

Transcript Prepared by Clerk of the Legislature Transcribers Office
Education Committee March 1, 2022

WALZ: Good afternoon and welcome to the Education Committee public hearing. My name is Lynne Walz from District 15 and I serve as Chair of the committee. The committee will take up the bills in the order on posted, on the posted agenda. Our hearing today is your public part of the legislative process. This is your opportunity to express your position on the proposed legislation before us today. To better facilitate today's proceedings, I ask that you please abide by the following procedures: Please turn off or silence your cell phones and other electronic devices. The order of testimony is introducer, proponents, opponents, neutral, and closing remarks. If you will be testifying, please complete a green testifier sheet and hand to the committee clerk when you come up to testify. If you have written materials that you would like distributed to the committee, please hand them to the page before you-- to distribute before you begin testifying. We need 10 copies for all committee members and staff. If you need additional copy, copies, please ask a page to make copies for you now. When you begin to testify, state and spell your name for the record. Please speak directly into the microphone so our transcribers are able to hear your testimony clearly. If you would like your position known but do not wish to testify, please sign the yellow form at the back of the room and it will be included in the official record. If you are not testifying in person and would like to submit written comments to be included in the official hearing record as an exhibit, you will find the required link on the bill page of the Nebraska Legislature's website. Comments are allowed once a bill has been scheduled for public hearing and must be submitted and verified prior to 12 p.m. on the last workday prior to the public hearing. The comments submitted online and verified prior to the deadline and identified as comments for the public hearing record will be the only method for submission of, of official hearing record comments other than testifying in person. Letters and comments submitted via email or hand-delivered will no longer be included as part of the public-- as part of the hearing record, although they are a viable option for communicating your views with an individual senator. Finally, please be concise. Testimony will be limited to three, to three-- three minutes. We will be using the light system. Green means your test-- your time has started and you may begin speaking; yellow, one minute remaining; and you'll wrap up your comments when you see the red light. The committee members with us today will introduce themselves beginning at my far right.

McKINNEY: Good afternoon. Terrell McKinney, Senator, District 11, North Omaha.

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LINEHAN: Good afternoon. Lou Ann Linehan, Legislative District 39, Waterloo and Elkhorn.

DAY: Good afternoon. I'm Senator Jen Day, represent Legislative District 49 in Sarpy County.

WALZ: I'd like to introduce my committee staff. To my immediate right is research analyst, Nicole Barrett. To the right of the table is committee clerk, Noah Boger, and our pages today are Bhagya Pushkaran and Aleks Glowak-- Glowik. Please remember that senators may come and go during our hearing as they may have bills to introduce in other committees. I'd also like to remind our committee members to speak directly into the microphones and limit side conversations and making noise on personal devices. We are an electronics-equipped committee and information is provided electronically, as well as in paper form. Therefore, you may see committee members referencing information on their electronic devices. Please be assured that your presence here today and your testimony are important to us and crucial to our state government. And with that, we will open on LB711. Senator Hughes.

HUGHES: Thank you, Madam Chairman, members of the Education Committee. My name is Dan Hughes, that is D-a-n H-u-g-h-e-s, and I represent the 44th Legislative District. I'm here today to introduce to you LB711. LB711 is a bill dealing with the Board of Educational Lands and Funds. And full disclosure, my family farm corporation does hold a lease for a section of land that does belong to the Board of Educational Lands and Funds, 640 acres approximately. I've had a couple of attempts to discuss the Board of Educational Lands and Funds during my tenure here in the Legislature, and I find it very interesting. I did meet with Mr. Sudbeck, I believe back in December or early January-- I don't remember-- when I was developing this bill. And I'm-- I have no proof, but I'm fairly sure that once this bill was dropped, there was communication with the Education Committee, and they asked for an Attorney General's Opinion on this bill, which the Attorney General has ruled, and this bill is unconstitutional. But my point is, as soon as this bill dropped, they showed up asking for an Attorney General's Opinion. That's the same thing that happened the last time I brought a BELF bill. And if we have a state agency that the first thing they have to do is run and get an Opinion from the AG to hide behind, I think we need to shine some light behind that curtain. The reason I brought this bill is-- and there will be testifiers behind me-- talking about the extortion that Board of Educational Lands and Funds tried to do to someone who wanted to build a feedlot in western Nebraska. And they have worked very hard to stifle economic development because of their trying to protect their own little

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fiefdom of this land that they own. I've handed out three pieces of information for you. The first one looks like this, and we'll talk about it in a little bit. This is the legislative-- it's a memorandum to myself from Tim Erickson, the Legislative Research Office. This I had LRO look into the rate of return on assets for both the Temporary Fund and the Permanent Fund of the Board of Educational Lands and Funds. The Permanent Fund includes all of the money that was accumulated from the land that was sold in the-- in Nebraska. So that is in the Permanent Fund. It is-- it is invested by the investment officer of the state of Nebraska, and they do a very good job. The Temporary Fund contains the assets of the land, and the income from that comes from leases, royalties, and bonus bids. And out of that fund also comes the salaries and maintenance for the administration of that land. And if you look at that, you can see very clearly that the rate of return on the Temporary Fund is way below what it is on the Permanent Fund. So the land that is being managed by BELF is returning a lot less for the school kids in the state of Nebraska than what's in the Permanent Fund from the land that has been sold. So when-- if BELF shows to come and testify and tells you how much better they are at returning money to the children of the state of Nebraska, I have from our own, very own Legislative Research Office that is incorrect. The other two pieces of material that I've handed out to you, you have a map of the state of Nebraska that shows the amount of acres that are in counties. And if you pick a random county at-- in eastern Nebraska, Lancaster, there are 297 acres in Lancaster County, Nebraska, that is school Board of Educational Lands and Funds. All of the other, you know, probably 30,000 acres that was originally given to the state of Nebraska for the benefit of the children has been sold and has been developed, and the local school districts are benefiting from that increased property tax value. If you look out west in the very southwest corner of Dundy County in my territory, there's 25,680 acres. That's the county where the people behind me, Blackshirt Feeders, Blackshirt Feeders wanted to build a feedlot, and they were effectively priced out of the market because of the BELF board trying to extort them. And those are pretty strong words, but when you get the facts from people coming behind me, you will understand. So the difference between Lancaster County, 297 acres and Dundy County, 25,000 almost 26,000 acres, there's a lot of difference in economic development that has taken place on those acres, and that should be to the benefit of the kids. This is not about BELF. This is about money for kids for education, and the return on the investment is very clear that the Temporary Fund is doing not nearly as well as the Permanent Fund. The last piece I handed out is more of a "by county" of acres acquired, deeded acres. It just gives you the same information, what's

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on the map. Part of the challenge that we've had in dealing with this was my staff was stonewalled by the BELF personnel of trying to get decent maps that we could read. So we've got a real problem there. As I mentioned, the reason this came back up was there is a company called Blackshirt Feeders that wants to build a feedlot in southwest Nebraska. We had a gentleman who grew up in Dundy County in Benkelman. He now works for a Canadian firm. He's a veterinary consultant for a large feedlot. He wanted to come home and create some economic development in his community. He came back, convinced his partners to build this large feedlot. And they identified a section of Board of Educational Lands and Funds. And when it came to, there will be a letter handed out that explains more about what it is, but the appraised value was X, and what Board of Educational Lands and Funds was almost three times X before they would let it go. They cited concerns of, well, we don't think this is going to be good for the community. It's going to be divisive if you're going to build a feedlot. That's way outside their jurisdiction. That's not theirs to determine. Those counties have zoning laws that should not be even in the consideration of what BELF is looking for. With that, I've unloaded a lot. You can tell I'm very passionate about this issue, and I think we have a very good story to tell. But as I said, this bill, this bill has been ruled unconstitutional, unconstitutional by the Attorney General's Office, so it is not going to go anywhere. But I think we do need to shine a very bright light on this state agency because I think there are things going on there that need to be exposed. Thank you, Madam Chairman. I'll be happy to answer any questions.

WALZ: Thank you, Senator Hughes. Do we have questions from the committee? Senator Linehan.

LINEHAN: Thank you, Chairwoman Walz. Thank you, Senator Hughes, for bringing this. Do you-- are you the appropriate person to ask why the Attorney General said it was unconstitutional?

HUGHES: We have a ruling here. I'm not an attorney. I just looked and his conclusion said it was not. There were several points that he objected to.

LINEHAN: Do you know, when they decide they are going to sell something because, have they-- the chart you gave us is from '96-98 to 2018-2020. Have they sold land since in those whatever--

HUGHES: It's my--

LINEHAN: --30 years?

HUGHES: It's my understanding that they have three internal categories of land that they-- they have land that is absolutely not for sale. They have land that, well, if we can bend you over and stick it to you, we will sell it, and land that they would like to get rid of. But they have the opportunity to reinvest in additional land. They can do trades, which they have done in the past or-- but I think the, the important part is the Legislative Research Office that I've given you that they should be liquidating and putting it in the Permanent Fund that's showing as much as a four to five times greater return than what the Temporary Fund is.

LINEHAN: Thank you, Senator Hughes, for being here. Appreciate it.

WALZ: Any other questions? Are you going to stay for closing?

HUGHES: Absolutely.

WALZ: OK. First proponent.

ANN POST: I apologize, I don't have pockets. Anyway. Good afternoon. My name is Ann Post. I am an attorney in Lincoln, Nebraska.

WALZ: Spell your name.

ANN POST: I'm sorry. Ann Post, A-n-n P-o-s-t. I'm an attorney in Lincoln, Nebraska. My practice focuses generally on real estate and land use development. And I'm here today because of my work with Blackshirt Feeders as Senator-- the senator referenced, and to provide some context to this bill. I want to thank the senator for bringing this, even if this bill can't move forward in its current form, but to allow us to shed some light on an issue and allow the Legislature to provide some direction on this issue. And so, as the senator referenced, I've had the privilege of working with Blackshirt Feeders LP that with their encouragement and with their express permission, I get to be in front of you here today. And so specifically, the page is handing out to you a written testimony from Dr. Eric Behlke. Dr. Eric Behlke is third generation from Dundy County, Nebraska. That is a county way in the southwest corner of Nebraska. Third generation there, his family still lives there, and Dr. Behlke, since living there, has gone on and earned his Ph.D. in veterinary medicine. He is a veterinarian with Feedlot Health Manage-- Management that manages and provides health services for feedlots globally. So expert in his field. In, I think, early, early January or, I'm sorry, early 2020 due to a family health emergency, he ended up planning, spending a lot

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more time in Dundy County than he had in recent years, as his business has him living elsewhere. And during that time, the idea occurred to him that, you know, why not Dundy County for one of these feedlots? The climate conditions are perfect. It's close to, close to facilities-- to meat processing facilities-- perfect location and get to come back and invest in his local community. So with that, he took that idea back to his colleagues. He built the capital and Blackshirt Feeders was formed with the idea of building a 100,000 head feedyard in Dundy County, Nebraska. Not only that, but a feedlot that would, that includes innovative new pen technologies that increases the performance of the feedlot, reduces dust and odor, and also has-- reduces environmental impacts of the feedlot. So with that, after identifying that he went ahead and did his due diligence in Dundy County to identify a specific parcel of land that would best fit that. And so with that, he identified this BELF parcel-- parcel owned by BELF. He started initial discussions with BELF, and, in around January 2021, actually with their cooperation went and had an appraisal of the property. The property appraised at about \$465,000. So with that, with that appraisal in hand, Mr. Behlke went to the Board of Education and Land Funds. I see I'm at red. May I continue?

WALZ: Let me see.

ANN POST: Yes.

LINEHAN: What were you about to say?

ANN POST: I was going to-- I can give a--

LINEHAN: You said that it was-- he had an appraisal for \$465,000?

ANN POST: Correct.

LINEHAN: And what did he do with that?

ANN POST: The process was that he went to BELF and offered them \$900,000-- \$900,000 or a trade. They came back and countered that they would like to see over a million dollars over asking price-- over the appraised value. The project wasn't able to support that. But he did go back with an offer to exchange ground, so both replace the ground, and give additional real-- and give additional cash boot. And that that would, that would have brought the value to about 100 and just over, just over a million dollars. So we've got an appraised value of \$465,000 and an offer to trade for both ground and cash at a value of over a million dollars. And the Board of Trustees refused that offer. And so the basis for that?

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LINEHAN: Yes. What was the basis for that?

ANN POST: All right. So I would say the basis for that, and that touches on a few of the logic that was in the Attorney General's Opinion was that, as far as I can tell, some of the basis for that was that the property should be appraised at commercial-- commercial value. This property is pastureland in rural Dundy County, Nebraska. Ground does not deserve-- does not merit a commercial value because you suggest a commercial use. If it did, I probably wouldn't have a job because that's what I do, all the time, is I help people get their ground from pasture to commercial. And so commercial you sell per square, at a dollar amount per square foot-- rural you sell per acre. In order to get to that commercial value, you need to look-- you need to have roads built to it. You need to have utilities. You need to have-- you need to have all the infrastructure necessary to support commercial development. And that is only, then and only then, is when the highest and best use of a piece of ground is commercial value.

LINEHAN: So is there electricity? Was there electricity in this pasture? Do they have electricity to the pasture?

ANN POST: I know that there was a windmill to pump water to the animals that-- the cows that were pastured there. Other than that, there was not enough to support commercial development.

LINEHAN: Thank you very much.

WALZ: Any other questions from the committee? Senator Murman.

MURMAN: Thanks for testifying. I know you didn't cover this, but have you looked at the Attorney General's Opinion?

ANN POST: I was able to look at it very quickly before this, so I'm happy to answer what questions I can if you--

MURMAN: So why did the Attorney General rule that this couldn't be sold?

ANN POST: I think the attorney-- there are several points to it. I think they can best be summed up with the idea of that the Board of Educational Lands and Funds is governed by a Board of Trustees, and they are charged with managing the ground and generating the most possible income for the schools in Nebraska. That the particular way this bill was drafted may have limited their ability to do that. So it comes down to the question of, the question for discussion before you today is, is a Board that refuses to sell ground at over two times the

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value-- of the appraised value, are they meeting their fiduciary obligations to maximize the value, maximize the value of the ground and maximize the return to the school funds? And so that's the question before you today. That's the discussion that needs to be had to give direction of future sales of real estate for the Board of Education and Land Funds. I'm sorry. Board of Educational Land and Funds, Lands and Funds. Thank you.

WALZ: Senator Linehan.

LINEHAN: One more question. Does the Board of Education pay property taxes on the land they own to the school district they're in? And if you don't know, that's OK, somebody will know.

ANN POST: I can't answer that for certain.

LINEHAN: OK, thank you.

WALZ: Any other questions? I don't see any. Thank you for coming today.

ANN POST: Thank you.

WALZ: Next proponent.

DEAN SETTJE: Madam Chairman, I think I failed to sign the sign-in sheet.

WALZ: Oh.

DEAN SETTJE: If we could find one of those--

WALZ: Sure.

DEAN SETTJE: --to take care of that and I can do that afterwards, if you'd like--

WALZ: Yeah.

DEAN SETTJE: --if that's OK.

WALZ: Yeah.

DEAN SETTJE: OK, very good. Thank you. My name is Dean Settje, D-e-a-n S-e-t-t-j-e, and I'm the president and owner of Settje Agri-Services and Engineering in Raymond, Nebraska. We are an engineering and construction company that specializes in the design and build of

livestock facilities, such as Blackshirt Feeders LP that has been discussed today. We are working in about 14 different states today and 3 different foreign countries in designing and building livestock facilities. To date, we've built over 1,600 of these facilities across the United States and in other countries. We understand what livestock feeding means, we understand what these products mean, and we understand the value that they have to our communities. I'm here today to testify and to continue on a discussion that Ann Post has just made and talk just a little bit about more of the circumstances that applied to this particular situation and facility. Again, we're an independent engineering firm. We're not a political entity. We have no dog in this fight per se. But what I do know and what Senator Hughes has brought to our attention today definitely needs to be looked at and understood. And that's what I'm here to try to maybe further discuss just a little bit. I'm by no means an expert in this area. Again, we are experts in engineering and design, and we don't understand land trades as well as we probably should. But I do know that I need to emphasize a few more points that Ann had continued on, and she was cut off on because of time limits. Totally understand that. You've been presented with Blackshirt Feeders LP testimony as written by Dr. Eric Behlke. I want to bring out a few points that, that come into that. If you follow me through the second paragraph on that page, I would like to talk and just visit just a little bit about those offers that were made. There again was an offer that was made after the appraised value of \$465,000 was reached, that offer was \$900,000 cash. Or option two, the pasture that was next to it, for recently purchased of \$745,000 plus \$155,000 cash, 1.49-- or 1.94X of the appraised value. Following the meeting with Doctor-- or Mr. Kelly Sudbeck informed us that the board agreed that they would accept the 827 acres of pasture, plus \$900,000 cash for a combined value of \$1.6 million or 3.4X the value of the BELF section. At that point in time, Blackshirt chose to present a counteroffer, and Dr. Behlke personally attended that meeting on March of 2021 and explained the details of the project to the board, focusing on obviously the economic development of the area and the opportunities for growth and good paying jobs. At that point in time proceeded to present an upgraded exchange offer to the board of estimated one point-- about 1. million, or 2.27X the value of the BELF section. The board then discussed that offer in executive session and returned with a counteroffer that included all the land in the offer, plus an additional value of cash to again exceed \$1.6 million, or 3.4X of the value. The ownership of Blackshirt Feeders ultimately decided this wasn't worth it. And again, the efforts were made in good conscience and in good faith. And every time an offer was presented, something that was very unusual and

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uncustomary came back in terms of an excessive offer back into it. So what those prejudices were and what those understandings and conversations were, I'm not privy to that, and I don't know that. But I wanted the opportunity to further explain what was in this written testimony that was presented by Dr. Behlke.

WALZ: Thank you so much. Do we have any questions from the committee? Thank you so much for coming today.

DEAN SETTJE: Very much appreciate your time. Thank you.

WALZ: Next proponent. Do we have any opponents?

KELLY SUDBECK: Good afternoon, Senator Walz, members of the Education Committee. My name is Kelly Sudbeck, K-e-l-l-y S-u-d-b-e-c-k and I am the CEO, Executive Secretary of the Board of Educational Lands and Funds. As you know, my agency is the constitutionally established trustee of the Nebraska school trust lands. As trustee, the board is bound by trust law and has a fiduciary duty to fulfill the trust duties of maximizing the income and preserving the assets of the school trust for the exclusive benefit of the trust beneficiaries, which are the K-12 public schools. Every year, we pay approximately \$43 million into the Nebraska public schools. Today I am here on behalf of the board in opposition to LB711. I had planned on talking about the bill more than anything else, but hearing the prior testimony, I feel like I'm compelled to answer that. There's a lot to unpack. I'm not going to be able to in three minutes. I can tell you that a lot of what was just said was essentially not my recollection of how things happened. I looked at Senator Hughes's estimation of our return here. I'm not sure where those numbers came from. I think it's possibly simple interest on the temporary account. That account earns interest as it sits there before it's paid out to the public school system. So I don't know if this return is based on just the simple interest the account is earning versus the actual rate of return of the land itself. Because I can tell you, since 1992, we've been keeping track and we have outperformed the Nebraskan-- the Nebraska Investment Council. All due respect to them, they do a great job. We have outperformed them since 1992, generally, with cash return and with appreciation value in the land. We do have-- the board is made up of five individuals who are extremely dedicated to their job. They do what they think is right for the, for the school lands. We do have three categories of real estate. One is called core ag portfolio, and those properties are not for sale. This property was a core ag portfolio property that was established by the board years ago before this board was-- these members were on the board. Those properties are

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not for sale, but as a result of a letter we received from Senator Hughes, we did agree to consider offers and to sell this property to Blackshirt Feeders. We were not able to come together on the price. Unfortunately we said yes twice, but it was too much money or more than they wanted to spend, was my understanding. They have bought a property north of us and are proceeding with their plans with a feedlot, is my understanding. This legislation itself would cost the schools and the school children millions of dollars going into the future, lost investment income, lost sale proceeds-- and I'm out of time.

WALZ: Senator Morfeld.

MORFELD: And thank you for coming today, and maybe you were saying this as I was reading your testimony, and then I missed it. But one of the questions that was asked of Ms. Post a little bit earlier is it-- do you pay property taxes to the schools on them?

KELLY SUDBECK: Yes, we do. We pay full property taxes just like private individuals.

MORFELD: OK.

KELLY SUDBECK: My agency pays over \$12 million a year in property taxes.

MORFELD: OK, so you're a property taxpayer.

KELLY SUDBECK: And we also then pay an additional amount into each school district in the area.

MORFELD: As well. OK. And then, in your testimony, you talk a little bit about the phrase economic development is not defined. This kind of reminds me of, kind of blighted when you're talking about TIF. One person's version of blight is of, is farmland where Wal-Mart could be and another person's version of blight is a building that's half burned down. But, yeah, I mean, do you have any thoughts on that?

KELLY SUDBECK: Well, I'm a lawyer; 27 years' experience I--

MORFELD: I'm also an active practicing--

KELLY SUDBECK: Right.

MORFELD: --attorney as well.

KELLY SUDBECK: Yes.

MORFELD: [INAUDIBLE]

KELLY SUDBECK: I won't, I won't touch that. And so I actually did the search of the statutes to see if economic development is defined. It is in the economic development statute, but that definition says it's only for the purpose of that section. And so there's no definition here. And as you point out, economic development can be in the eye of the beholder. And what's enough economic development and who makes that decision? Does the Board decide whether it's economic development? Does the buyer? Or eventually does a judge? Is a judge going to have to tell us, yes, that's satisfactory economic development, for you to be required to sell your land to them?

MORFELD: OK.

KELLY SUDBECK: So that is a problem that--

MORFELD: --because you're going to have to be the person that decides if this were to pass and everything, you're the person has to decide whether or not this meets and satisfies the standard of economic development, which is undefined in this.

KELLY SUDBECK: I'm assuming that, yes.

MORFELD: Or a court.

KELLY SUDBECK: Or a court. Yes.

MORFELD: OK.

KELLY SUDBECK: If the prospective buyer disagrees with our evaluation, I'm assuming it would be a court that would then decide it, yes.

