

SENATOR SULLIVAN: Um-hum. [LR489]

RICHARD REISER: So I think that will continue to increase as businesses see the value of that and as they try to retain and attract good employees. [LR489]

SENATOR SULLIVAN: Do you think the conversations among some of the...about some of these issues you raise here, are taking place in business circles and in individual businesses? [LR489]

RICHARD REISER: They are. And frankly, that's one of the major reasons that the Early Childhood Business Roundtable was formed is to attract...we now have approximately, I think, 75 members from the business community. And the function is to increase awareness of the issues and get other businesses to focus on it and recognize what the need is. [LR489]

SENATOR SULLIVAN: Thank you. [LR489]

SENATOR ADAMS: Anyone else have a question? Thank you, Richard. [LR489]

RICHARD REISER: Thank you. [LR489]

SENATOR ADAMS: Next testifier. Welcome, Kyle. [LR489]

KYLE MCGOWAN: (Exhibit 2) Hi, Senator Adams. My name is Kyle McGowan, M-c-G-o-w-a-n, superintendent at Crete Public Schools. Thanks for giving me the opportunity to talk about early childhood education. I really am interested in just giving

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you a perspective from Crete Public Schools. And what I handed out is some facts that you can keep and then also just a very unscientific study that we did ourselves at Crete to see if our program was working. During the past seven years as a superintendent, we've doubled the number of children that we're serving in preschool. And I'm kind of using those terms synonymously. We have ten sections this year of preschool, 16 children in a section. But that's not taking into account probably 20 or 25 other children that we serve in the home that may be 0 to 2 and have some special needs. So this is a center-based program, ten sections. We've been providing early childhood services for many years at Crete because we think it's a great value for us and has proven to lessen the achievement gap, we believe. So we've approached it primarily through a triage of who are the most needy children that we have, and then also from the fact of going after competitive grants and what those grants require us to do in terms of who we serve. So, for us, most of the children that we serve are not native English speakers; most all of them are poverty, minority, or a combination of all three, if that makes sense. Early childhood has come a long way in Nebraska in a very positive way, using highly qualified teachers and paying them accordingly, and collecting good data. And in Nebraska, currently...at least in Crete, I assume it's all across the state, but we're using an assessment instrument called Teaching Strategies GOLD, which measures social-emotional, language, cognitive, math--a variety of different skills. So there is an instrument out there, believe it or not, even for 3- and 4-year-olds, that we're measuring growth with. But we took it upon ourselves this last year to look at our kindergarten class of 147 kids, and that's what's on this second sheet that I would explain to you. And, just briefly, we used the DIBELS, and that's the Dynamic Indicators of Basic Early Literacy Skills, at midyear for our kindergartners, the 147 of them. And as you look on the second sheet there, 83 of those 147 children participated in Crete's preschools. The ones who didn't tended to be, frankly, more affluent and went to private childcare or with stay-at-home families. So when we compared how the children that participated in our preschools did with the children that didn't, frankly, they scored higher on the DIBELS. And what was either also rewarding to us is our highest-need preschoolers that participated in two years of our preschool program even did better than both the other

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groups--so, one year. We'll repeat it again this year. But we were happy with that information. Our NeSA scores are pretty good at Crete Public Schools. We are beating the national trends in schools that have high poverty, high ELL, high minority, and we think that our early childhood services are a big part of how we're beating those trends. Last year, we spent about \$570,000 on early childhood services. Thirty-nine percent of that money came from state aid, 39 percent came from just general funds, 16 percent came from a program called Migrant Education, 6 percent came from Head Start. So that's how the money broke down. Now, if I look at it from the amount of time that our preschoolers spend in school compared to elementary children, if an elementary child spends about 6.25 hours a day, our preschoolers spend about 3.5 hours. So that's about 56 percent of the amount of time. So if you're asking--I haven't heard anybody ask me--but I'd certainly like to see it funded at 56 percent. So that's what I came to talk about, and if you have any questions about Crete Public Schools, I'd love to answer them. [LR489]

SENATOR ADAMS: All right. Thank you, Kyle. Are there questions? Senator Nordquist. [LR489]

SENATOR NORDQUIST: Yes. I'm just real interested in the utilization of the DIBELS this year, as there's been some discussions floating around about a policy, in policy circles, about the need for some sort of kindergarten assessment; and DIBELS is one that's widely used already in many school districts. And can you talk about (a) does the kindergarten staff, you know, really embrace it? Are you using those results to inform individual student instruction now? [LR489]

KYLE MCGOWAN: We have...DIBELS is one of the instruments that we use. [LR489]

SENATOR NORDQUIST: Um-hum. [LR489]

KYLE MCGOWAN: And we think it's valuable and appropriate for kindergarten children

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for us to use at semester time. Our reading program is called Reading Mastery. [LR489]

SENATOR NORDQUIST: Um-hum. [LR489]

KYLE McGOWAN: It's a direct instruction approach. It's somewhat controversial in some circles. It's not controversial at Crete anymore, so. [LR489]

SENATOR NORDQUIST: All right. By having this information to know where your kindergartners are coming in at, those that were in your preschool program and those that weren't, what does that provide you in your leadership position to have that kind of snapshot? [LR489]

KYLE McGOWAN: Well, I think...I doubt if there's anybody in this room that doesn't believe in the value of educating children and what children can learn at a young age. [LR489]

SENATOR NORDQUIST: Um-hum. Um-hum. [LR489]

KYLE McGOWAN: I think that discussion is over with. Sometimes it's important to verify or quantify that. [LR489]

SENATOR NORDQUIST: Um-hum. [LR489]

KYLE McGOWAN: So what I wanted to make sure is...we have so many families moving into Crete. We're a growing community. [LR489]

SENATOR NORDQUIST: Um-hum. [LR489]

KYLE McGOWAN: We're a growing school district, and most of that growth has been through the Hispanic community, and those children aren't speaking English. [LR489]

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SENATOR NORDQUIST: Um-hum. [LR489]

KYLE McGOWAN: So really one of our primary goals was to have those children speaking English by the time they enter kindergarten. And, of course, that language development has to take place before all these other things do, so we measure that constantly. [LR489]

SENATOR NORDQUIST: Sure. Sure. Um-hum. And as far as a time commitment for the teacher to administer DIBELS and then the reading component? [LR489]

KYLE McGOWAN: It's a big part of what we do. [LR489]

SENATOR NORDQUIST: Yeah. [LR489]

KYLE McGOWAN: It's the...I don't see it as a time commitment. It's part of the instructional day. It's built in. [LR489]

SENATOR NORDQUIST: Okay. Okay, great. Thank you. [LR489]

SENATOR ADAMS: Senator Sullivan. [LR489]

SENATOR SULLIVAN: Thank you, Senator Adams. So you target special needs and at-risk youth for your pre-K program. [LR489]

KYLE McGOWAN: Right. Of those two you just mentioned, a higher percentage would be at-risk: poverty, not speaking English. [LR489]

SENATOR SULLIVAN: Um-hum. And what is your saturation point in terms of reaching out to that? What percentage of your target audience are actually being served at your

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pre-K program? Do you have any idea? [LR489]

KYLE McGOWAN: Well, if I understand the question, we have a waiting list of about 18 children right now, so. [LR489]

SENATOR SULLIVAN: Okay. Okay. So you're serving as many as you have capacity to, right now. [LR489]

KYLE McGOWAN: Right. We, you know, just had gotten out of the church basement and may need to go back into one, but that's... [LR489]

SENATOR SULLIVAN: Um-hum. [LR489]

KYLE McGOWAN: We have ten sections, and space is an issue and space is a part of the money problem. [LR489]

SENATOR SULLIVAN: Oh. So some of the sections are in the school on the school campus, and as well as other locations in the community? [LR489]

KYLE McGOWAN: Right. Correct. [LR489]

SENATOR SULLIVAN: Okay. And then what other...do you coordinate or have any communication at all with private pre-K programs in your community? [LR489]

KYLE McGOWAN: Yes, in that we offer any of our professional development services, you know, to other groups. And I think it's a very positive relationship. The local Catholic school also has a preschool. [LR489]

SENATOR SULLIVAN: Um-hum. [LR489]

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KYLE McGOWAN: And there are some other private ones in town, and it seems to...we work well together. [LR489]

SENATOR SULLIVAN: Thank you. [LR489]

SENATOR ADAMS: Senator Avery. [LR489]

SENATOR AVERY: Thank you, Senator Adams. I have here, from the previous testifier, a chart that shows, and it's very consistent with the literature with which I am familiar, that most of the learning in the early years takes place before age 5. What age are the kids when you start them in preschool? [LR489]

KYLE McGOWAN: Well, our first center-based program would start at age 3. But we're working with children that qualify for special educational services from birth on, so. [LR489]

SENATOR AVERY: You know, the first 11 months, in fact,... [LR489]

KYLE McGOWAN: Um-hum. [LR489]

SENATOR AVERY: ...is where sensory pathways are developed, language skills are developed, and they peak at...in fact, language peaks at about the tenth month. And so if we don't get to them early, I mean really, really early, the ones that need it the most, we may get to them too late. [LR489]

KYLE McGOWAN: Well, in fact, we've been fortunate that several of our staff just have the responsibility of making home visits. Because when you're talking about a 9-month-old or a 10-month-old, that's us going to the home and working with the parents as they work with their child and helping those parents become those really first teachers. [LR489]

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SENATOR AVERY: But those are special needs children, right? [LR489]

KYLE McGOWAN: Yes. [LR489]

SENATOR AVERY: So what are you...you have a waiting list. We heard this in Albion yesterday too. [LR489]

KYLE McGOWAN: Um-hum. [LR489]

SENATOR AVERY: What are you doing about the waiting list? I mean, I like the fact that you have some sorting criteria or ranking criteria. [LR489]

KYLE McGOWAN: Um-hum. Um-hum. [LR489]

SENATOR AVERY: And I presume that the ones that need it most and would benefit the most are the ones you would provide services for, first. [LR489]

KYLE McGOWAN: That's exactly right. Now, as people move into the community, then they've maybe missed that window of opportunity to get in, unless there's an opening; but I'm fortunate to have a school board that would like not to have waiting list. But we need to have space. And, you know, each of our programs has a highly qualified teacher and a para, and so there's an expense with every program. [LR489]

SENATOR AVERY: And what would you have us to do to help you with that backlog or waiting list? [LR489]

KYLE McGOWAN: Well, what you can do is fund it at 56 percent. [LR489]

SENATOR AVERY: I heard that. [LR489]

