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Education Committee  
February 22, 2016

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[LB739 LB903 LB904 LB967 LB1067]

The Committee on Education met at 1:30 p.m. on Monday, February 22, 2016, in Room 1525 of the State Capitol, Lincoln, Nebraska, for the purpose of conducting a public hearing on LB1067, LB903, LB904, LB739 and LB967. Senators present: Kate Sullivan, Chairperson; Rick Kolowski, Vice Chairperson; Roy Baker; Mike Groene; Bob Krist; Adam Morfeld; Patty Pansing Brooks; and David Schnoor. Senators absent: None.

SENATOR SULLIVAN: Welcome, everyone. This is a public hearing before the Education Committee. My name is Kate Sullivan of Cedar Rapids, I represent District 41. And like you also to meet the members of the Education Committee who are here. We'll start with the Vice Chair.

SENATOR KOLOWSKI: I'm Rick Kolowski from District 31 in southwest Omaha. Thank you.

SENATOR SCHNOOR: Dave Schnoor, District 15, which is Dodge County.

SENATOR BAKER: Senator Roy Baker, District 30: southern part of Lincoln, southern Lancaster County, and all of Gage County.

SENATOR GROENE: Senator Groene: Lincoln County, North Platte.

SENATOR SULLIVAN: We have three other additional members who I suspect are either in Executive Session or introducing bills in other committees, so they will be joining us shortly. We have some staff that assist us today. To my immediate left is Tammy Barry, who is one of the legal counsels for the Education Committee. And to my far right is Mandy Mizerski, who is the committee clerk and will make sure that we have an adequate record. Senator Krist, we're just introducing members of the committee. Would you like to introduce yourself?

SENATOR KRIST: Bob Krist, District 10.

SENATOR SULLIVAN: We also have two pages who are helping us: Brook Cammarata from Omaha is a student majoring in UNL...majoring in advertising and--no, UNL? Yeah, advertising and political science; Annie Himes from Omaha, also a student at UNL, majoring in Russian, global, and studies in history. We have five bills, all of which have to do with the Learning Community, that we will be hearing today: LB1067, LB903, LB904, LB739, and LB967. If you're planning to testify we'd ask that you pick up a green sheet that is on the table at either entrance to the hearing room. If you do not wish to testify, but would like your name entered into the official record as being present at the hearing, there is a separate form on the table to do that

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as well. Regarding the green sheet, we ask that you fill it out before you come up to testify. Please complete it in its entirety and then give the sign-in sheet to the committee clerk when you come up. If you have handouts, we ask that you have 12 copies for the pages to hand out to the committee. And when you do come up to testify, please speak clearly into the microphone, tell us your name and spell both your first and last names again so that we get an adequate record. Perhaps I don't need to say this, but please turn off your cell phones, pagers, anything that makes a sound, so that we can devote our attention to those who are testifying. We will be using the light system. And I was...kind of went back and forth about this, but the conversations that we've had among the staff and considering everything, we are going to limit testimony today to three minutes. So as you testify the green light will be on. When you have one minute remaining the yellow light is on, and when the red light is on we ask that you complete your testimony. I think those are really all the housekeeping details, so at this point I will turn it over to the Vice Chair. We've had Senator Morfeld join us, so welcome, Senator Morfeld.

SENATOR MORFELD: Thank you.

SENATOR SULLIVAN: And I'll turn it over to the Vice Chair.

SENATOR KOLOWSKI: Thank you, Madam Chair. And welcome, Senator Sullivan. [LB1067]

SENATOR SULLIVAN: (Exhibit 1) Thank you, Senator Kolowski and members of the committee. My name is Kate Sullivan, K-a-t-e S-u-l-l-i-v-a-n, from Cedar Rapids, representing District 41, here today to introduce to you LB1067, which makes substantial changes to this entity that we know as the Learning Community. You also know that it was something that was created before any of us were in this body. And even though we've talked about it and we've heard about it, before I go into the details of the bill I think a little bit of background is necessary. And first, also, I want you to know that I have been working with the 11 member superintendents of the Learning Community for really over two years to craft a proposal that we, meaning the superintendents and myself, can support. And that's what you're going to be seeing in LB1067 today, but first a little bit of that background. Whatever circumstances or actions precipitated the legislation that created the Learning Community, I believe the intent was there that there should be a mechanism for all the school districts in our one metropolitan area of our state to work together for the betterment of all kids in that area so that we didn't leave behind a struggling inner city. One of those mechanisms within the Learning Community model was and still is the common levy, again the intent that by pooling resources there could be a strengthening of the entire educational effort in the larger community. But of course, as you well know and we have seen, the common levy has become more of a wedge than a tool. There also have been other components of the Learning Community that some have viewed as barriers, more barriers than help to educating students. But where is the Learning Community today? In spite of the barriers

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that I just mentioned, there are many good things happening as a result of the Learning Community. There are elementary learning centers in north and south Omaha, superintendents are working together in a variety of collaborative ways. Currently the Learning Community has the ability to levy 1.5 cents for efforts in early childhood development, curbing truancy, dealing with other educational barriers, and the superintendents are totally engaged in those efforts. The Learning Community also has a strong evaluation effort to actually see what practices are making a substantive difference in improving achievement among at-risk children. I want all of those things to continue and I hope and think they will. But here are the changes to the Learning Community that I propose in LB1067. They are changes that I believe will make the Learning Community even more effective, and it should be noted that all that I'm introducing are changes that would be implemented in the '17-18 school year. I've got a little bullet sheet I wish the...if the pages would pass this out, that really just kind of gives you simple bullets of the key components of LB1067. But I will elaborate on them just a little bit. As I said, the common levy under LB1067 would be eliminated, but the 1.5 cent levy authority for early childhood development efforts and other achievement barrier programs remain, as does the 0.5 cent levy for elementary learning centers. LB1067 proposes transition aid to be provided for three years to those districts who actually see their aid decreased with the elimination of the common levy. The Learning Community Coordinating Council, made up of elected representatives, stays in place. However, LB1067 removes school board members from the coordinating council. One of the unique components of the Learning Community model has been what's called open enrollment. Under LB1067, open enrollment converts to option enrollment and to that end I think a few details would be worth mentioning. First of all, open enrollment has meant that a student could go to any of the member Learning Community districts if their districts had capacity. With this proposed change, current open enrollment students would be able to stay where they are until the grades offered in that building have been completed. But going forward, students would have the opportunity to option under the option program. Priorities would be given to siblings, students who had been open enrollment students in the district, students contributing to socioeconomic diversity, and other students in the Learning Community. Some of the changes proposed in LB1067 with respect to the movement from open to option enrollment will actually apply to all school districts in the state, even those outside the Learning Community. Districts would have to include open and option enrollment information on the fall membership report that they give to the Department of Education. Option students in any district in the state who qualify for free lunches would be eligible for either free transportation or reimbursement. Now districts are required to provide reimbursement. And furthermore, all districts would be required to establish policies regarding transportation for option students. And in the case of the Learning Community, districts would have to inform the Learning Community Coordinating Council of their policies. LB1067 removes the Learning Community Coordinating Council from the decision-making process when there is...there are reorganization plans afoot or boundary changes with...that involve school districts. The agreement for the changes would rest between the school districts that would be impacted. And then the final agreement must be submitted not

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to the Learning Community Coordinating Council, but directly to the State Reorganization Committee for approval. And then another new feature proposed in LB1067 is something called a community achievement plan. LB1067 requires Learning Community school districts to come together to create a community achievement plan. The plan indicates how the participating school districts are going to collaborate to address barriers to achievement, again, whether that be poverty, mobility, truancy, whatever. And if approved by the State Board and if the participating districts agree to participate for a three-year period, then those districts get state aid equal to 5 percent of their poverty allowance. I will also say that this model of implementing a community achievement plan has the potential to be replicated in other parts of the state. If school districts, working with their ESU, can come up with a plan and it gets approved by the State Board, they also will have the opportunity to get this additional aid equal to 5 percent of their poverty allowance. Because of this collaboration that might take place within and with an ESU, that's another reason that I'm adding a Learning Community administrator to the ESU Coordinating Council as a nonvoting member. Couple of other things that really aren't on your bullet sheet, but I think are worth mentioning that are components of LB1067: Regarding collaboration, I'm requiring that two members of the Learning Community Coordinating Council meet with the Learning Community administrators at least twice a year to look and review this community achievement plan. And secondly, with respect to the common levy, there has been a lot of attention and comments about people looking at their tax statements. Well, when the common levy would go away under this proposed legislation, a taxpayer would no longer see the 95 cents going to the Learning Community on their tax statement, but it's conceivable they would see then a larger amount--the higher levy for their respective school district--on their tax statement, so just to make that clarification. To conclude, I would just like to say a lot of hard work has gone into this proposal on the part of a lot of people and I thank them for all of this effort. One of the things that I've always wanted to do, and if you remember when I first started my comments about what I believe to be the intent of the Learning Community, was to build an environment of collaboration and communication for the betterment of kids throughout the whole area. I think LB1067 retains that philosophy and that model within the Learning Community as the proposed changes. I also want you to know and remind you that I've selected LB1067 as my personal priority. I hope you will see fit to eventually advance LB1067 to the floor for debate and ultimate passage. Thank you very much. [LB1067]

SENATOR KOLOWSKI: Thank you, Senator Sullivan. If I may, just a couple of comments and questions for you. First of all, thank you for all the work that went into this that has involved all the superintendents and many other members of our Legislature. And we thank you for that effort that has brought this forward. On the questions on your bullet points on the sheet, the Learning Community administrator, adding that person to the ESU Coordinating Council, are you saying that would be a superintendent or one of their designated individuals from their district? [LB1067]

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SENATOR SULLIVAN: One of their administrators. [LB1067]

SENATOR KOLOWSKI: Thank you. It would not have to be the superintendent himself or herself. [LB1067]

SENATOR SULLIVAN: Right, right. [LB1067]

SENATOR KOLOWSKI: Thank you very much for clarifying that. Also, for your points of clarification that, thank you...that this is a state law, it is not just a Learning Community law for Douglas and Sarpy County. It's a really important piece that can be looked at and modified as we're looking at these suggested plans at this point in time. And that has application for many districts across the state if they so desire to move in that particular fashion and that's important. The fifth bullet down on the reorganization process, again, that you stated it I think, but briefly, that that's all about the boundaries or borders of districts and as they would move into a different way of settling disputes or selling land to one another or whatever they'd like to do. Is that correct? [LB1067]

SENATOR SULLIVAN: Yes, exactly, and under this proposal that decision making would no longer have to be vetted through the Learning Community Coordinating Council. [LB1067]

SENATOR KOLOWSKI: Thank you so much. Questions for Senator Sullivan? Senator Krist, please. [LB1067]

SENATOR KRIST: First just a comment and then a question. The fact of life in a short session, that is the even-numbered year in a biennium, is that occasionally someone has to declare a priority prior to an actual hearing and getting a bill out. I appreciate your thoughtful request to have the bill go out of committee. I just want for the record to let everyone know that has never compelled me. It's always been what the bill is about and what the substance matter is about. I think too often we see our colleagues, some of our colleagues, putting undue pressure on a committee and we as individuals shouldn't feel that way. But I do appreciate your request. And did you want to comment about that? [LB1067]

SENATOR SULLIVAN: And, well, and I hope in doing that it was just simply to state a fact of what I did and in no way to put some pressure. Certainly we'll...this will be fully vetted today at this hearing... [LB1067]

SENATOR KRIST: Yeah. [LB1067]

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SENATOR SULLIVAN: ...and fully vetted in our Executive Sessions. [LB1067]

SENATOR KRIST: And I think that's important to put on the record and just those of us who have been around for awhile understand it's a fact of life and we have to deal with it, but in no way should you feel that this is a compelling statement. The second is a question, a legitimate question, and I understand that this is...when we finish this, if this is the vehicle we use, it becomes state law. I've heard a lot of discussions about agreements that have been made about we'll do this with the boundaries, but you've got to do this with the levy or we'll do this with this or we have to do this with this. Essentially with those kind of agreements or handshakes or discussions that have happened, because I understand that you've been working with the superintendents, have those kind of handshakes, agreements, and conversations been at least paid attention to as you've drafted this as it currently states? [LB1067]

SENATOR SULLIVAN: No. I stand by what I said at the onset and also in my closing is that what I have worked hard for is to retain what I've felt was the reason behind the Learning Community to begin with: I'm looking out for the kids. [LB1067]

SENATOR KRIST: And I respect that and I thank you for that. It's just we've heard so many handshakes and barroom deals, if you will, being talked about in terms of things that have happened, and I think it should be about the kids, so I appreciate that. [LB1067]

SENATOR SULLIVAN: And my conversations really have been in many, many meetings with the Learning Community superintendents and I'd have to say you'll hear from all of them, but I think their intentions have been that as well. [LB1067]

SENATOR KRIST: Thank you, Chair. [LB1067]

SENATOR KOLOWSKI: Senator Groene, please. [LB1067]

SENATOR GROENE: So we get rid of the common levy. Doesn't it...they just go into the TEEOSA formula and they don't lose any state aid, do they? I mean property tax will reapportion, but more state aid will come into each school. So why do they need transition money? [LB1067]

SENATOR SULLIVAN: Well, there will be approximately three school districts that...because of that, the pooling of resources with the common levy, there have been some that have obviously gained through it, and that was one of the conversations in moving away from the common levy.