MORFELD: OK, thank you, sir.

WALZ: Senator Linehan.

LINEHAN: Thank you, Chairwoman Walz. The \$43 million you provide that goes to each school, according to the census in their schools, right?

KELLY SUDBECK: Correct. The, the number of K-12 students that live in that district.

LINEHAN: Right. So that, that's your whole purpose. Is it not?

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KELLY SUDBECK: Yes.

LINEHAN: OK. So the \$12 million you pay in property taxes that, that's what you pay because you've got that much property that--

KELLY SUDBECK: Right.

LINEHAN: --generates property taxes. So will you, will you qualify for the 1107 income tax credit as a trust?

KELLY SUDBECK: We are actually looking into that to see how we can-- if we can claim that and how we claim that because we, of course, we don't pay income tax.

LINEHAN: Interesting. It's refundable, so you might want to look into it.

KELLY SUDBECK: We are definitely doing that, yes.

LINEHAN: You said that this is a core property, not for sale. When was that decision made? You said years ago?

KELLY SUDBECK: It was before I was CEO with the agency. Maybe 1988? Something like that. Well, I'm sorry. I'll take that back. In 1997, there was legislation passed that would-- stating that we should start selling down some of our real estate. And at that time, we determined that we needed to do it in, in a-- I guess, an orderly fashion. And so at that time, the board created three categories of real estate. One is priority land trade properties. Those are for sale for market value, right now. We have a discretionary category that is for-- that is not for sale, but we can be talked into it. And then we have core ag portfolio property, properties that are just not for sale. They represent the best of those properties that we own in the state of Nebraska. They also determine that if we were to get rid of a core ag portfolio property, it would need to be a land trade. We would not-- option for cash.

LINEHAN: OK. I want to say this without offending Senator Hughes or my family. I always thought best business practices stated basically everything's for sale at the right price.

KELLY SUDBECK: And essentially, yes, that would be true.

LINEHAN: OK, so how, is that how this ended up, you got twice what it was valued at? But it was-- what would be the right price for core

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value? Would it be three times, four times its value? Five times its value?

KELLY SUDBECK: It depends. I would say it depends on the property itself. This is one of the best pastures that we have. And one of the things that the board--

LINEHAN: What does it get per acre for rent?

KELLY SUDBECK: I, I wouldn't know that off the top of my head.

LINEHAN: Well, you must have some idea if it's the best pasture you got.

KELLY SUDBECK: Well I, I'm not in the field and we have 1.3 million acres. I couldn't even hazard a guess.

LINEHAN: OK so the-- most of your growth in your Temporary Fund is appreciation. Is it not? That's what your-- county's growth and your temporary? I assume that's the land, ground.

KELLY SUDBECK: No, the Temporary Fund is the income from the land, the rent, that is then paid out to the schools. And it's also the income from the Nebraska Investment Council [INAUDIBLE].

LINEHAN: OK. Are you going off Senator Hughes's chart?

KELLY SUDBECK: Yes.

LINEHAN: OK. So this is the income off the properties.

KELLY SUDBECK: Yes.

LINEHAN: Off the real property.

KELLY SUDBECK: And off of the investments.

LINEHAN: What's the permanent then?

KELLY SUDBECK: The Permanent Fund is the sale proceeds from selling the land. That's the Permanent Fund. That's about \$800 million.

LINEHAN: OK. OK, well, it would be, I think the committee would be, I would definitely be interested in what your figures say on these accounts.

KELLY SUDBECK: Sure.

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LINEHAN: With appreciation and without appreciation, because appreciation is only good if you sell it because it could go the other way, too.

KELLY SUDBECK: Well, it depends on how you look at it. Yeah, your, your asset appreciates in value.

LINEHAN: That's true of the stocks and bonds and--

KELLY SUDBECK: Yeah.

LINEHAN: Your appreciation only counts the day you sell it.

KELLY SUDBECK: That's when you realize it. Sure.

LINEHAN: Yes. Thank you very much.

WALZ: Senator Murman.

MURMAN: I may have missed it, but how did, how did you determine or how did they determine what land is for sale and what land isn't for sale?

KELLY SUDBECK: We went through a relatively arduous process of identifying the best land we have in each category: pasture, dryland, and irrigated. And in, in the best property we had, we determined that would be core ag portfolio. And then for discretionary, those were properties that are not examples of the best property we have in each category. And then the priority trade list, those are properties that we are interested in selling. Whether it's because the rate of return was lower, maybe the taxes are higher. Maybe the pasture does not have water on it, or doesn't have full legal access to it, something like that.

MURMAN: So in determining how valuable it was to keep, it, it's totally on the return. It wouldn't be return per acre because some is pasture and some is irrigated.

KELLY SUDBECK: Right. We compared this pasture to other pasture we have. We felt that we needed-- the core ag portfolio needed to be diversified. And so if you just went from a simple return, rate of return, it would all be irrigated cropland.

MURMAN: Sure.

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KELLY SUDBECK: There would be no pasture. So we didn't think that was probably the right approach. And so they included some of the better examples of pasture that we have in that core ag portfolio, keeping in mind that our tenants would want, just as many of them want to lease pasture as they do crop ground.

MURMAN: So simply categorizing it as you're-- to keep your portfolio diversified is the reason you kept a certain number of acres not for sale in each of the three categories then?

KELLY SUDBECK: Yes.

MURMAN: Irrigated, dryland, pasture.

KELLY SUDBECK: Right.

MURMAN: OK. But of course, as you mentioned, the return would be greatest on-- totally on irrigated if you went totally on return.

KELLY SUDBECK: That's correct. Typically, that's true. Yes.

MURMAN: Thank you.

WALZ: Any other questions from the committee? I see none. Thank you for coming today.

KELLY SUDBECK: Thank you.

WALZ: Anybody else that would like to speak in opposition?

COLBY COASH: Good afternoon, Senator Walz, members of the Education Committee. My name is Colby Coash, C-o-l-b-y C-o-a-s-h, and I'm here representing the Nebraska Association of School Boards in opposition to LB711. My testimony also represents the testimony of an education coalition representing a variety of different educational interests and groups across the state. I'll keep my testimony brief. We pay close attention in the education community when apportionment could be affected. The apportionment provided to schools through the Bureau [SIC] of Educational Lands and Funds has shown to be a stable source of funding provided to all districts. And we-- as a community, representing schools of all sizes, we pay close attention to any bill which might impact that apportionment, and we feel that LB711 might have that potential negative impact. Our fear is that the provisions in LB711 could get caught up in litigation. I think-- I won't rehash the discussion about the constitutionality of it. And we just believe that the longstanding processes through current statute afford the

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trust some stability, fairness, and we ask the committee to leave that as it is. That's all I have.

WALZ: Thank you. Senator Linehan.

LINEHAN: Thank you, Chairwoman Walz. OK, I'm having a hard time understanding how you think this would affect you. You don't-- you're not involved in the investment of this at all. Right?

COLBY COASH: That's correct.

LINEHAN: You guys have opinion on whether it should be farmland or stocks and bonds?

COLBY COASH: No, no. No opinion on that. We have an opinion on whether or not a particular bill might affect how--

LINEHAN: How would this affect you?

COLBY COASH: Well, a couple of things. If the bill got caught up in, in legal proceedings, we-- could affect the apportionment that came out. It could negatively impact the-- under this--

LINEHAN: You think the courts would stop paying the schools money?

COLBY COASH: No, I don't believe that but--

LINEHAN: Yeah.

COLBY COASH: The, the restrictions here could result in an artificially low sale price that could result in the loss of dollars in the sale revenue to the trust.

LINEHAN: Or it could be three times what it's worth and making 15 percent in the stock market.

COLBY COASH: Could be.

LINEHAN: So you're not really expert-- I mean, you're great at educating kids, but you're not experts in investment, are you?

COLBY COASH: I wouldn't call myself an expert in investment.

LINEHAN: No, not just you. I'm talking about the whole school lobby.

COLBY COASH: No.

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LINEHAN: OK, thank you.

WALZ: Senator Murman.

MURMAN: Now, the return from the school land is distributed per student across the whole state--

COLBY COASH: That's correct.

MURMAN: --regardless of where the school land is. Even though the majority of the school land is in greater Nebraska, or even the western two-thirds of the state, it goes per student.

COLBY COASH: That's correct.

MURMAN: Correct? Another question I would have would be, if you, if you could get double the price for the land, wouldn't that benefit the students more than keeping the land?

COLBY COASH: Potentially in the short, short-term I could grant you that, but in the long-term the, the stability of the fund is what we're the most concerned with.

MURMAN: Well, we've seen the return on-- both by either selling it or keeping it and investing, or getting the return from it. The return shows it's better to sell it anyway. So if you can get double the price, wouldn't that--

COLBY COASH: Well--

MURMAN: --benefit students more?

COLBY COASH: Well, I don't want to get into the discussion that you just had with the CEO, but with there being two funds, one where if it's sold, that goes in in the investment council and then the other, the receipts from the rents, which is, you can only sell property once, right? But you can get rent ongoing. So I think there's something to be looked at from there-- from that perspective.

MURMAN: OK, thank you.

WALZ: Any other questions from the committee? I see none. Thank you for coming today. Anyone else that would like to speak in opposition? Anyone who would like to speak in a neutral capacity? Senator Hughes, you're welcome to close.

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HUGHES: Thank you, Madam Chairman, committee members. This has been a good discussion. A couple of things. I will remind you on the handout that I did on the rates of return, when I asked our Research Office to judge-- or get me facts on the rates of return on assets, the rate of return on all the stocks and bonds that are in the Permanent Fund, and the rate of return on the value of the land plus income in the Temporary Fund, you can see there's quite a, quite a spread. So I think that's fairly clear. That comes from our in-house Research Office. One of the things that was not said earlier on when Blackshirt Feeders could not acquire this property, they began looking to locate in another state. You know, and that's really what kind of angered me, that we had a state agency and granted, their duty is to generate as much income as they can for the schoolchildren, school-age children in the state of Nebraska, and yet they took it upon themselves to try to hold them hostage to pay up to almost four times what the property was worth. And that economic development, I think that goes well beyond their charge. Yeah, we all like to sell property for as much as we possibly can, but that's getting a little ridiculous. So that was part of my reason for being here. There are other places where this is a factor. I was in a hearing in Revenue Committee and had a discussion about this, and the village clerk from Niobrara approached me afterwards and said they are landlocked by the Board of Educational Lands and Funds. To the north of them is the Niobrara River, Missouri River, the confluence. To the west of them is floodplain, to the east of them is floodplain. The only way the city of Niobrara can grow is to the south, and that is Board of Educational Lands and Funds. There's no way that a developer can come in there and, without paying, being held hostage by price for the city of-- the village of Niobrara to expand. So this is not just Blackshirt Feeders, it's not just a one-off. There's a lot of different places that I think the state as a whole could benefit, and schoolchildren would benefit if there were increased economic development. If BELF would sell, sell land, they can always trade it for other land, or they can put the money in the, in the Permanent Fund, which is showing a much higher rate of return. One other, since we're talking about this is going to be the challenge for, I guess, everybody at the table except Senator Pansing Brooks, because you will all be back. The, the money that is given from the profit of the Board of Educational Lands and Funds is for the benefit of the school-age children within the state of Nebraska. The school-age children, not the public school children, the school-age children. So the children out there that are entitled to this money that are being homeschooled, that are being schooled in a private school are not getting this fund, not getting these funds. Now that's a whole other fight. There's a constitutional issue there as well. But

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it concerns me when we have a state agency that runs and hides behind an Attorney General's Opinion at the first hint of any type of legislation that be coming-- may be coming their way. So with that, good luck in future years, and I'd be happy to answer any questions.

WALZ: Questions from the committee? Senator Linehan.

LINEHAN: What is their total assets, both land and investments?

HUGHES: The latest would be-- I don't have that figure in front of me.

LINEHAN: OK, that's fine. But it's obviously a lot.

HUGHES: A huge, a huge amount, yes.

LINEHAN: And how many people are on this board? Six?

HUGHES: Five, I think.

LINEHAN: And they're appointed by the Governor?

HUGHES: Yes.

LINEHAN: And how long is their terms?

HUGHES: I think six years, five or six years.

LINEHAN: So you're just suggesting strongly, I think, that some oversight and watching would be a good idea.

HUGHES: I think helping them understand the not being so focused, laser-focused, and looking at a bigger picture of what's truly best for the state of Nebraska and the schoolchildren-- school-age children.

LINEHAN: Thank you very much, Senator Hughes. Appreciate it.

WALZ: Any other questions? I don't see any. Thank you.

HUGHES: Thank you very much. This is my last bill ever, so my career is over.

SANDERS: Oh--

LINEHAN: [INAUDIBLE]

HUGHES: Thank you. No, don't say that.

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LINEHAN: You can come back.

WALZ: All right. That ends our hearing on LB711, and it opens up our hearing on LB1078. Senator Hansen.

B. HANSEN: Better make sure my cell phone is off.

WALZ: Yeah, that's for sure. Good afternoon, Senator Hansen.

B. HANSEN: Thank you. Good afternoon, Chairwoman Walz, and members of the esteemed Education Committee, being one of the top two committees there are in the state of Nebraska. My name is Ben Hansen, B-e-n H-a-n-s-e-n. I represent Legislative District 16. Teachers have reached out letting me know the struggles they have with maintaining structure in their classroom without distractions. They tell me that cell phone policies differ between schools, and in some instances are not enforced. Parents have also shared their support for cell phones to be limited, saying that overuse hinders the progress of their children's education. Observations in the Journal of Media Literacy Education discusses the disadvantages of electronic devices in the classroom. Students don't pay attention. They miss instruction and distract others. Preliminary data from an adolescent brain cognitive development study found that frequent use of cell phones and increased screen time is hurtful for the brain and can affect a child's psychology and thinking patterns. It shortens their attention span and reduces cognitive capacity, resulting in misbehavior. There are correlations between students' social deficits and the amount of time on electronic devices. Anxiety develops and depression symptoms are heightened by social media interactions while cyberbullying becomes more common daily. All of this adds up, and many believe that cell phone use in the classroom creates barriers to learning. On the other hand, electronics, electronics can be a tool for accessing information, and they have the potential to encourage students to take ownership of knowledge. But how do teachers and educators ensure the correct use of these devices? Most schools have written policy regarding technology use. If the guidelines are followed, they are proven effective, and the results confirm that limitations on cell phone use in the classrooms are a good idea. This legislation would create consistency in policy across the state concerning the use of cell phones in public school classrooms. The language in LB1078 states that unrestricted use of electronic devices during the school day interferes with the educational mission of schools, lowers student performances, and promotes cyberbullying. With LB1078, students in both elementary and secondary public schools would place their cell phones and other specified electronic devices in a designated clear

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container with individual compartments upon entering a classroom. And this was some of the language that we actually used from many other schools that had similar policies. We tried to work with a lot of the other schools, not just in my district, throughout the state of Nebraska, and asked of their input on what kind of cell phone policies they have. And we're trying to kind of mirror some of that in this statute, easy access for emergencies and consideration for individual privacy being a priority. This bill also allows for exceptions based on the discretion of school counselors, medical needs, or in the case of assisting a teacher's form of educating. My commitment to local involvement allows for the enforcement of these procedures to be at the discretion of the school district and schools. So let's work together on a policy that is enforceable. In summary, LB1078 acts on constituent recommendations and promotes an environment of success in classrooms across Nebraska. And I just want to say I do appreciate that-- some of the open communication I have had with Mr. Hayes with the NSEA, and Mr. Coash with the NASB. They've been very helpful. We sent them over copies of our bill. They've given us opinions on what they thought. And so I do appreciate their insight on the crafting of this bill. So with that, I will answer any questions to the best of my ability, and I appreciate your time and ask for your support of LB1078.

WALZ: Questions from the committee? Thank you, Senator Hansen. Do you know how many schools have policies regarding cell phone use in classrooms right now?

B. HANSEN: Not with the data, but from what administrators are telling me, somewhere between 75 percent to 80 percent.

WALZ: OK.

B. HANSEN: That's just what they tell me, so.

WALZ: And just another question, maybe you don't know. Can a teacher say to a student, I would like you to put your cell phone away? Or can they not say that?

B. HANSEN: If this bill passes, they won't have to worry about that.

WALZ: I'm just asking--

B. HANSEN: I know.

WALZ: --right now. You don't know probably.

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B. HANSEN: I believe-- well, it depends on the policy of the school, I would assume.

WALZ: Oh.

B. HANSEN: You mean what kind of individual policy they have, if a teacher has that authority to do that, or if they have some other kind of need? But I would assume they would be able to.

WALZ: I would assume so. But maybe somebody else has a clear answer.

B. HANSEN: It's a good question.

WALZ: Any other questions from the committee?

PANSING BROOKS: I have a question.

WALZ: Oh, Senator Pansing Brooks.

PANSING BROOKS: Thank you. Thank you for being here today, Senator Hansen. I'm just interested-- I'm trying to figure out the logistics of this, and the kids are coming in and they have to-- so each, I mean, is each-- the teacher going to say, where's your phone? I know you have one. Or how is that going to work? And then--

B. HANSEN: I would assume we would trust the students to follow the policy. And once they come in, they just take their phone and put it in a clear container. Yeah.

PANSING BROOKS: OK.

B. HANSEN: We want to trust the students, but--

PANSING BROOKS: Yeah.

B. HANSEN: You know, put them in a designated container. And I'm assuming if we have 20 kids in a classroom and there's only 10 cell phones in there, you know, there might be, you know, some cause for concern and maybe to ask students if they put them in there.

PANSING BROOKS: And then is somebody going to make sure to pass out so that we know whose cell phone is whose and somebody isn't grabbing somebody else's cell phone?

B. HANSEN: I believe we have that in the bill, where have it, it's labeled. At least we tried to anyway. That was a concern that some

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people had as well, that some of the minutiae that we might have to work out. But I think I had in here--

PANSING BROOKS: Label the phone?

B. HANSEN: --about labeling the storage container.

PANSING BROOKS: Labeling the storage container?

B. HANSEN: That they put it into about whose is who, like one, two, three four. Maybe I don't have that in here. I thought I did. Mm-hmm. It's in here somewhere.

PANSING BROOKS: OK.

B. HANSEN: Yeah, I can get that. Maybe I can go look at it and I can answer that for you later.

PANSING BROOKS: OK. Oh, it's compartmentalized? Is that what, what you--

B. HANSEN: "Separates each student's property so as to provide for easy identification and to maintain privacy. On line 24, page 2.

PANSING BROOKS: OK.

B. HANSEN: Again, leaving it up to the discretion of the school.

PANSING BROOKS: And then is the teacher responsible to make sure the phone gets back to the right student?

B. HANSEN: I would assume no.

PANSING BROOKS: No?

B. HANSEN: I assume we leave it up to the student to get their phone on the way out, just like a book that they might leave behind or something else, some kind of personal property.

PANSING BROOKS: The, the only thing I was wondering, too, is, is there-- you're saying enforcement is a prerogative of the school district, right? It's already the prerogative of the school districts, correct?

B. HANSEN: If they have a policy in place, yes.

PANSING BROOKS: OK, so-- all right. Thank you very much--

B. HANSEN: That was one of the concerns-- that, if I may--

PANSING BROOKS: Yeah.

B. HANSEN: That was one of the concerns, concerns that we heard among teachers and parents, is that they feel like they are not being enforced. Even on my closing, I'll have some information from a, from a testifier that actually testified on one of Senator McKinney's bills, Business and Labor. Was a school enforcement officer who has some grave concerns, not grave concerns, but some concerns about cell phone policies not being enforced and thought that this might be one of things that could help with that.

PANSING BROOKS: Did you think about just having a bill that said the school district shall create and enforce a policy? I mean, I'm just interested how you came up with this plastic bin and just-- it seems a little cumbersome.

B. HANSEN: From what I've heard, of what other schools are doing. Some schools, they have a kind of a-- and that might be, hopefully, what this bill can accomplish is some commonality among schools.

PANSING BROOKS: Yeah.

B. HANSEN: And what to, what to expect, so we're not getting any confusion among parents or teachers. What some have done, if you remember those plastic-- you put your shoes in these plastic hangers, and you hang it. It's a big plastic clear container that you put your shoes in and it hangs on over your door or in your closet.

PANSING BROOKS: Oh, yeah.

B. HANSEN: Something like that. You mean it's what some have used. Some have used just a bin that has dividers in it with numbers on it for each student or, you know, and then they're all kind of different.

PANSING BROOKS: OK.

B. HANSEN: So--

PANSING BROOKS: That sounds good. Thank you for bringing this.

B. HANSEN: Yeah.

WALZ: Senator Morfeld.

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MORFELD: So to go to Senator Pansing Brooks' question, so since the school will be creating a system in which to store these funds and not technically be the custodian-- or not these funds, sorry, the phones-- and will technically be the custodian of them, if they get stolen, is there going to be liability on the school district or some kind of legal obligation to make sure that they are stored securely? And--

B. HANSEN: That's a good question. I didn't put that in the bill so--

MORFELD: OK.

B. HANSEN: --I thought that that would be up to the discretion of the school as well.

MORFELD: Yeah, because if I gave my phone to somebody and then it was gone when I came back, I'd want somebody to be responsible for that. I'd imagine since the school would be the custodian of it, they would have the legal obligation.

B. HANSEN: I'm pretty-- if I put that in the bill, I'm pretty sure the schools would not like that very much. If I said it's their--

MORFELD: Yeah, I don't know if they'd like it anyway.

B. HANSEN: --they are the ones responsible if anything gets stolen, I don't want to put that in statute, probably.

MORFELD: OK.

B. HANSEN: Yeah.

MORFELD: Yeah, but I'm just saying, even if it isn't in the statute, I think that you can, you can make a claim that they are the custodian of it and they have a duty to make sure it's secure until it's given back to the owner.

B. HANSEN: Sure.

MORFELD: OK, thank you.

B. HANSEN: Good question. Thank you.

WALZ: Any other questions? I raised my own hand. Any other questions from the committee? I do have one more. Just from past experience of being a teacher, I-- I can almost guarantee that there will be parents that come in and say, it is the right of our child to have a phone in the classroom. How, like, how do we handle that in this bill?