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KYLE McGOWAN: Fifty-six percent of the, you know, our individual student rate, if I can say it that way. [LR489]

SENATOR AVERY: And that would... [LR489]

KYLE McGOWAN: So money. [LR489]

SENATOR AVERY: It's always money. [LR489]

KYLE McGOWAN: It's always money. [LR489]

SENATOR AVERY: I mean, that would allow you to solve the problem? [LR489]

KYLE McGOWAN: Well, here's what's happening to us. We were fortunate to be having quite a few programs before the state ever gave us money for preschool, and that's because we went out after competitive grants. Even Start was one of those federal grants. Even Start money was \$100,000 a year for the past 12 years, and it's gone. So those programs, those grants are going away, and, you know, other ones aren't taking their place, so. [LR489]

SENATOR AVERY: So you'd like to see TEEOSA modified. [LR489]

KYLE McGOWAN: Well, what I'd like to see is recognize the importance of early childhood programming and it be as important as everything else that we do K-12. [LR489]

SENATOR AVERY: But all the evidence shows it might be more important. [LR489]

KYLE McGOWAN: Well, you can fund it at a greater rate if you want to. (Laughter)

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[LR489]

SENATOR AVERY: We do want to. [LR489]

KYLE McGOWAN: Great. Great. [LR489]

SENATOR ADAMS: Kyle, a couple questions...oh, go ahead, Senator Seiler. [LR489]

SENATOR SEILER: If I understand your outline, you have ten sections and approximately 160 children, about 16 in a section,... [LR489]

KYLE McGOWAN: Right. Yeah. [LR489]

SENATOR SEILER: ...with one teacher and one para. Do you use any volunteers, parent volunteers? [LR489]

KYLE McGOWAN: Yes. We also use some peer models, other children that have, you know, good language skills, good behavior, and that's been very successful for us. Yeah, volunteers are huge. It's also, you know, for our program it's a requirement for parents to be involved. So parents not only come to parent-teacher conferences, but they spend some time with our teachers and making sure that we're following up with what's taking place during that 3.5 hours after school too. [LR489]

SENATOR SEILER: Do you find that that parent involvement carries over into your other classes as you get higher up? [LR489]

KYLE McGOWAN: Yeah. Our elementary...well, as a district, I think we're 54 percent minority; the elementary would be higher than that. We typically have about 95 percent of our elementary parents--now, this is an elementary of 650 kids--95 percent of parents participate and come to parent-teacher conferences, so. [LR489]

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SENATOR SEILER: Wow. Very good. Thank you. [LR489]

SENATOR ADAMS: Kyle, a couple of things, aside from my...I'd like to dovetail for a moment off Senator Nordquist's question. So if I were to ask you straight up, do you believe that the state needs to mandate and/or to develop some kind of kindergarten readiness assessment, what would your response be to that? [LR489]

KYLE McGOWAN: Kindergarten readiness assessment. We're already required to have something like that, I believe, for the early entrance. [LR489]

SENATOR ADAMS: But do you want the state to structure something, or are you comfortable with what you have available to you? [LR489]

KYLE McGOWAN: Oh, I'm comfortable with what's there now. You know, that's been an age-old question. I've been an elementary principal since '89, and never did a year go by when I didn't have parents talking to me about is my child ready for kindergarten or not. And so, you know, I think professional educators need to use real information and gather real data from children, which includes also talking to their parents. I think that information is out there right now. You know, I certainly have not heard from other superintendents or principals that struggle with how to answer those questions with their patrons if kids are ready or not. [LR489]

SENATOR ADAMS: You know, one of the things that I have found throughout the course of these four hearings is that every school district that we have visited, they're using the same assessment methodologies that you are or something equivalent to it, and the communication is set up between the preschool teacher and the kindergarten teacher. Assessment is an ongoing thing as is conversations back and forth between those different levels. One other thing. In your opinion, our adjustment of the kindergarten start age, has that worked for you? [LR489]

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KYLE McGOWAN: It has. I think that was a positive move, I really do. It sort of standardized that, if you will. This is sort of a blip year. You know, we ended up with 147 kids last year and we have 110 this year, so we were way down. And we certainly had...we would have had, for sure, just from our own preschool program, 23 other children come. To get that age piece wouldn't have made a difference, so. I think it was a positive move for Nebraska. [LR489]

SENATOR ADAMS: Um-hum. Your teachers think so, too, I assume? [LR489]

KYLE McGOWAN: Yeah. All of our teachers, all seven sections of them, were positive. [LR489]

SENATOR ADAMS: Good. Okay. Are there other questions for Kyle? [LR489]

SENATOR NORDQUIST: Yeah, one more. [LR489]

SENATOR ADAMS: Yes. [LR489]

SENATOR NORDQUIST: Before you move forward with implementing...with expanding or just setting up your pre-K program, did you do any kind of community needs survey to see what was being provided, where the gaps were, and the quality of what was being provided already? [LR489]

KYLE McGOWAN: Yes. And, in fact...but we're talking 15-plus years ago at Crete... [LR489]

SENATOR NORDQUIST: Yeah. Okay, okay. [LR489]

KYLE McGOWAN: ...that we've been involved. But I happened to be there at that time.

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[LR489]

SENATOR NORDQUIST: Um-hum. Um-hum. [LR489]

KYLE McGOWAN: And there was some real apprehension at that time that, you know, we were basically taking money away from some private childcare pieces, but. So there was a lot of that sort of discussion,... [LR489]

SENATOR NORDQUIST: Um-hum. [LR489]

KYLE McGOWAN: ...communication back and forth, and it really just evolved into there's plenty for everybody. [LR489]

SENATOR NORDQUIST: Um-hum. [LR489]

KYLE McGOWAN: There's shortages of quality childcare in Crete and, I would argue, in most of Nebraska. [LR489]

SENATOR NORDQUIST: Um-hum. Okay. [LR489]

KYLE McGOWAN: So that quickly resolved itself. [LR489]

SENATOR NORDQUIST: Okay. Great. Thank you. [LR489]

SENATOR ADAMS: Anyone else have a question? [LR489]

SENATOR AVERY: I have one more. [LR489]

SENATOR ADAMS: Yes, Senator Avery. [LR489]

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SENATOR AVERY: If you have had the program about 15 years, then you have had time to assess the impact of early childhood on NeSA scores? [LR489]

KYLE McGOWAN: Well, of course, the NeSA scores have been out for, what, the past five years, starting with reading and writing. Um-hum. Our writing score... [LR489]

SENATOR AVERY: Yeah. So have you done any studies to see if there is a connection? You say here that "We believe that early childhood services are a factor in reducing the achievement gap." [LR489]

KYLE McGOWAN: Um-hum. [LR489]

SENATOR AVERY: And the only way we can measure that is NeSA, right now. What do you know about that? Is it a belief or is it...do you have an empirical connection? [LR489]

KYLE McGOWAN: Well, that's a fair question. I haven't taken our writing scores and compared them to kids that participated in our preschool to those kids who didn't participate in our preschools, if that's what you're asking. I can tell you...okay, this is the Governor's thing, not mine, okay? But, you know, Crete juniors ranked third in Class B in the state for state writing scores. So I think we had...and that was a group of juniors. Our...you know, I know our fourth-grade writing scores are like 96 percent. The juniors were somewhere around 84 percent. So that's everybody passing. [LR489]

SENATOR AVERY: It would be nice if you could look at those kids that were in your preschool or some other preschool and compare those against the scores of those kids who were in no preschool. [LR489]

KYLE McGOWAN: Um-hum. That's a good point. [LR489]

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SENATOR AVERY: Because that's what we're all trying to do, is to close that achievement gap. [LR489]

KYLE McGOWAN: Um-hum. Um-hum. We...yeah...not...this is getting off on a different tangent. For a while, we had...our mobility was so high that a lot of our children that participated in our preschool didn't even stay with us until fourth grade. [LR489]

SENATOR AVERY: Yeah. [LR489]

KYLE McGOWAN: And that was a real concern. That mobility issue has gotten better over the past five or six years. [LR489]

SENATOR AVERY: Yeah. All schools have that problem. [LR489]

KYLE McGOWAN: Um-hum. [LR489]

SENATOR ADAMS: Any other questions for Kyle? Kyle, thanks for taking the time today. Appreciate it. [LR489]

KYLE McGOWAN: Sure. Thanks. [LR489]

SENATOR ADAMS: Next testifier. Anyone else on early childhood? Gee, I know school finance is interesting, but I didn't realize...(laughter). Anyone else on early childhood? Going, going, gone. All right, if not, then that will conclude the hearing on early childhood and we will go on to the hearing on LR492, which is the interim study to examine school finance. Again, let me set the parameters on that. As most of you are aware, this committee, every year, every interim, studies school finance; and typically, we study all facets of it. A lot of times we look most specifically at those things that we have heard about from superintendents and business managers throughout the year that call in, and we do various modeling. This year I felt it was probably necessary to do

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a more formal study of it; hence, the LR. And here we are. There is a bullet point sheet out there that outlines some of the things that the committee is looking at, and I would tell you...and let me reaffirm, which I have at every committee hearing that we have been at thus far, the committee has made no decisions about what direction this will go, what elements of the formula we will specifically look at or do anything with. This is a hearing so that we can learn, and we'll take this information back and decide what kind of legislation to propose. We also know that there is a group of large schools. Included with them are some NRCSA folks that have been looking at all of these same bullet points, that may or may not eventually make some recommendations to us, and we certainly are continuing to communicate with them. So it's an open process at this point. No decisions have been made. With that, we'll open the hearing on LR492, public school finance. First testifier, please. Hi, Ken. [LR492]

KEN FOSSEN: Good afternoon. I'm Ken Fossen. I'm associate superintendent for the Millard Schools in Omaha. I've been 40 years in education, starting in the Panhandle in a school district of 200 kids, so I think I have a little bit of a feel for the difference between the large schools and the small schools. First of all, there are basically three different ways of funding education in Nebraska: the property tax, the sales tax, and the income tax. The TEEOSA formula does some balancing between those. State aid, of course, is the...provides the state aid and the income tax to the school districts. But the property tax is also a part of the formula. It's brought in through the local effort rate, but there are some schools that are not equalized because their property values are substantially higher than what the formula allows them to generate. So, on the one hand, TEEOSA does consider the property taxes. On the other hand, there's another formula in place that is even better than TEEOSA when you're trying to blend the property tax, income tax, and sales tax, and that's the learning community arrangement that you have. Those of us who are in the learning community, we blend our property tax right along with our income and sales tax that comes to us through state aid. And, of course, the question becomes, if that's good for one-third of the students in the state, would it not also be good for the other two-thirds? So I ask you to give some