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I said, okay, let's just have this transition aid so that you don't lose anything in the process. You're right, going forward, you know, they'll...the formula will work. [LB1067]

SENATOR GROENE: So it's either state aid or it's property taxes, but their total pot of money will be the same. [LB1067]

SENATOR SULLIVAN: Yeah, um-hum. And the transition aid, I will say, it will decrease proportionally over a three-year period, so they'll get the larger amount the '17-18 school year. And then for the next two years it will... [LB1067]

SENATOR GROENE: Will that transition money be put into their needs formula or is it outside of that? [LB1067]

SENATOR SULLIVAN: I think it's outside of that. [LB1067]

SENATOR GROENE: It should be, but...all right, and then the Learning Community stays. [LB1067]

SENATOR SULLIVAN: Yes. [LB1067]

SENATOR GROENE: And they got their 2 cents for poverty. Why do they need more money for poverty when they got a poverty allowance in the formula? [LB1067]

SENATOR SULLIVAN: Well, I've tried to recognize that there are some challenges to dealing with poverty in a metropolitan area, and that was one of the conversations that I had with the superintendents over a long period of time. But I wanted two things to happen. I wanted some accountability in if we were going to provide some more monetary support and I wanted to make sure that they were working together to...in the process of getting that additional support. So that's what you see with the community achievement plan. [LB1067]

SENATOR GROENE: Is this working together outside of the Learning Community? [LB1067]

SENATOR SULLIVAN: No. [LB1067]

SENATOR GROENE: Are they working with the director of the Learning Community and the Learning Community board? [LB1067]

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SENATOR SULLIVAN: Well, they're working together amongst themselves. But as I said, there will be a requirement at least twice a year for two members of the Learning Community Coordinating Council to meet with the superintendents to look at the community achievement plan and see how things are going. [LB1067]

SENATOR GROENE: Thank you, Senator. [LB1067]

SENATOR KOLOWSKI: Any other questions, please. Senator Sullivan, I want to thank you for your comments on the superintendents and how well they have worked together, coordination, communication. Cooperation has been a world apart from where things started a decade ago. And it's truly evident as we see the progress that's been made and your reactions to improving the Learning Community to keep this in the proper direction. Thank you very much. Any other comments at all? Okay. Can we have proponents please come forward. Dr. Riley. [LB1067]

KEVIN RILEY: (Exhibit 2) My name is Kevin Riley, K-e-v-i-n R-i-l-e-y. I'm the superintendent of the Gretna (Public) Schools and I'm here to testify in support of LB1067. It was the fall of 2006. The Learning Community Reorganization Act had been passed and the superintendents from the 11 school districts met in Omaha. It was tense. But as we began to talk about children and collaboration, we started to sketch out an initial rough draft of a joint belief statement. One of our beliefs back then, ten years ago, was to seek an increase in poverty and ELL funding with accountability and to spend any increased funds on programs and services that close the achievement gap. A second belief was that no school district should be financially penalized for being in the Learning Community. The law was amended in 2007 and 2008 and it's always been good people trying to do the right thing--senators, superintendents, school board members. I'm going to focus on the poverty funding and the 95 cent General Fund common levy, as they are inextricably linked and have been since the very beginning. Poverty funding: We're fortunate to live in a state where its Legislature recognizes poverty in the state aid formula. Not all do. But it's time to increase our commitment to this growing need. As educators, we're the first to see the collective effects of poverty on children and we see it every day. LB1067's community achievement plan is smart and efficient. It moves us forward in three ways: it increases poverty funding; there are accountability measures; and it advances best practice poverty education in our state. Please make sure that this funding is ongoing, predictable, and sustainable. The 95 cent General Fund common levy: Although never intended to be, it's turned into an exhausting diversion. On one side it's seen as a way to increase funding for high-poverty schools. But the resources cannot be generated within the property taxes of the two counties to have any long-term effect. The math doesn't add up. For others it's been hurtful, even stifling in regards to their staffing, their programming, and their facilities. LB1067 removes the diversion of the 95 cent General Fund common levy. I want to thank Senator Sullivan for working with us, listening to us, guiding us, putting up with us, and for authorizing and prioritizing this bill. Winston Churchill said a long time ago, you can always count on Americans to do the right thing--after



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they've tried everything else. It's now in your hands as committee--again, good people trying to do the right thing. Good luck and thank you. [LB1067]

SENATOR KOLOWSKI: Thank you, Dr. Riley. Any questions for Dr. Riley, please. Senator. [LB1067]

SENATOR KRIST: Following along with your quote from Sir Winston, do you think this is the right thing? [LB1067]

KEVIN RILEY: Yes. We've been at this for 11 years and we've never really changed the superintendents from those initial scratched-out priorities. We knew back then that this was really about poverty funding and ELL funding. And it takes awhile for people outside of education to understand and trust that the problem really exists. It's 11 years later and that's still...we're still in the same position. That's an issue. I think disparity of income is the challenge of our lifetime. In regards to the common levy, it hurts districts more than it helps anybody and it just kind of shuffles around a few million dollars in about a billion dollars of combined budgets. And we're calling it good. And I think it's diverted us away from our collaborative effort to recognize poverty and ELL. And so, yes, it's time and it's time to change it, it's time to improve it. [LB1067]

SENATOR KRIST: Thank you. [LB1067]

KEVIN RILEY: Yes. [LB1067]

SENATOR KOLOWSKI: Senator Groene, please. [LB1067]

SENATOR GROENE: So this will fix it, another \$17 million? When we have a poverty allowance, we pad our Learning Community, all of it is extra money, why didn't that money fix it? Why does this \$17 million all of a sudden on top of the poverty allowance plus the 2 cents, the Learning Community didn't fix it? [LB1067]

KEVIN RILEY: This is... [LB1067]

SENATOR GROENE: And you say this will fix it. [LB1067]

KEVIN RILEY: I said it's going to improve it. [LB1067]

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SENATOR GROENE: More money. [LB1067]

KEVIN RILEY: The \$17 million has to do with I think the anticipated cost to the state. About \$5.5 million of that is because collectively we've lost money as 11 school districts because we've been lumped together. And so that comes back to all the school districts and is divided up proportionately. But in the process...so that's \$5.5 million of that money. As that money then comes back to districts, there's going to be a few districts that are going to become unequalized and there's a number of school districts that are going to lose... [LB1067]

SENATOR GROENE: I understand that. [LB1067]

KEVIN RILEY: ...our state aid. Gretna will lose a few million in state aid. We will recoup that in property tax, okay? So that's a moving number. [LB1067]

SENATOR GROENE: But, excuse me, but I look here. This last year you've got \$21,000 in poverty allowance, the year before, \$18,000, so poverty isn't a big issue for you. [LB1067]

KEVIN RILEY: No, it's not, no. In a district like Gretna you see it more in terms of some...a smaller percentage of folks, a smaller percentage of children, and a community like ours can wrap our arms around that need. [LB1067]

SENATOR GROENE: Thank you. [LB1067]

KEVIN RILEY: When you get above 50 percent, you can't wrap your arms around it anymore. [LB1067]

SENATOR GROENE: Thank you. [LB1067]

SENATOR KOLOWSKI: Any other questions? Senator Riley...Dr. Riley, thank you very much. Dr. Sutfin, welcome. [LB1067]

JIM SUTFIN: (Exhibit 3) Thank you very much. Good afternoon. Madam Chairperson, members of the Education Committee, my name is Jim Sutfin, J-i-m S-u-t-f-i-n. I am the superintendent of the Millard Public Schools and I will be testifying in favor of LB1067. Senator Sullivan, I wish to just take a minute just to say thank you for your work with the 11 superintendents. So where have we been in the last 10, 11, 12 years? We saw a lawsuit that was filed against the state surrounding poverty education. We saw a one city, one school district

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takeover attempt. We saw the largest school district in the state of Nebraska broken into three separate districts and then put back together again. A Learning Community was formed and two common levies were put in place: a 95 cent common General Fund levy; and a 2 cent property tax levy. A focus on poverty and early childhood education in the Learning Community was established. And today we have a chance to testify in favor of LB1067, a significant piece of legislation that will help us better define the role of the Learning Community and help students in Douglas and Sarpy County. Because of time constraints, it is impossible to testify on each piece of legislation. All of the components of LB1067 are important and beneficial. I will use my time to address several. The Millard Board of Education has always stood behind the elimination of the Learning Community since its inception, even though we benefit under the 95 cent common levy. It is our belief that no school district should be financially penalized for being a member of the Learning Community and that the structure of the Learning Community should not duplicate school board governance. When the Learning Community was formed there was a phase-in that helped Sarpy County, and the fact that there is a phase-out in this bill for districts that benefit under the common levy is extremely helpful. Millard is currently the third-lowest spending school district per student in the state of Nebraska. LB1067 eliminates the duplication of Learning Community and school board responsibilities and leaves intact the common property tax levy that works and improves a unique and useful partnership in Douglas and Sarpy County. Work on boundaries, option enrollment, and transportation is a significant piece to LB1067. One thing that I would like to see included in LB1067 is the returning of core service dollars to school districts. Currently, the Learning Community receives an appropriation of \$650,000 in ESU 3 and ESU 19 for the evaluation of \$7.5 million worth of programs. That is 9 percent. The current evaluation models, which we want strong evaluations, does create four areas of concern. One, the Learning Community evaluations are incomplete because of student privacy issues. Two, current Learning Community evaluations mask the names of school districts, resulting in an inability to study and take a look at best practice. Three, districts create their own evaluations in order to gather data to make informed decisions about programs that they administrate. Four, duplicate work is time consuming, inefficient, and expensive. I have attached three examples for your review. Added language that says "up to, but not in the excess of, \$650,000" opens the door to changing evaluation practices so that duplication can be eliminated and efficiency can be improved. Most important, this language helps foster the collaboration between the Learning Community and local school district. Senator Sullivan, your bill has helped create an opportunity to preserve what is working in the Learning Community and eliminate what is not. This is of great benefit to us and again I want to thank you for your time and appreciate the opportunity to address the Education Committee. Thank you. [LB1067]

SENATOR KOLOWSKI: Thank you, Dr. Sutfin. In this present bill as it sits, what is the impact on the Millard schools as far as dollars up, dollars down, your total impact? You're for the bill, but does it have negative impact? [LB1067]

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JIM SUTFIN: Yeah. We currently receive an additional million dollars because of the common levy, and the Board of Education stands upon the foundation that no school district should be harmed for being a member of the Learning Community. [LB1067]

SENATOR KOLOWSKI: So there will be a loss of dollars. [LB1067]

JIM SUTFIN: There will, and that is why the transition dollars are vitally important to us. [LB1067]

SENATOR KOLOWSKI: Three years' step down, that way. [LB1067]

JIM SUTFIN: Yes, correct, sir. [LB1067]

SENATOR KOLOWSKI: Thank you very much. Other questions? Senator Groene, please. [LB1067]

SENATOR GROENE: Is the loss due to the busing and the option enrollment versus open enrollment? [LB1067]

JIM SUTFIN: It is...the loss will be, because when you blend the property tax and the state aid in the Learning Community we receive an additional million dollars that if you did not blend them we would not receive. [LB1067]

SENATOR GROENE: So it has nothing to do with the option enrollment or open enrollment? [LB1067]

JIM SUTFIN: It does not, it does not. [LB1067]

SENATOR GROENE: You said the Millard school district has always been against the Learning Community or did you mean the common levy? [LB1067]