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B. HANSEN: Just like we've done with many other bills. I mean, I think as a legislature, we can determine what we think is appropriate in a school setting. I mean, I think it's one of our, one of our roles, along with the local school board without trying to infringe too much on local control. I mean, I was trying to keep this vague, but also use other policies in other schools and try not to infringe too much in what a lot of parents might want differently or a lot of administrators might want differently. So how to approach it is like, we just decide as a legislature that we think cell phone use in a classroom is not appropriate. And so we try to find some way to address it, which is what we're hoping to do with this bill.

WALZ: Any other questions? Senator Linehan.

LINEHAN: I haven't read the bill, but thank you, Chairwoman Walz. You're saying they can take the phone to school?

B. HANSEN: Yes.

LINEHAN: They can have it with them when they walk in.

B. HANSEN: Yeah, oh yeah, yeah, it's just inside the classroom.

LINEHAN: When they walk into the class they put it in a bin.

B. HANSEN: Yes, go sit on their desk.

LINEHAN: And then when they leave the class, they take it home.

B. HANSEN: Yes.

LINEHAN: OK, so it's not quite the same as-- and if a lot of people want their students to have it in case of security, but they'd all be in the room and the phone would be in the room with them.

B. HANSEN: Yeah. And we put that also in the bill in case of emergency or when the student reasonably perceives an imminent threat of the emergency of harm to any person. That's when they can go get it.

LINEHAN: Thank you.

WALZ: Any other questions? I don't see any. Thank you, Senator Hansen.

B. HANSEN: Thank you. I should be here to close.

WALZ: OK.

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B. HANSEN: I have another bill across the hallway. So.

WALZ: All right. Thank you.

B. HANSEN: Thank you.

WALZ: First proponent. I just want to remind everybody that we have three minutes. So.

LYNETTE SORRENTINO: I will go quickly. I talk fast. Hello, everyone. My name is Lynette Sorrentino, L-y-n-e-t-t-e S-o-r-r-e-n-t-i-n-o. I am a productivity and time management consultant and coach and have been doing that for 30-plus years under a couple of different umbrellas. I come here that I certainly am not about overreaching and kids not being able to have their phones in school. My son had his phone at 10 when he was a type 1 diabetic and had his-- had his phone when he was young. My daughter had her first phone when she was eight years old because her dad and I got a divorce and I wanted her to be able to have equal access, not just a landline, to call me whenever she needed to. So I advocate that kids need to have phones, but I also think, like everything else, we need to be able to provide boundaries and structure to kids because they do not have the discernment to know when to have it and when to not. I think we all want our kids to be able to be safe, and we want them to also be able to get a very, very good education. And not only are some-- I mean, I noticed this with my daughter. She would send me messages or I know that there were times that she was on the phone because there was not supervision in school and there were things that she, once she got a smartphone, it's like, OK, we need to get that off. It wasn't necessarily good access and kids don't have the discernment through-- or the-- a lot of them are naive and don't know what apps to get on, etcetera. But most importantly, I think we have an issue with regard to distractions. I see a lot of people and I work with as far as my business. It's a new form of ADD, not attention deficit disorder. It's called, get it correctly here, addicted device disorder. Because, you know, every time we get on our devices, it becomes a dopamine effect. And the kids, you know, and that's why our kids are going, I'm bored, and they're on their phones all the time. Well, something I thought I would point out that's happening to us as adults. And if this is happening to us as adults, by having discernment and supposed to have wisdom, then what is it happening to kids? \$997 billion a year is lost in the workplace because of social media and email and distractions; 89 percent of workers don't complete their top three tasks each day due to distractions. And I see I get a caution. I'll give you one more. The average teenager exchanges 4,000 texts per month, which is

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one for every six minutes that they are awake. It is an addiction. It is an addiction. I actually took a test from a coach that I got some of these stats from, and I took a test about my own addictive device disorder because I'm a coach. I make a living on my phone. I flunked the test. I had to put in new rules myself about how I handled my device. We need to give our kids guidance and structure and systems, give them access if there are emergencies or there's health restrictions. But they-- the last thing I wanted to say is that if you get a distraction, if you take that distraction and take that-- I'm sorry, I don't want to try to pull up the picture quickly. Essentially, you take the distraction. Let's say that it's six minutes long. It takes the mind 23 minutes to get back focused. So what happens is that 6-second distraction with the phone, you're actually losing 25 minutes of being able to focus on that. What kind of education are our kids getting if they keep accessing their phones? Thank you very much.

WALZ: Thank you. Let me see if we have any questions for you. Senator Pansing Brooks.

PANSING BROOKS: Those statistics are amazing. I would love to see some of those if you can send them to the committee.

LYNETTE SORRENTINO: Um-hum.

PANSING BROOKS: That'd be great.

LYNETTE SORRENTINO: I'll be happy to. I'll be honest, I got the statistics from a course in a class that I took to level up what I was doing. It was from Darren Hardy. You may know of him, he wrote The Compound Effect. He created the Success magazine, so these are from his slides. But there are some quotes in there that I'd be happy to provide however I can.

PANSING BROOKS: OK, thank you. That's sort of scary, the 6 minutes, a distraction of 6 minutes takes 25 to get back. That's-- that's pretty scary, really.

LYNETTE SORRENTINO: Yeah, there's no such thing as multitasking. It doesn't work. I mean, I mean, if that's an example, we can't multitask that way again, our kids can't do that. How can they get a good education if they're like this all the time? And that's just what it creates. We can't stay focused.

PANSING BROOKS: Thank you.

LYNETTE SORRENTINO: You're welcome.

WALZ: Senator McKinney.

McKINNEY: Thank you, Senator Walz, and thank you for your testimony. I was curious, do you think it's the phones or the fact that our educational system needs to be innovated in actually engaging our students?

LYNETTE SORRENTINO: I think it's perhaps a combination of both, but that's the best I could answer that. My kids are 21 and 25. So my hands-on touch right now with our education system, not sure. I'm not sure I'm the most accurate person to say that. But I can see-- say that I see the ripple effect in adults and young adults and that in our education system, people are not taught productive time management, how to focus, how to structure their time, how to structure their day, how to sometimes even just make independent decisions. We're just told where to go, what to do, and what time. And I see that rippling over now when I'm working with entrepreneurs, people who move into entrepreneurship or even just creating their own schedule in their own life. They have no idea how to do that.

McKINNEY: All right. Thank you.

LYNETTE SORRENTINO: You're very welcome.

WALZ: Thank you. Any other questions from the committee? Thank you for coming today.

LYNETTE SORRENTINO: Thank you.

WALZ: I appreciate it. Next proponent. Good afternoon.

DIANE WIGERT: Good afternoon. Do you want me to start or wait until you have my testimony?

WALZ: Go ahead.

DIANE WIGERT: OK. My name is Diane Wigert, spelled D-i-a-n-e W-i-g-e-r-t. I'm an educator and I want to thank the committee and Senator Hansen for addressing the issue of unrestricted use of personal electronic devices by students at elementary and secondary schools during the school day. It's an important school issue since cell phones and other personal electronic devices go hand in hand with social media. I would venture to guess that nearly every elementary and secondary student has a personal device, but not all students know

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how to use them properly or appropriately. The combination of a personal device and social media can become quite dangerous not only for the user, but also for the person or persons who is being recorded or photographed, particularly if you're being secretly recorded. I can speak to the experience of being video recorded without my knowledge by a student during a class period I was teaching. During the recording, another student intentionally spread misinformation about me, and the video was cropped and edited to misrepresent me. Later, this video was shared with multiple people and eventually went viral. Once the video went viral, my life and the lives of my family members became a nightmare. My personal safety, the safety of family members and even the safety of some of my colleagues was imperiled. For months, there was clear and present danger made obvious by the death threats we received through phone calls and the Internet, all because a secret recording through a student's personal device misrepresented me. LB1078 Section 1 states "that unrestricted use of personal electronic devices by students...interferes with the educational mission of the schools, lowers student performance, and promotes cyberbullying." My personal experience demonstrates that this is true. Students in my classroom were frightened by the inappropriate actions of a few classmates. Colleagues were finding themselves looking over their shoulders and feeling uncomfortable in their own classrooms. School days became intense beyond anyone's wildest imagination. Teachers and students were feeling hopeless and helpless, and they became victims. Who would be next? Last year, LB518 was introduced by Senator Morfeld. That bill specifically addressed secretive electronic surveillance or unauthorized, secretive recording. Discipline Act, the Student Discipline Act, it does cover things like conduct of violence, drug possession, sexual assault, but there is nothing in there that applies to minors with electronic devices. And so I know that there are schools that may think that Senator Hansen's bill is too restrictive. But in that case, I would recommend they look at LB518, because it's still before you, as an avenue for dealing with the inappropriate use of personal devices in the elementary and secondary schools. I think we all can agree electronic devices are not going to disappear, and there is a place for them when used appropriately. However, they can be used inappropriately, even adults use them inappropriately. But there are laws when they do it. There are no laws when students do it. And so what we're looking at is asking this committee to please consider protecting the privacy and safety of our teachers and vulnerable students. It's imperative that a bill like LB1078 or LB518 be passed.

WALZ: Thank you.

DIANE WIGERT: Thank you.

WALZ: Let me ask for questions. Senator Morfeld.

MORFELD: Thank you for coming in today, Diane, and I appreciate your support last year on LB518. I guess I'm struggling with this bill just a little bit from a few different perspectives. One, I teach a class of primarily 18- and 19-year-olds at a university level, but not far off from high school students. And I just make it very clear you cannot have your cell phone out in class. And if someone gets their cell phone out in class, I call them out and they're embarrassed in front of everybody. And the problem is solved and the example is set. If we're going to be teaching kids self-control, then I don't think requiring them to go put their cell phones somewhere else in the classroom, which quite frankly, they can turn on record and put it in that little box or the cubby, or whatever and still record. So I guess that's why I'm struggling with this. This seems kind of like a big government nanny state bill that's kind of, you know, making people do a very specific thing with a device that kids are going to be growing up with and have to learn to effectively manage and control as adults. And by forcing them to put it in some device or container, that's not really teaching them self-control. Sorry, that-- that's a little bit of a statement, but I'm interested in your thoughts on that as an educator who's had a negative experience.

DIANE WIGERT: Well, as I said, I understand how some people would find the bill that Senator Hansen is introducing a little bit restrictive. The things he talked about as he introduced his bill are the same things we talked about in our school where the thing, where the very thing happened to me. So I understand both sides of the situation. But having been involved in this situation like I was in, I would strongly encourage the committee to look at passing something to support schools because right now they have nothing. And while it's important to allow devices-- I have a son. I know somebody testified about the diabetes type 1. I have a son with that same situation. I understand the need to be able to have devices, but there are also people in our midst who do not know how to use them appropriately. And unless there is a law with consequences to addressing that, there will be things happening in classrooms that are inappropriate and I would think a liability to the schools as well. That's why, though, I'm recommending that if you feel as a committee that LB1078 is too restrictive, that you look again at LB518 because you still have that available to you.

MORFELD: Thank you, I appreciate your perspective on it.

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WALZ: Senator McKinney.

McKINNEY: Thank you. Two questions: What if a student-- what if a teacher is doing something inappropriate and the only way to prove it is a student recording it?

DIANE WIGERT: OK. And on LB518, it didn't, it didn't leave out the opportunity for there to be videotaping, I believe, when it was court ordered or when it was something mandatory. Now I think what you're talking about is if a student thinks a teacher is doing something inappropriate and they want to be able to prove it.

McKINNEY: Right.

DIANE WIGERT: Is that what you're saying?

McKINNEY: Yes.

DIANE WIGERT: You know, teachers make mistakes, too. I guess that's not a good situation; but in that case, I would hope that student would report it.

McKINNEY: I understand that. But sometimes-- and it's the teacher's word against the students, and sometimes the teacher's word is weighed at a larger scale than, than a student, and the only way to prove it would be to have some type of evidence. And my second question.

DIANE WIGERT: Yes.

McKINNEY: What is the-- now, like we went through the pandemic and a lot of schools began to issue iPads and things like that.

DIANE WIGERT: Um-hum.

McKINNEY: So what's the difference between me recording on my-- if I'm a student, record it on my cell phone or a school-issued iPad, and I send it out?

DIANE WIGERT: Well--

McKINNEY: It's going to have the same effect.

DIANE WIGERT: And that's the thing with the law. That's why I'm saying I'm basically here to call attention to the issue. I'm not saying that I totally agree with LB1078. I think it has its positives, but I also don't want us to forget about LB518 because I think that kind of nipped some things in the bud. It was very specific about the things

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that I came to represent, which is the secretive recording. And I, I think we need to address it because it's happening in schools and schools aren't necessarily-- teachers aren't necessarily reporting it. You don't see a lot of us here today to talk about it. And you have to remember that when these things happen, there are students in that class that are also victims of the inappropriate recording. So I'm basically here to address the inappropriateness. How can we stop that? Which also brings in the other things you're mentioning. I would like to address really quickly-- you mentioned about the teacher, if a teacher would-- were to do something. It would seem to me that a student, and I know this isn't easy, but if a student reported it to the appropriate officials in the building, then those officials would have to do something of an investigation. And perhaps then that teacher would be videoed, which I know you're saying, well, by then they'll be, they'll be on their best behavior. But I think there are some things in the bill that are meant to address those kind of things. And I'm not saying teachers are, are not guilty of things; but I'm saying in my case, I was taken advantage of.

McKINNEY: Yeah, I understand.

DIANE WIGERT: And sometimes students don't know-- they think nothing is going to happen when they push things out into the world. And that's not necessarily the way it's going to go today, especially today. I'm really concerned. Had this happened, what happened to me-- had this happened to me this last year, I'm afraid we would have had people with guns on the school campus because we received death threats over what happened. And that's, that's a real fear, especially with the political situation and the environment that we live in today. And schools aren't exempt. We know this. So my concern just is to allow people to know that it's out there and I don't want anything horrible to happen without me at least coming forward and saying, please look at this and consider the piece I bring.

McKINNEY: All right. Thank you.

DIANE WIGERT: Um-hum.

WALZ: Thank you. Any other questions? I don't see any. Thank you for coming today.

DIANE WIGERT: Yes, thank you.

WALZ: Next proponent. Hello.

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MARY HILTON: Afternoon, Senators. My name is Mary Hilton, M-a-r-y H-i-l-t-o-n and I come today as a mother and a taxpayer. I have a 19-year-old daughter in Lincoln Southwest High School, and she has been taking classes there for the last couple of years, mainly science and math. And I just wanted to bring this anecdotal word to you today, and-- because, you know, my daughter and I have talked about the issue of cell phone use in the classroom. And she really is at the public school to be able to have this daily instruction and really appreciates, you know, the-- what her, her teachers have to offer each day. And so she's, she's really there to learn, which is exciting. But what she tells me is that, you know, a lot of students that she is in class with-- and these are juniors and seniors-- and really the upper level of students that are taking harder classes because they want to and they want to, to be college-bound. But the, the cell phone distraction is fairly huge. It is predominant. I think a majority of the students are on their phone most of the class time. It is distracting to those that are trying to learn and, and it's really disheartening, I think, to the teachers to have to try to compete with the cell phones that are just constantly, you know, if they turn away and they are down at their, they are down on their phones just like that. And it, you know, it just, it interrupts learning, for sure. And then you have the issue with the social media identity and what the students are saying about one another in the classroom and how immediately that affects them and their ability to learn and think. And so it just as a, as a parent of students in the public school, it's very much a concern. I think that teachers need to-- I appreciate what Senator Morfeld said about, you know, calling out the students, and I get that. But there are not, not all teachers have that ability or standing in their classroom to be able to have that authority. I mean, I think that the school should back them. But I just think that this would help. And I also want you to consider substitute teachers that don't have that kind of ability to kind of implement rules that kind of need this support and especially over the last couple of years where we've had a lot of substitute teachers and a lot of concern with learning daily that this would be something that would really help with learning in the classroom. And so I thank you for hearing my thoughts today on this.

WALZ: Thank you. Questions from the committee?

MARY HILTON: Thanks for your time.

WALZ: Thank you. Next proponent. Any opponents that would like to speak?

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ELIZABETH KERNES KRAUSE: Hello, Senator Walz. Happy Statehood Day to everyone. My name is Elizabeth or Beth Kernes Krause, B-e-t-h K-e-r-n-e-s K-r-a-u-s-e. I'm an elected member of the Nemaha County District 29, which is Auburn Public Schools, and I'm here today representing the Nebraska Association of School Boards, speaking in opposition to LB1078. This bill violates the concept of local control of school districts in the state of Nebraska and usurps local board of education's authority to determine policies or procedures tailored to our individual local districts and our circumstances. The intent of this bill can be addressed locally without state intervention. Specifically, LB1078 Section 1 assumes that personal electronic devices-- so this is more than just cell phones-- are unrestricted. This is not a realistic or reasonable assumption. I do think that Senator Ben Hansen did address that, he said, if I recall right, 75, maybe 80 percent have policies. This may also be handled in a local handbook, student handbook, as it is in my district. School districts have developed policies or procedures to address cell phones and other personal electronic devices over the years. We often review these over the school year as technology evolves to ensure our district. I'm sorry, I lost my place. And to ensure our controls are appropriate to our circumstances. We have found that simple bans or other prohibitions are generally not effective and lead to our staff spending an inordinate amount of time and effort being phone cops. This does not mean that we don't have restrictions on their use, but we also have flexibility at the local level to use a carrot and stick approach if that is appropriate. We find that to be more effective in many cases. Additionally, LB1078 specifies this type of storage container in which cell phones or other personal electronic devices are to be stored in the classroom, including their translucency. This level of specificity in the bill is unnecessary. School boards and their leadership are the appropriate level to address this issue without creating an unfunded mandate. While an attempt at exceptions and exclusions has been included in the bill, it creates sufficient vagueness and potential for conflict or misinterpretation that will lead to confusion and inconsistent application of the requirements. Who will determine what meets the intent or letter of the law should LB1078 become statute? We will still have a system of individual district decisions and rules, but we, we will have added confusion and bureaucracy to the decision-- this situation as well. As school board members, we request the Legislature allow us to govern our districts locally and ask this committee to hold LB1078. Thank you. And I do want to clarify there is a word missing. I'm past president of my local school board, so.

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WALZ: Thank you. Thanks for coming today. Questions from the committee? I don't see any. Thank you very much.

ELIZABETH KERNES KRAUSE: Thank you.

WALZ: Anyone else that would like to speak in opposition? Anybody who would like to speak in a neutral capacity?

ASHLEY TOBIAS: Hello. Good afternoon. My name is Ashley Tobias, A-s-h-l-e-y T-o-b-i-a-s, and I'm representing myself. I'm a mother and a small business owner. I am testifying in a neutral capacity today because I do understand what this bill is trying to accomplish, and I do believe there is a need for it, but I also feel it could be made better. While it's important for kids to be in positive and productive learning environments, which I believe this bill is promoting at its core, there are incidents where students with cell phones in class have recorded teachers acting inappropriately. My son is actually an example of this, along with some of his friends. Last year, my son recorded two teachers telling him that he did not have constitutional rights in public school, and one teacher called him a derogatory name. This went on for over an hour and I have all-- I had to send it over to the principal. Without this video proof, I would not have been able to give anything concrete to the principal, which later did result in disciplinary action for the staff at LPS. One of my son's friends recorded a video in his class, his civics class, where he could access the Democratic website, but not the Republican site, via LPS. It was important for parents to be able to see these things, not only to bring better awareness to some of the issues he wouldn't normally be able to see otherwise, but also for parents to make a plan for transparency going forward. On the flip side, I have seen firsthand with my own children the terrible things that these kids are doing to one another over the phone. Snapchat, TikTok, and other forms of social media are definitely distractions and extremely dangerous for kids and can be paralyzing to their growth, so I can see how this bill would help in that regard. In order for me to move from the neutral capacity to fully supporting this bill, I would suggest a conversation about holding both teachers and students accountable for their actions. If we regulate cell phone usage on the student side, we need to talk about putting cameras in classrooms that parents can access so they can see what goes on. There needs to be transparency on all levels. I would also suggest a cyberbullying workshop for students and teachers. This bill has potential to be very beneficial for student growth and mental health, but I think it needs some fine tuning.

WALZ: Thank you so much.

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ASHLEY TOBIAS: Yeah.

WALZ: Any questions from the committee?

ASHLEY TOBIAS: Thank you.

WALZ: Thanks for coming today. Is there anybody else that would like to speak in a neutral capacity?

HAILE KUCERA: Good afternoon, Education Committee. My name is Haile Kucera, spelled H-a-i-l-e K-u-c-e-r-a, and I am speaking in a neutral capacity to LB1078. So about 11 years ago now, Millard South High School had a shooting. I'm sure you all remember that very well, and I graduated from Millard South, so I was there during that time. If I had not had my cell phone to call my parents, to call people checking in to make sure I was safe, I'm not sure what I would have done that day. Very traumatic. I think, you know, even if you weren't part of that situation, as a community, it felt like we were all part of that situation. So I want to speak to that point as far as safety, and I know Senator Hansen included that in the bill. So just as you're mulling it over, just think about that. Now on the other side, I've also been a victim of a lot of cyberbullying. I myself have lost about 130 pounds. During high school, I was very-- what's the appropriate word to say? I was bigger. I'll put it that way. And a lot of times, that's not accepted. And it wasn't 10 years ago, I'll tell you that. But right now, we're a lot more accepting of body positivity, which is great. But I experienced what it's like to be bullied online, and that ruins your self-confidence. You start comparing yourself to others, and, when it comes to schools, you can see how much that can affect someone. Can they concentrate well? Are they always saying, am I not good enough? Is my acne not good enough? Is my body not good enough? And I think just someone having access to a phone that young, and like other people testified, having access to TikTok and Instagram, and things I didn't even have access to at that time, I think can definitely play a role in someone's ability to move forward, especially educationally and mentally. So I just wanted to testify of both those sides. So hopefully that helps you a little bit. Maybe not, but that is my stance. And that's it. That's quick, man.

WALZ: Thank you.

HAILE KUCERA: Not even two minutes? Wow. OK. Go me.

WALZ: Thank you.

HAILE KUCERA: You're welcome.

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WALZ: Any questions from the committee? Thank you so much for coming today.