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consideration to an arrangement like that for the rest of the state so that we maintain some equity among the property-rich districts that exist where there's high values for farm ground or manufacturing, and those of us who may have high sales and income tax. Because we, in the districts with the high sales and income tax, are providing, are sharing those resources with the state, and it would seem only fair that those with the high property values would share their resources as well. Also, keep in mind that funding drives decision making. For a moment, I'd just ask you to remember what transpired when the Legislature revised the state aid formula to include the small class-size allowance. We in the school districts went out and started reducing class sizes in the lower elementary so that we would qualify for that funding. Do you remember what happened when we added the teacher education adjustment? School districts like us went out and hired more teachers with master's degrees, gave preference to them. Do you remember what happened when we did the instructional time allowance? You'll hear a lot about that. Schools went out and increased the length of their school days, or some even added a number of school days onto the end of their calendar. The decisions that you make with the state aid formula drive what's going to happen in the schools. You are not just distributing dollars to the schools, you are setting the vision for the school district as to what education should really look like in Nebraska. So with those comments, let me address three different things. One of them is the instructional time allowance. I notice on the sheet that one is being considered for elimination. In our meeting that Senator Adams referred to out in Kearney, part of the discussion was around instructional time and the fact that school districts, many school districts--we plead guilty as well--added a few minutes onto every day. And the question becomes, of what value is adding 15 minutes to the day? Because if you add 15 minutes to the day and you have your typical seven-period day, you've added 120 seconds to each class, and what is the educational advantage of that 120 seconds? What do teachers do differently in that 120 seconds than they would have done otherwise? The people who make that argument I think have a valid point. But you take that same 15 minutes and you collect it through the year and you figure out how many days you can add onto the calendar, and you're around six days, over a week, that you

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can add to the calendar with that same amount of time. I would submit to you that adding over a week to our schedules would, in fact, have a significant impact on student achievement. In addition to that, you have those who are complaining that we are taking too much time on state assessments, taking it away from instructional time. If we added six more days onto our calendars, not only did we take care of the assessments but we still have additional instructional time. So I would ask you to reconsider the whole notion of getting rid of the instructional time allowance, but think of it instead of having a stopwatch on the day, think of it in terms of actual days on the calendar. Because once the buses have arrived and everyone starts the day of school, you're going to have at least a half day of school or a full day of school to count. It's not going to be a matter of minutes. So if the Legislature can have a vision of what our school should like and adjust the formula to reflect that vision, I would see there being an allowance, at least, for school districts for instructional time based on days, not based on the stopwatch. Secondly, highly qualified teachers: another area of contention, another area that I see is being considered for elimination. The argument against it is that if you have a teacher who has a master's degree in administration, like I do, it probably isn't going to make any difference with regard to student achievement, and that's probably correct. But what the research will show is that someone with a master's degree in physics teaching physics does have a significant impact on student achievement. So rather than eliminating the teacher education allowance, I would ask you to consider reframing it in terms of providing the incentive to have advanced-degree teachers teaching those classes in their advanced-degree subject matter. So, for instance, if you have an advanced-degree English teacher teaching English, that would count. If you have an advanced-degree administrator teaching English, it doesn't. And it could apply to not only your math, your science, but your arts as well, having master's degree music teachers teaching music. So if the vision for this state is to have highly qualified people teaching in their subject area, then I would encourage you to put it in the state aid formula, because we will follow your direction. Finally, one that I would add as something extra, students achieve more when they're challenged more. So I would like to propose that you consider some type of academic rigor adjustment or allowance, and

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give us the incentive to have students take and pass advance placement exams, international baccalaureate exams where there is a curriculum that goes along with it; or you may even wish to go a little farther to areas that don't have the curriculum attached to them, such as the ACT and the SAT, and certain scores on those would qualify the school district to receive additional funds as well. If that's your vision, if the vision of the Legislature is to have a state that is known for its academic rigor, I would encourage you to consider that as well. So those are my only comments. And if I were to summarize: Look for that magic balance between property tax, income tax, and sales tax, and then tell us what your vision is and reflect that in your state aid formula.

[LR492]

SENATOR ADAMS: All right. Thank you, Ken. Are there questions for Ken? [LR492]

KEN FOSSEN: Oops. Sorry. [LR492]

SENATOR ADAMS: Well, we're not going to let you get away (inaudible). (Laughter)
[LR492]

KEN FOSSEN: I'm sorry. Just that close. [LR492]

SENATOR ADAMS: Senator Avery. [LR492]

SENATOR AVERY: Thank you. Very interesting and thoughtful. I would like to know, starting with your first point about blending property taxes with state sales and income taxes, are you talking about a statewide common levy? [LR492]

KEN FOSSEN: Not statewide but I would see you channeling it through your educational service units. You'd have...not only would you have the legal structure to do it, because, first of all, you have the legal issue as to whether or not you can do it on a statewide basis, which I think you probably cannot, but we already have in place

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educational service units. What are there, 18 of them or something like that? [LR492]

SENATOR AVERY: Nineteen. [LR492]

KEN FOSSEN: Nineteen. I didn't count OPS. [LR492]

SENATOR AVERY: Well, I wasn't counting LPS. [LR492]

KEN FOSSEN: Okay. (Laugh) But you have those structures that are already setting there, they're already taxing units. Use those, and all of the schools in every educational service unit would be a learning community. So you would still have differences among them, but the differences would be much less than what it is today when you compare individual school districts. [LR492]

SENATOR AVERY: Let me...I'll just ask all of my questions now and then I'll be quiet. Okay. [LR492]

SENATOR ADAMS: All right. Are you sure? [LR492]

SENATOR AVERY: We heard yesterday a similar point, your second point about adding days to the calendar rather than minutes to the day. And I like your argument and it makes sense. But what implications would adding days to the calendar have for your employee contracts? [LR492]

KEN FOSSEN: It would have a... [LR492]

SENATOR AVERY: Wouldn't it cost more money? [LR492]

KEN FOSSEN: It absolutely would. And that's the reason we have allowances right now is because...supposedly the reason for the allowance is...and let me use OPS. We are

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friends, but let me use OPS as an example. If we did not have an allowance for poverty, what you would find is all of the expenses they are putting into their poverty program would drive up the cost of education statewide; and if we had no poverty kids at all, that increased cost would drive up the GFOE statewide, and we would get the benefit the next year in our state aid off of their expenditures from the year before. So what we have is an allowance that pulls that out just for them, and we figure the GFOE without that. I'm asking to do the same thing. This would benefit the school districts that, in fact, did add the extra days, did incur the extra expense. That amount, through an allowance, at least, would come back to them, just to their district, because they did it. It would not benefit all districts who didn't want to do it. [LR492]

SENATOR AVERY: On your final point, I like the idea, but we already hear some grumbling about with statewide testing mandates that people are teaching to the test. And if you had more emphasis...say we create a category of gold star schools that would fit with your concept of more AP courses, high scores on the tests. Wouldn't that lead to even more teaching to the test because that means more money for the schools who score high? [LR492]

KEN FOSSEN: First of all, I have greater faith in educators than some people do. Secondly, the question becomes, if they're not teaching toward the test--and I'll address that in a moment--if they're not teaching to the test, what are they teaching to? Would we prefer people teach to a nonstandard, or would we prefer that people teach to a standard? [LR492]

SENATOR AVERY: I like that point because I've made the same one. [LR492]

KEN FOSSEN: With regard to teaching to the test, though, I'd look at it differently. When you teach to the test that means you know what the test is, you know exactly what the answer to the question is. It's going to be, "on number 26, the answer is C." But when you know that you are teaching algebra and you know that equations are going to be on

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the exam, that's what algebra is all about. So I'm going to teach equations because if I teach equations my kids are more likely to do well on algebra even though I don't know what the actual test question is going to be. When I hear teaching to the test, I'm thinking that person knows what the test question is going to be as opposed to teaching to an outcome that everyone knows is going to be reflected by that test somewhere, somehow. [LR492]

SENATOR AVERY: Thank you. [LR492]

SENATOR ADAMS: Senator Sullivan, a question? [LR492]

SENATOR SULLIVAN: Thank you, Senator Adams. And thank you for your testimony, but I think I'm going to need a little additional explanation of your idea that a district like yours in the urban areas with higher income and sales tax share their value with more property-rich districts. I think we've got an equalization formula right now that plays out in that we have probably over a hundred school districts right now that don't receive any equalization aid because of their property valuations. [LR492]

KEN FOSSEN: Right, because they have ample property value in order to fund their programs. Similarly, I'm certain there are probably some school districts, if you went into it, because of their sales tax...if you had, let's say, a high retail district--we could pick on Elkhorn now if we want to--but having all the car dealerships and having the retail centers that are there, if that district were small enough they could live fat on the hog based on the sales tax receipts being generated there. Sales tax receipts, though, go into the state coffers and are distributed in various forms throughout the state. So it's a matter of do we say--and I came from the rural area. I came from the Panhandle as my first job, so, see, I get to switch positions when I move. But if I were sitting in a small school district with high property values, what I am basically saying is I want their sales tax, I want my share of their sales tax, I want my share of their income tax, but I'll be darned if I'm going to share my property value. [LR492]

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SENATOR SULLIVAN: But they aren't getting it because they aren't getting any equalization aid. [LR492]

KEN FOSSEN: That's right. And that's a complaint I hear is we've got to change the formula because there are so many schools out there that aren't getting the sales and income tax from the other areas, but they're willing to keep their property values there. We also have a great disparity, even among those who get no sales and income tax or no state aid. We have those who are...I think the Humphrey school district is a good example. You look at the amount of property behind every student in the Humphrey school district and compare that to, say, I don't know, Bellevue. They have more than ample resources in the property tax area. I don't know if they are the ones who are coming and saying, well, we want to keep that but we also want to share in the income and sales tax from other areas so that we can drive our property taxes even lower. It's a matter of finding that magic balance. And I'm submitting to you that the only way to find that magic balance is to pull them all into one pot and then have a formula for distributing it, as opposed to putting sales and income tax in one pot, leaving the property tax alone, and then distributing the sales and income tax and addressing people who are saying, oh gee, I don't get any sales and income tax. Put your property tax into the pot; we'll all get sales tax, we'll all get income tax, we'll all get property tax, and we'll all have the same opportunities for our kids. [LR492]

SENATOR SULLIVAN: Thank you. [LR492]