JIM SUTFIN: We have been against the Learning Community for the fact that it has duplicated the governance of the school board as well as had a harmful common levy. Our position today is not to testify for the elimination of the Learning Community, but whether to...rather to change it into what we think is a pretty powerful collaborative that could exist in the area, in the Douglas and Sarpy County area. [LB1067]

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SENATOR GROENE: But this bill will keep the Learning Community concept. It would just get rid of the common levy. [LB1067]

JIM SUTFIN: Correct, but what it will do is it will create a unique identity for the Learning Community and governance that only the Learning Community can do. You will not see the duplication of a school board and a Learning Community board. And we think that then makes it a very powerful way for education to reach across the Douglas and Sarpy County area, and it keeps us joined together, bonded together. You know, the fact that I care about Gretna kids and Omaha kids and Millard kids and Bennington kids, I care about North Platte kids too. I care about, you know, all our kids. But this is a mechanism that allows us to work together. It creates a resource. [LB1067]

SENATOR GROENE: So do you see this bill giving the superintendents or the local school districts more control over the Learning Community versus vice versa? [LB1067]

JIM SUTFIN: No, I think it's actually vice versa. I believe that it creates a unique identity for the Learning Community to run the early childhood program, the Buffett early childhood program, as well as the north and south Omaha centers and the associated programs. [LB1067]

SENATOR GROENE: But it's in statute it's supposed to be for poverty. It was created for poverty, nothing to do with early childhood education...some of it, but if you read the original statutes, I believe it said it's for poverty. [LB1067]

JIM SUTFIN: Yeah, I would...I guess I would say to you that the placement of the Buffett early childhood centers have been in the highest areas of poverty in the two-county area, and the fact that we are attacking poverty before kids come to school, before the gap can exist, is an extremely important piece. [LB1067]

SENATOR GROENE: Thank you. [LB1067]

SENATOR KOLOWSKI: Any other questions, please. Seeing none, Dr. Sutfin, thank you very much. [LB1067]

JIM SUTFIN: Thank you. [LB1067]

SENATOR KOLOWSKI: Terry. [LB1067]

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TERRY HAACK: Senator Kolowski. [LB1067]

SENATOR KOLOWSKI: Good afternoon. [LB1067]

TERRY HAACK: (Exhibit 4) Good afternoon, Senator Sullivan. Members of the Education Committee, my name is Terry Haack, T-e-r-r-y H-a-a-c-k, superintendent of Bennington. First and foremost, our district would like to thank Senator Sullivan for working with the 11 districts in the Learning Community to implement the many issues facing our schools that were addressed in the superintendents' report to this committee December of 2014. Our district supports language in LB1067 that eliminates the common levy. Our schools lost approximately \$500,000 this past year and \$2.2 million since the common levy's inception in 2009. This was very harmful to the children of our district because we already are one of the lowest spenders in the state due to the levy restrictions. Common levy moves very little funding from one district to another, reduces total aid to all 11 school districts, and is a divisive funding tool that could restrict future collaboration. LB1067 phases out open enrollment and moves the Learning Community back to option enrollment. I'd like to offer a statement from the report: "While the purpose of open enrollment is worthy, open enrollment today involves around 5 percent of Learning Community students and generally has not impacted overall school building diversity." One of the more debated topics regarding the Learning Community is whether or not this legislation was responsible for positive education programming through collaboration. It is a debate that should be set aside. We simply would like to focus on the positive. Superintendents from all 11 school districts in the Learning Community meet on a regular basis to discuss and collaborate on many of the educational issues in our area. Some say we meet too much. The results of these meetings have produced tremendous opportunities for children in the Douglas and Sarpy County areas. We have worked with the Learning Community Coordinating Council to develop elementary learning centers. With the support of the Buffett Foundation, 11 districts developed a plan that is starting to address the needs of early childhood education in the metropolitan area. And we have collaborated to form partnerships to address school attendance. These and other educational programs are made possible through the cooperation of the 11 school districts. Again, thank you very much, take questions if you have them. [LB1067]

SENATOR KOLOWSKI: Mr. Haack, thank you very much for coming today. And, Senator Krist, please. [LB1067]

SENATOR KRIST: I just have to comment on your students would be so proud. You continue to go to the lead chair and then go around. (Laughter) You should be commended. Thank you. Thanks, Terry. [LB1067]

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SENATOR KOLOWSKI: Creatures of habit. Any other questions, please. Mr. Haack, thank you very much. [LB1067]

SENATOR KRIST: It was getting too tense (laugh). [LB1067]

SENATOR KOLOWSKI: Good afternoon. [LB1067]

STEVE BAKER: (Exhibit 5) Senator Sullivan, members of the Education Committee, my name is Steve Baker, S-t-e-v-e B-a-k-e-r, and I serve as the superintendent of schools for the Elkhorn Public Schools district. I'm here today to speak in support of LB1067. There are 123,442 pre-K-12 students in the Learning Community, representing approximately 40 percent of Nebraska public students. That's a big deal. Over the two years there have been attempts to make changes to the Learning Community with little success. I can't stress enough the importance of what I'm about to say. Senators, never have I been involved in a conversation with my colleagues where the discussion was about eliminating the Learning Community. Instead, our focus has been aimed at making the Learning Community the best it can be. While we are not always in complete agreement, we are in agreement when it comes to wanting to provide the best educational opportunities for all students. Each day, my immediate focus has to be upon the 8,000 students attending an Elkhorn school, but that doesn't mean I don't share concerns about the students in an OPS school, Grand Island, North Platte, Valentine, or McCook. We're currently making a difference in the Learning Community centers in north and south Omaha. The early childhood work by the Buffett center and the superintendents has the potential of being game changing. The superintendents' plan for addressing attendance in Douglas and Sarpy Counties and the formation of the GOALS Center has helped reduce truancy. These are programs that are making a difference. Two year ago, Dr. Riley and I met with Senator Sullivan to discuss how we might be able to bring everyone to the table and move forward. We discussed how we might be able to bring about meaningful changes to the Learning Community by preserving the best and doing away with what has not worked and been divisive. Last year I was disappointed that we could not bring about change, but this year I am hopeful and confident that meaningful change is within our grasp. I want to thank both Senator Sullivan and Senator Baker for their work on LB1067 and LB903. In my opinion, there are more commonalities than differences between these two bills. Perhaps the greatest variable is how poverty funding is addressed. I'm sure all of you realize that Elkhorn is not a high-poverty school district. The financial impact upon Elkhorn will be insignificant regardless of which approach is adopted. And I fully realize that LB1067 and LB903 are highly unlikely to both be advanced. It is my opinion that the poverty funding mechanism in LB903 provides a better statewide policy by addressing significant poverty no matter where it occurs, but my district can fully support either plan. Eleven superintendents have worked many hours together and with our school boards to bring about recommendations for meaningful and constructive change. Those of us that were around when we got started knew that Senator Raikes never believed the original legislation would be

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perfect and in time tweaking would be necessary. Now is the time, because the opportunity, if it's not seized by the Legislature, I do believe the unrest over the common levy has the potential of catastrophic results that might undo all the positive accomplishments. The Elkhorn Board of Education and I appreciate the work of Senator Sullivan and this committee and urge you to make meaningful changes that will improve the current Learning Community of Douglas and Sarpy County. Thank you. [LB1067]

SENATOR KOLOWSKI: Mr. Baker, thank you very much. Again, as with every speaker, the two major issues continue to be the common levy and the boundaries within districts and between districts and how to compromise and solve some of those issues. Do you think this bill, the way it looks at this point in time, is going to address those the way you hoped they would? [LB1067]

STEVE BAKER: I believe so. We worked really hard together to do the best. And I know there's not going to be one plan that everybody is going to buy into. This is the best. And it can continually be made better, but doing nothing isn't the solution. So I think we're moving in the right direction, Senator Kolowski. [LB1067]

SENATOR KOLOWSKI: Thank you. Other questions? Senator Groene, please. [LB1067]

SENATOR GROENE: So really the poverty part of this isn't what Elkhorn's concern is. It is the common levy and you just manage your district. [LB1067]

STEVE BAKER: Yes, Senator Groene. The 2 cent levy, if that were to come about, that's a million dollars next year that flows out of the Elkhorn school district. And all those programs that we talk about that are really making a difference, Elkhorn is not benefiting from that but we still believe that's the right thing to do and so... [LB1067]

SENATOR GROENE: So I don't...the 2 cents, the Learning Community, the 2 cents stays. [LB1067]

STEVE BAKER: Yes, it does, that stays in place, but we don't benefit from that. [LB1067]

SENATOR GROENE: So why do we need more money for poverty... [LB1067]

STEVE BAKER: You know... [LB1067]



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SENATOR GROENE: ...when we already have a poverty allowance? This doesn't do my district anything. As far as I'm concerned, you guys can keep your common levy, but I'm going to pay more taxes out west to support more poverty money to the east. [LB1067]

STEVE BAKER: Senator, I'm going to do my best to try and answer this. I mean I'm not only in a low-poverty district, I think I'm in the lowest poverty district in the state of Nebraska. Now that doesn't mean we don't have poverty children. We have between 400 and 500 poverty students. That's more students in poverty than most school districts in the state of Nebraska. It just happens to be a low percentage in our district. Those students require additional funds if you're going to make a difference with them whether that's reducing the class size, bringing in someone to help with math instruction beyond what they're receiving in the classroom. And I see that in a district in the 6 to 7 percent poverty range. If you're in a district that's well over 50 percent, it's a huge tipping point. [LB1067]

SENATOR GROENE: Well, thank you. [LB1067]

STEVE BAKER: Yes, sir. [LB1067]

SENATOR KOLOWSKI: Any other questions? Mr. Baker, thank you very much. [LB1067]

STEVE BAKER: Thank you. [LB1067]

SENATOR KOLOWSKI: Dr. Rikli, welcome. [LB1067]

ANDY RIKLI: (Exhibit 6) Thank you, Senator Kolowski. Members of the committee, my name is Andy Rikli, A-n-d-y, last name is spelled R-i-k-l-i, and I am the superintendent of the Papillion La Vista Community Schools. We would like to thank the committee, and Senator Sullivan in particular for introducing and prioritizing LB1067. It addresses what we deem a critical factor facing public education in the metro and across the state. The Papillion La Vista Community Schools is the fourth largest school district in Nebraska with over 11,000 students, and we are fast growing, adding between 300 and 400 students a year. My board of education has long maintained standing positions related to the Learning Community and, in fact, we have been one of the most vocal in calling for its outright repeal. But today we stand before the Education Committee not to ask for the elimination of the Learning Community, but to ask for your help in changing it and ultimately improving it. We believe that Senator Sullivan in LB1067 has created a vehicle to both preserve the best of what is already working as well as change those things that perhaps are not working as intended. We've heard from previous testifiers about governance, about the common levy, about boundaries. We would like to talk specifically about

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boundaries. The issue here deals with a number of our neighbors in Sarpy County, most notably Springfield Platteview and Bellevue. And as the Education Committee may be aware, our southernmost boundary is shared with the Springfield Platteview school district. This area in the state, in the county, is poised for significant economic development for both commercial and residential interests. However, as a direct result of the common levy, that economic development has largely been put on hold. And the reason behind that--and we'll let Mr. Richards talk, I believe he's going to speak to this behind me--has to do with their staggering losses through the common levy, upwards of \$3.2 million this year alone. Because of that, the economic growth has largely stagnated. The common levy also has other unintended consequences, however, in that it has decoupled our student growth from the valuation growth that naturally occurs in a fast-growing school district. It is our belief that LB1067 directly addresses both of these issues. In fact, Papillion La Vista Schools and the Springfield Platteview Community Schools already have a tentative agreement in place. Our boards took action just a few months ago to put in place a land agreement if the common levy were to go away. It is for this reason that we support LB1067. Again, we'd like to thank the committee for your support. I'd also like to single out Senator Baker in particular though. We have chosen not to testify in support of LB903. To be frank, we wouldn't be here without Senator Baker's involvement and leadership. So thank you to Senator Sullivan and Senator Baker for their leadership. And with that, I would conclude my testimony. [LB1067]

SENATOR KOLOWSKI: Thank you, Dr. Rikli. Any questions, please. Seeing none, thank you very much. [LB1067]

ANDY RIKLI: Thank you. [LB1067]

SENATOR KOLOWSKI: Welcome, Superintendent Richards. Good to see you. [LB1067]