HAILE KUCERA: Thank you so much, you guys. [INAUDIBLE].

WALZ: We appreciate it. Anybody else that would like to speak in the neutral capacity? I don't see any. Senator Hansen, you are welcome to come up and close. And while he's coming up, we did have three position comments for public hearing, five, I'm sorry, one from Karen Walter as a proponent, Barb Immonen as a proponent, and three opponents: Michele Miller, Sally Shepherd and Education Rights Counsel, Elizabeth Eynon-Kokrda--I don't know how to say her name.

B. HANSEN: All right. Thank you. All right, I'll try to be as brief as I can here. Just to address maybe some of the concerns-- I think Senator McKinney brought up a good point about how do we help-- I don't want to say control, but how do we have some kind of-- to make when teachers do misbehave in the classroom, how do we hold them accountable sometimes without some kind of evidence? I think it makes sense. Somebody brought up a good point of maybe cameras in the classrooms. I don't know how feasible that would be, but that's for another bill for another day. However, there are, on the flip side, lots of evidence of cyberbullying in the classroom. You know, videoing other students or teachers inappropriately in the classroom. And Senator McKinney also brought up a point about the laptop, and I believe in my bill, I have a specific section in there talking about-- this does not pertain to-- "personal electronic device does not include a student-owned laptop or other device approved for use in the classroom by the school." So if a school does have a laptop that they do give to all the students, this would not pertain to that. So they could film with that, if they need to as well, do their homework on there. Senator Morfeld is correct. My middle name is Ben "Big Government Control" Hansen, and so, he's known me for four years now, and so I get where he's coming from. It makes sense. And that's one of the concerns I've heard on this bill, too, is that we want to make sure we don't just usurp local control too much. I was hoping to be about as vague as I could with this bill, but also accomplish what we needed to by using what other schools have done and other policies and procedures. So I was hoping I was kind of, you know, threading the needle there as best I could. And the idea of-- how do we teach them self-control if we take stuff away from them? And I think one of our first testifiers mentioned that sometimes it's hard to teach self-control with an addicted device. It does have a physiological effect in the brain. Just like we might ban other kinds of items, or vaping, or other kinds of things in the school that we have, that we

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have the right to do that might have some kind of physiological, physiological effect on the student, this perhaps could be one of them as well. So, with ending, I did hand out everybody the testimony from Mr. Larry Russell. And Senator McKinney might remember Mr. Larry Russell, he came in and testified on one of his bills in Business and Labor a few weeks ago. He is an OPS security officer. And so I'm not going to sit here and read it to you. I just hope everyone can read it because he actually has some good testimony about his concern about cell phones in schools-- what he sees as an OPS security officer-- about how they're not enforced as much as he would hope they would be, and he sees it quite often. And so I love the, the last line he says thank you for your concerns and listening to our everyday problems from the teachers and security. So I was glad that he shared his story and his testimony as well. So with that, I will end my closing.

WALZ: Thank you, Senator Hansen. Questions?

DAY: Thank you, Chairwoman Walz, and thank you, Senator Hansen. So I think, I mean if you look around, you see almost everyone on the committee is wearing a smartwatch. How does this work with the phone actually being on your wrist at this point, or Fitbits, or any of the other things that are technically attached to the phone that the student would then have on their person?

B. HANSEN: That was one we struggled with as well, because a lot of them can access the Internet.

DAY: OK.

B. HANSEN: I don't have a smartwatch, maybe behind the times, but that was on line 11. We said personal electronic device is one that "Can be used to access the Internet, and includes, but is not limited to, a smart phone, tablet or virtual reality device;" I think we thought about putting a watch in there, but that might be a little bit too cumbersome.

DAY: OK.

B. HANSEN: I know they do, are, they are a distracting device, especially when--

DAY: Yeah.

B. HANSEN: --they vibrate all the time. And yeah, I'm a psychology major. And so we always learned about Pavlov's dog. And after a while-- and they even have a term for it. When you have your cell

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phone in your pocket, do you ever notice that, that you think that's vibrating but it's not, and you are always checking it? I mean, that's the brain. I mean, that's the, that's the addictive part of these. Your brain starts to think it's feeling something. And what a distracting notion that is for students in the classroom, especially for a, for a teacher. I think it's kind of the genesis of some of this bill is when--

DAY: Sure.

B. HANSEN: --I went to, when I testified in certain classrooms. And even schools that did have policy and procedures in place, you would still see students on cell phones-- turned around in their chair-- I saw one student completely turned around in her chair on her cell phone while I was speaking. And that made me think, maybe this isn't kind of the most appropriate thing to have. And my nephew-- my niece, who's I think, well, she's 17 now, but we were having dinner, and, I don't know how the heck she did it, but she's sitting here texting underneath the table without even looking at her phone. She's just texting, having a conversation with somebody on the phone. Like, I don't know, like maybe I'm getting old, but I thought that was insane. So what are students doing as well? So maybe that's where some of this kind of came from.

DAY: So this would only eliminate the phone, but not an actual, like, smartwatch?

B. HANSEN: No, according to the bill, we did not put that--

DAY: OK.

B. HANSEN: --we didn't put that in there.

DAY: Thank you.

WALZ: Any other questions? I don't see any. Thank you, Senator Hansen.

B. HANSEN: Thank you.

WALZ: That ends our hearing on LB1078, and we will open on LB1157. Senator Linehan.

LINEHAN: Good afternoon, Chairperson Walz and fellow members of the Education Committee. For the record, my name is Lou Ann Linehan, and it's spelled L-o-u A-n-n L-i-n-e-h-a-n. And I represent Legislative District 39. Today I'm introducing LB1157. LB1157 would require the

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Nebraska Department of Education to electronically submit a report indicating the amount of federal funds it has received and expended from the CARES Act, the CRRSA, and the American Rescue Plan Act of 2021 for the most recently completed fiscal year. The first report shall be submitted on or before October 31, 2022 and on or before October 31 each year thereafter through October 31, 2026. The report will be submitted to the Clerk of the Legislature and the Chairpersons of the Appropriations Committee, the Education Committee, and the Revenue Committee. The federal government has allocated \$854 million to the Department of Education. The \$854 million includes \$65 million of CARES money, \$243 million of CRRSA moneys and \$546 million of ARPA moneys. Because of the large influx of federal dollars, the Nebraska Department Education should provide the Legislature with an accounting of how these funds have been received and distributed. I'm happy to answer any questions from the committee.

WALZ: Thank you, Senator Linehan. Questions from the committee. I do have just a question on how-- so are you, are you-- how in depth, I guess, are you wanting the funds to be reported, like--

LINEHAN: I would leave that up to the Department of Ed, but so you know what, actually, they spent the money on. It doesn't have to-- I actually don't like it when-- I shouldn't have maybe said it that way-- I want something I can follow. Like, I get very frustrated with the Department of Ed's Annual Finance Report. I mean, you have to study them for like-- they're this thick, and you have to look. I don't think it really tells you that much unless you study them and work with them a lot. So it would be a report-- did they use it for teacher training? Did they use it for catching up kids' reading programs, summer programs? I mean, what are we-- we have all kinds of crises, right? We've got three-- a child who's now in second grade has probably missed the whole year of school. We've got a teacher shortage. So what, what are we doing?

WALZ: So it--

LINEHAN: The urgency?

WALZ: It could just be broad categories.

LINEHAN: Right.

WALZ: OK. That was what I wanted to know. Any other questions? Senator McKinney.

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McKINNEY: Thank you. Senator Linehan, you mentioned CARES, but I was reading the bill and it only says American Rescue Plan Act. I was just wondering if that was-- do you have an amendment?

LINEHAN: I-- it's supposed to be for all the money, so if it doesn't include all the money, it needs to include all the money. Well, I think line 10 probably catches it. "The amount of such federal funds expended by the department during the most recently completed school year." But I do mean if it's not written right, we can get that fixed.

McKINNEY: And also, do you just want the State Department of Education, or do you want school districts to report as well?

LINEHAN: State Department.

McKINNEY: OK.

LINEHAN: Because this, the school districts are different. It depends on which school district, right? But they have their own funds they generate through property taxes. Right? So they have-- because they're used to reporting to taxpayers what's going on. I'm not sure the State Department generally gets all its funding from us or the federal government. So there's no kind of--

McKINNEY: Yeah. OK, thank you.

LINEHAN: Thank you.

WALZ: Any other questions? I was going to ask if you're staying for closing, but I assume you are.

LINEHAN: Yes, I live here, you know.

WALZ: First proponent. Are there any opponents? Is there anybody who would like to speak in a neutral capacity? Senator Linehan, you're welcome to close.

LINEHAN: Oh, so-- what.

WALZ: I will--

LINEHAN: [INAUDIBLE]

WALZ: We did have six proponent--

LINEHAN: I'll waive closing.

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WALZ: Waive closing. OK, we did have six position comments as proponents: Judith Williamson, Marita Brandl, Ruth Schneider, Barb Immonen, Merlyn Bartels, and Karen Walter. And you waived closing.

LINEHAN: I did.

WALZ: OK. So that closes our hearing on LB1157 and opens our hearing on 27-- oh, LR278CA.

LINEHAN: Sorry. I'm gonna-- there's several handouts I have. I think that's it. So I've done some research on this. Oh, excuse me. Good afternoon, Chairwoman Walz and Education Committee. My name is Lou Ann Linehan, L-o-u A-n-n L-i-n-e-h-a-n. So in March of 1951, before I was born, even before I was born, we decided to move away from a superintendent of schools, which sometimes was elected, sometimes appointed by the Governor, and kind of followed this national effort after-- in the '40s, everybody loved government because we saved the world. So in the '50s, there became a movement to kind of have more government. So this was one of the things we did; and most states did. But the difference is, there's 32 states. And I-- since that's this-- you can look through it and there's very few states where the legislature or the governor don't have anything to do with who either the state school board is for who they appoint to be the commissioner or the superintendent or an outlier. And then the other thing that I handed out-- and I had this-- this was great distress in my office this morning because we couldn't find it for two hours. This is from Accelerate Nebraska, a report they did when Blueprint first kicked off, about how the governance of K-12 education in Nebraska works. And I've managed a lot of people in life. I've managed big things and little things. And one of the basic rules of management is who is in charge. And when you have a flowchart that looks like this, there's a saying: When nobody-- when everybody's in charge, nobody's in charge. So we have a lot of government over schools. We have one elected official for every-- one, one elected official for every 170 students in our public school system. Because, if you look at this, we have a Governor, 49 legislators. And then, if you flip over on the other side, we have 8 members of elected school districts, and we have education service-- well, but they're not elected, they're appointed-- educational service units have 155 elected officials. School districts have 1,700 school board members, and the Learning Community has 12. And not only do we have all the elected officials, but we have all these advisory groups. We have an advisory group for telecommunications-- this is for the Governor-- advisory group for technology, advisory group for statewide assessment, the advisory group for Nebraska Board of Educational Lands and Funds, which is

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supposed to be different from the board that actually overlooks it-- or maybe that is the same one-- the Nebraska Library Commission. And then for the Commissioner of Education, because the State School Board, somewhere along the line, decided they needed a lot of commission advisory groups, we have the Commissioner's Advisory Group of 32 appointed members-- I can't imagine how much fun that is-- Special Education Council of 24 members, Nebraska Professional Practice Commission of 12 appointed commissioners. It's, it's not linear. It is in-- the basis, the arguments I've read-- and I've read some letters. And when they put this-- back in the '50s, they, they said this would be closer to the people. I don't think it's closer to the people. I don't think if you lined-- if you called 200 Nebraskans, more than one of them maybe could tell you who their state school board member is. It just-- they're not close to people. They run every four years. It's not-- I mean, you get the emails, I get the emails. When they're mad about schools, who do they talk to? They talk to us, and they talk to the Governor. So I know we need a Department of Education. I believe we need a Commissioner of Education. I just think it should be like Health and Human Services, State Patrol. They work for the Governor. So when people are mad, they can hold the Governor accountable because they do know who the Governor is.

WALZ: Thank you, Senator Linehan. Senator Morfeld.

MORFELD: Thank you, Senator Linehan. So I've listened to your, your arguments and your thoughts on this, and obviously I have a, I have a different opinion on it.

LINEHAN: I'm surprised.

MORFELD: Probably just shocking to you.

LINEHAN: Yeah.

MORFELD: I guess-- you know, I'm listening to your argument. You're saying more accountability, but I'm having a hard time processing that because the Governor is elected by-- I haven't thought about running for statewide office, so I don't know how many people turn out in the, in the statewide election. But, you know, they're elected by, you know, several, you know, a million people or so--

LINEHAN: I do.

MORFELD: --you know, in a high-turnout election maybe. But, you know, with the State Board of Education, you actually have more accountability in that sense that you have less people that are

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turning out for the-- you have a small group of people that can have influence on one of those State Board of Education members than the Governor, who is elected by the entire state. So I feel like there's actually more accountability in that sense, in that you have a broader group of elected officials that somebody can go to and hold that commissioner accountable.

LINEHAN: I'll just go back to-- and I could get statistics, I did not get them for the hearing. And since this hearing is on the last day we're having hearings, I think I understand the future of this bill.

MORFELD: I have a, I had a bill in Appropriations today. I thought it was very-- taken very seriously.

LINEHAN: Yeah, well, they're a little different thing. Nobody knows who the State Board is.

MORFELD: You could say that about your school board member. You can say, should--

LINEHAN: Oh, people know their school board members.

MORFELD: I, in my experience, they do not know their school board member more than they know their State Board of Education member, but there's a lot of people, we know, vote.

LINEHAN: Well, that could be because you're in Lincoln. I mean--

MORFELD: Oh.

LINEHAN: I don't want to be argumentative. No, but I mean, they do meet here, and the board is here, the State Board--

MORFELD: Yeah.

LINEHAN: --is here. I think there are a lot of people that didn't know, until this year, we even had a Board of Education, State Board of Education.

MORFELD: And I'm, I'm not trying to be argumentative. This is actually a very-- like as a, as a constitutional law, you know, attorney and somebody like that, like this is very interesting to me. I just think that, I think a lot of people that I talked to in my district feel completely powerless when trying to advocate with the Governor's office, as opposed to their State Board of Education member who is very responsive to them, at least in my district for State Board of

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Education. So I don't understand how I'm supposed to justify going back to my constituents and saying, Hey, that guy that's never responded to you, even though you sent like 10 or 15 emails, that person is going to be more responsive to you when it comes to education issues, as opposed to your State Board of Education member, which I've not heard any complaints about being responsive to them.

LINEHAN: Well, if they are currently emailing the current Governor about concerns, and if I was the current Governor, my response would be, contact the State School Board.

MORFELD: No, I'm just talking about issues in general, not education issues like--

LINEHAN: OK.

MORFELD: --you know, about whatever bills are--

LINEHAN: Well, then I don't, I don't know.

MORFELD: Yeah.

LINEHAN: I haven't.

MORFELD: Yeah. I would say-- tell them the same thing. I would say, no, you need to contact your State Board of Education member. I just don't think that this is going to provide the accountability and the responsiveness by putting it under the Governor, who's elected by the entire state, whereas having district elections and district officials that are focused just on this subject matter area, I don't know how it's going to make it any more.

LINEHAN: OK, we'll hear-- what I've heard about since we've gotten here is, we have a crisis. We have a teacher shortage, we have kids who have missed school. I don't, I don't see that's what the Department of Education has been focused on. So if they're connected, so connected with the schools, the other thing we've heard about for two years is discipline in the school. I see them connected to that issue. I mean, the issues that we hear from the schools on this committee, and the issues I get emails about, are not the issues that the board has been focused on. And the other thing, when you've got, when you've got a crisis and you've got somebody in charge, you can hold somebody responsible for addressing that crisis. We don't have that with this flowchart. And you've got the people that-- we collect the taxes or the school boards collect the taxes that pays for everything. We completely underwrite the Department of Education.

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Their only source of funding is from us, Appropriations, and the federal government.

MORFELD: Um-hum.

LINEHAN: So you've disconnected the people who are elected, deciding where to spend the money, are completely disconnected from the people that are collecting the taxes.

MORFELD: So I guess-- and I'll stop after this because I don't want--

LINEHAN: That's OK.

MORFELD: --us to have just a back-and-forth forever, and I know other people have questions. But I guess my response to that is, yes, we do have a teachers' crisis. But the State Board of Education isn't the entity that actually hires the teachers, and they wouldn't be the entity that hires the teachers if you put it under the Governor. The second thing I would just say is, you know, you're right. Their budget is-- comes from the Legislature and federal government for the most part, maybe a few grants here or there. Well, that gives us some oversight and some authority, much like the university system in that sense as well. But we'll probably just have to agree to disagree on this. I appreciate the dialogue, though, Senator Linehan.

LINEHAN: Thank you.

WALZ: Thank you. Senator Day.

DAY: Thank you, Chairwoman Walz, and thank you, Senator Linehan. I'm just going to piggyback off of what Senator Morfeld said. Again, I don't want to be argumentative about this, but I think the other thing that we've heard about, particularly in the last year, is parent participation in education. And I guess, on the surface, I would see it as we're removing the ability for parents to show up at a board meeting and advocate for their children, if we're removing the State Board of Education, right? Because then the only mechanism of saying, you know, if we have a Governor that gets elected that, you know, people disagree with policy positions or they disagree with the Commissioner of Education in terms of implementing different-- you know, I guess I could use the example of health education standards because that's what we talked about last year. The only mechanism that parents would have to advocate for their children would be to then email or make a phone call versus having the ability to show up when they're discussing the standards or whatever that might be.

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LINEHAN: So if you look at the, if you look at the right-hand side of the sheet, we have 1,700 elected school board members that are elected in their district for local control, to decide on issues, whether-- we just heard they can decide on their own about cell phones. We have heard all year they'll decide, and several schools made it clear that they would decide what health standards they were going to use, what books are in their library. That's where, I think, most parents should and do interact. And when they're angry then, last summer being exception, they come to the Legislature. So if we've got the school districts wanting to do something, they come to the Legislature, and we want to do something, whether it's funding or whether it's third grade reading or whether it's dyslexia, that comes here. And then we have this elected board over here. They're not, they don't have, they have no money power. They have no-- they have no ability to say, we're going to pay beginning teachers \$5,000 a year for the first four or five years they work. The Governor can do that, the Legislature can do that; the elected board can't do that. They can't, they can't effect change in a quick and rapid manner when you're in a situation like we are today, when you need action right now. It's not in their bailiwick. And again, I just say, We're like, we're like the only state that does this. The other states all have some influence from either-- and usually both-- the Legislature and the Governor. It doesn't mean that they do everything. They have, there's some influence there.

DAY: OK.

LINEHAN: We have none.

DAY: And that's-- and I guess that's just my-- where I'm not understanding. So if we don't have the State Board of Education, is the Commissioner of Education making decisions about curriculum or is that-- that would only be designated by the Legislature and local school boards?

LINEHAN: Yes.

DAY: So the Legislature--

LINEHAN: And the local school boards.

DAY: And we know how much the school boards love it when the Legislature--

LINEHAN: But we do--

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DAY: --mandates curriculum.

LINEHAN: --that now, right?

DAY: Yeah. Yeah. I mean I was doing it, too. Yeah.

LINEHAN: The-- well, right now the State Board-- and this is, this is going-- I think it was Albrecht, Senator Albrecht's bill, and I tried to do some research. And I'm not a lawyer, so-- but I read a couple-- or I didn't read them, that's a gross overstatement-- I glanced through a couple of Supreme Court decisions from way back in the '60s this morning, and the school board, State School Board can't do things without our direction. So we have to direct them, that's Albrecht's bill. We didn't direct them to come up with health policies, so they don't really have any right to do that.

DAY: OK.

LINEHAN: And so they really kind of--

DAY: Sure.

LINEHAN: They have no money, they can't direct schools, and they can't act quickly.

DAY: OK. Thank you, Senator Linehan. I appreciate it.

LINEHAN: You're welcome.

WALZ: Senator Pansing Brooks.

PANSING BROOKS: Thank you for bringing this. So, Senator Linehan, I count about 23 that are similar to ours, 23 states. Is that wrong? Am I wrong?

LINEHAN: No, there's-- no, there's 23 states that the governor appoints the board of education.

PANSING BROOKS: No, I'm talking about the, the chief school officer, like the--

LINEHAN: I don't know--

PANSING BROOKS: --commissioner.

LINEHAN: --what you're-- I'm looking.

PANSING BROOKS: OK. Well--

LINEHAN: What I've got is the governor appoints, and the legislature confirms the state board of education in 32 states. So that's another option. I'm not married to any one option. I'm just married to the-- the most-- I'm married to "Management 101." Like, if you're going to be in the management structure, then get in the management structure, 'cause you can't have-- what we do to schools, down here at the bottom, is we've got like three different boxes. Well, they only-- I'm just talking about the districts. So they've got, they have direction coming from the elected school board, the state-elected school boards, they have direction coming from the Legislature and/or the Governor, so area of-- it's three. I mean, it's not a good life when you've got three different groups that can direct you.

PANSING BROOKS: I guess, I mean, when I look at this, it's, it's how you look at all. I mean, I would put the people of Nebraska at the top, and then put the elected State Board of Education and the commissioner, and then the State Department of Education.

LINEHAN: Well, the people are at the top here.

PANSING BROOKS: Yeah, I know. So I just-- to me, if you look at the various advisory groups that are under each thing, I, I don't know. I just-- I-- what worries me is, is you start electing different governors. And so every four years or every eight years, you could have a totally different vision of what our education system is going to look like. And it's going to get changed every time, and it's going to become political instead of excellent education. And I believe, generally, we have excellent education.

LINEHAN: But it is political. It's political now. And--

PANSING BROOKS: In what way? What are you-- how-- what part are you talking about?

LINEHAN: Well, when people run for office, it's politics.

PANSING BROOKS: Right.

LINEHAN: They're elected, so it's political now. I don't. I mean, it's already--

PANSING BROOKS: But it's a smaller group.

LINEHAN: --in the political realm.

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PANSING BROOKS: I mean, you may be voting for the Governor and you aren't necessarily voting for his position on-- his or her position, hopefully again someday.

LINEHAN: But if the Governor appoints somebody, and everybody-- schools and parents are mad, what do you think will happen to that person?