SENATOR ADAMS: Other questions? Ken, might I? I admire the way that you put your statewide hat on, and I know you've got that Millard hat pulled clear down around your ears. But that's quite all right. [LR492]

KEN FOSSEN: And the chin strap fastened. [LR492]

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SENATOR ADAMS: Yeah, yeah. That's quite all right. As long as I know that coming in, that's just fine. Ken, do you think our allowances should be an incentive, or should they be to cover a cost that is extraordinary to a school district? [LR492]

KEN FOSSEN: Hit it with me again, please. [LR492]

SENATOR ADAMS: Well, if we're going to create an allowance, whatever it is, ... [LR492]

KEN FOSSEN: Yeah. [LR492]

SENATOR ADAMS: ...should that allowance be created on the basis of this is what we want to incent, or should the allowance be something that's more responsive to a unique cost that a district is experiencing that most other districts are not? [LR492]

KEN FOSSEN: You know, I think it is both. I think there are some things that happen to districts simply because of demographics. [LR492]

SENATOR ADAMS: Um-hum. [LR492]

KEN FOSSEN: When that happens, that is an appropriate use of the allowance. [LR492]

SENATOR ADAMS: Okay. [LR492]

KEN FOSSEN: And the OPS example of maybe even the ELL, the number of immigrants that have come into their district, that's a good example of something they had no control over, and we should recognize that it drove up the expenditures and statewide we should not all benefit from their issues. The other part is, though, I think allowances can also be used as an incentive, like the small class-size allowance. It was

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an incentive and it drove down the class sizes. It gives the Legislature an opportunity to rather than be reactive to situations, to actually be proactive and to mold, if you will, the educational system in Nebraska. So I think it can be used either way. I think adjustments, on the other hand, would be a good way to incentivize people to do something new, because adjustments don't take away from the pot; they add to the pot for those particular programs. So when I say to add either an allowance or an adjustment, of course, with my business manager hat I'm hoping it's an adjustment, but I will take an allowance. [LR492]

SENATOR ADAMS: Thank you for your candor. Are there other questions for Ken? Thank you. [LR492]

KEN FOSSEN: Thank you. [LR492]

SENATOR ADAMS: Appreciate it. Next testifier. Welcome. [LR492]

MARI ANNE HARTMANN: Thank you. My name is Mari Anne Hartmann, and I'd like to introduce to you a group of people in this room wearing red. I know it sounds a little crazy for red in the state of Nebraska, but we're wearing red today. We are the Nebraska Parents for Public Education, and the key word that you need to understand about our group is that we are parents. We are parents who have banded together from across district lines with this mission of advocating for the educational needs of our children. We are a grass-roots organization and want to ensure all Nebraska children have every opportunity to receive the absolute highest quality of education to be successful in all their academic endeavors. Our first item of interest is in the state educational budget which I will talk to you about shortly. While this forum is your first introduction to our group, please know it won't be the last. We will continue to advocate beyond today. I'd like to talk to you about the state education budget, but I want to do so on behalf of Remmi Hartmann, Burke High School, class of 2013; Reese Hartmann, Beveridge Middle School, class of 2017; and Rennen Hartmann, Columbian Elementary

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School, class of 2023. At Columbian Elementary, we have lost a number of paraprofessionals; we've lost a security guard; we've lost technology faculty, all due to budget cuts. What does that mean to our students? The loss of paraprofessionals is so significant, especially in the at-risk groups. In many Nebraska schools, class sizes are becoming larger with less teachers to go around. Many needs are not being met and it's not because Nebraska is full of bad teachers. We have the brightest of the brightest. There's just not enough of them to go around. We lost a significant amount of teachers and staff in 2001, and we are expected to lose more in 2012. We cannot continue to ask teachers to do more with less. Children are and will continue to fall behind. I am very involved in my children's education, my son specifically. But he is one who is falling behind. What happens to the student who has a parent working two jobs to make ends meet and cannot take the time to work with them as much as I do? How is he going to catch up? What kind of chances are we willing to take with our children? Consistently, I hear from faculty about all the things they cannot do based on budgets. At an inner-city school in Omaha, many field trips have been eliminated. Why is that important? These students may never see some of the places previously gone to, places that will give them background knowledge needed for state testing. This isn't fluff stuff, folks. This is important. I want to applaud your effort to cut taxes, I really do. I wish more than ever that this was a time where cutting taxes was possible. Today is a different day and educational needs are much different than when you and I were in school. Every day I do my job as a parent, and let me tell you, it is hard work. Today, I'd like to ask you to do the hard work. I'm asking you to honor your word, and I want you to know that I do not support a tax reduction if you are not fully funding education. We need to stop the bleeding in terms of cuts in educational funding before the very heart of what we value and what we hold dear in the good life of Nebraska stops beating. I am asking you to reinstate full education funding. I think Ben Franklin said it best: An investment in knowledge always pays the best interest. That interest will pay in Nebraska. Please do the right thing and please restore educational funding. Thank you. [LR492]

SENATOR ADAMS: Thank you, Mari Ann. Are there questions for this testifier?

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Anyone? Senator Avery. [LR492]

SENATOR AVERY: You say you're a new organization. [LR492]

MARI ANNE HARTMANN: We are. [LR492]

SENATOR AVERY: Organized here in this area, Omaha? [LR492]

MARI ANNE HARTMANN: Um-hum. Yes, sir. [LR492]

SENATOR AVERY: Do you have statewide chapters or...? [LR492]

MARI ANNE HARTMANN: We will. (Laughter) [LR492]

SENATOR AVERY: Let me ask you one question. [LR492]

MARI ANNE HARTMANN: I'll do my best to answer. [LR492]

SENATOR AVERY: We had a billion-dollar, approximately, budget deficit a couple years ago, and the school funding formula was projected a 15 percent increase in school funding. Would you have had us fully fund the school funding formula then, with a billion-dollar deficit? And what it would have done, it would have put us, for the first time, over a billion dollars in state aid to schools. That was a tough, tough decision for us. You recognize that, don't you? [LR492]

MARI ANNE HARTMANN: I do. [LR492]

SENATOR AVERY: But you would have said fund it anyway? [LR492]

MARI ANNE HARTMANN: Senator Avery, I think you are probably--I don't know you--I

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think you are probably a very intelligent person and... (Laugh) [LR492]

SENATOR AVERY: No. [LR492]

MARI ANN HARTMANN: No? (Laughter) I think there's probably some things that you can do to shuffle some things around. I think you can find a way to make it work, I think you can. I know you can. And I think that's what I'm asking you to do. I think that there's a lot of things at stake with our children that I'm not comfortable with. I work in a nonprofit where I see a lot of students, and we need to do the right thing. We need to do this for them. [LR492]

SENATOR AVERY: Thank you. [LR492]

MARI ANN HARTMANN: Um-hum. [LR492]

SENATOR ADAMS: Other questions? Thank you, Mari Anne. Next testifier. Welcome. [LR492]

ALICIA BROWNING: (Exhibit 3) My name is Alicia Browning. I'm in the 2013 class at Burke High School. I'm the editor of our school newspaper, I'm the supervisor with the Methodist Hospital Volunteen Program. [LR492]

SENATOR ADAMS: Alicia, would you spell your last name for the transcriber, please. [LR492]

ALICIA BROWNING: Oh. Yes. Browning, B-r-o-w-n-i-n-g. [LR492]

SENATOR ADAMS: All right. Thank you. [LR492]

ALICIA BROWNING: I'm a taxpayer through my employment at Westwood Movie

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Theatre. I am many things, but in particular, I am the future generation that so many of you speak about. I would like to thank the senators here from the Education Committee for coming today and allowing my voice to be heard. The testimony that I would like to share with you is my experiences and observations from the last 12 months as a Burke student in the OPS system. My favorite class last year was creative writing. I really grew as a writer under the guidance of my teacher, and looked forward to continuing with writing this year. Before school started, my teacher contacted me, letting me know that he would not be returning to Burke due to a new job opportunity. He is a young teacher in his twenties and now no longer spends his day in a classroom. One of my favorite teachers this semester is 52 years old. He has shared with me that in three years he will retire, receiving 80 percent of his salary. Not only this is in the best financial interest of his family, since he will then pursue employment elsewhere, but it will also free him of some of the undesirable aspects of his job, most of which have been implemented in the last few years. Being so close to retirement and the financial gain that it entails keeps him in his job for now. The same was not true for my creative writing teacher. Retirement is so far out of his vision that there wasn't a big enough incentive to keep this wonderful teacher in the classroom. Due to OPS's policy on reducing staff through attrition, many teachers are carrying a larger load. My senior AP English teacher has 200 seniors and my AP calculus teacher has 156. It is logical that they will need to trim material presented due to the large quantity of papers to read and grade. This leads me wondering if I will be adequately prepared for college. In the case of my AP class, we are six weeks into the school year and still waiting for our new textbooks to arrive. My teacher is motivated and prepared, bridging the gap presented from the loss of the appropriate textbook. She is a good teacher and doing what it takes to teach our class. So where does this leave us? I graduate in eight months, but who is going to be teaching my sisters? I worry that the youngest teachers who choose to stay will be like my Spanish teacher. The teacher who had previously taught the higher level Spanish classes did not return this year. It is evident that my teacher who replaced her has not taught the higher levels before. Starting the second day of class, only Spanish is to be spoken in the classroom. Due to some shortcomings on my teacher's behalf, he is

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unable to do this. We're able to keep up with the pace only because he teaches us in English. It is like being asked to run a marathon and our class is getting the same time as other classes, however they're running and we're riding a bike. I like him as a person, but unfortunately he does not appear to be properly trained and I don't have much confidence in his ability to teach my class. My AP biology teacher was telling my class about her freshman class. Many of them are not able to grasp fundamental concepts. By not allowing a student to incur the natural consequences of their effort, talent, or lack thereof, unprepared students are shuffled from one grade to the next. The concept of meeting every student's needs is clearly not at play here. For the student who needs extra help, they instead might receive an artificially inflated grade. And for students like me who are high achieving, we're held back with a lowered expectation and our full potential is not seen. Where I work, this idea is not practiced. A few months ago I was promoted to assistant manager ahead of people who have worked there longer and are older than me. I was rewarded for working hard and being responsible. I don't get a grade, I get a paycheck. In your quest to be an elected official, it is natural to assume that you were just fine with the idea of letting your opponent fail. So how do we recruit and obtain a motivated and qualified teaching staff equipped with the necessary tools to do their job while meeting the variety of needs of all the students in Nebraska? The reasons for the shortcomings and failure are systemic and varied. We are not here today to solve the problems of any particular school system. Rather, we are here about funding. Financial resources need to be available to achieve these goals, but, in this case, I don't feel the phrase "the more, the better" is applicable. From my perspective, I see many things that don't make sense. At Burke, almost every classroom has a SMART Board. This is an excellent teaching tool, but it's just that: a tool. The tools are to enhance great teachers, but they don't produce or replace them. Due to the current economic climate, I think we need to get back to the basics. I would prefer my school to have an adequate number of qualified teachers than a piece of equipment. When deciding on what funding is available and how it will be disseminated throughout the state, I am curious what standards and expectations you will utilize. What benchmarks are used by the Unicameral to determine if the resources provided are being properly