BRETT RICHARDS: (Exhibit 7) I'm Brett Richards, B-r-e-t-t R-i-c-h-a-r-d-s, superintendent of the Springfield Platteview Community Schools, testifying in support of LB1067. Our district appreciates the efforts of Senator Sullivan, Senator Baker, and other members of the Education Committee for coming to review and examine the components of the Learning Community. Senator Sullivan has been extremely diligent in working through the details of LB1067 with the superintendents and has drafted a bill that addresses the changes needed in the Learning Community while reinforcing the intended outcomes of why the Learning Community was first created. Our district has tried to be a part of the solution with the Learning Community on the boundary disputes in Sarpy County by working with Bellevue Public Schools and Papillion La Vista Community Schools over the last two years on an agreement which both boards of education have passed. LB1067 would allow this agreement to go into effect. Our district has been hit hardest financially in the Learning Community. Since the common levy began in

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2010-11, our district has lost over \$10 million in potential revenue. That's on the chart, page 1. In 2015-16 our district loses over \$3.2 million. That's on the chart on page 2. This school year alone we lose \$3.2 million. Keep in mind this is over 24 percent of our potential revenue. To give you perspective, the \$2.1 million OPS gained this year is less than 0.004 percent of their entire total revenue of \$588,863,993 in 2014-15. This is not stability and it never will be. OPS has lost over \$3 million since the common levy began, if you see that on page 1 chart. There will never be a significant increase in tax dollars for OPS or any other high-poverty school district with a common levy. Bellevue has high-poverty areas, has lost over \$5 million. DC West has high poverty, lost over \$6 million. Who has won in the common levy? Millard has gained over \$8 million. Westside has gained over \$9 million. But the largest winner is the state of Nebraska. The state has saved \$17,742,684 over this time period of the common levy. So when I hear senators talk about the price tag of this bill, please keep in mind that the state has saved a large amount of dollars in state aid by having the common levy in place at a place where state aid is highly needed. We educate over 50 percent of the kids in the state of Nebraska. Our district revenue over the last six years in our district has dropped 7 percent. That's the chart on page 3. This comes at a time when we have grown over 12 percent from 1,009 students in 2010-11 to over 1,150 today. Sarpy County schools were brought into the Learning Community at the last hour back when the Learning Community legislation was passed. This has been a nightmare for our communities and schools for many reasons that you will hear about today. Sarpy County school districts have lost a total of \$23,221,350 since the common levy began. Our school districts deserve a chance to handle growth, update facilities with needed infrastructure and safety features, and keep our academic programs competitive. And you see my last paragraph there. I realize that I've run out of time here, Senator. [LB1067]

SENATOR KOLOWSKI: Go ahead and finish it, sir. [LB1067]

BRETT RICHARDS: Okay. Finally, we believe poverty is a statewide issue and the cost of poverty should be shared across the state, not on the backs of smaller districts in the Learning Community and Sarpy County taxpayers in the name of stability. I urge support of LB1067. Senator Sullivan knows and understands the impact to the LC better than anyone else in the Legislature. This bill is a fair compromise between all 11 school districts. Thank you again for all your hard work on this. [LB1067]

SENATOR KOLOWSKI: Thank you, Superintendent Richards. Any questions, please. Senator Groene, please. [LB1067]

SENATOR GROENE: Sir, will you be equalized? [LB1067]

BRETT RICHARDS: Well, this would move us into unequalized. [LB1067]

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SENATOR GROENE: Unequalized. So when you say you lost, you could probably lower your mill levy. I heard one time you guys could be at 88 mills and have the same amount of funding you get through the common levy. [LB1067]

BRETT RICHARDS: Yes, that would be correct. I'll cover a little bit of that on my next testimony. [LB1067]

SENATOR GROENE: But you would give some property tax relief if you could do it. [LB1067]

BRETT RICHARDS: Um-hum, correct. [LB1067]

SENATOR GROENE: And the \$5,357,000 would be state aid if everybody was in TEEOSA, if we were all in this together again. [LB1067]

BRETT RICHARDS: Correct, um-hum. [LB1067]

SENATOR GROENE: Nobody is arguing about that. [LB1067]

BRETT RICHARDS: Right. [LB1067]

SENATOR GROENE: It's the poverty extra is what concerns some of us. [LB1067]

BRETT RICHARDS: Right, yes, um-hum. [LB1067]

SENATOR GROENE: Thank you. [LB1067]

SENATOR KOLOWSKI: Any other questions? Thank you very much. [LB1067]

BRETT RICHARDS: Thank you. [LB1067]

SENATOR KOLOWSKI: Afternoon. [LB1067]

BRIAN OSBORN: Hello. My name is Brian Osborn, B-r-i-a-n O-s-b-o-r-n. I am a resident of Springfield and currently serve as the president of the Springfield Platteview Community Schools Board of Education. As you are all aware, the Learning Community, and really specifically to our district the common levy, has had a dramatic impact on our school district.

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We've worked with other metro school districts over the last several years to come to an agreement with superintendents on improving the Learning Community so we can continue to provide beneficial services--for example, our early childhood education in the high-poverty areas--and not have a disproportionate adverse effect on the smaller school districts located outside of the Omaha metro area, like Springfield Platteview and also Douglas County West. I think it's important for me to start the conversation by clearly stating we firmly support aiding students living in poverty. We realize it takes more support and interventions to help poverty students succeed. But under the current Learning Community system with the common levy, that support is significantly coming from and really serves as a detriment to our district. I believe the intent of this bill originally was to aid schools within high poverty rates. However, as you all know, OPS didn't even see any additional money until just over two years ago and, as Mr. Richards just said, they just received about \$2 million from the common levy, which is a small portion of their overall budget last year. By contrast, our small school district lost over \$3 million this last year. It's a significant hit to our approximately \$14 million annual budget. It's just over 20 percent of that, as Mr. Richards also just said. We've lost over \$10 million since the inception and this shift of funds is really extremely disproportionate and severely impacts the services that we can provide for our students. We understand the intent of the original law was not to create haves and have-nots in the metro area, but what the common levy has effectively done is cause undue harm to the small rural school districts that are in the Learning Community. While other metro school districts have been able to continue to expand programs and continue programs for their students and they've all been able to pass bonds to fund new facilities, our school district has seen our facilities decline and our building fund dwindle. Our constituents have consistently declined to pass new bonds and the feedback we receive is always that they are not willing to provide more funding when there is a significant amount of our tax dollars that they see on their tax statement going to other school districts. I want to emphasize that Springfield Platteview is committed to partnering on educational services and opportunities within the area. We all have a vested interest in the success of all the students in our state and...but it's important to realize that this interest and commitment needs to come from throughout the state and should not occur as undue burden to the few smaller school districts within the Learning Community. I want to again thank Senator Sullivan for her leadership on this bill and for the rest of the Education Committee for allowing me to support LB1067. Thank you. [LB1067]

SENATOR KOLOWSKI: Thank you, Mr. Osborn, and thank you for your service to your district as well. Any questions for Mr. Osborn? Yes, Senator Krist. [LB1067]

SENATOR KRIST: Well, I'm going to stop the "kumbaya" moment here for just a minute. I was told in a meeting several years ago by your superintendent that if you weren't part of the Learning Community you wouldn't need state aid. Is that a fair statement? [LB1067]

BRIAN OSBORN: That's my understanding. [LB1067]

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SENATOR KRIST: So why does DC West and South Sarpy, particularly with the elimination of the common levy, want to still be involved with the Learning Community? [LB1067]

BRIAN OSBORN: I would probably echo what the other superintendents have said that we realize the intent of the Learning Community is to help students in poverty and we want to be a part of that. We are committed to be a part of that. It's just the way that the funding and the program has worked out so far, it's really hampered our district and it's, you know, crippled us. Our buildings are all from the '60s and '70s and they fall apart. And so we want to continue to help. And if we can continue to help by providing the 2 cents for early childhood development that we don't get in our district, then that's...we're willing to do that. [LB1067]

SENATOR KRIST: So once again, why is DC West and South Sarpy part of the Learning Community? [LB1067]

BRIAN OSBORN: I don't know the answer to that from... [LB1067]

SENATOR KRIST: "Kumbaya," thank you. [LB1067]

SENATOR KOLOWSKI: Any other questions, please. Thank you, sir. Good afternoon. [LB1067]

MELISSA POLONCIC: Good afternoon. [LB1067]

SENATOR KOLOWSKI: How are you? [LB1067]

MELISSA POLONCIC: Very good. [LB1067]

SENATOR KOLOWSKI: Welcome. [LB1067]

MELISSA POLONCIC: I'm Melissa Poloncic, the superintendent at DC West Community Schools, and I am here today to testify in favor of LB1067. Thank you to the many senators who have submitted bills on behalf of revisions to the Learning Community. And in particular I'd like to thank Senator Sullivan and Senator Baker. As I testify today I'd like each of you to think, what if this was a school district in the community I represented? Would I let this happen to them? Would I feel that we could wait any longer to act? You all have heard the story of the common levy. For DC West, in six years we've been obstructed from accessing \$6.4 million of our district revenue. But what exactly does this mean? Let's take a little deeper look at this. Just last year,

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2014-15, OPS gained \$30 a student through the 95 cent common levy. Ralston, who we hear of often, gained \$70 a student. DC West lost \$1,566 per student due to the common levy. How is this really tending to the issues of poverty? DC West has 36 percent, or 320-plus students, living in poverty, yet we lose \$1,500 for each of those students? How does this even make sense as good public policy? Just this year our district would have been unequalized as we've been talking about. The amount of revenue we send to other districts is 11 cents on our levy. Our taxpayers would have seen tax relief with a lower levy. We could have contributed to a desperately needed building fund to work on building repairs. This summer we have to tear down our 1950s buildings that are infested with mold. We have to replace all our fifth grade, sixth grade, and preschool classrooms into portable classrooms. Our community has failed two bonds. Our community will not support a tax levy increase because 11 cents would pay for a \$15 million bond. The past three years that DC West has come forward to testify to the Legislature, to lobby for change, we've lost \$4 million more, approximately 10 to 15 percent of our budget. I'm proud of the collaborative efforts of the Learning Community: early childhood, attendance, collaboration with business partners, the educational programming it provides. But the common levy and the dissension around the revisions that need to be made to the Learning Community are the great divide to the collaboration. Without resolution the 11 Learning Community districts will move forward in divergent ways, rather than focusing on the true importance, which is collaboration around all our kids. Thank you. [LB1067]

SENATOR KOLOWSKI: Thank you, Melissa. Any questions, please. Senator Groene. [LB1067]

SENATOR GROENE: What is your levy now? [LB1067]

MELISSA POLONCIC: \$1.08. [LB1067]

SENATOR GROENE: \$1.08. [LB1067]

MELISSA POLONCIC: Um-hum. [LB1067]

SENATOR GROENE: And what's the extra 3 cents, QCPUF or whatever they call that? [LB1067]

MELISSA POLONCIC: Yep, QCPUF, um-hum. We utilize QCPUF and we're actually extending that out next year to the full 5 cents to be able to pay for the work that I quoted. [LB1067]

SENATOR GROENE: And you would lower your levy? [LB1067]

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MELISSA POLONCIC: Yes, we would be lowering our levy. We'd also contribute to our building fund. [LB1067]

SENATOR GROENE: All right, thank you. [LB1067]

SENATOR KOLOWSKI: Additional questions? Yes, Senator Schnoor. [LB1067]

SENATOR SCHNOOR: Does DC West have any bond funds they're paying for? [LB1067]

MELISSA POLONCIC: We do not have any, we do not have a bond fund, other than our QCPUF... [LB1067]

SENATOR SCHNOOR: Okay. [LB1067]

MELISSA POLONCIC: ...at this point in time. We have had a recent two elections. Both elections we have lost, and a big factor in that is that we're losing millions of dollars each year. [LB1067]

SENATOR SCHNOOR: Okay, thank you. [LB1067]

SENATOR KOLOWSKI: Any other questions? Thank you, Melissa, appreciate it very much. [LB1067]

MELISSA POLONCIC: Thank you. [LB1067]

SENATOR KOLOWSKI: Good afternoon, Frank. [LB1067]

FRANK HARWOOD: Good afternoon. [LB1067]

SENATOR KOLOWSKI: How are you, sir? [LB1067]