PANSING BROOKS: If-- so the Governor appoints somebody, and they're mad? Yeah. That person is--

LINEHAN: And everybody's mad. The schools are mad, the people are mad, everybody's mad because they don't like the Governor's appointment. What will happen to the appointee?

PANSING BROOKS: Well, they'll be gone.

LINEHAN: He'll be looking for a new job--

PANSING BROOKS: Yeah, of course, but this--

LINEHAN: --he or she.

PANSING BROOKS: But it won't-- you don't believe that happens with the school boards? They don't, they don't have the ability to, to determine what happens? And--

LINEHAN: Yeah, they do, but I don't think, I don't think a new Governor would come in and dismiss a Commissioner of Education if they thought the commissioner was doing a good job. When you're a new job-- when you're a new Governor, you've got a lot to do besides fill seats of people who are already doing a good job. I just, I don't think that's a big risk.

PANSING BROOKS: But HHS it happened to, when the Governor came in.

LINEHAN: But there was a reason--

PANSING BROOKS: OK.

LINEHAN: --and we got a better person.

PANSING BROOKS: Yeah.

LINEHAN: Yep.

PANSING BROOKS: And then another one.

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LINEHAN: And we all liked that person, and then she left for a better job.

PANSING BROOKS: Yeah.

LINEHAN: Yeah.

PANSING BROOKS: And we like this one, some of us like her.

LINEHAN: I have no problem with the commissioner being the Governor's appointee. I'll go on the record for that. I think it would be easy for any commissioner to work for one person than to work for eight. I've tried to work for eight people. It's very hard.

PANSING BROOKS: You could-- I'm working for 40,000 people right now.

LINEHAN: It's hard.

PANSING BROOKS: OK. Thank you--

LINEHAN: You're welcome.

PANSING BROOKS: --for bringing this bill, Senator Linehan.

WALZ: I guess-- I just thought we were having a cup of coffee and having a conversation, so I was just like-- any other questions from the committee? I don't see any.

LINEHAN: All right.

WALZ: Thank you, Senator Linehan.

LINEHAN: Thank you.

WALZ: Any proponents that would like to speak?

MICHAEL CONNELLY: My name is Michael Connely, M-i-c-h-a-e-l C-o-n-n-e-l-y. I loved your opening presentation. It was awesome. You had some tremendous things there. Let me give you a little bit of a background. I've been an educational director of private schools, a different country, for 16 years, a number-one-ranked academic school in the country; I know education. I hope you push this through because I have 10 initiatives, 11 initiatives out in the field that I'm bringing around-- I have teams of people-- and one of them is parallel to the one that she's got. The only thing, hers gives a touch more power to the Governor because I have that the Legislature must also confirm the Governor's pick in my initiative out in the field, and I

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would love to take that out because everyone is getting writer's cramp. So I've got 10 of them I'm running, with Julie Slama's voter ID at the same time, and I would love to have you guys put some of those things here in the Legislature, put them out on the ballot so we don't force all the people around Nebraska to have to sign all these things. I was up in Rushville, Nebraska, speaking after Adrian Smith, our Congressman Adrian Smith. There were 108 people there attending the meeting. The population is 999; there were 108 people there at the meeting. When it was my turn to speak, and I mentioned the most popular initiative was to replace the Nebraska Board of Education, I couldn't even finish the sentence. The entire room had a standing ovation; they were thrilled. So they were, they were ecstatic. This is by far the most popular thing to get done in the state of Nebraska. Now, someone was mentioning that, oh, perhaps the lower level people or the State Board of Education would be better equipped. That sounds like someone who's never been to one of these State Board of Education meetings. When you go there, the rooms are packed, and they're overflowing with hundreds of parents who are outraged at what they are doing. They overflow down the hallways; they can't even begin to fit inside. And some of the time when they're giving testimony, the school board members will take their chair, turn it around, and face the back of the wall and not even look at the parents, the worst disrespectful maneuvers I've ever seen in my life. Then, while I was there, I said the 108, everybody stood-- a standing ovation when I mentioned this initiative. And then I asked them if any of them, before all of this mess happened, if any of them knew who the State Board representatives were. And of the 108, there were 3 of them who knew who they were. The problem is the down-ballot. Now everybody knows who the Governor is when they're voting for the Governor, and everybody knows who all of you are when they're in your districts-- well, pretty much they do. They know the state legislators, they know the Governor. They do not know the people on the down-ballot, except for those who are very, you know, politically driven and they really pay attention. Most people don't know.

WALZ: Yeah.

MICHAEL CONNELLY: I've run out of time, haven't I?

WALZ: Yeah. Let me see if we have any questions for you.

MICHAEL CONNELLY: I have a problem with my--

WALZ: You were talking as fast as you could, though. Questions from the committee? Senator Murman.

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MURMAN: Thank you, Senator Walz. Would you like to finish any more of your thought about the down-ballot, I guess, or any more you wanted to say?

MICHAEL CONNELLY: Well, basically with the down-ballot, when you have some kind of a problem with the education, when I spoke to the different people, who are you contacting? They're contacting the state senators, all of you. They're contacting you, they're pestering you, they're, they're barraging you with mail and everything, and they're also doing the Governor, and they're pleading with the Governor. And he says, hey, I can't do anything, and he throws his hands up and he says, Listen, we've got these agencies. And when I become Governor, I appoint the agency head of all these, but education is not one of them. As she mentioned, it just kind of got shuffled off to the side. Where we have-- what is it-- 20 or 30 different agency heads that are appointed when the Governor comes in, education is not one of them. But if the Governor appoints someone and they are messing up as badly as we are messing up, then they, they can wax him. They can get rid of him just like that. Now, I've been told that I tell too many stories, but let me throw something in very quickly. There were a group of students that I was giving a final examination to, not here in Nebraska. The, the test ranged from a 90 to a 99.7 percent. I gave the same examination to Southwest High School seniors, and they averaged from a 30 to a 45 percent on the same exam. This exam was an elementary school exam-- not in Nebraska. Actually, it wasn't even in the United States. But we are getting toasted educationally, and we don't have stupid kids. We actually have very, very bright kids. Intellectually, the students that I work with that outperform are not as high academically. Well, their potential is what our students are here in Nebraska. We are dropping the ball everywhere. There could be a tremendous improvement. And if the Governor is the one who appoints this-- now personally, I would like to have all the Unicameral confirm that as well. This-- hers has a little, a touch more power for the Governor than what my initiative does. But I would prefer to have all of you also weigh in on that, to who, who gets appointed. But if that person is messing up, you can take them out so they do not sit there and continue to mess up, because our education levels in Nebraska-- when I went to Nebraska, they were exceptionally high. And now we are very, very low. We do not have quality education in this state any longer like we used to. I got a part-time emergency substitute teaching certification in Lincoln Public Schools, and it was crazy. I went into one of the classrooms. They said we learned more from you in 15 minutes than we have from our normal teacher in the entire year. And I, I can't even go into everything, but it's just-- the education

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is depressing, but they have so much potential and it's not being reached.

WALZ: Senator Murman.

MURMAN: Just maybe a one- or two-word answer [LAUGHTER]. What other country or states did you work with?

MICHAEL CONNELLY: I have a teaching license in New York, in Wyoming. I cannot get a teaching license in Nebraska. Now, I have almost 400 semester credit hours with a near-4.0 GPA. But there are certain hoops you have to jump through in Nebraska, and they told me I needed to start over and get an initial bachelor's degree to get an education certificate. And then that-- they wonder why we have teacher shortages in Nebraska. I was the educational director of-- I originally worked for the Japanese Ministry of Education. Then until 2016, from 2000 to 2016, I was the educational director of the number-one-ranked academic English language instruction school in Japan.

MURMAN: Thank you.

MICHAEL CONNELLY: And yes, I speak Japanese.

MURMAN: Thank you.

WALZ: OK.

MICHAEL CONNELLY: Sorry.

WALZ: I had a couple of questions, but I forgot them. Gosh, I can't remember, I'm sorry, I was-- Senator-- thanks, Senator McKinney. Maybe you--

MICHAEL CONNELLY: So sorry. I, I--

WALZ: Maybe you have the question. Go ahead.

McKINNEY: Thank you.

MICHAEL CONNELLY: --appreciate it, yes.

McKINNEY: Quick question. Are you saying the voters who vote for the State Board of Education don't know who they're voting for--?

MICHAEL CONNELLY: Yes.

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McKINNEY: --or vote for-- or they're voting to vote? Because, when I look back at the last election, about 73,000 people voted for my State Board of Education member. So are you saying they just voted for her blindly?

MICHAEL CONNELLY: Most of the time, yes. Well, that, that's according to the people there in Rushville. I asked them, who did you vote for? Now, many of them, if you look-- as you look at the vote, you have the up-ballot and then you have the down-ballot. The up-ballot, it's pretty heavy. The down-ballot, you have a lot fewer people voting for the down-ballot, but most of the people, they'll just-- oh OK, and they'll just kind of pick at random. Well, out of the 108 people, there were 3 of them who said they actually knew who they were voting for. Everyone else either didn't vote for them-- now, I don't have the exact numbers on the up- and down-ballot, but the down-ballot is significantly lower, but most of the people do not. Now, they will this time because there have been so many problems that people are starting to pay attention now, and especially with the extreme disrespect that some of the State School Board members have been showing the parents when they come there. They're paying attention now. But up to this point, yes, most of the time they will go through and they'll just tick-- mark them off, which is why sometimes people like to be at the very bottom of the list because, psychologically, if you have a list of identical things, most people tend to choose the last thing on the list, even if they're identical. And a lot of people do that when they vote. So yes, they do.

McKINNEY: All right.

MICHAEL CONNELLY: They just zone out. Now, all of you probably say, Well, how, how did they do that? I mean, I wouldn't do that. Well, you know, that's why you guys are up here, because you actually pay attention to things. But majority of people do not pay attention. They watch the Governor. They watch the congressmen. They watch the state senators. But they are simply limited in their time and their abilities. Their-- they filter out too much. They simply don't have enough time to pay attention to everyone on the down-ballot, and they don't.

McKINNEY: All right. Thank you.

MICHAEL CONNELLY: Yes. As you said, they don't know who they're voting for.

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WALZ: Any other questions from the committee? I guess I just have a, a-- kind of like a comment. I-- for me,--

MICHAEL CONNELLY: Toss it out.

WALZ: --I would have to say that the majority of my constituents do know their school board members. Just, I don't know where the data is coming from that, you know, nobody knows who their school board members are.

MICHAEL CONNELLY: I just ask them.

WALZ: You just asked how many?

MICHAEL CONNELLY: Yes, I get a group of people. How many of you actually knew the person that you were--

WALZ: OK.

MICHAEL CONNELLY: --voting on?

WALZ: All right.

MICHAEL CONNELLY: And less than 10 percent.

WALZ: OK. And then I just had another question about your teaching experience. You weren't able to get a, a teaching certificate here in Nebraska. Do you know specifically why, what, what--

MICHAEL CONNELLY: They're--

WALZ: --part was that?

MICHAEL CONNELLY: Well, you see, one of, one of the things-- I have nearly 400 semester credit hours of college, but much of this is test-out. I enjoy taking a book, skimming through it, and challenging the final exam. Nebraska policy-- they don't like you to do test-out. They'd like you to polish the seat and actually go through a standard curriculum where you're sitting in the classroom the entire time. For example, my New York teaching certification, I did not do student teaching because, if you have one year of paid teaching experience, which I did at the Japanese Ministry of Education, they count that as student teaching. Nebraska is very stringent, very specific about all the different steps you must jump through to become a licensed and certified teacher here in Nebraska. It's a very convoluted process, and, as, as Senator Linehan stated, the, the organization is a

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cluster. Oh, in the year 2000, before I went to Japan, I was the state quality assurance director for the Census Bureau for the 2000 Census in Nebraska. I like detailed organizations, and our education department is a messed up cluster. It really is. As she said, it's just who's following who. You can't follow it. Yeah, that's absolutely correct. It needs to be pared down and needs to be more organized.

WALZ: Thank you.

MICHAEL CONNELLY: I give excessively long responses; sorry about that.

WALZ: Any other questions from the committee? I don't see any. Thank you for coming today.

MICHAEL CONNELLY: Thank you.

WALZ: Next proponent, proponent?

JENNIFER HICKS: My name is Jennifer Hicks, J-e-n-n-i-f-e-r H-i-c-k-s, and I, I support this. The, and the primary reason I support this is because it is a proposal to put on the ballot for the people to decide. So I think that, for that reason, you should always give the people the option to choose. And there are parts of it-- I support Michael Connely's initiative, and I prefer it to this one because it does have in place a check on the Governor's power that this one does not. And also, his-- his also goes much further to shrink down the size of government by shrinking down the entire Department of Education, which I think would be preferable. And he is right, that is an extremely popular thing with the people. And he's also right when he says that people don't pay attention to down-ballot. The people you may know are people who are engaged. But up until, up until recently, with all of the shenanigans going on with their State school Board of Education, a lot of people who are involved now, some of them even running for their local school boards, were not paying attention before. I mean, and they'll tell you that, that this was just not something that they, that they were aware of until, until more recently. And, and there's a lot going on in our schools that a lot of parents and grandparents are only just now becoming aware of. That's why they're showing up to the State Board of Education meetings. And so this is, this is something that people, people really, really do want to see that State Board of Education go away. And, and in-- Mr. Connely is right. They're extraordinarily condescending. And I have spoken with people who have spoken to their local school boards, who have also been met with a lot of condescension from their local school boards. And they say that they are issuing what they're doing at the

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guidance of the state's Board of Education. So they're saying, don't blame us, we're following the State Board of Education. So they're taking their guidance from the top. And so to be able to take that away, it puts more accountability locally, so that those local school boards have to answer to the people. And, and so I support that. But like I said, give the people the option to vote on that.

WALZ: Thank you. Questions from the committee? I see none. Thanks for coming today.

JENNIFER HICKS: Thank you.

WALZ: Next, proponent. Any opponents? Oh, we have a proponent?

LAURA RAUSCHER: Sorry. My name is Laura Rauscher, L-a-u-r-a R-a-u-s-c-h-e-r, and I am for this bill simply because we aren't being listened to by the State Board at all; we really aren't. And on 3-11-21, without permission of the Legislature, the Department of Education introduced the new health standards, and that has been the angst of the entire year. We go to all of the meetings, both local, the-- I live in Lancaster County-- and the State School Board, and we get nowhere. No one is listening to what we want done or why we want it done, and how we want some control, even of the books that are being donated to the libraries. We have no control whatsoever on what our children are going to see, going to hear in our public school system. We do now know the names. They're right. When we started voting for this, the down-ballots are hard. I also have been part of the coalition going door to door, trying to find out what is wrong with our voting right now. And I truly believe our voting machines are being rigged, and I do not believe that we have actually voted in those people, all of the people. So that's on the side, too. And so I am just, I'm just going to go ahead and ask that you do go ahead and pass this. What happens if we get a Governor that is all for what we've been up against? I don't know. We'd have to see. Part of the school system problem is they are not getting funded just by the state. They are getting a lot of federal money. And with that, they're getting pushed to move into different ideologies that, here in Nebraska, we would not embrace. So that's another problem. I just thank you for your time. That's all I needed to say. Questions?

WALZ: Thank you. Senator Day.

DAY: Thank you, Chairwoman Walz. I appreciate your testimony today. So using the example of the health standards, the State Board put out the first set of standards and then allowed people to come in, discuss

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them. They made the decision to change the standards to the second draft, and allowed people to come in and discuss them. And then, based on the feedback, they scrapped it altogether. So do you not see that as, as your State Board of Education members--

LAURA RAUSCHER: At the last--

DAY: --listening to you?

LAURA RAUSCHER: --meeting, they chose not to scrap it.

DAY: But they're not moving forward with the standards currently right now.

LAURA RAUSCHER: They're not, they're not throwing them off the table.

DAY: But they, but they, at the very least, made the decision to hold on to it based on the feedback that they were getting at--

LAURA RAUSCHER: Well, I would--

DAY: --at the-- and so my question is--

LAURA RAUSCHER: OK.

DAY: --do-- implementing this bill would remove that process, right? So those, those meetings would never happen. The standards would be presented by whomever is creating the curriculum. And if it was the local board, yes, then there would be a local school board meeting. But there-- when you're giving more power to the, to the Governor and the Commissioner of Education, you're removing the opportunity for the parents to show up and advocate again for their children. So I, I guess I see the health education standards' process as, as, as the current process is working. Parents have input, and the State Board of Education made decisions based on that input. It sounds like you see it differently.

LAURA RAUSCHER: I do see it differently only because in the last meeting, the only one who voted against it was Mike [SIC] Penner, and the other ones voted to leave it as is and move forward. So I don't think that they scrapped it.

DAY: So leaving the current standards as it is, but not implementing the new standards.

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LAURA RAUSCHER: No, they were voting on whether to continue with the new standards. No? OK. I was there, but--

DAY: Thank you.

LAURA RAUSCHER: OK, I'm sorry. And that is my concern. That is my concern. It's another step away from local input. But this year it looked as though we weren't getting anywhere.

DAY: OK.

LAURA RAUSCHER: So--

WALZ: Senator McKinney.

McKINNEY: Thank you, Senator Walz. Thank you for your testimony. I was curious. As a constituent, do you find it easy to talk to the Department of Corrections or Health and Human Services?

LAURA RAUSCHER: No.

McKINNEY: And that's my fear, that eliminating the board would turn the Department of Education into the Department of Corrections, and that's a mess.

LAURA RAUSCHER: Um-hum.

McKINNEY: I would love to see a state board of Corrections, but we're probably not going to get there. But that, that's my fear, is that it will create this silo of a department,--

LAURA RAUSCHER: That's true, too.

McKINNEY: --and it'll just make it difficult again. Education will turn into the Judiciary Committee, where we're having long hearings all day, for sure.

LAURA RAUSCHER: Um-hum, um-hum.

McKINNEY: But thank you.

LAURA RAUSCHER: Yeah, thank you.

WALZ: Thank you. Any other questions? Thank you for coming today.

LAURA RAUSCHER: Thank you.

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WALZ: We appreciate it. Any other proponents? Any opponents that would like to speak?

JOEY LITWINOWICZ: Sorry about--

WALZ: Good afternoon.

JOEY LITWINOWICZ: --the time it takes to get ready. Good afternoon, Chairwoman Walz and members of the committee. My name is Joey Litwinowicz, J-o-e-y L-i-t-w-i-n-o-w-i-c-z, and I just want to say, I think it's great outside. I hope you guys get to go out and enjoy the day. You know, it's-- and I was, I was reading a-- I love Maureen Dowd and, and, you know, she wrote an article on Putin. And what I'm, what I'm worried about is because, for example, I don't want the executive to have, you know, autonomous control over this, you know, health and, you know, health man-- control health mandates in Lincoln just because you can't control Lincoln. So I, I have a problem with this. And the Governor does not recognize who I am as a woman, and he didn't come to my Christmas party here; I formally invited him. But no, I'm serious. I, I care about education a lot. I don't have any kids. And, and so I, I don't see how you're going to hold the government accountable when you have someone that doesn't acknowledge me in any way. Yeah, I, I prefer things to be controlled locally. I have a, I have this memory issue. I have a lot of things that I want, I heard, I want to address, and I always-- can't do it anymore. But-- and as far as-- man, one of these days. And I like as much local input and as far-- as I see it, I can't imagine the Governor being the most, at least the one we have now. You think he said, Happy birthday, President Trump, last June. Yeah, I'm going to give an example right now. So we have a guy who took a picture with Donald Trump who's praising Putin. And, and so he's hand-in-hand with a smile, and, and-- I don't, I can't do this, and I totally blew what I was going to do. I'm actually an articulate speaker; I'll figure it out. But I really oppose this bill because I care about education. I have a lot of it-- didn't do anything with it, but I have a lot of it. And, and so I'm very concerned as a, as a, as a mentor, too, because I, I, I don't want to-- I just-- I don't know why we have to give this to the executive. It bothers me. I think the, the people will have more control otherwise. I just-- thanks a lot, members of the committee. If there are any questions-- because I can, I can-- when you, when you, when you ask a question, it, it-- with my specific disability that I've been diagnosed with, you know, it'll, it'll actually bring up everything, but it-- obviously, I have no kids, but I, I--you know, I didn't come out till I was 50, and, and--

WALZ: Let me see if we have some questions for you.

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JOEY LITWINOWICZ: Yeah, I got a--

WALZ: Any questions from the committee?

JOEY LITWINOWICZ: Well, I did a great job then.

WALZ: Yeah, you, you educated everybody. Thank you so much.

JOEY LITWINOWICZ: I really care about this. Thank you.

WALZ: Thank you for coming today; we appreciate it. Next opponent.

MATT BLOMSTEDT: Good afternoon, Senator Walz and members of the Education Committee. Thanks. I'm actually going to read testimony because I'm-- I was not as lazy as normal to just speak off the cuff. So I want to read this to you and then be glad to take comments. This is my eighth year of serving in this role, and I am here to testify in opposition to the proposed constitutional amendment to eliminate the State Board of Education. Although you might expect that I would only represent the current sport, current board's position, I also offered testimony two other times on similar past proposals. I also serve as the past president of my national peer group and have a good grasp of the pros and cons of the various approaches to state education governance. In my experience and in my study of Nebraska's constitutional history, I find an elected State Board of Education and an appointed commissioner is among the most stable structures. I have counterparts that are elected in several states, others that are selected by an appointed board and others that are appointed by a governor. Each has its pros and cons, I'm certain, but there are many benefits of the Nebraska system. Among these is one I wish to highlight that is recently obvious. Two years ago, we found ourselves in uncharted territory with the onset of the pandemic. Over the earliest days, I was empowered by the State Board to lead and address the circumstances that we faced. The board provided oversight while also officially granting me the necessary latitude to manage. The Governor and I also developed an important relationship in the midst of the pandemic. We made clear to one another that we would work closely to ensure the best approach as possible, and that was balanced by the board's insights. The board also considered the needs of schools and unified behind an approach of flexibility for schools at that time. This served Nebraska very well. The Governor, board, and I didn't have to agree on each challenge, but we were able to discuss issues, understand one another, and provide local focus for school district decision-making. The State Board overall is designed to provide for citizen voice in the work of the agency. The board hires

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and evaluates the commissioner-- me-- allowing a regional and statewide perspective on the complexities of a state education agency. Few may know that the board also acts in a quasi-judicial capacity as it hears cases on professional practices, educator licensure and discipline, as well as determines option enrollment cases and decides other regulatory matters-- again, a citizen voice. Ultimately, the board serves at the pleasure of the regional electorate. As tumultuous as these times seem, the board has managed regular public input and is consistently in a position to interact as individuals and, and as a body as a whole. This structure serves Nebraska well in good times and in bad. I'm glad to continue the dialogue about our education system. There are always areas for improvement and certainly areas for clarification. And though this proposal is maybe not the right approach, I know the board and I will continue to engage in meaningful ways that will improve the Nebraska education system. So I thank you for the opportunity to be with you. I, I do want to point out one other thing that I think is really important, that folks don't always know about the department and the responsibilities of the board. And that's the fact that we actually have vocational rehabilitation as part of our, part of our charge, our charge that comes from the Legislature. And just as we work with special education students and those needs, there are direct services that, that are offered underneath that approach. And it's different than perhaps might happen underneath an HHS, and we work in partnership with HHS. But it does present, kind of, one more thing that just comes to mind as I was thinking about, thinking about the words that I was sharing here. Thank you.