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used? I don't know what they are or if they exist. But I do see a lot of waste, which unfortunately coincides with inadequate staffing and textbooks. Is it more funding that we need or more fiscal responsibility? I don't know the answer to either, but I would assume it is a combination of the two. I look forward to seeing how you, the Education Committee, approach this problem. Thank you for your time and willingness to hear my testimony. [LR492]

SENATOR ADAMS: Well, thank you for your testimony. Are there questions for this testifier? You've raised some good questions. Senator Avery. [LR492]

SENATOR AVERY: Yes, she has. Very good. Well done. You're poised. You will go far, I don't doubt that. That textbook, do you have any idea what held it? Six weeks and you don't have a textbook? [LR492]

ALICIA BROWNING: Yeah. I don't know. We're using... [LR492]

SENATOR AVERY: Somebody failed to get the order in on time? [LR492]

ALICIA BROWNING: We are using two textbooks right now. And actually, my class is one of the lucky ones. We have textbooks to take home, but some of the other classes don't, and so they have to...they can only use their math textbook at school. And with math, it's one of those things where, like, you have to be able to practice it at home, and they just can't do that, so. I don't know what's keeping them up. [LR492]

SENATOR AVERY: I know that a lot of times delayed textbooks in the classroom are the publishers. [LR492]

ALICIA BROWNING: Um-hum. [LR492]

SENATOR AVERY: They don't have the inventory, or it might be whoever is ordering

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the text that they just didn't get the order in on time. I've seen that happen time and time again. [LR492]

ALICIA BROWNING: Um-hum. [LR492]

SENATOR AVERY: And students sit around and wait for them, so I thought maybe you might know. [LR492]

ALICIA BROWNING: Um-hum. [LR492]

SENATOR ADAMS: Senator Sullivan. [LR492]

SENATOR SULLIVAN: Thank you. Thank you very much for your testimony. Could I ask you what you intend to...what area of study you intend to go into once you graduate from high school? [LR492]

ALICIA BROWNING: Well, honestly, I am having a hard time deciding because I am interested in a lot of different things. But I'm considering mostly law or forensic medicine at this point. [LR492]

SENATOR SULLIVAN: Okay. Well, you gave a very excellent presentation. [LR492]

ALICIA BROWNING: Oh, thanks. [LR492]

SENATOR SULLIVAN: And I would recommend that you might want to give it one other place: to the local school board. Thank you. [LR492]

SENATOR ADAMS: Anyone else have a question? Thank you. [LR492]

ALICIA BROWNING: Thanks. [LR492]

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SENATOR ADAMS: Next testifier. [LR492]

SHAWN BONGE: (Exhibit 4) Good afternoon. My name is Shawn Bonge, and it's B-o-n-g-e. I'm here today because I have a passion for education. I have a degree in education from the University of Nebraska at Omaha, and I've been blessed to be a stay-at-home mom and to be a part-time substitute teacher. I feel that this has given me a unique perspective because it's not only giving me the perspective from a parent's point of view, but it's also giving me a chance to be in multiple buildings, from the elementary level to the middle school level, and it's in multiple districts. I have the opportunity to see what other districts are experiencing as well as my own. I have three daughters. Haley is in middle school, Rachel is in fifth grade, and Jennifer is in kindergarten. My concern relates to the proper funding for our educational system with regard to technology and building conditions. All of my children are in schools where the technology equipment is not sufficient. One of the most notable times of this is when the state standardized tests are given. They are making do but I am concerned how much longer we can make do. Currently, students are required to take several standardized tests. The one you may be most familiar with is the NeSA, which is the Nebraska State Accountability test. This test is given on a computer. Let me give you a picture of what my children experienced last spring when they took these tests. Haley was in seventh grade. Her algebra classroom was a room that held the computer lab. For two weeks, she was shuffled from classroom to classroom so that other students could be in her room to take this test. This shuffling caused a loss of instructional time and a disruption in the continuity of instruction. My elementary children are in a school where the newest computer for student use is six years old or older. There is one computer lab and one traveling computer cart to accommodate 350 students. The computer cart came from donations of old computers from other schools. Not only are there not enough computers, but because of their age, they don't run very quickly. Both buildings are old, 1963 and 1970, in order of middle school and elementary school, and they are not wired to run current technology. They have made do. But when you are dealing with a building

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that doesn't have central air conditioning, well, let's just say there's not a lot of hope to be able to run a network efficiently. My final point on this is to think of how frustrating it is when you are working on a computer that doesn't run quickly, how frustrated you get when you are wanting to proceed and the computer can't keep up. Ironically, I was again reminded of this, this morning, how bad the computers are at our elementary school, when I was substitute teaching. The sixth-grade class I was with was doing an activity using the computer cart. I had to reboot three computers and replace two of them, in 20 minutes, because they wouldn't boot up. The amount of learning time lost waiting for these antiquated computers is appalling. These are the same computers on which our students are taking the tests with which we measure success. How can we ask for our students to be their best when we can't even give them adequate? In closing, there are a lot of great things about our educational system. Nebraska is an awesome place to raise a family and to educate them, and I want to keep it that way. And if we don't make some of the investments that we need to do, that will not remain the case. And I do not mean to sound like you have not made those investments. I know you have and I know you've had very hard decisions to make. I am telling you here today what I see as a parent and what concerns me as we go down the future path. So I thank you for your time. [LR492]

SENATOR ADAMS: Well, thank you for your candor. Are there questions for this testifier? Well, may I ask, what school district? [LR492]

SHAWN BONGE: OPS. [LR492]

SENATOR ADAMS: OPS? Okay. [LR492]

SHAWN BONGE: Um-hum. But I sub in Millard. I'm also in some parochial schools and so on. [LR492]

SENATOR ADAMS: When you move around, do you find the same problem in other...?

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[LR492]

SHAWN BONGE: Similar. It depends. It really can depend. [LR492]

SENATOR ADAMS: It is a district-to-district, building-to-building? [LR492]

SHAWN BONGE: Building-to-building. I can go into a beautiful building in Millard and I can go into a building that looks very much like my elementary school. And they've done an amazing job keeping it sunny and fresh and trying to keep it looking as new and make it as warm and inviting for the students coming in, but there's just some pieces where...we are not Title I, we are not...we're just in a situation where we don't receive the funds, so we are the last. We are on the western side of the OPS district, and so we tend to receive the last amount of things, like the computer cart. It's a hand-me-down. [LR492]

SENATOR ADAMS: Could you or would you be willing to, given that you have subbed elsewhere and you've been around a bit... [LR492]

SHAWN BONGE: Um-hum. [LR492]

SENATOR ADAMS: You talk about technology and certainly that's an area of focus. Are there any other areas of inadequacy? [LR492]

SHAWN BONGE: Huh. I was smiling when Alicia was talking about the textbooks. I had quite a battle on my hands last year. My seventh-grader went through an entire year of seventh grade algebra without a textbook. It was handouts. And now because they don't give back quizzes, they don't give back tests, I'm not sure of the policy. I'm assuming it has more to do with just keeping those things so it can't get passed on to future classes. But they have...for me to get her a tutor was close to impossible. I have no materials to get her help. Now, they do provide after-school tutoring, they do everything they can to

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try and accommodate the students, but...and then today I just happened to talk to her social studies teacher. He has 122 books and 135 kids. He cannot send textbooks home with them. So again we were fortunate because we have computers at home and I was able to help her on her civics homework, which I was very excited about, considering today. But again, he...they can check out a textbook but they cannot have it at home. And I don't know how we expect...I don't even...technology is a piece I see. Textbooks. You can't learn without textbooks. And again, they're trying to put him on-line. Well, not everybody has access to on-line textbooks. They are trying so hard to band-aid the situations, but the band-aids keep falling off and we have to put new ones on. And at some point we have to figure out how to actually fix the problem instead of band-aiding it. [LR492]

SENATOR ADAMS: Other questions? Senator Avery. [LR492]

SENATOR AVERY: I have a comment. The school board scratched together a million dollars for a superintendent's retirement. [LR492]

SHAWN BONGE: Believe me, I'm...(laugh). [LR492]

SENATOR AVERY: Don't you think they could have...? [LR492]

SHAWN BONGE: Yes. [LR492]

SENATOR ADAMS: That would have bought a lot of computers. [LR492]

SHAWN BONGE: Well, there are people who are not happy with the school board either, so maybe that will be my next meeting. [LR492]

SENATOR AVERY: Maybe. Yeah. [LR492]

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SHAWN BONGE: I don't know what to say. But that's something that I had no control over, sir, so. [LR492]

SENATOR ADAMS: Other questions? Well, you picked out the right subject to excel. That civics is more important than everything else that's taught. (Laughter) All right. Thank you. [LR492]

SHAWN BONGE: Yes, it is. Thanks. [LR492]

SENATOR ADAMS: Next testifier. [LR492]

THERESA PETERSON: (Exhibit 5) Good afternoon, Senators. [LR492]

SENATOR ADAMS: Welcome. [LR492]

THERESA PETERSON: My name is Theresa Peterson, and do I just need to spell my last name? Is that all? P-e-t-e-r-s-o-n. And, first of all, I'd like to thank you for this opportunity today to discuss the education of our children. In my opinion, there are few topics that are more important to the future well-being of our state. I am very pleased that you have taken the time to travel throughout our state and gather far-flung concerns. I can only relate my own experiences here today and I hope that it will be helpful. My husband and I have two children, Heather who is 13, and Adam who is 19. My husband and I met as high school science teachers in the Omaha Public Schools system some 20 years ago. My husband still teaches in the Omaha Public Schools system and loves his work. I would have to classify both of our children's needs as being unique within a traditional school setting, keeping in mind that all children possess their own individual set of needs. Our daughter is classified as multi-handicapped and attends J.P. Lord School in OPS. J.P. Lord School is located on the Med Center campus and is open to students with moderate to severe impairments and multi-handicapped students. This school has met our daughter's needs in an exemplary