FRANK HARWOOD: Senator Kolowski and members of the Education Committee, thank you for the opportunity to speak before you today. My name is Frank Harwood, F-r-a-n-k H-a-r-w-o-o-d. I'm the superintendent for Bellevue Public Schools and I'm here today to support Senator Sullivan's LB1067. I would like to thank the Education Committee members, past and present, for their work on the Learning Community issue. In my five years in Bellevue I have come to



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either testify or hear testimony about the Learning Community every year and I know that it was a topic long before I got here. To keep my comments brief I'm going to talk about just a little bit about the common levy, but then also two items that I'd like for the committee to consider. The first about the common levy has to do with the boundaries, and I'm going to kind of abbreviate that part. The city of Bellevue will talk a little bit more about that. But the common levy for us and the agreement with Springfield Platteview is about economic development need in the city of Bellevue and helping the community grow. The second item about addressing the 95 cent common levy is funding based on a percentage of need among Learning Community districts. Since 2012, Bellevue Public Schools' calculated need has increased by 10 percent, but our percentage of need within the Learning Community has decreased by 0.5 percent. That means that for '16-17, although our calculated need under TEEOSA increased by \$1.6 million, our funding will increase by less than \$500,000. Everywhere else in Nebraska districts have local or state resources to support calculated need. Due to our very low valuation per student, Bellevue Public Schools does not have access to resources to cover the calculated need. This, coupled with significant loss and impact aid, has resulted in several years of budget cuts. Although I am very supportive of LB1067, there are two points I would like to ask you to consider. When looking at all the Learning Community bills together, please consider the ESU core services and extreme poverty adjustment provisions from Senator Baker's LB903. In the case of the extreme poverty adjustment, although BPS actually fares better under LB1067, I feel that LB903 offers better statewide policy. Again, I would like to thank Senator Sullivan for introducing and prioritizing LB1067 and for all the time she has worked with Learning Community issues. I'd be happy to try to answer any questions. [LB1067]

SENATOR KOLOWSKI: Thank you very much, Mr. Harwood. Any questions, please. Seeing none, thank you. Afternoon, sir. Blane, how are you? [LB1067]

BLANE McCANN: Good afternoon. [LB1067]

SENATOR KOLOWSKI: Good. [LB1067]

BLANE McCANN: Good afternoon, Madam Chair Sullivan, Education Committee members. My name is Blane McCann, B-l-a-n-e M-c-C-a-n-n. I'm the superintendent of the Westside Community Schools appearing in support of LB1067. First I would like to thank Senators Sullivan and Baker, as well as all members of the committee, for your attention, time, and effort on this important issue. If there is one issue in the Westside community most all can agree upon, it is the elimination of the common levy. Westside fares better than most Learning Community districts from the common levy. However, our community fundamentally disagrees with pooling property tax dollars to fund schools across Douglas and Sarpy Counties and its overall impact on the 11 school districts that comprise the Learning Community. Second, the Westside community

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believes strongly in our school district and wants to ensure that our school district boundaries are protected. LB1067 ensures that any boundary changes must be agreed upon by both boards of education and cannot be changed without this mutual agreement. Next, the elimination of the common levy would allow Learning Community districts to be treated in a similar fashion to school districts across the state of Nebraska when it comes to net option enrollment. Westside, along with other metro districts, provide choice to many metro students, and the fact that the state would fund the associated cost for net option students at the same level as students in the entire state of Nebraska is critical to many metro districts, including Westside, because of the number of net option students who choose to attend District 66. Having said that, our community does recognize important strides the Learning Community has made with early childhood programming, the learning centers in both north and south Omaha, and the GOALS attendance programs. I believe that the Learning Community should continue to administer and lead these programs since they are proven to be making a difference across the 11 school districts. Again, I'd like to thank Senator Sullivan and the committee for your willingness to collaborate with the 11 Learning Community school superintendents to create policy and state law to better serve the students of Nebraska. And I'm happy to answer any questions. [LB1067]

SENATOR KOLOWSKI: Thank you, Dr. McCann. Any questions, please. Senator Groene. [LB1067]

SENATOR GROENE: Will you do better classifying the students as option students versus open enrollment students? [LB1067]

BLANE McCANN: Would they be funded differently? Yes, they would be. It would be a higher funding for the net option students. [LB1067]

SENATOR GROENE: It's about \$9,000 apiece now or something? [LB1067]

BLANE McCANN: Eighty-eight hundred (dollars), I believe, Senator. [LB1067]

SENATOR GROENE: And what are you getting for open enrollment? [LB1067]

BLANE McCANN: Seven thousand eight hundred and fourteen dollars is our TEEOSA multiplier, the lowest in the state of Nebraska. [LB1067]

SENATOR GROENE: If they're option, you don't have to bus them, right? [LB1067]

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BLANE McCANN: I wouldn't, but I think what I see in the law would mean that they would be. Some busing would be there and I think I would take a look at that in terms of phasing that out. I don't think I would stop that immediately. Our transportation costs have skyrocketed under this. So since 2012, our transportation is up a million dollars. And again, with the common levy, no money, additional money, comes to help offset any of that cost either. [LB1067]

SENATOR GROENE: So at the end of the day will you be getting more state aid or less at Westside? [LB1067]

BLANE McCANN: Probably would be getting more. We would increase our revenue. I'm not exactly sure what it would come from. I think it would come from probably the state. [LB1067]

SENATOR GROENE: But your total dollars, property tax... [LB1067]

BLANE McCANN: Yeah, um-hum. Right now we've been flat since 2009 with property value, has remained flat for the last...since about '08, the Great Recession. And then our revenue has been flat for the last six years. We're stuck at about \$65.5 million while our costs continue to go up anywhere from 2 to 3, 3.5 percent. [LB1067]

SENATOR GROENE: If I remember, if I know this right, 95 cents is shared but you...everybody gets the dime or so on your (inaudible). [LB1067]

BLANE McCANN: We also have a 10 cent levy override... [LB1067]

SENATOR GROENE: Yeah. [LB1067]

BLANE McCANN: ...that helps to offset that as well. So without that we would be...our revenue would be going backwards as opposed to... [LB1067]

SENATOR GROENE: Is that an override or is that the 10 cents that takes you to \$1.05? [LB1067]

BLANE McCANN: No. Nope, that's a levy override, the 10 cents. Plus we have a 10 cent levy override, which will have to be reexamined as we go into 2017, especially if our revenue continues to dwindle. What we're being hit most hard, we have an eroding tax base. We're very small. The TIF projects, the nonprofit hospitals are a smaller percentage. [LB1067]

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SENATOR GROENE: Thank you for saying the TIF projects. [LB1067]

BLANE McCANN: Yeah, um-hum. [LB1067]

SENATOR KOLOWSKI: What percentage of your students are open enrollment? [LB1067]

BLANE McCANN: I would say we're probably about 33 percent would be nonresident because we have a combination of option enrollment and open enrollment. [LB1067]

SENATOR KOLOWSKI: Okay, thank you. [LB1067]

BLANE McCANN: Yep. [LB1067]

SENATOR KOLOWSKI: Thank you very much. [LB1067]

BLANE McCANN: Sure. [LB1067]

SENATOR GROENE: Thank you. [LB1067]

SENATOR KOLOWSKI: Dan, welcome. Thank you. [LB1067]

DAN SCHNOES: (Exhibit 8) Good afternoon. My name is Dan Schnoes, D-a-n S-c-h-n-o-e-s, administrator of ESU 3 in La Vista, which serves the Omaha metro area. Thank you for letting me speak today in favor of LB1067. As most of you know, ESU 3 has worked collaboratively with Senator Sullivan and the other Learning Community superintendents in sharing a vision for redesigning the Learning Community. I believe LB1067 does a lot of very good things. Though today I speak in support of the school districts that ESU 3 serves and LB1067, I would ask that the Education Committee consider one item, and that is returning to the ESU 3 the core service funding back to ESU 3, either partially or in all, and to its school districts, allowing us to increase the services that we provide. This past year over \$385,000 from ESU 3 core service funds was provided for mostly evaluation services for the Learning Community. However, if these funds were returned to ESU 3, this amount would be used to provide additional services and technology or professional development in our ESU 3 districts. We have an ever-increasing amount of requests for these two services. For example, if ESU 3 invested the same amount in providing instructional coaches, we could--which is providing teachers in classrooms with hands-on instructional guidance--that alone could add over 1,000 days, over 7,000 class periods of service that could, in turn, benefit thousands of kids, many of those in poverty. In summary,

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ESU 3 supports LB1067 and would request discussing the return of core service funds back to ESU 3, where we continue to provide effective and efficient services for our 18 school districts, over 5,000 teachers, and over 78,000 students. Thank you. [LB1067]

SENATOR KOLOWSKI: Thank you, Dan. Any other questions, please. Seeing none, thank you. [LB1067]

DAN SCHNOES: Thank you. [LB1067]

SENATOR KOLOWSKI: Thank you very much. Afternoon, sir. [LB1067]

KYLE FISHER: Good afternoon. My name is Kyle Fisher, K-y-l-e F-i-s-h-e-r. Greatly appreciate the time on this issue. Currently I am a Springfield representative on the Learning Community Council, a former school board member in Springfield and hopefully a future school board member in Springfield. But today I speak as a citizen of the community. In regards to LB1067, this plan accomplishes many of the objectives of the Learning Community Coordinating Council, which is focusing now on early childhood and implementing a plan drawn by the superintendents. It strides toward narrowing the achievement gap while eliminating the unnecessary pass-through common levy that is impacting Springfield Platteview while not causing major losses to most other districts. As you'd heard, Springfield loses approximately 24 percent of its expected revenue. The largest district gains \$4,440 per student, while Springfield loses approximately \$3,000 per student in this funding. One of the side effects of this is the fact that our local school board cannot control the property tax rate for its residents. While the ag values in our district have increased, the taxes are staying the same but not going to Springfield Platteview but through the Learning Community system. I greatly appreciate your time and thank you for being...having this issue. [LB1067]

SENATOR KOLOWSKI: Thank you, Mr. Fisher. And any questions, please. Yes, Senator Groene, please. [LB1067]

SENATOR GROENE: Learning Community is presently levying what, 1.5 cents or 2 cents? [LB1067]

KYLE FISHER: It's currently I believe 1.5 cents. The Springfield losses are the comparison of what it would be having the individual tax rate... [LB1067]

SENATOR GROENE: But you said you were on the Learning Community board. [LB1067]

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KYLE FISHER: Yeah, I'm a... [LB1067]

SENATOR GROENE: And as I remember that board, you're levying a penny and a half? [LB1067]

KYLE FISHER: Yes, sir. [LB1067]

SENATOR GROENE: Why haven't you already gone to the 2 cents? [LB1067]

KYLE FISHER: That's at the...with I believe...my understanding is with the current writing that that is the capacity at this time. [LB1067]

SENATOR GROENE: So you've got a half a cent for buildings. [LB1067]

KYLE FISHER: That we...well, and Learning Community also has been levying what it feels is needed at this...up to this point. So the 1.5 cents... [LB1067]

SENATOR GROENE: So you don't think you need any more money for poverty? You've got... [LB1067]

KYLE FISHER: Well, there's...that will be growing as it comes along. [LB1067]

SENATOR GROENE: All right, thank you. [LB1067]

SENATOR KOLOWSKI: Any other questions for Mr. Fisher? Seeing none, thank you very much, sir. Mayor Black, welcome. [LB1067]

DAVID BLACK: (Exhibit 9) Thank you very much. David Black, D-a-v-i-d B-l-a-c-k, mayor of the city of Papillion. Thanks for allowing me to be here. Been in front of this committee before on the same topic. We're encouraged that formal action has actually been taken by the Papillion La Vista school district, Springfield Platteview, and Bellevue on the boundary issue. And we're in support of that. And that is contingent upon the common levy going away, and so obviously we support the common levy component going away. We also support the component where boundary disputes in the future will be treated as any other district in the state and we're supportive of that as well. My purpose is just to reiterate the impact of the common levy to a local municipality. And in 2000 and...fiscal year ending 2000, city of Papillion sales tax generated to the state of Nebraska was about \$7.8 million, city of Papillion dollars going to the