WALZ: Thank you, Commissioner Blomstedt. Could you do me a favor and spell your name?

MATT BLOMSTEDT: Oh, I even wrote that on my written testimony. So my name is Blomstedt, last name is Blomstedt, B-l-o-m-s-t-e-d-t. And my, my ancestors could not afford the extra vowel; that's what I like to say, so--

WALZ: Questions from the committee? Senator McKinney,

McKINNEY: Thank you. And thank you for your testimony. I had a couple of questions I wanted to ask on the previous bill, but I'll just ask it now, since you showed up.

MATT BLOMSTEDT: Sure.

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McKINNEY: I was curious. Did the board approve your plan for the, for the allocation of the federal funds? Did they take a vote?

MATT BLOMSTEDT: So it's actually-- the board has actually had a few different moments in time where we've actually reviewed those plans. Early on in the pandemic, we started with the federal funds approach, and the board didn't necessarily take a vote on each, each of the, or the big vision, I'll call it, for that overall. But the board does vote on each of those contracts as they go out.

McKINNEY: OK. How much of ESSER III have you not allocated?

MATT BLOMSTEDT: You know, I didn't bring that, Senator McKinney, so I'll have to get that to you specifically. Part of the, the requirements underneath ARPA plan is we had to submit a plan. And actually the board-- actually the last time, now that you asked me that, the board did vote in a plan that I could submit for the U.S. Department of Ed. It doesn't fix us in that. And then the commitments on the, on the particular funds will come as, as contracts are done. But I'll have to get you the rest of that information.

McKINNEY: All right. And could you-- do you have an estimate of how much of that money was used for teacher recruitment and retention?

MATT BLOMSTEDT: I don't have an estimate of that. I know we put aside some money for teachers, and then money aside for mental health, for teacher development, but I, I can get you a, a, an idea on that front.

McKINNEY: All right. Thank you.

MATT BLOMSTEDT: You're welcome.

WALZ: Senator Pansing Brooks.

PANSING BROOKS: Thank you. Thank you for being here, Dr. Blomstedt-- or Director, I'm not sure what's--

MATT BLOMSTEDT: Doctor is fine, Matt is fine-- I'm--whichever.

PANSING BROOKS: OK. So I guess my question-- you did talk a little bit about the history prior to 1952, and because of your time, you skipped over it. I'm, I'm interested in your thoughts about what you've seen nationally. You heard my, my question about the politics of it. And my concern is that every four to every eight years, we could be just switching complete policies. We know how, how some of that works. So can you speak to that a little bit?

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MATT BLOMSTEDT: Yeah. I, in, in my study-- and I'm not, I'm not saying I'm absolutely accurate on every element of this-- but there was an elected state superintendent that served from the initial-- actually, happy Statehood Day, right? So with the initial Constitution, that was actually put in place, an elected state superintendent. There may have been moments in time where that changed a little bit. And I don't know all of that history, but generally it was an elected position. Over the years, especially in the-- I, I think, as Senator Linehan adequately pointed out over the kind of '30s and '40s, there were a lot of conversations about establishing a board of education, and that was kind of seen as best practice with fiscal and fiduciary oversight, the notion that that would be done. And the, the then-elected state superintendents of public instruction, there were a few that advocated and worked with this body, worked with the Legislature, worked with postsecondary institutions and said, what's the modern structure that we need to have and make sure that that's in place? And I think that was a really important part of that structure. Now, the state superintendent said that-- Freeman Decker was the one that I wrote about. He was the last elected state superintendent and first commissioner of education. He basically said it was too big of a job for one person to be able to manage, and they really wanted input from, from local areas, from regions like the districts would provide. And I think that's really ultimately served us well. And again, people can say, Hey, look. Look what happened this last year on health standards and other things. But actually, let me say, look what happened on health standards. The board was responsive to the public input. The one thing I regret is not putting in, get more people to come to public comment in my evaluation. Unfortunately, that didn't happen. But the reality is lots of people came, and we listened. It's hard to listen in those settings, and not everyone came in with a happy, friendly presentation. I understand that. But we took that input. The board took that input. You know, I get concerned that the perception of what maybe happens in that setting isn't actually right. Part of it is we also do have to follow the Administrative Procedures Act, the Open Meetings Act, right? There's kind of this approach that we have. I watch what the Legislature does. I care very deeply about each one of these structures. I care about the structure of the Governor's office. I care about the structure of the Legislature, I care about the State Board of Education, and all of Nebraska government that's in place. Each one of them has a unique flavor and feel, perhaps, on how they're run. I think there's some benefit in that uniqueness, some benefit in seeing a system that doesn't just have to be perfectly aligned.

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PANSING BROOKS: OK, thank you, Commissioner Blomstedt.

WALZ: Any other questions? I don't see any. Oh, Senator Sanders.

SANDERS: Thank you, Chairman Walz. Commissioner, thank you for being here. In your letter, you say there are always ways for improvement and clarification. Would you give an example?

MATT BLOMSTEDT: Yeah, I, I actually think the work that you do all the time here is part of that improvement. A lot of what we end up having to do-- and, and again, I think Senator Linehan appropriately said this-- a lot of what we're told to do, the Nebraska Constitution gives us the general supervision and-- or general administration and supervision of the education system. But it is this partnership that has to be built between the Legislature and local school boards and the department. And so take, take teacher preparation, right? I actually, for a long time, long before I was even Commissioner of Education, thought there were some opportunities to streamline that. You're actually working on those things right now, and those are the types of things that I would love to be able to work and continue to work with you on.

SANDERS: Thank you. Thank you, Chairwoman Walz.

WALZ: Sure, thank you. I do have one question. So what is the best historical evidence that would-- the State Board would help take the pressure off of the commissioner as the sole policymaker?

MATT BLOMSTEDT: You know, these days, it maybe is harder for me to answer a little bit, I mean, 'cause there's a lot of pressure on education generally. I'm watching our local school boards deal with a lot. I'm watching our local administrators. I'm worried about our teachers. But the reality is, I think together, elected officials and myself-- and I've had many board members. By the way, not a single board member is on the board now that originally hired me, right? And so I've been through this process a few times. It-- the, the challenge is, I think, for, for the board, is to kind of know me, and know and understand how to balance the roles and responsibilities. We're really working very hard at that. The pandemic has been tough on government and, and I'm going to say, in schools in particular. For whatever reason, we've taken a lot of the-- we took a lot of the responsibility to get schools open, and we've taken a lot of the heat on the decisions that had to be made. And that's not a bad thing; it's just-- that's what we've done. I think the example that I would share is the board backed me up on all of that, and that's the example I tried to

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share in my testimony. The board backed me up on working closely with the Governor, and I think that helped the state do better than, than many other states did. So they really did back, back up those important decisions that were being made to help schools return safely.

WALZ: Good. Thank you.

MATT BLOMSTEDT: Yeah.

WALZ: Senator Murman.

MURMAN: Thank you, Senator Walz. At least from the perspective of many, I think the State Board of Education has, for one reason or another, gotten out of touch of what parents really want and, and that are taught in the school system. Do you have a perspective as to how that might have happened? And also, it seems like they're slow to change or respond to what parents want.

MATT BLOMSTEDT: Yeah, I, I think-- I mean, one of the interesting parts-- and you know how it works within representative government-- not everyone all comes to you and says, 100 percent were in the same place, right? So I will actually say there are parents that come on every side of every issue that's brought before the State Board. I think the board, if they, if folks feel that they're out of touch, it was a very difficult scenario. And I, I really look at what happened on health standards in particular, and we kind of did it in the routine that we did other standards, right? And the board is taking a really close look at what that process would look like, so they make sure that they have that input upfront, and I make sure that we have that input upfront. That's my responsibility, too. And so I, I think, in a lot of ways-- and I've, I've heard, kind of, you know, generally, what could we have done now? I, I could, I could stay up night after night, thinking about what we could have done different. And instead, all I can think about are what are the things that we could do better in the future? And I do think that parental engagement, thoughtful stakeholder engagement in different ways-- and, you know, if we could just not do things during a pandemic, that might be all the better, too. So--

WALZ: Um-hum.

MURMAN: I have one--

WALZ: Senator Murman.

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MURMAN: --more question if you don't mind. The other states that have a commissioner appointed by the governor, do you see a big change in policy when different governors come in?

MATT BLOMSTEDT: I do. I mean, here's what I see. And you know, I get to know those colleagues at a national level and get to be, you know, kind of, like collegial friends in a sense. And when their time's up, their time's up, right? And they kind of push till the end. And I've had quite a few of those, those folks who are appointed leave in the last year because they got to go look for something else, right? So there is kind of an instability that happens. And obviously, those politics at a governor's level, I mean, may or may not be whatever promises they have. You might see very different swings in, in what those expectations are. And so again, there are benefits to, to every system. I truly believe that. I mean, in some ways, you can get perfect alignment, but it's for a period of time, and it doesn't, it doesn't ultimately last forever. And so I see that as part of the, that challenge as well. I mean, in the end, why I think ours is the most stable is that it has to be responsive. You know, the board members are elected every four years, so that means every two years it's on the ballot. They have to be responsive to that environment. And, and again, I look at it and go, they will be. I can even remember having a conversation with the Governor about, Hey, the board, as a function of it, is a moderating force. I mean, I don't, I don't think folks always think about that, and that disconnect maybe doesn't always happen. And I think even you and I might have had a conversation at those times, right, that-- it ends up being a moderating force because they are listening to the people to try to moderate those things. So--

MURMAN: OK, thank you.

MATT BLOMSTEDT: Yeah.

WALZ: Thank you, Senator Murman. Any other questions?

MATT BLOMSTEDT: You're only afraid I'd answer them, I know, Senator. Thank you.

WALZ: Thank you.

DAVE WELSCH: Good afternoon, Senator Walz and members of the Education Committee. My name is Dave Welsch, D-a-v-e W-e-l-s-c-h. I serve as a member of the school board for Milford Public Schools. I am also a member of the Education Collaboration, which is comprised of multiple

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education associations, including: NRCSA, NSCA, NCSA, NASB, GNSA, STANCE, ESUCC, and Stand for Schools, and those are all spelled out on the letterhead that you're receiving. We're unanimous in our opposition to LR278CA. The current constitutional structure of our K-12 educational system has been in place for over 70 years. Like any elected body, our State Board of Education has faced challenges over the years, difficult problems to overcome, and controversial topics to address. This is not like-- unlike any local school board, such as myself or ESU board or any governing body, for that matter. We choose to run for elected office, as you know, not because it will be easy, but because there will be tough days as well as rewarding days. The organizations that I listed at the start of my testimony are united in opposition to this measure. We support the original intent of the 1952 constitutional amendment, which was approved by a wide margin, to place our school system outside the realm of partisan politics. Public education should not be about one person's political agenda. Rather, it should be governed by an independently elected, nonpartisan body that establishes policy within the guidelines of legislatively established law. In addition, the Office of Commissioner of Education should be detached from politics to the extent possible and appointed by the State Board of Education, based upon his or her qualifications to hold the office, not by political affiliation and political agenda. Therefore, we oppose LR278CA, and ask that the committee indefinitely postpone this measure. I'd be happy to respond to any questions.

WALZ: Thank you. Any questions from the committee? I don't see any. Thank you for coming today.

DAVE WELSCH: Thank you.

SANDY WOLFE: Hello. My name is Sandy Wolfe, S-a-n-d-y W-o-l-f-e, and I am probably going to scoot out of here because I know I have a parking ticket out there, so I'm going to go very fast. I'm the president of the board of education for Norfolk Public Schools, in my tenth year, my third four-year term. Like all of you, I'm an elected official. I'm passionate for Nebraska, education in Nebraska, and the uniqueness of Nebraska. I'm OK with being an outliner [SIC]. I think quality education is what's important for our students, and I believe we work very hard for that quality education. I am opposing LB278CA [SIC-- LR278CA]. I believe a strong public education, available to all students in Nebraska, is essential to the future of Nebraska. In 1952, the constitutional amendment established a State Department of Ed, which acts under the authority of the State Board of Education. Why? Because the state superintendent of public instruction felt like there was too much power in the hands of one individual. Now it feels like

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we want to go backward rather than forward. Continue forward. Senators, I know that you all work collectively and collaboratively to make things happen. What if all your decisions were made by just one person? Where's the diversity? Would decision-making be highly political rather than what's best for our students? Local control is essential. Currently, Nebraska voters elect the nonpartisan, unpaid Board of Education members. I'm guessing that you, like I, researched the qualifications of each representative on the ballot, and I have a choice who represents me and my district. Today, our State School Board is made up of a former superintendent, three former teachers, a member who has a doctorate and taught college students who are becoming teachers, and a combined total of over 170 years in education. No Governor will ever have that. We also have an attorney and members who've served on local school boards in their community. We have diversity and quality representation of our communities, not emphasis on a single constituency. The State Board of Education is elected. I will be honest. I felt there were many challenges and missteps when the State Board of Education put forth health standards. I did not agree with them, but I do feel that disbanding our State Board of Education seems like an emotional decision right now, rather than what is right. I truly applaud all of you because I know that your job is tough, because my job is tough and this has been a tough year. So I would be happy to entertain any questions.

WALZ: Thank you. Any questions from the committee? Senator Murman.

MURMAN: Thank you, Senator Walz. I'll ask kind of the same question that I think I've asked before. How do you know if, if everyone was pretty well informed on who they voted for, for the State Board of Education, how do you think they got so much out of touch, by a lot of people's perspective, of what the parents really want?

SANDY WOLFE: I do believe people know who their state representative is, and I don't know for sure how it happened with-- I mean, basically, we're talking about the health standards. There hasn't been a lot of discussion or challenges. I mean, we have parents come to our meetings, not till those health standards came, and then the room was full. And then they wanted to speak and we had to go from five to three minutes, because they were all on one focus. But I think we need to not keep everything on this one focus. I do, I do believe it was handled wrong. I don't know how it got as far as it did as quickly as it did, but then I think the school board was very reactive to what was going on and became very proactive. I know people know who I am because I get calls and emails. I don't know if you get calls and

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emails about me. I don't think you do. But I think in our area, we're very responsive to what's going on in our schools.

MURMAN: Thank you. If I could ask one more question.

SANDY WOLFE: Sure.

MURMAN: I was at the Kearney meeting, I think in about June, and there was something discussed at that meeting, also, that had to do with li-- library. So it was a little different subject. I don't remember exactly what it was, but there were several people that did testify concerning those.

SANDY WOLFE: You know, and I, I only have hearsay about that meeting, but my understanding is that somebody on the State School Board who perhaps was just put on the State School Board brought a book forward. I guess that the way I would have handled that is I wouldn't have taken that to a school board meeting. I would have taken that to my school immediately and figured out how that book got there. I wouldn't have grandstanded with a book that I didn't agree with. So I just think that sometimes we need to be, you know, we need to talk to our schools and figure out if there's something the matter there rather than wait until a big meeting. And, you know, I don't know, I wasn't there. So I honestly, I just have hearsay. You have-- you know what happened.

MURMAN: Oh, I don't remember specifically what it was either, but I thought it was something to do with the library, state library person or something to that effect, but I shouldn't say any more either because I don't remember exactly what it was.

SANDY WOLFE: I-- yeah, it was-- I do know, at one of our school board meetings, when the health standards came, somebody who came and, and spoke in the public hearing section, they brought a very pornographic book and they said, this is a book that the health standards are going to push through. And that was totally untrue. I have-- I didn't even want to read that book. In fact, I hardly could touch it, and I threw it away. And somebody came and brought that. And I'm like, this isn't-- this is-- there's no truth in this. So I think it's really important right now that we decide what's truth and what's just all this hearsay and all this talk, because I can only talk about what I see and what I know. And I don't know Kearney, but I do know that somebody brought that book to us, and it was nowhere in our libraries-- nowhere.

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MURMAN: Thank you. Yeah, I don't think that is what I was referring to--

SANDY WOLFE: OK.

MURMAN: --but thanks a lot.

SANDY WOLFE: Yes.

WALZ: Any other questions from the committee? Senator Pansing Brooks.

PANSING BROOKS: I appreciate you coming, Ms. Wolfe. It's, it's important to hear from people from all over, and I agree that-- I mean, I do research about people too. And that's part of our duty in a democracy, in my opinion, is to, to research. And we cannot force people to do that work. And so if people aren't-- I mean, I don't doubt that he asked whatever group this was-- the previous gentleman asked, you know, how many know your State School Board representative? But, but we can't over-- we can't overregulate because people aren't doing the jobs that they're supposed to do in a democracy, in my opinion. And I think that's sort of what you said, and I really appreciate your willingness to come here today to testify.

SANDY WOLFE: I think it's very important. I think our State School Board is very important, just like our local school board is very important.

PANSING BROOKS: It, it is.

SANDY WOLFE: And it's a tougher job, just as it is for all of you right now. Boy, I flew through those first eight years. Yeah, it's like, what?

PANSING BROOKS: Well, I hope you don't get a ticket either.

SANDY WOLFE: Yeah, I do, too. I hope the car is still there, honestly.

PANSING BROOKS: It'll be there.

SANDY WOLFE: OK.

WALZ: Any other questions? I see none. Thank you so much for coming today.

SANDY WOLFE: Thank you.

WALZ: We appreciate your work.

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TAWANA GROVER: Well, my name is Tawana Grover, T-a-w-a-n-a G-r-o-v-e-r. I'm here today to testify in opposition to LR278CA. And so thank you, Chairwoman Walz and to all of you, for the opportunity to share why. For the sake of Nebraska schools, we take a moment to consider the significance of the decision we are facing. This resolution does not advocate for the best interests of our schools, teachers, and students. We have never felt threatened by the Nebraska Department of Education, even through some of the most controversial topics we've ever had to tackle. We knew we maintained agency at our local level. We have always felt confident in our ability to reach out to the commissioner and to the State Board reps with concerns and recommendations, and their availability has been reliable. Additionally, we have several representatives from our school district who have served on different task forces as well as committees. These are people in the trenches, and that's where the grassroots efforts needs to occur, not through state government. The structure, as currently established, works because it is working through our local communities on behalf of the students and families in those communities. As we know, the current State Board represents different geographic areas across the state. And this allows constituents from all walks of life to feel like they are fairly represented. Our teachers are making measurable positive impacts, and our districts have support and the proper oversight through our local and our State Boards. We will continue to improve upon these healthy trajectories by the infrastructure we already have in place. To pull the credibility away from the Department of Ed would insinuate that our Nebraska system is fractured, when that, in fact, couldn't be further from the truth. Nebraska schools are not just the lifeblood of our communities, but they serve as models to all other districts across this country. Why would we intentionally jeopardize that? I have to ask what qualitative or quantitative data do we have to suggest that this resolution will improve our educational outcomes for our students? I would also question the potential political influences surrounding the titles of the Commissioner of Ed and the Governor as it pertains to party affiliation lines for both Republican and Democrat. It stands to reason that this would be a less compromising scenario if the commissioner would continue to report to a representative board of education. I also, too, worry about how our educational experiences for students and expectations for staff will be compromised as Governors with varying political ideologies are elected. This resolution appears to be a blatant response to buzzworthy topics like the health standards, like critical race theory. And it makes me sad that these reactionary decisions of this sort would be hard to overturn once this is no longer a hot topic. An amendment of this sort

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makes serving our students a political battleground. By canceling out our current structure of the Nebraska State Board of Education and our commissioner, will we end up with the unintended consequences where we have canceled out our communities? Thank you for your time today.

WALZ: Thank you very much. Questions from the committee? I don't see any. Thank you so much for coming today. Next opponent.

MAJOR DWAYNE MAYS: Senators of the Education Committee, I am Major Dwayne Mays: Major, M-a-j-o-r, Dwayne, D-w-a-y-n-e, Mays, M-a-y-s, and I'm representing the Lincoln branch of the NAACP, and we oppose LR278CA. The NAACP is the largest civil rights organization in this country, and has advocated for the rights, including education rights, for all citizens. It is our mission to advocate, encourage, and support fair and equitable education for all students. Through our collaborative effort with Nebraskans for Peace, Let's Talk Alliance, and other community partners, we have worked harmoniously with Commissioner Blomstedt and the Department of Education for policy explanation and to make suggestions to current policies. We have also discussed the recruitment and the need for diversity of teachers in Nebraska and what strategies are needed. There is a need for more teachers, to include teachers of color to provide a more balanced learning opportunity for all students. It is also our desire to allow and encourage the teaching of a truthful representation of the history of Nebraska and the United States, its successes and failures. Failure to teach and expose students to a complete history of racism and its impact on the citizens of this nation is to deprive a learning experience that increases the likelihood that false narratives will continue to flourish in our state. This ignorance breeds prejudice, systemic racism, and distrust. Resting public education in the hands of the Governor, as proposed in LR278CA, is a, is not a wise decision and should be rejected, as has been done in previous years. Education is best left in the hands of experts who are trained in education and not politically motivated by various distractions. The citizens of Nebraska need dependable focus on education in a systemic way that involves review and public input. When educators are not allowed to, the right to create teaching of students, such censorship places the Governor and the Legislature in a Big Brother role as a censor. The intent of the commission and the Department of Education is to provide independence and creativeness in the teaching and learning process. They stimulate and motivate minds to be creative, not limited by prejudice, but minds that can be in, independently discern differences. LR278CA would dissuade administrators, teachers, students, and higher learning institutions from doing what they have been assigned to do, that is to teach and to

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encourage our students to be creative and to be the best that they can be. Instead, they would be dealing with the Governor's political agenda. Voting no on LR278CA keeps the state education leadership in the hands of the public rather than transferring this control to the Governor and subjecting the commissioner to drastic shifts in policies and leadership every four years. Decisions in the hands of many has proved to be more effective than placing such a decision in the hands of a few, as in LR278CA. Therefore, please vote no or oppose LR278CA.

