

ONE HUNDRED FOURTH LEGISLATURE - FIRST SESSION - 2015
COMMITTEE STATEMENT
LB343

Hearing Date: Tuesday February 03, 2015
Committee On: Education
Introducer: Kolowski
One Liner: Provide funding for schools offering certain programs and courses as prescribed

Roll Call Vote - Final Committee Action:
Advanced to General File with amendment(s)

Vote Results:
Aye: 5 Senators Baker, Cook, Kolowski, Morfeld, Pansing Brooks
Nay: 3 Senators Groene, Schnoor, Sullivan
Absent:
Present Not Voting:

Verbal Testimony:

Proponents:

Senator Rick Kolowski
Jim Sutfin
Dan Novak
Galen Boldt

Jennifer Creager
Brian Maher
David Ludwig
Jon Habben
Randy Schmailzl
Frank Harwood
Virginia Moon
John Bonaiuto
Jay Sears

Representing:

Introducer
Millard Public Schools
Elmwood-Murdock Schools
Schools Taking Action for Nebraska Children's Education
Greater Omaha Chamber
Kearney Public Schools
Educational Service Unit Coordinating Council
Nebraska Rural Community Schools Association
Metropolitan Community College
Greater Nebraska Schools Association
Nebraska Council of School Administrators
Nebraska Association of School Boards
Nebraska State Education Association

Opponents:

Representing:

Neutral:

Representing:

Summary of purpose and/or changes:

Legislative Bill 343 would provide implementation grants for programs of excellence, dual-enrollment courses, and career academies, and reimbursements based on the students successfully completing such programs, courses, and academies.

Analysis by Section

Section 1 would state Legislative findings that:

1. Public schools in conjunction with educational services units (ESU's) should offer courses of increased rigor and relevancy, including, but not limited to, programs of excellence, dual-enrollment courses, and career academies;

2. The startup and ongoing costs, including, but not limited to, curricula, textbooks, testing fees, postsecondary tuition, technology, equipment, staffing, and staff training, can often exceed the available resources; and
3. It is in the best interest of the state to provide dedicated funding to public schools through ESU's for such programs, courses, and academies.

Section 2 would provide the following definitions:

1. Career academy would mean a career academy established pursuant to section 79-777;
2. Dual-enrollment course would mean a course taught to students for credit at both a high school and a postsecondary institution accredited by an accrediting organization recognized by the U.S. Department of Education; and
3. Program of excellence would mean a nationally recognized program offered in the high school grades that includes a curriculum and pedagogy, professional development, and a rigorous external assessment.

Section 3 would require the Department to approve and reimburse school districts through their ESU's for each student completing a program of excellence, dual-enrollment course, or career academy if the school district has applied through its ESU. The reimbursement dollar amount has yet to be determined. The State Board of Education would be allowed to adopt and promulgate rules and regulations to determine the mechanisms for successful student completion. Funds received pursuant to this proposal would be considered special grant funds for purposes of the general fund budget of expenditures.

Section 4 would provide the procedures for reimbursements. An ESU could apply on behalf of a school district to the Department for reimbursement. The district would provide documentation of the number of students in each program, course, or academy for which reimbursement is requested and the number of students successfully completing each program, course, or academy. Reimbursements would not be given for programs, courses, or academies, taken prior to July 1, 2016. Applications would be submitted not later than August 1, beginning in 2017. The grants would be awarded and distributed after September 1 and no later than October 1.

Section 5 would provide grant funds to offset the initial implementation costs for programs of excellence, dual-enrollment courses, and career academies. School districts would apply to the Department through their ESU's no later than August 1 of each year beginning in 2016 on forms provided by the Department.

Applications would include, but not be limited to, the program, course, or academy to be implemented, the projected number of students, an itemized listing of the projected expenses, and other information deemed necessary by the Department. Expenses would include, but not be limited to, textbooks, curricula, program fees, postsecondary tuition, technology, equipment, staffing, staff training, and other expenses specifically related to implementation.

Grants would be limited to no more than 49% of the total cost. The program, course, or academy would be required to be implemented within 2 years after the grant approval date. If not, the district through the ESU would return the entire amount to the Department. Grants would be distributed no later than December 1 of every year.

The College and Career Readiness Fund would be created. Money in the fund would be invested by the state investment officer pursuant to the Nebraska Capital Expansion Act and the Nebraska State Funds Investment Act. The fund would be used for implementation grants, which would be considered special grant funds.

Section 6 would state an intent to appropriate \$3 million in lottery funds from the Education Innovation Fund for 2015-16 for implementation grants. For 2016-17 and each fiscal year thereafter, implementation grants would be funded as determined by the Legislature. An intent would also be stated to appropriate \$7 million from the General Fund for 2016-17 for reimbursements based on successful students.

Emergency clause would cause the measure to take effect when passed and approved.

Explanation of amendments:

The Committee Amendments replace the original provisions with modified concepts from Legislative Bills 343 and 402.