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state of Nebraska. The last 15 years that amount has increased 301 percent to \$31.6 million September 2015 fiscal year. That's an annual average increase of \$1.5 million to the state of Nebraska. That's why economic development, we're putting it into that context. Virtually all of Papillion's development since that, since the Learning Community has been put in, has been north of the boundary between Papillion La Vista and Platteview Springfield. We don't have time to go into why I believe that's the case, but that fact is it is. January 2013, since that point, and now we've had over 1,600 new residential lots north of that boundary, \$2.4 million square feet of commercial and industrial space, all of that is generating obviously property tax and sales tax which all of us benefit from. Of those 1,600 residential lots, 39 have been in the Springfield Platteview school district; 1,500 of those have been in the Papillion La Vista. And those 39 lots were actually part of a larger development. They actually were in Papillion and they were mistakenly platted in Platteview. Forty percent of our development land actually is in the Platteview Springfield school district, so boundaries, again, are very important to us. And we're not saying we will never be part of that school district. It's logical it will be. But on the northern edge the boundary has really affected the economic development. Again, eliminating of the common levy encourages the districts in Sarpy to work together and implement the boundary agreements on the same basis as anybody else in the state and we're highly supportive of that. My handout has a number of charts that get to the economic development. I've testified in front of you with those before, so I won't go into that due to time. But we are just encouraged and we support and I believe we're here with every other city in Sarpy County, every school district, and the Chamber of Commerce, who I'm also representing, and I handed out their letter as well. So it's pretty much a united front from Sarpy County to support this bill, the common levy, and the boundary agreement. [LB1067]

SENATOR KOLOWSKI: Thank you very much. Mayor Black, I'd like to thank you also on behalf of the years with the NRD as well as the Learning Community. It's always a pleasure working with your office. You're open and very connected to all of the things we'd like to see happen in Sarpy County, so. [LB1067]

DAVID BLACK: Thanks for your role to the NRD. It's another great partnership down there. [LB1067]

SENATOR KOLOWSKI: Yes, sir. Thank you very much. Just a second, please, Mayor. Just double-check, any additional questions? Yes, Senator Groene, please. [LB1067]

SENATOR GROENE: Do you use TIF in your community? [LB1067]

DAVID BLACK: We've never done a TIF project. [LB1067]

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SENATOR GROENE: I didn't think you did. [LB1067]

DAVID BLACK: Correct. [LB1067]

SENATOR GROENE: Thank you. Your biggest concern... [LB1067]

DAVID BLACK: We're not opposed to it, but we've never done one. [LB1067]

SENATOR GROENE: Probably testified that way, too, but at least your school district is getting their tax dollars from their property. [LB1067]

DAVID BLACK: Well, even if we TIF they're going to get the future dollars. [LB1067]

SENATOR GROENE: Anyway, we'll debate that another generation later. [LB1067]

DAVID BLACK: Different topic. [LB1067]

SENATOR GROENE: But anyway, boundaries is your biggest concern. [LB1067]

DAVID BLACK: Boundaries is our concern, absolutely. We believe that if boundaries is not resolved, economic development in Sarpy County stops. [LB1067]

SENATOR GROENE: Thank you. [LB1067]

SENATOR KOLOWSKI: Thank you, sir. Next, please. Good afternoon. [LB1067]

JOHN BACHMAN: Good afternoon, Senators. [LB1067]

SENATOR KOLOWSKI: Yes, sir. [LB1067]

JOHN BACHMAN: My name is John Bachman. I'm an attorney from Omaha representing the Eastern Nebraska Development Council, whose members are primarily developers in eastern Nebraska. We are here in support of this LB. I would like to reiterate the fact that the economic development within Sarpy County has been stifled because of the boundaries have been frozen with the school districts. And this bill allows and gives the opportunity to the school districts to make deals on their own boundaries. And in fact, I've had one prior development project in



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which that did occur between Papillion and Springfield and it worked out very well. So we are strongly in support as developers of this legislative bill. [LB1067]

SENATOR KOLOWSKI: Thank you, sir. Do you think, before there was a Learning Community, did you have a lot of activity taking place and you felt it wasn't being blocked... [LB1067]

JOHN BACHMAN: No. [LB1067]

SENATOR KOLOWSKI: ...like you think that happened with the Learning Community? [LB1067]

JOHN BACHMAN: Yes, it did, because we no longer can have agreements between school districts to change their boundaries. I haven't done a lot of work in Bellevue, but they're having a similar problem. I have done developments in...with Papillion and Springfield where we were able to swap out boundaries without a problem. We haven't been able to do that since the Learning Community. [LB1067]

SENATOR KOLOWSKI: Okay, thank you, sir. Also, when you get over the ridge for the most part within Sarpy County, that makes a huge difference on both utilities and land development, is that correct? [LB1067]

JOHN BACHMAN: Yes, it does, because of the utilities. But there still is land available south of...I'm trying to think of the road. But there is still land available south of... [LB1067]

SENATOR KOLOWSKI: Okay. [LB1067]

JOHN BACHMAN: ...that road that could be brought into the Papillion school district that would help out. [LB1067]

SENATOR KOLOWSKI: Excellent. Thank you, sir. Any other questions, please. Thank you. Thank you for coming today. [LB1067]

DENNIS VAN MOORLEGHEM: Well, good afternoon. [LB1067]

SENATOR KOLOWSKI: (Inaudible) good afternoon. [LB1067]

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DENNIS VAN MOORLEGHEM: I'm Denny Van Moorleghem. I represent today MOBA, the Metropolitan Omaha Builders Association. I live at 3758 South 184th Avenue in Omaha. I represent MOBA's 300 members and associates, as well as its thousands of subcontractors, suppliers, and material men who depend on new housing for their livelihood. I'm also here to represent the many homeowners that we try to sell houses to, our customers who can't find new houses in the school districts that they want their kids educated. We run across it every day. I've been following this issue for about two years because we're trying to develop new land. We had a housing shortage that we're just coming out of and we're still suffering from an undersupply of lots, but we're working our way out of that. We're finding that the school boundary issue, and that's really why we're here today, is not only stopping growth, it's, I mean, it's really resulted in a situation of collateral damage. It's not only about the kids and it's not only about the funding of the kids, but it's about where families are. Families are being hurt because they can't...the parents and their choice of where they buy a house is based on the school district and that's based on their perception of that school district and the education and the quality that's offered. But many of them can't find houses where they really want to live. They're forced to go back into existing neighborhoods where the houses are less than they can afford or less than they want but the school education is that important to them. Okay. We can't fulfill that need in some areas of Sarpy County at all. [LB1067]

SENATOR KOLOWSKI: Denny, excuse me just a second. Would you spell your entire name, please. [LB1067]

DENNIS VAN MOORLEGHEM: It's a long one. [LB1067]

SENATOR KOLOWSKI: Go ahead. [LB1067]

DENNIS VAN MOORLEGHEM: V-a-n- M-o-o-r-l-e-g-h-e-m. Sorry. [LB1067]

SENATOR KOLOWSKI: Thank you, sir. [LB1067]

DENNIS VAN MOORLEGHEM: Okay. Neighborhood formation is being hurt. Quite frankly, it's just not happening. Developers can't afford to develop, to put millions and millions of dollars into subdivision when they know or at least they're relatively sure that it's not going to fill up based on their projected absorption rates. Homeowners aren't going to make the decision to buy a lot in one of our subdivisions if they think they have to bus their kids many, many miles to the school that's in that school district, and that's what we're up against. Parents want communities. They want their kids close to their friends, close to their schools, close to their sports. And that revolves around the school community primarily, not a community that's many, many miles away. This really isn't about the quality of the education. It's about the parents' perception of

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what they want their kids' lifestyle to be about, and that's all about this perception of the right school district. Homeowners who want to live in Papillion because the school districts are only going to be in Papillion or Bellevue or Gretna and we're not moving them no matter what incentives we give them as home builders, that community feel is very, very important to them. As Mayor Black testified, cities are being hurt because of tax revenue. Commercial construction has slowed down. There's almost no available land in the Bellevue area that we can use that's in the Bellevue school district. Papillion has got a few years left, and so we're kind of getting worried about that. It seems to me this is a personal opinion that household growth is out of proportion along the 370 corridor. As you go farthest to the west in the Gretna area, there's many new subdivisions coming on-line. That's where buyers are going, some by default, but they're going that way and it seems to me the superintendents would know that they're struggling with getting the right schools in place and the right infrastructure in place. And as you go farther east, there's less..of course, there's no demand there at all but that's because there's no land available. I do know, as I followed this for the last couple of years, that the superintendents and the senators and the school districts, in particular this last summer, have really been working hard to make this work. And based on the interlocal agreements that I've read between Papillion and Bellevue and Springfield schools, their plan is workable. We trust them to do what they say they're going to do. They're good people all trying to get something done to help their kids. So we've been working at this for a long time. I think we've been suffering it as a building community for a long time. I'm sorry, my red light is on. So I urge you to move this forward, please. [LB1067]

SENATOR KOLOWSKI: Thank you. Thank you very much, sir. Hold on, please. [LB1067]

DENNIS VAN MOORLEGHEM: Oh, I'm sorry. [LB1067]

SENATOR KOLOWSKI: Any additional questions? Senator Groene. [LB1067]

SENATOR GROENE: Just to clarify--I'm not from the area--Springfield Platteview has the open farm ground. [LB1067]

DENNIS VAN MOORLEGHEM: Yes. [LB1067]

SENATOR GROENE: And the other districts are getting to be landlocked. [LB1067]

DENNIS VAN MOORLEGHEM: Yes. [LB1067]

SENATOR GROENE: So it's a matter of Springfield Platteview giving up some of their land to the other communities because the housing will be closer to a school then? [LB1067]

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DENNIS VAN MOORLEGHEM: Be closer...it'll...yeah. [LB1067]

SENATOR GROENE: They have to commute further if they are in Springfield Platteview school district. [LB1067]

DENNIS VAN MOORLEGHEM: That's right. [LB1067]

SENATOR GROENE: That's the... [LB1067]

DENNIS VAN MOORLEGHEM: There's a long distance between the school boundary issues and where the Platteview schools are currently. [LB1067]

SENATOR GROENE: So it has nothing to do with mill levies or public safety or anything, it's just close to the schools. [LB1067]

DENNIS VAN MOORLEGHEM: Close to the schools. As I said, people want their kids to be in the community. Their neighborhood is their neighborhood and they can't be that if their kids have to be bussed a long ways. [LB1067]

SENATOR GROENE: They don't want to live in town and have to bus their kids. [LB1067]

DENNIS VAN MOORLEGHEM: Right. [LB1067]

SENATOR GROENE: Thank you. [LB1067]

DENNIS VAN MOORLEGHEM: Okay. [LB1067]

SENATOR KOLOWSKI: Additional questions, please. Thank you, sir. [LB1067]

DENNIS VAN MOORLEGHEM: Thank you. [LB1067]

SENATOR KOLOWSKI: Appreciate it very much. Additional proponents, please. Afternoon. [LB1067]

RITA SANDERS: (Exhibit 10) Good afternoon, Senator Sullivan and members of the Education Committee. My name is Rita Sanders, R-i-t-a S-a-n-d-e-r-s. I am the mayor of the city of

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Bellevue, home of Offutt Air Force Base. I want to thank you for the opportunity to share with you today how important Senator Sullivan's bill, LB1067, is to the Bellevue community. I will keep my comments brief and right to the point. The freezing of the school district boundaries implemented as part of the current Learning Community legislation has stifled growth of the city of Bellevue. There are currently four school districts that fall within the city limits to Bellevue. While we agree and acknowledge that all these are excellent school districts, we have discovered that having this many school districts within the city's jurisdiction has had a negative impact on the neighborhood and economic development. I have heard from numerous constituents that it is important to home buyers to purchase homes in neighborhoods that have school boundaries within that community. It is oftentimes not the case in Bellevue and I believe that LB1067 steps to help address this issue. A solution to this problem was deemed important enough in Bellevue that it is the key initiative to the city's recent strategic plan, which states that boundaries that are consistent with our school is key for pursuing economic and community growth by development. In fact, we have builders that are not only willing to have detailed plans to invest in the development of some of the large areas of land within the city and our jurisdiction. Unfortunately, all of us in Bellevue, these areas continue to sit vacant as a resolution is discussed. We are excited that there are...there may be solutions to this problem. By eliminating the common levy, LB1067 paves the way for growth in Bellevue. The school boards of the Bellevue Public Schools and the Springfield Platteview Community Schools have already reached the agreement that will move the school boundaries more in line with the city of Bellevue's jurisdiction. This agreement, which I understand will benefit both school districts, hinges on the removal of the common levy. I want to thank the members of the Education Committee for their tireless work on the Learning Community committee issues. These issues have been discussed for as long as I have been the mayor, and I'm in my sixth year. We appreciate the efforts that the committee members both past and present have made in trying to make this legislation work for all. Thank you to Senator Sullivan for the LB1067, her priority bill. I would like to ask the entire committee for their support on this bill. Thank you. [LB1067]