WALZ: Thank you very much. Questions from the committee? I see none. Thank you for coming today; we appreciate it. Next, opponent? I just want to give a reminder to try to watch the light system as you're giving your testimony.

RACHEL BENZONI: I'm going to time myself. I did debate in high school. I know what I'm doing. Good afternoon. My name is Rachel Benzoni, R-a-c-h-e-l B-e-n-z-o-n-i, and I am a doctoral student, education policy at UNL, and a public school teacher in Omaha. I appreciate the opportunity to testify today in strong opposition to LR278CA. Sorry, didn't want to go off. Oversight of our education system has a strong, proud history of being a nonpartisan voice for all Nebraskans. This model has served us well. Doing away with this nonpartisan, democratically-elected board, which oversees our children's education, in order to concentrate power in a partisan appointee sets a dangerous precedent and reveals far more about the intentions for this position than is immediately apparent. This is made clear in page 1, lines 13 through 17 of this resolution, which states that this appointee shall have "such powers and duties as the Legislature may direct" and that the Governor shall set their compensation. This appointee would then be beholden to the Governor and, therefore, would not be directly accountable to the parents and children whose education-- over whose education they would exercise significant control. We must also acknowledge the conflict of interest posed by this resolution sponsor. For the second time this legislative term, she failed to get enough support for a bill which would defund public schools against the express wishes of Nebraskans and her own constituents. Now she wants to erase their voices, those who she professes to represent. And for what purpose? It is not too far of a reach to imagine that, with right-wing extremists who are increasingly occupying positions of legislative power, someone unbound by a sense of civic duty and propelled by the lunatic fringe of QAnon conspiracies could be elected and secure a dangerous hold on Nebraska's educational policies through the appointment of an official with no experience and no interest in promoting the equitable and inclusive public education our young people deserve. This nation's teachers are on our knees, begging not

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to have to choose between our students and our licenses. You'll have to pardon me that I do not trust any Governor, Democrat or Republican, to make unilateral decisions about our students' well-being at this time. There will never be a good argument against democracy. Thank you.

WALZ: Thank you very much. Questions from the committee? I'm just curious, what grade do you teach?

RACHEL BENZONI: High school science.

WALZ: High school science, thank you. Thank you for coming today.

RACHEL BENZONI: Thank you.

ABBI SWATSWORTH: Thank you, Senator Walz and senators of the Education Committee, for the opportunity to provide testimony today as a part of the committee record. My name is Abbi Swatsworth, A-b-b-i S-w-a-t-s-w-o-r-t-h. I am the executive director of OutNebraska, a statewide nonprofit working to celebrate and empower lesbian, gay, bisexual, transgender, and queer/questioning Nebraskans. Nebraskans value education. OutNebraska believes that school leadership should be locally generated, with communities electing local and state school board members and providing direct access between the community and the leadership of our schools. LR278CA will abolish the State School Board and thereby remove community access to school leadership. From the National Association of State Boards of Education, "Functioning as a citizen's voice in state education, state boards of education serve as an unbiased broker for education decision making, focusing on the big picture, articulating the long-term vision and needs of public education, and making policy based on the best interests of the public and the young people of America." And to Senator Murman's point, I do believe that there are more parents aligned with the health standards and the motions of the State School Board than we heard from at meetings. I attended a number of those meetings, and they were quite contentious. It was not a safe space. It was not a space that was easy to be in support of the standards act, so I do believe, while it seems there is a huge disconnect, I think that disconnect is somewhat smaller than it appears from a vocal minority. We believe that without a state school board, that perhaps greater Nebraska communities would not have a voice in state level education decisions as power is consolidated under the Governor. Furthermore, the current formation of the State School Board and their role in hiring the education commissioner allows for nonpartisan leadership focused on equity for all of Nebraska's students. When the education commissioner is a

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government appointee, I fear that the role of the commissioner will become more partisan in nature. And for these reasons, among others, we respectfully request that LR278CA not advance. And I am happy to answer questions. Thank you.

WALZ: Thank you. Questions from the committee? I don't see any. Thanks for coming today.

ABBI SWATSWORTH: You bet.

SARA SKRETTA: Good afternoon, Senator Walz and distinguished members of the Education Committee. My name is Sara Skretta, S-a-r-a S-k-r-e-t-t-a. I'm the certification officer at the University of Nebraska-Lincoln, but I'm here today representing the Nebraska Association of Colleges for Teacher Education, or NACTE. NACTE serves as a state chapter, representing all Nebraska educator preparation programs approved by the Nebraska State Board of Education. Institutional members include: Bellevue University, Chadron State College, College of St. Mary, Concordia University, Creighton University, Doane University, Hastings College, Midland University, Nebraska Wesleyan, Peru State College, Union College, the University of Nebraska at Lincoln, Kearney, and Omaha, Wayne State College, and York College. NACTE is testifying in opposition to LR278CA. The democratic process should not be altered regarding Nebraska education, and local control, exercised by electing members to the State Board of Education, is something we contend must be continued. The election process allows the people of Nebraska the opportunity to make changes to the board composition when they believe it should be made. LR278CA removes the ability of Nebraska residents to participate in educational policymaking through election to the State Board of Education. The importance of an independent elected State Board of Education reflects the state's longstanding commitment to the guidance and oversight of educational policy, as stated in Nebraska's Constitution. NACTE believes this independence must be maintained to ensure consistent educational leadership for Nebraska schools. This is a key factor in maintaining the high level of education performance demonstrated by Nebraska students. LR278CA would result in an education system that is inherently political rather than one focused on educational policy. Having a Commissioner of Education appointed with each Governor to serve that political party or possible personal agenda would be detrimental to P-20 education and all education decisions. NACTE opposes LR278CA and respectfully requests that the committee indefinitely postpone this measure. Thank you for your consideration. I'm happy to answer any questions.

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WALZ: Thank you. Questions from the committee? Senator Pansing Brooks.

PANSING BROOKS: Thank you for coming today. I appreciate it, Ms. Skretta. So you, so the-- you, the NACTE organization meets with all of these teacher education colleges and universities?

SARA SKRETTA: Yes, it's the educator preparation programs of the universities, it's that organization.

PANSING BROOKS: OK, and so that group then comes together and decides to promote or oppose something. And you've decided to oppose this.

SARA SKRETTA: Correct.

PANSING BROOKS: Thank you.

WALZ: Any other questions? I see none. Thanks for coming today.

SARA SKRETTA: Thank you.

WALZ: Anybody else who would like to speak in opposition? Anybody who would like to speak in the neutral capacity?

ANTHONY SCHUTZ: Hello, my name is Anthony Schutz, A-n-t-h-o-n-y S-c-h-u-t-z. I'm a professor of law at the University of Nebraska College of Law. I focus on state constitutional law, structures of government and that sort of thing. I wrote a book on the Nebraska State Constitution, so we've studied it for, for a number of years. And so I got asked to come down and testify in a neutral capacity to see if I can answer any questions that the group has with regard to our constitutional development. So I mean, I decided to testify in a neutral capacity, in part because I'm a university professor, but also government is just hard, right? There's no very good way to do it. So I mean, if we have a State Department of Education or not, and they're elected or appointed, at the end of the day, it's really a matter of having good people committed to doing a good job. And the electoral process, at the State Education Department level, actually does help us find really good people who care a great deal about what they do. And that, I think, is a value that's worth considering as you're trying to figure out whether or not we should present this to the people. As far as state constitutional law goes, we have-- we're like many states that adopted their constitutions in the late 1800s. We don't trust governors very much. We have a very fragmented executive branch. If you think about the State Auditor, the State Treasurer, the Attorney General's Office, the Secretary of State, all independently elected of the Governor's office, right? It's much, much different

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than the federal government. There's two ways in which we fracture the executive branch. One is sort of a way of, sort of, distrusting the Governor. And that's why I think the Treasurer, the Secretary of State, the Auditor, those folks are independently elected. But the other relates to specialization, and that's what we see with something like the Board of Regents and I think that we also see with something like the State Department of Education. There the effort of fragmentation is meant to sort of reflect the political heat associated with a particular topic, but also the need for expertise in dealing with that topic. And so the State Department of Education plays a pretty significant role in terms of trying to figure out how best to manage a very politically contentious topic, a very important topic. I mean, the reason why this board, this body gets so many people down here so often is because people care a great deal about education. Local school boards draw a lot of attention. The State Education Board draws a lot of attention, at least when they do something that is controversial. And that's because people care so much. So I don't know if I have any great answers for you in trying, in trying to figure this thing out. But in terms of the reason why we have a State Department of Education that's elected, I attribute it to a need for specialization, but also that political heat that the, that the subject brings to bear. If you think about this from the Governor's perspective-- and I'm not the Governor and I wouldn't speak for the Governor at all-- I don't know that I would want responsibility for the Department of Education over the last two years, right? So the existence of a State Department of Education does help alleviate some of that heat from that office. Also, if I'm a voter, I don't want to go to the polls and have to choose one person, based upon their performance in education, natural resources, and all of the other things the Governor has control over. So I don't want to trade education for a canal project, right, when I'm voting for, for, for education, when I go to the Governor. So political accountability is actually a more complicated thing than I think we, we appreciate sometimes. But in any event, I'm happy to answer any questions you might have. I know it's getting late and it's nice out, so--

WALZ: Thank you. Any questions? Senator Murman.

MURMAN: Thank you, Senator Walz-- Chairman Walz. I, I think on the, on the upper part of the ballot, people realize who they're voting for. And then when you get far enough on the down-ballot to where it's really local people like school, local school boards, city council, and so forth, people know who they're voting for. But kind of in between is an area that people really don't know a lot about who they're voting for.

ANTHONY SCHUTZ: I just--

MURMAN: Do you have a-- kind of an answer?

ANTHONY SCHUTZ: Well, I, I'm on the board of the Lower Platte South NRD, and I don't think anybody knows who I am, right? And so that's a mid-ballot sort of place, I think, a regional kind of government. ESUs, you know, even NPPD, those sorts of folks, like it is really hard to keep track of that. But when they get out of line, people know. And I, I don't know. I mean, political accountability is sort of difficult. I don't know how many people know who you folks are, right, at the end of the day. And we know who the Governor is, but state legislators? I don't know that you're famous when you go out there in the world, maybe more famous than I am, as the Lower Platte South NRD director. But political accountability, I think, is pretty difficult. I don't know if there's a great solution to that other than active engagement by the population. We should sic somebody on the curriculum associated with civics. I wonder who we could ask for that.

MURMAN: Thank you.

ANTHONY SCHUTZ: Thank you.

WALZ: Thank you. Any other questions? I see none. Thank you so much for coming today.

ANTHONY SCHUTZ: Thank you.

WALZ: Anybody else who would like to speak in the neutral capacity? Senator Linehan, you're welcome to close. We did have 4-- 53 position comments for public hearing. I'm not going to name them all. We had 4 proponents and 49 opponents and 0 neutral.

LINEHAN: First of all, I know it was nice out today. And I didn't ask people to be here, so the fact that we're still here is not on me. As a matter of fact, the Chairwoman asked me to make sure we didn't have a lot of people and I complied. So--

WALZ: Thank you.

LINEHAN: Yeah. So I think, Senator Pansing Brooks, I didn't understand. I've looked at this again, this list. My point is, almost all the states have strong governor input. He either appoints the board and then the board-- we're one of the few states where the Governor has nothing to do with it. So I'm not saying this is the perfect solution, but I think it's something we should talk about. As

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far as the history of this-- and I really, I think we should get that law professor to leave his card so we can contact him when we're doing these things. That was very helpful, and I have a lot of questions for him. From the statement of Committee on Education, dated March 20, 1951, it says: Local school people and laymen alike, in their respective states, should wholeheartedly support proposals to strengthen their state departments of education as a bulwark against federal domination of education. So that's what drove it. So we're [INAUDIBLE] from this. I'd say the-- kind of the most frustrating thing I'm seeing this afternoon is that this isn't political. They run for office, they get elected; it's politics. It might not have an R or D by the name, but our job is political. Do we have an R or D by our name? And when you're in elected office, it's political. So when the Nebraska Education Collaboration claims it's outside, keep it outside of the realm of partisan politics, it's not. Then we had a testifier who's on the school-- there's eight people on the Board of Education-- eight. This is from the woman from Norfolk, which was nice of her to come down. One is a former superintendent, three are former teachers, and one has a doctorate and taught college students. So five of the eight are from the education world. I'm not saying that's bad, but it's not exactly balanced. Also, I can't remember-- another one. The result would be an inherently political. It is inherently political. And finally-- and I do appreciate the NAACP being here-- but as Cheryl Logan said when she came to testify on our funding bill, the Department of Education has not been tremendously-- well, I'm going to-- I shouldn't quote her, but we can look at her own testimony. But back in 2007, there was a huge agreement made in Omaha and Sarpy County, that we were going to have a Learning Community, and we were going to fix the education gap, and everybody was going to buy in, and we're going to have open enrollment, and we're going to have kids bused to wherever they wanted to go. And slowly, since 2007, the Department of Education, through several fix-it bills and this bill-- and it came up last year when we had a bill on the floor-- they have done away with every-- the vast majority of that agreement. So I'm not sure we can look to them to fix the fact that we don't have enough teachers of color or, frankly, even enough teachers, period. Happy to take questions.

WALZ: Questions from the committee? Senator McKinney.

McKINNEY: Thank you, Senator Walz, and thank you, Senator Linehan. I guess my fear is what I asked somebody else earlier, that the Department of Education would turn into what the Department of Corrections is, and then we'll have the commissioner coming to

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hearings saying, I can't be an advocate for bills and things like that.

LINEHAN: Here, here's what I would-- first of all, I understand where you're coming from, and it's huge, you've got a lot of issues there. And as unfortunate as it is, the truth is people are not as focused on our issues at the Department of Corrections as they are about the kids in school. If you have people-- people care. Another thing that I-- this'll give me an opportunity to throw this in there-- I hear from superintendents, I have since I've gotten here, that nobody comes to their school board meetings. Nobody complains to us. No, you have their children. You're not going to go into a school where your kids are there and raise holy hell. You call your legislatures. So I think a Governor-- if people aren't happy with the schools or the commissioner, the Governor will act. And the other thing, I'm going to go back to this. We don't have-- as the commissioner himself said, during the pandemic, when all hell was breaking loose and we didn't know what to do, they joined hands with the Governor, and they did so because they needed that power to kind of calm everybody and drive the bus forward. I think it'd be a good idea if they had that power all the time. But I do understand your concerns; it's legitimate.

McKINNEY: Yeah. No, I just don't want it to turn into what I feel the Department of Corrections is, as far as when the director comes to Judiciary. So--

LINEHAN: Right.

McKINNEY: Thank you.

LINEHAN: You're welcome.

WALZ: Any other questions? I see none. That closes our hearing on LR278CA, and it will open our hearing, our last hearing today on-- let me find it-- LB1143.

LINEHAN: Good afternoon. Good evening, Chairperson Walz and fellow members of the Education Committee. For my record-- for my record-- for the record, my name is Lou Ann Linehan, spelled L-o-u A-n-n L-i-n-e-h-a-n, and I represent District 39. Today, I'm introducing LB11, 11-- excuse me, LB1143. My tire is kicking in. School districts that want to build a new building or renovate a current building ask their voters to approve bond issue for a specific dollar amount. When the request is not approved by the qualified electorate of the school district, the school district looks for alternative methods to finance

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their building project. The most common alternative methods are to raise revenue through property taxes in a special building fund or to enter into a cooperative agreement with another public political subdivision. I'm aware of two schools, and I didn't go looking for this, it came to me. I'm aware of two schools that have partnered with their ESU to create an alternative financing source to fund their building projects. Each of these partnerships will be issuing bonds to fund the building projects, and I handed out the stories that my staff actually found. In the case of Beatrice, I'm from that area, so I got phone calls on Beatrice. Beatrice Public Schools and ESU 5, it entered into an agreement to build a new, brand new consolidated elementary school by issuing bonds to pay for the project. And they had a bond election twice to do this, and it failed. The people said no. So they found another way to do it. Wahoo Schools and ESU 2 have entered into agreement with to-- to pursue issuing bonds for an addition to the middle and high school facility and renovation of the cafeteria. Each of these schools and the ESUs held community meetings and presentations to notify the public of the use of the bonds as a financing method for the building projects. While community meetings have been held, issuing bonds to pay for these building projects do not require a vote of the people in the school district or the ESU. Not being required to have a vote of the people on financing the project using bonds is the objection I have with this alternative method of financing buildings. When you go and get a bond, you are incurring debt and that's debt against your house or your farm or whatever property you have. I have the same objection to using a special building fund revenue for building projects without a vote of the people. LB1143 would require that any joint entity created to provide funding for the building projects by the Nebraska School District or Educational Service Unit to hold an election before issuing bonds to fund a building project. An affirmative vote of the majority of their qualified electorate is required to pass a bond issue. These provisions become effective on or after the date of this act. If the question of the bond issue is defeated, it shall not be resubmitted for a period of six months. So I looked at these-- I don't know if they left my underlines in here. So on the one about Wahoo. If you go to page three of six. It's, I think-- is yours outlined, you have a circle on yours? You don't. OK, it's the paragraph, it's one, two, three, four, five, six down, it starts with quotes. At this point, there have been zero decisions made, he said. I think it's the superintendent, if I remember right. There is nothing on paper I can share with anybody. That's a quote. The next paragraph says we're given acknowledged that the district has hired MCL Construction to operate as a construction manager at risk for the project. He said the

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company will provide greater assurances of cost before we get to the point of making any decisions as to exactly what's going to be constructed. The district also hired BVA architecture to provide facilities evaluation and long-term planning. OK, those-- both those things can't be true. You can't have contracts hiring people to do stuff, and yet there is no paper available for anybody to look at. I mean, people get frustrated with the press, but we're supposed to think when we read news stories. They do a good job of reporting. The press is saying right there, there's no paper that it be shared and then they say, there's two contracts. In Beatrice my understanding is there was two bonds, they both failed. They have-- they had their little neighborhood elementary schools, people like them and they're closing four of them and moving, I think, to where they built the new high school. I just-- I have a problem with elections and people saying no and then finding workarounds. And I don't think it builds trust with your public. Thank you.

WALZ: Any questions from the committee? [LAUGHTER] I don't see any. First proponent.

CURTIS HAVELKA: Good afternoon. My name is Curtis Havelka, C-u-r-t-i-s H-a-v-e-l-k-a. I'd like to thank Senator Linehan for introducing this bill. It's very important. I am a taxpayer from the Wahoo School District. I've come today to give testament of the way that our school district disrespects the wishes and concerns of its citizens. Let's start with a performing arts theater that was built around the year 2010 for a cost of 38-- or \$3.8 million. The bond issue was voted down twice, but the board thought that they should have it. They wanted it, so they found a way to get around it, and they put it up with the loopholes and alternative funding that-- that-- that's available. That bill will be-- that will be paid off in the year 2033. So, long time. Three years ago, the local public school board attempted to pass a bond for more classroom space. They were clamoring about more classroom space; we're overcrowded. This bond was originally for \$30 million. In an effort to make things more acceptable, they lowered their asking to \$26 million. I called one of the board members and asked how they reduced the bond from 20-- from 30 down to 26 and the response was, they cut out half the classrooms. Left an expansive plan was a new 2,000 seat Astroturf football field, a new track, a new top low performance gym, a new administrative offices, new doors, windows, carpets and tiles in all the existing classrooms and bathrooms. So let's do a little math here. The bottom was for \$26 million, minus the last half of the-- for the classrooms of \$4 million equals \$22 million for nonclassroom items. The Wahoo Public School District collects taxes on 100 percent of the taxpayers, but only educates 70 percent of

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the students in the district, thanks to three parochial schools. They are spending 100 percent of our tax money on 70 percent of the students. Where would we be if the need was for all? Last night, the school board approved going forward on a project costing around \$45 million using the interlocal avenue, the loophole. The irony of this whole thing is that if they didn't have the ability to find alternative funding for the auditorium, the classrooms additions could have been put in that same area, that same space years ago for a fraction of the cost that this is going to be, a fraction. Our taxes are around 80 bucks an acre-- well, that's not what it was-- OK, state of Nebraska costs per student is \$14,495. The average of the surrounding states is \$12,187. That's a difference of \$2,300. The amount-- that amounts to \$30,000 per student, each graduating student. Multiply the \$30,000 times 21,000 students that graduate every year in the state, that comes out to \$630 million that's wasted. I see the red-- red light. Anyway.

WALZ: Thank you. Let me see if we have any questions. Questions from the committee? I do not see any. Thank you so much for coming today. Next proponent? Any opponents?