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manner during her eight years there, as a result of its excellent staff, both teachers and aides, school nurses, music teachers, therapists, and finally, the principal. And I'd just like to make another point here too. J.P. Lord School probably has like the highest concentration of highest need children in the city, certainly, and I'm assuming then in the state as well. They are the kids with the greatest needs, medical and developmental both. It was Mike Dotson, the principal's, longtime dream to enable these high-need students to have access to extended summer school due to the fact that so few summer activities, if any, meet this select group of students' needs. And even programs, even though they're wonderful, such as Easter Seals and the programs, summer programs at, like, the Munroe-Meyer clinic on the Med Center campus, they're always...I mean, they're even sometimes too advanced for some of these kids. I'm not sure if within the general 70 student population of that school, I'm not sure if any of them...or some of them may be just marginally verbal, so it's just a very high, high-need population. After much work, his goal was finally realized three years ago when J.P. Lord offered extended summer school. It was short-lived, however, due to cuts in the budget, and consequently, severely limiting the opportunities for activities for these students. It was a great disappointment to some of the district's most vulnerable students. Our son, on the other hand, has battled a chronic health condition which has made it impossible for him to attend a traditional school. Omaha Public Schools has an independent study program which allows students to work towards their diploma at their own pace under the guidance of teachers. This is not an on-line program, and by the end of each school year--and I'm not sure if I have the number exactly right here, but I think I'm in the ballpark--it typically has about 600 kids in it. That is 600 kids who may have simply dropped out were it not for this safety net. In the summer of 2011, the Omaha Public Schools district made the difficult decision to drop this essential program due to budget cuts, and we were left not knowing what to do. We were fortunate to find another program that works in conjunction with Metro Community College and offers students college credits and high school credits concurrently. But this program would not work for all students. The point is this: It was a very scary, uncertain time after losing the independent study program at OPS and not knowing where to turn. We did, however, find out later that the

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Omaha Public Schools was able to relaunch some type of independent study program. I'm not familiar with it. I just have not had any contact with it in this last year, so I have no idea how they were able to fund it or if it's as comprehensive as it once was. I also mentioned that my husband works as a teacher for the district, and I know that I can speak for him when I say that he daily sees the needs for these alternate study programs to remain intact and funded in order to reduce the dropout rate. So I would ask you today, please, Senators, restore the funding to our public schools as promised. As a parent and former teacher, I would like to see us move forward and not backward. And just one other thing I think I'd like to add is I know there are, you know, a myriad of needs and issues that you have to balance. And I think it's great that there is a, I don't know if you call it a balancing formula or whatever it's called, I can't think what you call it--the equalization formula--in place. I'm not sure I would have the energy to even tackle what you all have to tackle here. But I do believe very strongly that before tax cuts are put into place that we need to make sure that we have funded education properly, because I really feel like we may be moving backwards. And I don't know. I know Senator Avery earlier had asked the question how, you know, how we would handle, you know, a particular situation in terms of funding. And, you know, some of those things really are best handled, I believe, by you, the experts, because you hear so much. But I don't think at this point in time it's appropriate to have tax cuts in light of what we're seeing in our public schools, and I am very concerned about that. But I do appreciate the opportunity that you then have my say today, so. [LR492]

SENATOR ADAMS: Thank you, Theresa. [LR492]

THERESA PETERSON: Yes. [LR492]

SENATOR ADAMS: Are there questions for this testifier? Senator Sullivan. [LR492]

SENATOR SULLIVAN: Thank you, Senator. And thank you for your testimony. [LR492]

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THERESA PETERSON: Yes. Thank you. [LR492]

SENATOR SULLIVAN: Regarding the J.P. Lord School, it's on the campus of the Med Center? [LR492]

THERESA PETERSON: It is. [LR492]

SENATOR SULLIVAN: Its own separate building or is it within (inaudible). [LR492]

THERESA PETERSON: It is actually its own separate building. It has a link to the Munroe-Meyer clinic which is a part of the Med Center campus. From what I understand, and I could be mistaken, you might need to ask an OPS official, but I believe that there was either a 50-year or a 100-year contract with the Med Center campus. I think it initially had started out as a school back in the '50s, some time ago, decades ago, to bring in students who were, like, outstate, who had high medical needs, and then they went back for the weekend. So they were educated, I believe, during the week and then went back out. Well, as demographics shifted, it became...and I don't know at what point exactly, but I know at some point it became a school for, like I said, moderate to severe handicapped and multi-handicapped students. And it's an amazing school. I tell everybody that I know, if they want to go down there with me they're welcome, because you can't go in there depressed and walk out depressed. The staff is very committed. It's great. It's a great facility. [LR492]

SENATOR SULLIVAN: Regarding the staff, do they leverage the faculty at UNMC to be part of this school? [LR492]

THERESA PETERSON: Um-hum. That's a good question. The Munroe-Meyer clinic, which works in conjunction with the Med Center, the therapists that...I was going to say I think most of the therapists are through OPS. I know that frequently probably consultants and other professionals are brought in. I'm sure it does not have the same

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relationship today that it did decades ago, but it certainly makes it easier when they're...like, for example, there are appointments. And, for example, something else just came to mind too. Within the last four or five years a water park was developed in the area. There's a courtyard between Munroe-Meyer and J.P. Lord School, and it's really great because kids that attend the Munroe-Meyer program in the summer can utilize that. And our students at J.P. Lord can utilize it, if the weather permits, say in May and September, on occasion. So there are some shared facilities and I don't know how they work that all out. But, I'm trying to think, there probably are some other benefits to proximity, but I don't know if I know what they are offhand. [LR492]

SENATOR SULLIVAN: Thank you. [LR492]

THERESA PETERSON: Um-hum. [LR492]

SENATOR ADAMS: Other questions? Anyone? Thank you, Theresa. [LR492]

THERESA PETERSON: Thank you. [LR492]

SENATOR ADAMS: Next testifier. [LR492]

BETH MORRISSETTE: (Exhibits 6 and 7) I'm Beth Morrissette, M-o-r-r-i-s-s-e-t-t-e, at 2921 South 102nd Street, in Senator Ashford's district. First of all, thank you for so many of us coming forward from the Nebraska Parents Public Education group. We have a variety of different experiences; and I'm a Westside parent, so I'm going to talk a little bit about my experience with Westside. I'm a proud product of Nebraska public education. I began kindergarten at Omaha Public Schools and later moved into Westside school district in Omaha and graduated from there. After completing high school, I went on to the University of Nebraska at Omaha, where I completed a bachelor's degree and two master's degrees. I took time off work today to make sure that I could advocate for public education. Today, I'm here in my mother role, as I am

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the very proud parent of a fourth-grade student currently enrolled in Westside Schools district. And within the last year I was also the very proud foster parent of an elementary student enrolled in Omaha Public Schools. My husband and I intentionally moved into Westside District 66 prior to our son beginning kindergarten. We made a conscious decision that public education was critically important to our family. We knew that, choosing to move into Westside, we would pay a higher property tax because the school district does a levy override. I believe so strongly about this override that I recently volunteered during this past special election, and luckily we were successful by a great margin at 65 percent. The levy override passage was critical, from my viewpoint as a mother, as it has been a decrease in the state aid that the schools have been receiving. I know that Westside has made many steps to make sure that we're meeting the needs and keeping those reductions as far away from the classroom as possible, and have renegotiated a number of contracts to be able to fulfill that promise. But even though Westside does have the levy override, we are still seeing changes in our district. For example, Spanish has been reduced by one full-time person. This cut impacts grades differently, with kindergarten and first grade receiving Spanish two out of four quarters, whereas, in the past, students received Spanish every week. Art was reduced by one full-time person with grades 5 and 6 having classes two of four quarters. And Excellence in Youth, which is the accelerated learner program, has been reduced by one full-time person as well. To put these cuts into perspective, Westside was one of the earliest districts in the state to implement elementary foreign language, in which it was began in 1958. And now we are at risk of losing it. We've also seen cuts in field trips for the students. At Westside, and probably many other districts, we want all students to be proficient in reading, writing, and math, and the achievement gap between subgroups to decrease. We want all students to graduate and be globally competent citizens and possess the skills necessary to enter a meaningful career and career pathway. Cutting foreign language, arts, funding for technology, field trips, are not ways that our state will meet these goals. Classrooms should be made fun learning environments and have access to the arts and foreign language. Schools need to be prepared and foster meaningful programs that support financially and socially

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disadvantaged students so they, too, can demonstrate their academic gifts. Restoring state aid will help school districts across the state reach this. Let me leave you with this: Education is the path to the good life. Let's continue to prove this by making public education in Nebraska a priority for all students and all children. Please restore funding for public education. This is the Nebraska way of life. [LR492]

SENATOR ADAMS: Thank you. Are there questions for this testifier? You're going to get off the hook. Thank you. [LR492]

BETH MORRISSETTE: I knew if I waited until the end, you guys would be like, all right, let's get going. (Laughter) [LR492]

SENATOR ADAMS: Thank you. Next testifier. [LR492]

BETH MORRISSETTE: Oh, I have a letter from another parent who couldn't be here. Can I submit it? [LR492]

SENATOR ADAMS: If you'd hand that over to Becki, we'll make sure it gets circulated to everyone. [LR492]

SENATOR AVERY: Are you also a member of the parents group? You're wearing red. [LR492]

BETH MORRISSETTE: I am. See, we're multi districts. [LR492]

SENATOR ADAMS: Welcome. [LR492]

MARK ADLER: (Exhibit 8) Senator Adams and state leaders, my name is Dr. Mark Adler, and the last name is spelled A-d-l-e-r, and I live at 6204 South 100th Street, Omaha, Nebraska. I'm honored to represent Ralston Public Schools as superintendent.