SENATOR KOLOWSKI: Thank you, Ms. Sanders. Any questions, please. Seeing none, thank you very much. [LB1067]

RITA SANDERS: Thank you. [LB1067]

SENATOR KOLOWSKI: (Exhibits 11 and 12) Any additional proponents, please. I'd like to read into the record Marja and Michael Selna, owners of farmland in Sarpy County, residents of California, sent in their letter of support; as well as Karen Gibler, Sarpy County Chamber of Commerce, has a letter of support. Any opponents now please come forward, opponents to this bill, LB1067. Good afternoon. How are you? [LB1067]

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CONNIE KNOCHE: (Exhibits 13 and 14) Senator Kolowski, members of the Education Committee, my name is Connie Knoche, C-o-n-n-i-e K-n-o-c-h-e, and I represent Omaha Public Schools. And the city of Omaha is one economic community. As you drive through the city, you drive through several school districts within the city. And prior to the creation of the Learning Community, OPS had the ability to expand its boundaries as the city grew. But that law was repealed and then the Learning Community came in. So we are landlocked in our area. We can't grow, although several of the districts in the surrounding areas now want to grow. I've given you a couple of maps. The one with the green is showing the valuation per student that exists in the Learning Community. And you'll see in DC West they have over a million dollars per student in assessed valuation. Springfield Platteview has \$1.6 million per student. You see the dark green area on this map are the ones that have less than 6 percent poverty. And as it gets more colorful down the end, that's where you have more than 40 percent poverty up to 54 percent. So you can see for the boundary of the city of Omaha...or for Omaha Public Schools all of the poverty...or most of the poverty and ELL students reside in that district. Over 70 percent of our students attending Omaha Public Schools live in poverty. Since 2009-10, our refugee population has increased by 110 percent. From 2000 to 2014 our English language learner population increased by 397 percent. If we had our ELL students all in one school, that would be the fourth largest school in the state of Nebraska. TEEOSA has been changed in one form or another 21 out of the last 24 years. While most districts are able to address a shortfall in state aid through an increase in property taxes, OPS would have no alternative but to reduce programs and staff. And many districts are able to keep their levies the same or lower them because of valuation growth. And valuation growth is not something that is afforded to the city...or Omaha Public Schools. And I just wanted to mention the community achievement plans. There is little or no incentive for most of the school districts in the Learning Community to have a viable community achievement plan because most of them don't have the poverty that is experienced in the Omaha Public Schools district. So you can lose state aid if it's not approved by the State Board. They have to...you know, there's a lot of evaluation of achievement and equity in all of that, but most of the schools in the Learning Community would not be as impacted as we would be by this provision in the bill. And I'd be happy to answer any questions. [LB1067]

SENATOR KOLOWSKI: Okay. Any questions? Senator Groene. [LB1067]

SENATOR GROENE: You're concerned about your overall valuation per student? [LB1067]

CONNIE KNOCHE: Yes. [LB1067]

SENATOR GROENE: Have you ever complained to the city of Omaha about giving away 9 percent of your total valuation in TIF? Nine out of every \$100 of your property taxes goes to TIF. Did you know that? [LB1067]

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CONNIE KNOCHE: Yeah, I know that we do have a lot of TIF projects. [LB1067]

SENATOR GROENE: Nine percent. [LB1067]

CONNIE KNOCHE: And I know within the city of Omaha there are TIF projects going on, not just the... [LB1067]

SENATOR GROENE: I'm talking about your school district. We figured out your school district. Have you complained? [LB1067]

CONNIE KNOCHE: I don't know if they have or not. I'm new to the district so I wouldn't have that history. [LB1067]

SENATOR GROENE: Also, on your poverty allowance it went from \$46 million to \$56 million in one year. So the state is with the poverty allowance helping OPS. You've got a \$10 million increase there in one year. [LB1067]

CONNIE KNOCHE: This year there was an increase in state aid, but there is fluctuation in the state aid that's distributed. Sometimes you get more, sometimes you get less. That's why the property tax is a stability factor for districts that rely on state aid so heavily. If you had more valuation, you wouldn't be impacted as... [LB1067]

SENATOR GROENE: But it didn't bother the school board that they're losing 9 percent to tax increment financing. [LB1067]

CONNIE KNOCHE: Well, the school board doesn't have any choice in that. It's a state law that... [LB1067]

SENATOR GROENE: They can comment at...to it, to the city. [LB1067]

CONNIE KNOCHE: Yeah, that's true. [LB1067]

SENATOR GROENE: Thank you. [LB1067]

SENATOR KOLOWSKI: Additional questions? Ms. Knoche, on the opposition that OPS has to the elimination of the common levy, would that exist even though there might be other

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provisions in a bill to address poverty and ELL funding? Would that help offset what might be lost from that? [LB1067]

CONNIE KNOCHE: Some of that concern? That would help offset some of the concern, however, there was no bill that had anything about ELL in it. And there were some provisions for poverty but, again, you had to do a lot of...you know, get a lot of people to come along with your plan in order to be able to get additional money for it. [LB1067]

SENATOR KOLOWSKI: Okay, just clarifying. Thank you. Any other questions, please. Thank you very much for coming. Superintendent, how are you, sir? [LB1067]

MARK ADLER: Very good, thank you. [LB1067]

SENATOR KOLOWSKI: Good. Welcome. [LB1067]

MARK ADLER: (Exhibit 15) Senator Kolowski, Senator Sullivan, members of the Education Committee, my name is Mark Adler, M-a-r-k A-d-l-e-r, and I serve as superintendent of the Ralston schools. Today I come before you in opposition of LB1067. From the beginning, the Ralston school district has advocated for long-term and dependable support for students living in poverty. I believe LB1067 does not reach far enough to help the escalating concerns students of poverty face on a daily basis. My understanding is that one of the primary reasons for the development of the Learning Community was to address issues of equity of funding specifically for students living in poverty. Although LB1067 takes some steps to address poverty within the Learning Community, the design of the funding mechanics are concerning. Furthermore, the level of support provided for students living in poverty appears to be inadequate. What is interesting to me is that we are once again in a very similar position with a lack of adequate funding for those students who quite honestly, I believe, need our assistance the most. According to the State of the Schools Report, the poverty level in Ralston has grown just over 24 percent in the last decade. The district poverty total for '14-15 was 54 percent and currently rests at 57 percent. Currently 16 of our students are designated as homeless. If LB1067 were to pass, the long-term outlook for any students living in poverty is extremely concerning. Removing the common levy in a district where the average valuation growth over the last five years is 1 percent will eliminate any level of stability that once existed. Ralston is at their maximum levy of \$1.05 and does not have the ability to contribute to our building fund, which we haven't done for over five years. Furthermore, the average budget growth in Ralston over the last five years has been 0.21 percent. As you can clearly see, the Ralston Public Schools has had to manage extreme needs facing our students who live in poverty with a minimum level of growth in our district's funding. Removal of the common levy without some factors to ensure stable and dependable support for students in poverty will further hinder our efforts to serve the students who need us



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most. As an equalized district like Ralston that is at the maximum levy of \$1.05 has little room to access budget growth to meet the escalating needs of our students. As you are all aware, many state leaders are calling for reductions in taxes. Nebraska history has repeatedly demonstrated that one of the first places state leaders go to adjust state spending is to manipulate elements of the TEEOSA formula. Equalized school districts like Ralston will be unable to increase our funding in order to offset the decrease in state aid if that would happen. Ultimately, districts such as Ralston would be unable to meet the growing needs of our students living in poverty. As a result, our opposition to LB1067 involves the issue of providing districts across Nebraska with stable and dependable support for students living in poverty. Senator Sullivan has asked for input on what practices or programs are needed to support students in poverty. Attached to my testimony are examples of interventions that are currently in place in our district. I've also included materials and research that was compiled by members of the Metropolitan Omaha Educational Consortium instructional leaders that will help frame that discussion. Senator Sullivan, Senator Baker, members of the Education Committee, and state leaders, I know you have a very difficult job. I appreciate your service and your leadership and quite honestly will never know the challenging...how challenging the issues that you face really are. As we move forward I hope that we can look forward to being able to commit and support increasing the needs of students living in poverty across our state. I stand willing and ready to be a part of that conversation and I'll do my best to answer any questions that I can. [LB1067]

SENATOR KOLOWSKI: Thank you, Dr. Adler. Any questions? Senator Groene. [LB1067]

SENATOR GROENE: Thank you. So you're one of the districts that would get some of the Learning Community transition aid, is that right? [LB1067]

MARK ADLER: I believe we would, yes, sir. [LB1067]

SENATOR GROENE: Okay. And if it disappeared, how much would it affect you, the common levy disappeared right now? [LB1067]

MARK ADLER: This year I believe we are at a positive \$224,000. And so if the common levy goes away... [LB1067]

SENATOR GROENE: So in a \$31 million budget that's not that much. [LB1067]

MARK ADLER: Yep, you're correct. [LB1067]

SENATOR GROENE: But... [LB1067]

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MARK ADLER: And I guess what I...how I would respond to that is I'm not necessarily concerned about what happens next year or the year after. It's down the road even potentially when the transition aid goes away and then we rely on valuation growth and state aid to fund our school. The concern is at 1 percent growth, and we live in a place in Ralston where we're not going to have a lot of valuation growth, I think that's pretty evident. [LB1067]

SENATOR GROENE: I see you're landlocked. [LB1067]

MARK ADLER: And we're definitely landlocked, and I appreciate you recognizing that. So if we have to rely on state aid for those increases in the budget, I just worry that...you know, how that's going to pan out. [LB1067]

SENATOR GROENE: Does the Learning Community have a presence in your district?  
[LB1067]

MARK ADLER: They do. We do. [LB1067]

SENATOR GROENE: They have... [LB1067]

MARK ADLER: Yes, sir, we are one of the areas where the Buffett early childhood center is in place and we've invested a lot in early childhood education. We believe that's one of the most important factors we can do to help combat poverty is try to get to those kids so that we can get them on track early, interventions so hopefully... [LB1067]

SENATOR GROENE: Are they working inside your school buildings or... [LB1067]

MARK ADLER: They are in three of our elementaries, yes, sir. [LB1067]

SENATOR GROENE: And the Learning Community has their own employees, their own staff that come in? [LB1067]

MARK ADLER: Combined with ours, combined with ours. We always had early childhood centers in all of our elementary schools, but they are helping us in three of our elementary schools, three (inaudible). [LB1067]

SENATOR GROENE: So why wouldn't we just increase the ability to 5 cents for the Learning Community tax levy that then the Learning Community focus on poverty? [LB1067]

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MARK ADLER: That's an idea. That's definitely an idea. I'm not sure. You know, I think the devil would be in the details in how that, you know, how that's distributed and what that looks like. I think that's something to think about, so. [LB1067]

SENATOR GROENE: All right. Thank you. [LB1067]

MARK ADLER: Um-hum, yes, sir. [LB1067]

SENATOR KOLOWSKI: Dr. Adler, your discussions in the Learning Community have also recognized the level of poverty across the state. It's not just looking at the metro area. So I think that Senator Groene's questions are right on target, you know, as far as the breadth and scope of your discussions and where you've looked in the past. I appreciate that also. [LB1067]

MARK ADLER: Definitely. [LB1067]

SENATOR KOLOWSKI: Do you still have an early childhood center at the high school? [LB1067]

MARK ADLER: We do, we do. That's run by our school foundation. [LB1067]

SENATOR KOLOWSKI: The foundation runs that... [LB1067]

MARK ADLER: Right. [LB1067]

SENATOR KOLOWSKI: ...and the three Buffetts in your elementaries? [LB1067]

MARK ADLER: Right. Yes, sir. [LB1067]

SENATOR KOLOWSKI: Thank you, sir. Any other questions? Thank you very much. Any other opponents at this time, please. Seeing none, anyone in the neutral category, please. Ms. Chang, welcome. Thank you. [LB1067]

LORRAINE CHANG: (Exhibit 16) Good afternoon, Senator Sullivan and members of the Education Committee, Senator Kolowski. My name is Lorraine Chang, L-o-r-r-a-i-n-e C-h-a-n-g. As the chair of the Learning Community Coordinating Council I am here to testify in a neutral capacity on LB1067 on behalf of the Learning Community of Douglas and Sarpy Counties. We're taking that neutral position on LB1067, as well as on LB903, because we want to respect