JASON ALEXANDER: In your documents that are being passed around, you'll see the slideshow that we presented in our community that I'll reference in my-- in my presentation today, so. And then facts and questions in a press release that was done as well. You're almost there, last hearing, last day, I'll try and be both, be brief and be seated. My name is Jason Alexander. Good afternoon, Chair Walz and Education Committee members. J-a-s-o-n A-l-e-x-a-n-d-e-r. I'm the superintendent for Beatrice Public Schools and I'm here today in testimony of opposition to LB1143. I've been honored to be the superintendent of Beatrice since 2018. First, a very brief snapshot of our school, our school district. We have one high school, three elementary schools, one preschool and one alternative school that's offered in conjunction with our local ESU 5 at that site. We have 2,000 students overall, with a thousand of those students being in the preschool through fifth grade. The district was cited with 28 life-safety violation codes in 2017. Twenty-four of those life-safety codes have been corrected. That means there's four left. Those are not correctable without-- and due to the scope of those, the cost of those projects, those are not easily fixed. Thus, we have a very clear and compelling duty to take action to address those issues. This is not a want-to, this is a half-to. Last spring, the health inspector visited our four elementary schools and wrote us up with two violations for our 1952 gymnasiums that are-- that are currently being used as kitchens and lunchrooms for our elementary students. We've

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affectionately renamed them kitchenasiums. Telling us we need to install kitchen sinks in the closets in which the food is transported in from the high school, cooked at 9:30 in the morning, kept in warming trays until 11:30 in the morning, and then served to our students, and we're concerned about masks. The community of Beatrice has failed, as Senator Linehan said, multiple bond issues, five of six to be exact. Post bond issue surveys indicate the reason for that is because of a tax increase. There's been a plethora of overwhelming support and thank-you's from our community on how we've solved this issue without raising taxes to build a new school for our kids that desperately need it. Which brings me to my point this-- why this bill is defective. Since 2017, the school board has been searching for another avenue other than a bond issue which raises taxes, which the taxpayers don't want, to solve these issues related to safe-- life-safety code violations, security concerns, ADA compliance deficiencies, and inequities related to special needs and general education of the PK-5 buildings. This is why we have partnered with our Educational Service Unit to create the Southeast Nebraska Education Agency to secure bonding upfront, authorize the project to over 30 to 40 years, and operate within the budget parameters established by state law utilizing our building fund to pay off the debt service. This bill would unnecessarily usurp local authority when the means we are using respects the taxpayer wishes to remain within our levy limits and revenue generating authority. I'll stop there, even though I have one more sentence and take questions if there are any.

WALZ: OK. Questions from the committee? I would just like a little bit more explanation on how this whole process works.

JASON ALEXANDER: Sure.

WALZ: Thank you.

JASON ALEXANDER: You bet. Basically, what's happened and to sum it all up, there's been multiple bond issues that have failed. And those at the end of the day when those surveys have been sent out as to why those bond issues have failed is because people don't want their taxes to go up. We've heard that clamor for years. So in my-- upon my arrival in 2018, the board charged me with the task of figuring out a way to build a building without raising taxes. The interlocal agreement act allows us as a school district to partner with another-- another public entity. Could be a city, could be a county, could be whatever local public entity we want to, but it made the most sense with the Educational Service Unit in our district that has the same

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mission we do of serving kids, to partner together to figure out a way to solve this problem. So we created that agency and under the interlocal agreement act, that agency then has the powers to go out and secure funding, bonds to pay for a project of this sort as long as we finance it and amortize it and schedule it out to the 40-, 30-, 40-year timeframe that we pay for it within the parameters that are established within the budgeting confines of the state of Nebraska. We don't exceed the \$1.05 levy cap. We use our building fund. We-- we tax into the building fund to pay for it and we pay for it over the 30-, 40-year amortization time frame that is established, what-- however, that factors out that we pay for it on an annual basis. So we have an annual debit service payment.

WALZ: OK, you say you tax the, the bond. Is that what you just said? I'm sorry it is getting late.

JASON ALEXANDER: Yeah, it is.

WALZ: Just really trying to understand how the--

JASON ALEXANDER: Sure.

WALZ: How are you paying it back, I guess? How, how-- where is the money coming from because you're not raising taxes, so how is that happening?

JASON ALEXANDER: Great question. Currently, the levy limit is \$1.05. We are taxing 10.3 cents into our building fund. And here's the reality. That 10.3 cents is going to do one of two things: It's either going to pay for a new school that eliminates all the inefficiencies of having four cooks, eight custodians, bus routes, excess para educators. We're either going to use that 10.3 cents to become a more efficient school district, which I would think our taxpayers would like, and build a new building, or we're going to put lipstick on the pig of four old buildings that we can never get up to code because of the cost of the sheer renovation of the project.

WALZ: So it's 10 cents within the \$1.05 that you already have.

JASON ALEXANDER: Correct.

WALZ: OK.

JASON ALEXANDER: Yep. So taxes do not go up.

WALZ: All right. Thank you for that explanation. It helps a lot.

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JASON ALEXANDER: Sure.

WALZ: Any other questions from the committee? Senator Murman.

MURMAN: Why was the ESU the place to go to do this partnership?

JASON ALEXANDER: Primarily because of the fact that they have the same purpose we do, which is servicing kids in the state, in our community and in the state, for that matter. So it just made sense that with the same mission, we come together to provide the same service.

MURMAN: And sorry, I should probably know this, but does that ESU serve several school districts in the Beatrice area?

JASON ALEXANDER: There are nine others with Beatrice.

MURMAN: So just part of the building that you're partnership, partnering with ESU would be the Beatrice section, I guess, of the building or how would that work?

JASON ALEXANDER: No, the-- the building is-- is all Beatrice's building. The Educational Service Unit just comes along as the partner to help us with the financing piece under the interlocal agreement. So the other nine districts that the Educational Service Unit supports have absolutely nothing to do with the project whatsoever. This is strictly related to Beatrice and the Educational Service Unit, and Educational Service Unit in the agreement has no obligation to any-- any financial source whatsoever. So they-- they are not on the hook, so to speak, for any type of financial commitment whatsoever.

MURMAN: Thank you.

WALZ: Any other questions? I have one more. Was it \$1.05 before they started-- were you at \$1.05 prior to that?

JASON ALEXANDER: Yes.

WALZ: OK.

JASON ALEXANDER: And, and for-- for historical purposes, as an equalized school district, we've been \$1.05 for many years. We're under the state per pupil cost average and will be \$1.05 even after this, because we will have to address those issues in our buildings. So that \$1.05 tax levy will not go away. We're simply choosing to listen to our voters and not raise taxes.

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WALZ: All right, that makes sense. Thank you. Any other questions? I see none. Thank you for being here today.

JASON ALEXANDER: OK, thank you.

WALZ: Next opponent.

ERIN CHADWICK: OK. Good afternoon, Senator Walz and members of the committee. Evening, I guess. My name is Erin Chadwick, E-r-i-n C-h-a-d-w-i-c-k, and I'm here today in opposition of LB1143 as a member of the Beatrice Board of Education, as a small business owner in Beatrice, as a former economic developer in Gage County, and as a concerned citizen of the great state of Nebraska. In a community like Beatrice, appearances matter and Beatrice Public Schools aren't going to win an award for best-dressed anytime soon. But here's the issue. Our schools are facing much more than an appearance problem. Beatrice is in a unique situation. Our elementary buildings have reached the end of their useful life and are increasingly unsafe environments for our children. The air quality, even before standards raised, thanks to COVID-19, is anything but quality in our 1950s buildings. The asbestos-lined hallways, the ceiling tiles that function better as kindling than for their intended use, the outdated electrical systems and boilers, the corroded pipes that bring drinking water into our schools, they're failing us and they're hazardous to the health of our youth. Our district has worked relentlessly to maintain these buildings, but it's difficult to piece together parts for obsolete systems and astronomically expensive to replace them. Knowing that our buildings will continue to decay despite our best efforts at maintenance, our district has tried and failed on numerous occasions to partner with the community to correct these issues and update our facilities. In a community like Beatrice, whose farmers shoulder the bulk of the area's property taxes, where people have a choice between public and parochial schools, and where we share workforce and taxation issues just like the rest of the country, it's crucial that districts across the state have multiple tools available to us to be able to provide for the basic life, safety, and environmental needs of our students and staff. Simply put, the community doesn't want their property taxes raised, and their vote against that is effectively a vote in favor of the district continuing to operate inefficiently by throwing millions of dollars into Band-Aids for our buildings. I was elected by my community three years ago to represent the voices of those who checked the box next to my name. Their vote authorized me to make decisions to the best of my ability with the tools available to me as a board member. Their vote empowered me to become as educated as I could about our district, about school finances, operations and

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about board servicership so that I would have the ability to weigh the needs of the schools with the wants of the community. I don't work for the school district and I'm not just a resident. I'm a school board member, a liaison between school and community whose most important mission is to do what's best for the children, our future of Beatrice. LB1143 takes that away from me and erodes at the very fiber of local control. At the end of the day, I'm accountable for my actions on the board and I have constituents to answer to. In a small town like Beatrice, that means something. Those who voted for me know where to find me and how to contact me. They also know that if I failed in my role on the Board of Education, they have the opportunity to call my actions into question and vote me out of office come November. This is the beauty of local control, and again, why I am urging you today to vote against LB1143. Thank you.

WALZ: Thank you. Any questions from the committee? Senator Murman.

MURMAN: Thank you. Do you think if there was a more fair way to finance other than property taxes, that it might be more accepted by the community?

ERIN CHADWICK: Yeah, I truly think that in our community, especially because those are the folks that I speak with, they don't want their property taxes raised. They want our kids in buildings that are safe and that are modern and conducive for learning in today's age. So, yeah, I think that if there were other alternatives, other tools for us to be able to use, then those would be more acceptable. And I think that our community as a whole has been very welcoming of this idea. It's very rare that I have people stop me on the street to thank you for my service on the school board, but since we have introduced this idea and partnered with ESU 5, I've had multiple people stop me grocery shopping or at church or wherever it may be and tell me thank you. So zero people have reached out to tell me that they are opposed to what we're doing, so.

MURMAN: Thank you.

ERIN CHADWICK: Yeah, absolutely.

WALZ: Any other questions? Well, first of all, I'm glad that people know who you are. [LAUGHTER]

ERIN CHADWICK: Yeah.

WALZ: That's positive.

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ERIN CHADWICK: Yes.

WALZ: I, and this-- I should have probably asked the testifier before--

ERIN CHADWICK: Yes.

WALZ: --but, and if you don't have the answer, it's fine, but you talked a little bit about cost savings regarding, you know, the staff and the maintenance. Have you done a cost analysis on the efficiency of one building as opposed to the current situation that you're in right now?

ERIN CHADWICK: We have, and Jason would have those numbers. I do not have those numbers, but we can certainly get them for you.

WALZ: All right. Thank you.

ERIN CHADWICK: Yeah.

WALZ: Thank you for your service.

ERIN CHADWICK: Yeah.

WALZ: Anybody else? OK, thank you.

ERIN CHADWICK: Thank you.

BRANDON LAVALEY: OK, good afternoon. Chair Walz, members of the Education Committee, my name is Brandon Lavaley, B-r-a-n-d-o-n L-a-v-a-l-e-y, superintendent of Wahoo Public Schools in Wahoo, Nebraska. I'm here today representing the school district in which I'm honored to serve providing educational opportunities and spaces to over 1,100 students whom reside in and around Saunders County. You have your written-- my written testimony in front of you. I'm going to try to tell our story at Wahoo. Wahoo is a unique community. We have two very good school systems within our community, one being a public school, one being a private school. With that, there also come challenges. Over the last 45 years, there's been one bond issue passed. I think four others have failed over time, with the most recent one which I was in town for serving in this position. Upon failure, we formed a committee, we call it a Community Advisory Committee, to help us move forward. We have means. We're a growing school district. Our buildings are at 100 percent capacity, elementary, middle school, high school. We have to come up with some solutions. The committee was composed of a cross-section from within

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the district. Whether you look at gender, age, school affiliation, whether you voted yes or no on the bond issue, what your occupation is, we tried to spread it out as-- as best we could. What came from that Community Advisory Committee were two points. One, a bond will not pass in Wahoo. You should seek alternative financing. Two, don't raise our levy. We took that information. The school district and the board took that information and tried to find ways to-- to make a project fit within those parameters. Through the interlocal agency, what we're trying to move forward with, the levy does not go up. It has to fit under the building fund. That's where those funds are coming from over time. Historically, we've levied the max in the building fund at 14 cents because we knew we had problems coming. We knew we had to have solutions not just for new space, but also to take care of the space we had. Part of that 14 cents will be committed to paying off in this interlocal agency. I'm going to stop there and I'm going to allow for questions. You have my written testimony. I'd be happy to address anything you guys have at this time.

WALZ: Questions from the committee? OK, I have questions.

BRANDON LAVALEY: Yeah, absolutely.

WALZ: Can you kind of tell me about the, the need for why you're asking for this, like in your community, what's the story? What's the story behind your school? Why do you--

BRANDON LAVALEY: Sure. So as a district, we continue to see growth. Over a 20-year period, we've averaged probably 1.25 to 1.5 percent growth per year in student enrollment. So that's taking us in-- and I don't want to screw up the numbers too bad, but in 20-some years we've gone from 843 students to 1,100 students that we're serving within our buildings. That fit 20-some years ago when those buildings were where they were. That does not fit today when you have-- and we've had two different firms come in and confirm this number, but we're overcapacity in our elementary school for the number of students we can serve, the middle school and the high school. We're just packed. We're doing the best that we can. The teachers are absolutely doing the best they can. We continue to grow. Wahoo is in a great spot. We're about 20 miles west of Omaha, 20 miles north of Lincoln. We have a lot of families coming to Wahoo who may work out of town, but still want that small town feel. Right now, we have a 90-lot development directly north of the school. The city and the school have both done studies that show one to 1.5 students per new house built in town or within the district. Ninety lots, minimum 90 students. There's also consideration of a couple other developments near town that are

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getting ready to be finalized. We're trying to-- we wanted to get ahead of it with the bond issue in 2018. We weren't able to do that. Now we're trying to play catch up.

WALZ: OK. And it's basically the same process that was explained by the-- OK.

BRANDON LAVALEY: Yes. Everything is in open public meetings. Everything is advertised. It's as transparent as can be.

WALZ: OK, thank you.

BRANDON LAVALEY: Sure.

WALZ: Any other questions from the committee? Oh, I do have one more, I'm sorry.

BRANDON LAVALEY: Absolutely.

WALZ: Do you-- is there a-- would you be able to share like the cost analysis with us if you have--

BRANDON LAVALEY: A cost analysis regarding?

WALZ: Like the efficiency of a-- it's probably not the same situation.

BRANDON LAVALEY: It's not quite the same situation. Part of what we're doing involves an HVAC renovation that needs to be done that would be within the renovation piece as opposed to a new addition piece. I can get that part for you, but it's a little bit apples and oranges to what Beatrice is doing.

WALZ: Right. Yeah, I-- I thought of that after I asked the question, so.

BRANDON LAVALEY: Yeah. Sure.

WALZ: All right, I think that's good. Thank you so much for coming in today.

BRANDON LAVALEY: OK, thank you for your time.

BRENDA McNIFF: Hello. Good evening. Good evening, Chairman Walz and members of the committee. My name is Dr. Brenda McNiff, which is B-r-e-n-d-a M-c-N-i-f-f. I'm the administrator of Educational Service Unit 5, located in Beatrice. I've been the administrator for five years and then have worked at the ESU in different capacities for the

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past 20 years. I will testify today in opposition of LB1143. Entering into an interlocal agreement was not a decision that ESU 5-- that ESU 5 Board took lightly. To the contrary, the decision was made with great thought, deliberation, and with the ESU's mission of service and support in mind. As you heard during previous testimony related to the Beatrice Public Schools Building Project, a number of public meetings discussing the current elementary building conditions and options to address those issues were held. Furthermore, numerous decisions and deliberation with legal counsel, the Beatrice Public Schools Board, and the ESU 5 Board occurred. Every effort was made to ensure transparency, as together we navigated this unique opportunity to build a safe and secure elementary building that would serve the Beatrice community for children-- and children for years to come. As an example of a few points we considered, during public meetings there was little to no opposition to the elementary building project. ESU 5 receives no monetary gain when entering into this partnership, and the creation of the interlocal would not raise the levy for the school district. The mission of ESUs is to serve and support our schools, our students, and the people of Nebraska. ESUs are oftentimes referred to as an invisible asset to school districts. We work from the expectation of efficiency and effectiveness to be good stewards of taxpayer dollars to provide school districts what is needed and necessary, to innovate-- innovate whenever possible, and to use economy of size to drive costs down. In this instance, and after much deliberation and transparency, the ESU 5 Board elected to support the school district and community through this interlocal partnership. Thank you again for accepting my testimony, and I'm open to any questions should you have them.

WALZ: Thank you.

BRENDA McNIFF: Um-hum.

WALZ: Questions from the committee? Senator Murman.

MURMAN: Thank you, Chairman Walz. You mentioned that the creation of the interlocal would not raise the levy for the school district. As you know, levy is only half of the equation, and I assume the valuation went up, so the tax asking would have increased.

BRENDA McNIFF: The valuation could go up and certainly, yes, the tax asking could go up. But that \$1.05, I mean, obviously they're up against that lid of \$1.05. That would not increase. And that our board, when they were deliberating about it was, that was if it would have been a situation where that-- say they were at 80 cents, if they

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were a district that is at 80 cents amount, they would have increased that to do this, our board would have said no, because no, we're not in the business of doing that.

MURMAN: Yeah. But even though the levy did not go up, the taxes actually went up because valuations went up.

BRENDA McNIFF: Certainly, they could, yeah.

MURMAN: Thank you.

WALZ: Any other questions? I have a couple of quick questions. First of all, you held public meetings. Can you just kind of tell me how the feedback-- what was the feedback on the idea received by the public?

BRENDA McNIFF: Right. So there were six public meetings held, and I went to five of them because I wanted to hear firsthand because this, you know, as I said in here, it was unique. Nobody's ever kind of done this before. And so, you know, when Jason approached me about it, you know, certainly I had a lot of questions. My board had a lot of questions. But one of the things was the public meetings. And so, you know, as I went to those, Jason presented on the condition of the buildings. You know, he gave you the PowerPoint there and then opened it up for questions. And surprisingly, you know, certainly there was a few questions about, OK, how does this work, kind of like you asked in the beginning, OK, now how does this work? You're going to build this building and not raise the taxes. You know, lots of questions like that. Questions more so then after that question was answered of, OK, so what's the building going to look like? Or, you know, where would it be located exactly? Questions like that then. Like I said, there was little-- I was-- I was really surprised there was little to no opposition at the meetings. And then even after, you know, we went through this whole process, our board voted, their board voted, we did form the agency. I still thought, OK, now I might get some people coming to the ESU or calling the ESU and I have-- I haven't heard any for or against. You know, nobody stopped me on the street, but most people don't know the ESU administrator either. But you know, I've just heard no discussion directly to me. Certainly, I know people in the community that I've reached out to and say, what do you think about it, but--

WALZ: OK. And then my other question is, if this were to pass, how would you see the ESU educating and carrying out a vote if they were approached by a school district?

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BRENDA McNIFF: Well, so you're talking the portion in the bill that talks about, OK, if there is, you know, in this bill, if-- if they were to create this interlocal agency and there had to be a vote for the bond, whatever the ESU covers, all those people have to vote, correct. That's--

WALZ: Yeah.

BRENDA McNIFF: That would be very difficult. So ESU 5 covers Gage, Jefferson and Thayer Counties. So there's 10 districts in those-- in that county. And I mean, just the fiscal piece to getting that kind of election, and then, you know, you really-- I look at it as we have a board of voted on individuals that represent those areas, so there's-- it's a 7-member board and, you know, those people are the voices for those other communities. If you are trying to get a vote, you know, first for a building that's going to be built in Beatrice that has no ramifications on taxes or something in Hebron, boy, that would be awful hard to do. I mean, really difficult to do and really kind of take away that local control from a-- you know, so it might be Beatrice community is in favor of it, and it could be voted down by Hebron, Bruning, Davenport and Deshler in Thayer County that really wouldn't have anything to do with it.

WALZ: OK, that makes sense.

BRENDA McNIFF: Yeah.

WALZ: And then if this were to come up again, what other conditions would you possibly consider?

BRENDA McNIFF: Well, you know, when we-- we talked about, we, and I-- we meaning myself and our board, so we were approached in June or July, and this was actually finally voted on in October. So this wasn't a quick thing. And one of the things that we had to consider is if we're doing this kind of agreement for Beatrice, could we do it for the rest of our schools? You know, what if they all asked and what would that look like? And so we-- we created a checklist of, you know, an actual checklist that has probably 10 items on it that we would consider if another district would reach out and say, hey, can we do something like this? So it would have things on it, like I mentioned before, are you going to increase taxes because there's-- you know, your levy? If you increase your levy, then no, we're not going to be a partner. Will this affect the ESU's ability to provide services to other districts? You know, if it does, we're not going to do it. Have you had transparency in your community? Have you held those community

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meetings? Have you-- so we have those requirements, that checklist that-- and I presented that to all of my superintendents. So we're very transparent with all the other superintendents in the area, too, of-- OK, here's the-- here's what you'd have to have in place if you're even asking me to do something like this. So the board is really deliberate with that.

WALZ: OK.

BRENDA McNIFF: Now--

WALZ: Would you be willing to share that checklist?

BRENDA McNIFF: Sure.

WALZ: OK. I'd appreciate that.

BRENDA McNIFF: I can do that.

WALZ: Thank you. Any other questions? I don't see any. Thank you so much for coming.

BRENDA McNIFF: Yep. Thank you.

WALZ: Anybody else wants to speak in opposition? Anybody want to speak in the neutral capacity? All right, Senator Linehan, you're welcome to close. And for the record, position comments for the hearing record, we have five proponents and two opponents.

LINEHAN: So I don't think-- I'm not-- I don't think the language of the bill, I just reread it, and I was standing up because my back is killing me, they can do it. They just have to have a vote of the people. I'm not saying they can't do it. The bill wouldn't keep them from doing it. It just that they have to vote. So if it's popular and nobody's mad, I don't know why it wouldn't pass. So on the \$1.05 levy and the 14 cent building fund, that means if they weren't doing this, their levy would be 9 cents. I mean, there's no thing like, money just doesn't create itself. So it is-- you can say it's not a tax increase; but if you weren't doing it, your levy would be 89 cents. So I just think the people, if you're going to put a debt on your school district that's going to last 30 to 40 years, the people ought to vote on it.

WALZ: Any other-- we'll have coffee later?

LINEHAN: I wanted-- before the sun goes down.

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WALZ: Any other questions from the committee? I don't see any. That ends our hearing on LB1143 and our hearings for the day.

LINEHAN: Thank you.