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I'm also the dad of Jade, Reid, and Kamille. Jade is a ninth-grader at Ralston High School, Reid is a sixth-grader, and Kamille is a third-grader at Meadows Elementary, all with the Ralston Schools. I appreciate the opportunity to appear before you today to speak on behalf of students, staff, and the Ralston community . I would like to talk with you about the state aid formula and how we at Ralston Public Schools are very concerned about further cuts in aid that may be on the horizon. Let me preface my remarks by saying that we have always viewed our relationship with the state and also this committee as a partnership. At times we have agreed, and also at times we have disagreed, on how best to achieve reductions or even allocations in aid. However, we believe that the array of options presented by this committee for consideration are not options that we can fully support. We believe fundamentally that equalization is the paramount principle in the Tax Equity and Educational Opportunities Support Act, or TEEOSA, referred to. Equalization was the goal when TEEOSA was first established, and equalization should be the goal today. As this committee is well aware, equalization is a school district's ability to pay for the educational opportunities provided to the students in every Nebraska community. State funding or equalization aid needs to support statewide education expenditures that cannot be met by local resources alone. We totally understand that the prevailing problem with fully funding TEEOSA, the TEEOSA formula, has been the economic conditions of the state since 2009. The reality from our perspective is that, given the opportunity, the formula does work. Although it is very complex, it does work when permitted to do so. The economic reality for Ralston Public Schools is pretty harsh. I have provided you with a handout demonstrating our financial status, and I think that is on its way around. By background, we are currently at the maximum \$1.05 levy limit, and we are unable to add to the district building fund due to allocating all available funds to general operation needs. As this committee is aware, our loss in annual state aid allocations is over \$1.5 million over the last two years. When combined with the loss of \$650,000 in common levy proceeds during that same time, the result is a combined loss of \$2.1 million annually in revenue. In order to meet this shortfall, we have budgeted for use of transfers from cash reserve to meet the general fund budget obligations. Our current allocation of cash reserve to meet our general fund

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budget obligations sets at \$2.6 million, which is not an example of a sound financial situation for our district. We are fortunate that we have planned ahead for tough times, yet very unfortunate in the fact that services for students and families will be highly diminished as we have no option but to reduce costs to fit within these reduced revenues. State leaders, please do not think that we have not taken measures to cut expenses. Our administrative budget is down nearly \$350,000. We have eliminated support and instructional positions where possible. We have held back on the purchase of new instructional materials, and I can say with confidence that all of our staff are doing more with less to provide opportunities for our students. It is important to know that we are serving a community of students, like many in the metro area, with increasing needs, as approximately 50 percent of our students qualify for free or reduced lunch. Our board of education and professional staff have continually looked for and executed ways to reduce expenses to meet our combined commitment to offer the best education possible in the metropolitan area and do that at a reasonable cost for our taxpayers. We have done this, but the issues we are facing are not ones that small budgetary concerns can change. Going forward, we cannot promise we can provide the quality of education our students enjoy and deserve with such drastic losses in revenue, and specifically, the state aid, the state equalization aid. I've had the opportunity to serve in many school districts across Nebraska and I know rural schools well. I know, Senator Sullivan, I served in Elgin and Petersburg for several years, so I know the area well, and I'm also a product of Hastings Public Schools. I appreciate the concern that small schools, that they do not desire to increase the levies to meet the needs of all people...to meet the needs, as all people are looking to control costs. I can also appreciate their desire to have dollars returned back to their district in an equal amount for each student. The reality for Ralston is that we have no place to go to address our revenue situation but state equalization aid. To change the formula once again back into a random number that the state can afford will drastically impact educational opportunities to the students in Ralston and also across Nebraska. We simply cannot afford to approach education as an affordable object. I would like to leave you with this closing thought. We as a state have yet to have a conversation about what the mission

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is for K-12 education in Nebraska. What is it that we want to achieve? If our mission is to graduate outstanding students who will change the world, we must make a financial commitment as a state to do this. I think each of us have this goal. I am confident in the people that we have as leaders, and I ask that you join us in making that commitment. Ralston Public Schools stands ready, willing, and able to have a conversation on how we can achieve great things. I pledge our best efforts from Ralston and cooperation in finding a solution. I want to thank you for your time, service, and respect, and I'll try to answer any questions that you may have. [LR492]

SENATOR ADAMS: Thank you, Mark. Senator Avery. [LR492]

SENATOR AVERY: You made a statement that I'd like for you to explain. You said something about changing the spending formula or funding formula back to a random number. What do you mean by that? [LR492]

MARK ADLER: What I mean is for several years, at least--and it's my perception and I could be wrong, so you may have to straighten me out--I feel like we identify a number that has to fit within the budget and then we adjust the formula to meet within that number. And I think if we allowed the formula to work, obviously it's probably going to produce a number that's higher than we would want. But I just...I think when we back it down to a number that it has to fit into as opposed to letting the system work, I think we're shortchanging students. [LR492]

SENATOR AVERY: To produce random numbers for something so important as public education would be irresponsible. [LR492]

MARK ADLER: Um-hum. [LR492]

SENATOR AVERY: This committee does not do that. [LR492]

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MARK ADLER: I don't really think it's the committee that's been there...that does that. In my mind, like I said, it's a number. I don't know where the number comes from, to be honest with you. [LR492]

SENATOR AVERY: How about the formula? [LR492]

MARK ADLER: The formula? Excuse me? [LR492]

SENATOR AVERY: The formula produces the number. [LR492]

MARK ADLER: Right, right. But... [LR492]

SENATOR AVERY: Changes to the formula should change the number. [LR492]

MARK ADLER: But I don't think we've allowed the formula to work to hit the number that is identified. I think over time I don't think we've done that, so. [LR492]

SENATOR AVERY: Well, I think the use of the word "random" number is an irresponsible statement. [LR492]

MARK ADLER: Okay. [LR492]

SENATOR ADAMS: Other questions? Senator Sullivan. [LR492]

SENATOR SULLIVAN: Thank you for your testimony. [LR492]

MARK ADLER: Yeah. No problem. [LR492]

SENATOR SULLIVAN: What's happening with your enrollment? It seems...it appears to be going down. Any particular reason? [LR492]

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MARK ADLER: Yeah, we did...well, I don't know there's necessarily a reason. We're...if you don't know much about Ralston, we're landlocked, so we serve about a seven-square-mile area right in the middle of the city. And so...and we also have a lot of mobility, a lot of apartments in our district and whatnot, so we'll see trends up and down. If you look on the sheet that I've provided, we...and part of our problem also is something that's local. We have regressed 62 kids over the last two years, which does drive into the formula, we do know that, so. But, right now, the positive news for us is the numbers, at least this year, are looking like they're on the rise, so. We were down 62 formula kids over the last two years; I believe we're up about 55 in our enrollment right now. Whether or not that transpires into...you know, what that transpires into formula students, we'll have to run the numbers on that. So there are some positives for us as well, so. [LR492]

SENATOR SULLIVAN: Thank you. [LR492]

SENATOR ADAMS: Other questions? Thank you, Mark. Appreciate it. Next testifier. Welcome, Sandy. [LR492]

SANDY ROSENBOOM: (Exhibit 9) My name is Sandy Rosenboom, R-o-s-e-n-b-o-o-m. Office address is 920 Linden in Crete. I'm the business manager for the Crete Public Schools. And my testimony is somewhat philosophical and I'm going to skip some of the parts that you've already met and just summarize those. I think that our state aid formula needs to be dealt with in several different steps. I think the property tax does serve as the base, but I think the equalization aid is extremely important because some districts, like ours, are property poor, but we still have many kids to educate. State equalization ensures that there's equal opportunities for those kids in those property-poor districts. State aid makes up about 40 percent of our revenue, our general fund revenue. Basic funding should be the basis for the foundation...or should be the foundation for the rest of the state aid. Additional factors have to be in there to cover

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those differences between districts. These are the things that are beyond each district's control. In order to make it a fair, equitable situation doesn't always mean equal. So we need sufficient funding for things like those additional needs like poverty and ELL, transportation, and remote sites that are necessary in the western part of the state. Once these unique differences are factored into the formula, then the state may seek to improve education over the basics by encouraging districts to spend more in some area. The committee has to decide if there's a place for these funds and if there are additional funds available to add these incentive factors. I think the other parts need to be covered first. Decisions as to what these funding mechanisms should be have to be made on accurate data. Preschool is one incentive that's been very valuable in our district. However, another--instructional time--has turned out to be somewhat flawed in that the data that is used to calculate the payment has been inaccurate. Increased instructional time is definitely a worthy goal and may contribute to increased student achievement, but the data that is collected has to be accurate. This factor also only rewards those districts that are above average. This factor in the formula serves as a disincentive because you never know where the target is. Paying for additional days may be a better use of instructional time but it's going to increase the cost, and it seems to me like the state ought to set a target above which it would pay. But that's going to be expensive because we will go after the target. Fully funding the formula results in the fairest distribution. If it is necessary to reduce state aid, it must be done in a way that doesn't penalize or punish those districts that have the highest percentage of their income revenue coming from state aid. Any adjustment that takes a percentage of state aid unfairly jeopardizes those of us that get a large percentage. Crete has no additional room under the levy to get more revenue locally. We tax at the full \$1.05; it makes budgeting easy. We start there and go backwards because even doing that we still have to budget into our cash reserve to make a balanced budget. We then have to hope that we can underspend that budget in order not to dip too deeply into reserves. Thus state aid is very important to Crete Public Schools and districts like us. The amount of money that the state has contributed to state aid has been almost flat since 2008-09. Increases came from the federal stimulus funds. The increase that the Legislative Fiscal Office

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projects for the next '13-14 year is only a small increase, from \$1.001 million to \$1.026 million, from the amounts districts received in '11-12 as the stimulus funding was ending. We would ask that the formula be fully funded. An underfunded, weak education system also, just like preschool, has an adverse effect on the economic development in the state. [LR492]

SENATOR ADAMS: Thank you, Sandy. [LR492]

SANDY ROSENBOOM: Um-hum. [LR492]

SENATOR ADAMS: Are there questions for Sandy? Sandy, you used the term "fully funded," and you and I know that the formula is fully funded. It's just not at the level that we would have liked to have seen. [LR492]

SANDY ROSENBOOM: It's not at the level that was originally... [LR492]

SENATOR ADAMS: There will be an increase this year. [LR492]

SANDY ROSENBOOM: Yeah. Um-hum. [LR492]

SENATOR ADAMS: I couldn't say this is how much it's going to be, but. [LR492]

SANDY ROSENBOOM: Right. [LR492]

SENATOR ADAMS: Let me ask you, Sandy, the instructional time. So you're right, whatever we set as a target, schools will shoot for that. And that's not a bad thing. [LR492]

SANDY ROSENBOOM: No. [LR492]

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SENATOR ADAMS: How would you change it...if you could wave the magic wand, how would you change that allowance? [LR492]

SANDY ROSENBOOM: Well, any time you set an average, you know, we can say, okay, we're going to increase our amount of days. But if everybody else increases the same amount, then the average has moved. [LR492]

SENATOR ADAMS: Right, right. [LR492]

SANDY ROSENBOOM: And so then maybe you've made that extra expense, but now you won't get anything, any return for it. And once you go to days, you do have to increase salaries commensurate with that number of days, because that's how the salary schedules work. [LR492]