As amended, the measure would provide for distance education funding and for reimbursements to school districts through their educational service units (ESU's) based on students successfully completing programs of excellence, dual-enrollment courses, and career academies. The reimbursements would constitute a new funding program, but the distance education funding would replace distance education incentives that are set to expire on June 30, 2016. Both the reimbursements and the distance education funding would begin with the 2016-17 fiscal year and would be included in the special receipts allowance in the Tax Equity and Educational Opportunities Support Act (TEEOSA).

Analysis by Section

Section 1 would state Legislative findings that:

1. Public schools in conjunction with educational services units (ESU's) should offer courses of increased rigor and relevancy, including, but not limited to, programs of excellence, dual-enrollment courses, and career academies;
2. The startup and ongoing costs, including, but not limited to, curricula, textbooks, testing fees, postsecondary tuition, technology, equipment, staffing, and staff training, can often exceed the available resources; and
3. It is in the best interest of the state to provide dedicated funding to public schools through ESU's for such programs, courses, and academies.

Section 2 would provide the following definitions:

1. Career academy would mean a career academy established pursuant to section 79-777;
2. Dual-enrollment course would mean a course taught to students for credit at both a high school and a postsecondary institution accredited by an accrediting organization recognized by the U.S. Department of Education; and
3. Program of excellence would mean a nationally recognized program offered in the high school grades that includes a curriculum and pedagogy, professional development, and a rigorous external assessment.

Section 3 would provide application procedures for reimbursements. Educational Service Units (ESU's) would be required to apply on behalf of member school districts to the Department for reimbursement. The district would provide documentation of the number of students in each program, course, or academy for which reimbursement is requested and the number of students successfully completing each program, course, or academy. Applications would be submitted not later than August 1, beginning in 2016, based on completions during the immediately preceding fiscal year. The grants would be awarded and distributed after September 1 and no later than October 1.

Section 4 would require the Department to approve and reimburse school districts through their ESU's for each student completing a program of excellence, dual-enrollment course, or career academy if the school district has applied through its ESU. Reimbursements would be calculated by dividing the statewide number of approved completions into the appropriation and multiplying by the district's approved completions. Funds received pursuant to this proposal would be considered special grant funds for purposes of the general fund budget of expenditures.

Section 5 would require the State Board of Education to adopt and promulgate rules and regulations to carry out the reimbursement provisions, including, but not limited to, mechanisms for determining successful student completion.

Section 6 would provide state a legislative intent to appropriate \$2 million for 2016-17, \$5 million for 2017-18, \$7 million for 2018-19, and \$10 million for 2019-20 to carry out the reimbursement provisions.

Section 7 would amend section 79-1007.13 by including distance education funding and the reimbursements in the existing special receipts allowance in TEEOSA. The allowance funding from other state sources to be reflected in the expenditures and receipts of school districts without negatively impacting equalization aid.

Section 8 would amend section 79-1018.01 by specifically referencing distance education funding and the reimbursements as other actual receipts, which allows for recognition in the special receipts allowance. Without the specific references, both funding sources would still be included in other actual receipts as other miscellaneous state receipts.

Section 9 would amend section 79-1028.01 by allowing school districts to exceed their budget authority for the first year

that the district receives distance education funding and to build that amount into the base for future budget growth. The new budget exception would replace an expired budget exception. The reimbursements for career academies, dual enrollment, and programs of excellence would be treated as special grants and would be outside of the budget limitations.

Section 10 would amend section 79-1201.01 to apply the definitions used for the expiring distance education incentives to the new distance education funding.

Section 11 would provide for the new distance education funding. Beginning with 2016-17, funding would be provided by the Department of Education to school districts and ESU's for sending qualified distance education courses, including, but not limited to, two-way interactive video courses, coordinated through the ESU Coordinating Council. Applications would be due annually on or before August 1 and would specify:

- a. The qualified distance education courses which were received by students in the membership of the district in the then-current school fiscal year and which were not taught by a teacher employed by the school district; and
- b. For each course, the number of students in the membership of the district who received the course and the educational entity employing the teacher.

The Department would certify the funding to each district and ESU on or before each September 1 to be paid on or before October 1. The funding for each district would be calculated by:

- a. Each district would receive one distance education unit for each qualified course sent as reported;
- b. The amount available for distribution would be divided by the number of units to determine the value per unit, except that the value per unit could not exceed \$1,000; and
- c. The funding for each district would equal the units multiplied by the value per unit.

The department could verify any or all information using annual curriculum reports and could request verification from the Council. School districts and ESU's would be allowed to appeal any denial of funding to the State Board of Education on or before October 1 of each year. A representative of the district or ESU would have an opportunity to present information concerning the appeal at the November Board meeting. If the Board finds the course met the requirements, the district or ESU would be paid the amount they should have received as soon as practical. The State Board would be required to adopt and promulgate rules and regulations. An intent would be stated to appropriate \$500,000 for 2016-17 and amounts as determined by the Legislature thereafter.

Kate Sullivan, Chairperson