SENATOR ADAMS: Okay. [LR492]

SANDY ROSENBOOM: You know, it was relatively easy for people to go after 15 minutes a day, but that doesn't have much effect. [LR492]

SENATOR ADAMS: Would you be willing to testify at all as to your feeling about the teacher education allowance? [LR492]

SANDY ROSENBOOM: I like Mr. Fossen's idea that it needs to be targeted more than it is right now. If we're going to have a teacher education adjustment, it ought to be for master's degrees in the area that they are teaching. The problem with that is, what do you call an elementary teacher's area of expertise? And there's...it almost goes down a slippery slope that I'm not...you know, it's going to take some work if we decide to go that direction. [LR492]

SENATOR ADAMS: Fair enough. Thank you. Yes, Senator Seiler. [LR492]

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SENATOR SEILER: You use in your statement a "property-poor district." [LR492]

SANDY ROSENBOOM: Um-hum. [LR492]

SENATOR SEILER: Are you surrounded by another school district that cuts off your farm ground? [LR492]

SANDY ROSENBOOM: No, we just...we are dryland. We also have a big chunk of Lancaster County that's mostly grassland, so. And the district is in Saline County but only takes in a small portion of Saline County; most of it's in southwestern Lancaster County. We have roughly a little over \$400,000...yeah, \$400 million--I'm getting my numbers mixed up--\$400,000 per student. And you'll find many districts in the state that are easily \$1 million to \$2 million per student. And, you know, we can equalize the general fund, but then once you get into buildings and bond building a building, our taxpayers pay a much bigger percentage of their income to build a building than somebody with a million dollars' valuation per student. [LR492]

SENATOR SEILER: Um-hum. Okay. [LR492]

SENATOR ADAMS: Sandy, are you able, when you build budgets, to put money in your special building fund? [LR492]

SANDY ROSENBOOM: This year the board asked us to dip further into the cash reserve and put a penny into the building fund. [LR492]

SENATOR ADAMS: Okay. [LR492]

SANDY ROSENBOOM: It doesn't amount to much, but they feel very strongly we've got to have a little bit in our building fund. [LR492]

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SENATOR ADAMS: Okay. [LR492]

SANDY ROSENBOOM: And we've been pretty miserly to be putting anything in there just to keep the general fund budgeted. [LR492]

SENATOR ADAMS: Good enough. Thank you. Are there any other questions? Thank you, Sandy. Next testifier. [LR492]

JOHN NEAL: Good afternoon, Senators. My name is John Neal, J-o-h-n N-e-a-l, and I'm with the Lincoln Public Schools, 3801 South 14th, Lincoln, Nebraska, 68502. I'd first like to thank Senator Adams and the senators from the Education Committee for their communication this summer in working with the group in Kearney and helping us guide some of our conversation and helping us be more productive, and also for having the hearings across the state and listening to representatives in Gering and Gothenburg and Albion. It was amazing the differences in their circumstances and their challenges. But many of the common ideas they brought to their testimony. So I hope I'm not repetitive because much of what I have to say also matches their recommendations to the committee. But I want to make sure that we have our voice at the table as well. I'd like to just have my comments match the four key concepts or guiding principles as kind of an organizer for our thoughts. So the first is sustainability, and I think probably the key...or excuse me, equity. The first issue with equity is I think running the formula. The formula continues to include elements such as poverty, English language...support for English language proficient students, for growth that provides an equitable distribution of funds to districts all across this state. And by including adjustments for things such as districts, who by statute can't raise enough funds to spend at the average of other districts, as well as a reasonable local effort rate, allowable growth adjustment, it creates a proportional distribution to those districts who can't raise the money through their own local efforts. So I think in equity it is continuing to run the formula. For sustainability, I think, of course, wearing my education hat as firmly as many people are

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wearing their districts' hats, is fund the formula fully as it currently is. But the realities of the state budget probably don't allow that. And so the sustainability factor is running the formula to create the equitable distribution. But then maybe through a temporary aid adjustment or some other mechanism, then make that adjustment to match the needs of the state, because there's a balance between the needs of K-12 education and the needs of the state. Because the third piece of predictability, when the formula changes the ability of districts to predict what factors they should consider, what factors they should pay attention to in determining what their aid is going to be, is much more difficult. So have the formula run, having it be proportional to the needs of the districts by characteristics and by their needs compared to the local resources, and then making just an adjustment to that. If it's just a percentage adjustment, districts are much more able to measure that, predict it, and account for that in their three-year budget cycle. So that helps in predictability. The other is simplicity. And I think when I look at simplicity is picking those characteristics for the TEEOSA formula and continuing those that can be predicted and measured by the district. I know, for the most part, the number of students that are going to be in poverty in our district. I know what our growth is going to be and can predict that. I know English language learners. I know so many of those characteristics, transportation, and can predict those, I can trend those, I can prepare for those. So the simplicity I think comes from keeping the formula, it's a known quantity, running it, adjusting it by a percentage that can be talked about well in advance so schools can adjust it, and keeping the characteristics that are most predictable and "trendable" by district so they can prepare well in advance for what those changes might be for the future. So I'd be happy to answer any questions that I might. [LR492]

SENATOR ADAMS: All right. Thank you, John. Are there questions for this testifier? Anyone? Well, you're going to get off the hook. Thank you, John. [LR492]

JOHN NEAL: Thank you. [LR492]

SENATOR ADAMS: Next testifier. Hi, Virginia. [LR492]

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VIRGINIA MOON: Hello. How are you? [LR492]

SENATOR ADAMS: I'm well. Thank you. [LR492]

VIRGINIA MOON: Thank you for being here for us and listening to us. Members of the Education Committee, my name is Dr. Virginia Moon; that's spelled M-o-o-n. And I'm here today to offer testimony on LR492, examining the system of financing public education in Nebraska, on behalf of the Omaha Public Schools where I currently serve as the interim superintendent. I do, though, feel like I can carry a message for a number of other districts around the state because I recently was in Broken Bow. I have one of the honors of serving as a teacher in a school so small it no longer exists right outside of Lincoln--Douglas, Nebraska. So I've been able to be involved with Papillion-La Vista Schools; Ralston Schools; Maywood, Nebraska; Broken Bow, Nebraska. So I guess I couldn't ever keep a job. (Laughter) But I'm very glad to be here today, and I hope that my comments aren't too repetitive and that my comments aren't...I'm guessing that they're not very different from the comments that you've heard across the state, especially as they pertain to low-spending, high-needs, high-taxing districts. Most of the districts that I've been associated with are up against the \$1.05 levy limit, and when state aid changes it makes a huge difference in our budgets as we go forward in how well we can serve the needs of students. And I think basically really I'd like to talk about three different things. One, of course, equalization. The TEEOSA formula is an equalization formula. And we want to advocate that you remember that, that you keep that in mind as we go forward, that it does fill in the gap for those of us with higher needs, maybe higher needs populations, and low assessment...or assessed valuations. And I think we're here, I'm here, in OPS's case in particular, to advocate that we do not tinker with the poverty allowances, the allowances for the summer school, because we know that those are a way for us to extend the day, especially for our most needy learners, for those learners who need to get English language. So those summer school allowances, the poverty allowances, and the averaging adjustment, which is really

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important for those of us who are low-spending, high-taxing, high-needs districts. So we're hoping that those will move off your possible list and on that. We also are here to advocate that to whatever extent possible you can bring more funding into the formula to make it work better for all of us. I think one of the things that we heard today--I'll have to vary from my script a little bit--but one of the things we heard today was how hard the decisions are when those budget cuts come and how deeply they touch the students and the parents that are in the audience today and then in the audience across the state. In Broken Bow, when I was there we taxed \$1.05. We had to pass a bond issue--which didn't make taxpayers happy but they did vote for it, so that was good--and still cut \$800,000 out of a \$10 million budget just to make things do. We cut the very things you heard about today: teachers, technology. When we used to talk about pay cuts...or spending cuts, 20 years ago we talked about books, buses, and...let's see, there's a third B...books, buses... [LR492]

SENATOR ADAMS: Basketball. (Laughter) [LR492]

VIRGINIA MOON: Buildings. (Laughter) Never basketball. Never, never basketball, not in any district. But today I think that really what I heard were a whole different set of letters, and letters that hit harder at the actual things that make a difference for kids. And they were T words: teachers; textbooks; technology; and a little bit in our first set of hearings, tots, because early childhood education is one of the things that it's hard to serve. Those are a lot different than buses and buildings and books. These are at the heart of what makes a difference in terms of a child's education. And so I know that it's very, very difficult to find money in the personal budgets, in the state budget, in the national budget. But I do think that as you consider how to adjust the formula to fit some--we won't use a random number, we'll use a realistic...a number that has...you have to come to the number of what you can put into education. Everybody understands that that's finally going to have to happen. Sooner or later somebody has got to say, okay, there's the number. But we're hoping that as you go forward through this session that you take a look, that you prioritize to every extent possible, that you let us help all of

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you, and you yourselves, to prioritize education as one of the highest needs in terms of determining what is that number that we can put into the formula. You know, it was interesting, the comments that we heard here today, because the OPS school district has 200 less FTEs, full-time equivalent employees, less than we did in 2008. So in 2011-12, we had 200 less employees but we had 1,300 more students. And you can see how those cuts materialized in the lives of students and programs. And so districts have to make very, very difficult decisions the same way that those of you who serve in the Legislature have to make very, very difficult decisions (sic). So I think to summarize or to sort of review, like a good teacher, you know, we want to emphasize the fact that TEEOSA is an equalization formula and that we hope that it will continue to serve the purpose that it does to provide for all the children equally across the state of Nebraska, that budget cuts will be as merciful as possible and that we prioritize education for our students across the state as the highest and most important thing that we have to do. And I thank you for all of your work, and I thank you for the very difficult decisions that you have to make. [LR492]

SENATOR ADAMS: Thank you, Virginia. We appreciate that. Are there questions for Virginia? Anyone? [LR492]

VIRGINIA MOON: Am I going to sneak out of here without questions? [LR492]

SENATOR ADAMS: Well, you don't need to sneak out. (Laughter) Thank you, Virginia. [LR492]

VIRGINIA MOON: Thank you. [LR492]

SENATOR ADAMS: Next testifier. Next testifier, please. Anyone else? Well, with that, it has been a long afternoon. We appreciate...first of all, Kevin, thank you for your hospitality and all of you listening, and we will continue our work on this subject. Thank you all. That will conclude the hearings for today. [LR492]

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