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the individual positions of our 11 school districts. However, we appreciate Senator Sullivan's work on this bill and her giving LB1067 her priority designation. Learning Community has worked closely with our 11 superintendents over the past year to develop proposals for this committee's consideration that would strengthen the areas where the Learning Community is having a positive impact and improve our collective capacity to make a measurable difference in the lives of children and families in poverty. And I think you've heard that from the superintendents. The level of collaboration that now exists with our superintendents is stronger than ever based on a common understanding that increasing and deepening poverty increases educational need. Today, the Learning Community stands united around our mission and that mission is that, together with school districts and community organizations as partners, we demonstrate, share, and implement more effective practices to measurably improve the educational outcomes for children and families in poverty. First and foremost, LB1067 supports Learning Community's program investments, about \$7.5 million annually that's funded by our modest elementary levy. And that currently is capped at a penny and a half. These include our signature investments in early childhood education as well as our coaching and professional development at Kellom and Conestoga Elementary preschool rooms that began in 2014. We have a program preparing parents, future teachers, and childcare providers at our north Omaha center that began in 2015. And as you've heard also, the implementation has begun of the superintendents' plan for early childhood education that involves all 11 of our school districts. We're particularly proud of the family learning program that you'll hear more about from the OneWorld Community Health Centers, who is our partner. These innovative programs are valuable models for sharing what works among our 11 districts, and it's...and one of the keys to our success in that sharing has been the rigorous evaluation that we're committed to, to fund that evaluation and learn from the results. We used experienced, independent third-party evaluators to provide ongoing feedback that enable the districts to continually improve the impact of the programs. And they work closely with the districts and validate the extent to which the programs are producing the desired impact. LB1067 preserves the Learning Community's share of the core service dollars that we believe is critical both to accountability and measurable impact. Leveraging community resources has also been part of our strategy. We have worked with a number of partners in our programs that bring together additional resources that were made available to intervene and engage with our early families. The community achievement plans in LB1067 add a structural, outcome-based component that builds on that collaboration. And finally, I will just close by saying that we're in agreement with our superintendents about an alternative to the common levy, one that offers a better way. But I want to also be clear that the Learning Community does not receive any of the funds from that common levy. Nevertheless, we are aligned with our districts in seeking additional funding from the state to address the challenges of kids in poverty. And with the community achievement plan, we stand ready to help implement that collaborative planning process. We believe that there is urgency in investing in our children in poverty. They're a growing number. They are going to be our future economic

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work force and we appreciate your consideration. I would be happy to answer any questions that you may have. [LB1067]

SENATOR KOLOWSKI: Thank you. Thank you for your testimony. Any additional questions? Senator Groene. [LB1067]

SENATOR GROENE: Thank you. Earlier I asked a couple questions of some of the superintendents about if the Learning Community is involved and they answered by saying, yes, we are dealing with the Buffett early childhood. Could you tell me the link here? [LB1067]

LORRAINE CHANG: Yes, I'll clarify that. Because Learning Community staff is not on site at those implementation sites, the intensive sites at the district level, we are funding that plan to the tune of \$2.5 million a year that enables the Buffett early childhood experts and partnering with district personnel to work in those schools. [LB1067]

SENATOR GROENE: Is the early childhood, Buffett, is that private money? [LB1067]

LORRAINE CHANG: No, the Buffett Early Childhood Institute is an institute that's part of the University of Nebraska. [LB1067]

SENATOR GROENE: And they have staff that comes out and... [LB1067]

LORRAINE CHANG: Correct, and they work and coach and provide professional development around the best practices around early childhood. They're a nationally recognized team. [LB1067]

SENATOR GROENE: So the actual early childhood where the children are involved is the Learning Community or is it the Buffett early childhood? [LB1067]

LORRAINE CHANG: The superintendents' plan that involves intensive sites and professional development across the 11 districts is funded by Learning Community, but Learning Community staff are not part of it. We have an early childhood program that's at Kellom and Conestoga Elementary Schools and at our north center that we do support. [LB1067]

SENATOR GROENE: So early childhood is your big focus. [LB1067]

LORRAINE CHANG: That is our primary focus, yes. We do have other programs. [LB1067]

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SENATOR GROENE: I read the original statute. You've got poverty plans, establish procedure receiving community input, establish a procedure parents, citizens, member schools, districts in assessing and improving center pursuits, pilot projects related to enhancing academic achievement to elementary students, provide funding for public and private entities engaged in juvenile justice. I can't find anything about early childhood. [LB1067]

LORRAINE CHANG: That early childhood authority was given to us in LB585 a couple years ago and... [LB1067]

SENATOR GROENE: To add to the original statutes? [LB1067]

LORRAINE CHANG: Yes, um-hum. [LB1067]

SENATOR GROENE: But your biggest focus is early childhood. [LB1067]

LORRAINE CHANG: And that enhanced our ability to levy as well to fund that program. [LB1067]

SENATOR GROENE: But about English as a second language it says here about also you're supposed to focus on that. Are you doing much of that or... [LB1067]

LORRAINE CHANG: Which one? [LB1067]

SENATOR GROENE: English... [LB1067]

LORRAINE CHANG: English as a second language? [LB1067]

SENATOR GROENE: There you go. [LB1067]

LORRAINE CHANG: We absolutely are, our south Omaha center. [LB1067]

SENATOR GROENE: I should say English as a first language is what it should be called. [LB1067]

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LORRAINE CHANG: Yeah, our south Omaha center is focused on family learning but family literacy in terms of teaching our parents of the youngest school-age children to learn English but also to be able to support their children's learning. [LB1067]

SENATOR GROENE: Thank you. [LB1067]

LORRAINE CHANG: And so we've been supporting that as well. Thank you. [LB1067]

SENATOR KOLOWSKI: Additional questions for Ms. Chang, please. Again, thank you for your leadership with the Learning Community and thank you for being here today. [LB1067]

LORRAINE CHANG: Thank you. [LB1067]

SENATOR KOLOWSKI: Additional neutral category, please. Welcome, John. [LB1067]

JOHN CAVANAUGH: Good afternoon, Mr. Chairman. Members of the committee, I'm John Cavanaugh, J-o-h-n C-a-v-a-n-a-u-g-h. I'm the chief operating officer of the Holland Children's Movement, a not-for-profit organization dedicated to advocacy on public policy for children and families in poverty. We appear today in a neutral position on LB1067 primarily to praise the Legislature and the continuing efforts of Senator Sullivan and Senator Baker in support of the Learning Community. It really has been over the past decade transformative in terms of the original goals of Senator Ron Raikes and this Legislature of addressing the very difficult problem of poverty and geography, first of all within our metropolitan area, but across the state. The reality is that we have concentrations, geographic concentrations of poverty that have huge implications for our entire society and community. This Legislature recognized that over a decade ago, recognized the particular political contentiousness that reality created for metropolitan Omaha. And I think, just from the testimony that you all have heard today from the superintendents in the metropolitan area, the community has been transformed by the common effort of the Learning Community. It has brought everyone together. There are still obviously contentions and they're mostly about the equities in distributions of funds. But the commonality that exists in our community today is the recognition of the special burdens that poverty placed not only on families and children but on our institutions as well. So what we would encourage you to do, first of all, which I think this Legislature is committed to, is continuing the Learning Community, strengthening the Learning Community, and maintaining a focus and priority on what is the best way to bring educational opportunity to families and children in poverty. We would encourage you to look at Senator Baker's effort on recognizing concentrations of poverty and the particular impacts that has both in terms of cost and in terms of quality of education. So thank you very much. [LB1067]

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SENATOR KOLOWSKI: Thank you, Mr. Cavanaugh. Additional questions, please. Seeing none, thank you very much. Additional neutral, please. [LB1067]

JOEL DOUGHERTY: Good afternoon, Senator Sullivan and members of the Education Committee. My name is Joel Dougherty, J-o-e-l D-o-u-g-h-e-r-t-y. I'm chief operating officer of OneWorld Community Health Centers. OneWorld cares for over 35,000 people in southwest and northwest Omaha, as well as Bellevue and Cass County. I'm here to testify in a neutral capacity on LB1067 as a partner of the Learning Community of Douglas and Sarpy Counties. We have a great appreciation for the time and effort of the members of this committee and Senator Sullivan has spent to address the educational needs of children statewide. I'm here simply to share some information and some positive aspects for our program today. OneWorld is the Learning Community's lead partner in the Learning Community center of south Omaha. I would like to highlight some aspects of our partnership, share a snapshot of the very significant educational needs that we see in south Omaha, and tell you about the growing capacity in the Omaha metro area to leverage our community strengths. Our goal is to develop an effective family learning program that helps parents help their children. You've heard about this program so let me get straight to the results. Completion of a two-year family learning program changes lives and puts children on track for academic success. With guidance from our independent third-party program evaluators at UNMC Munroe-Meyer Institute, this program is already in the adaptation phase. Adding new sites within Educare at Indian Hills and at Gateway Elementary moves us closer to a broadly accessible and proven program. All of our work hinges on collaborative relationships. The public school leadership teams in south Omaha are very supportive. This is especially true at Gateway Elementary, where we work hand in hand with the building principal to explore our shared assets and to develop and strengthen the program. Let me briefly touch on the educational needs in south Omaha. The lack of English-speaking skills combined with poverty creates a cultural disconnect for families. It's an issue that affects education, health, and employability. By 11th grade, half of the young people in our community are not proficient readers. With a quarter of the Latino families in the metro area living in poverty, this has devastating implications for young people and for our work force, present and future. Our family learning program is focused on academic outcomes but you should know that once parents learn enough English to confidently talk with teachers and get involved in schools, they often see new opportunities for better jobs, a college degree, or both. It's important that we help immigrant families bridge the critical gap that impacts a child's academic success. Another outstanding result that speaks to the strengths of the Omaha community and future potential, when we started this program we couldn't have anticipated the tremendous response from the community, from other organizations that are integrated into the curriculum and help us make this program a national standout. They're involved because we found our missions are complementary. I'm talking about the Child Saving Institute's KidSquad, First National Bank's Money Matters program, Visiting Nurse Association Cooking Matters, the Omaha Conservatory of Music Violin Sprouts, Omaha Public Library, Joslyn Art Museum, and the UNO Service Learning Academy. It's not often you can



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present a list of quality organizations like this and tell state senators that every single one enhances our program at no cost to taxpayers, the Learning Community, or OneWorld. That speaks to the strength and reason to see tremendous potential in addressing the educational needs of children. Thank you. [LB1067]

SENATOR KOLOWSKI: Thank you, Mr. Dougherty. Thank you for your comments. Any questions for Mr. Dougherty, please. Thank you for the work of your organization in our communities, appreciate it very much. [LB1067]

JOEL DOUGHERTY: Thank you, Senator. [LB1067]

SENATOR KOLOWSKI: Any additional neutral comments, please. Anyone else in the neutral category? With that, Senator Sullivan, we'll come back to you. Thank you. [LB1067]

SENATOR SULLIVAN: Thank you, Senator Kolowski and members. And I thank all who came to testify on LB1067. I think for the most part we've...the testifiers, all of us, tried to model what I think I want to have happen in the Learning Community is some collaboration, communication. And while you have seen some very definite common themes that the majority are in agreement on, there are a few divergences and differences of opinion. But truly I think LB1067, please remember that I think it retains all what's good about the Learning Community and serves to change it in ways that will make it stronger and better. It's not lost on me that there are concerns about dealing with children in poverty. But I think you also need to remember a few things in that respect. One is that we have a poverty allowance that is an important part of our state school funding formula. And that has not changed over quite a number of years. If anything, it's changed to improve it in ways. And we're unique in the fact that we recognize in that formula concentrations of poverty and then that, in turn, is reflected by more state support for districts who are experiencing that. And I thought that, too, to say that there are...the two districts that spoke against it are recognizing and reaping some benefits of Learning Community programs, irrespective of the common levy, that programs that are operating in their respective districts that are addressing the challenges of poverty. And I lastly think that this community achievement plan is just accentuating what I think is already happening in the Learning Community. Asking the districts to come together to come up with a plan, it's not like they have to rally new people to do this. So if anything it says keep doing what you're doing and put it on paper and have a plan, and if you do that you're going to get a 5 percent...you're getting aid that represents 5 percent of your poverty allowance. I don't think that is onerous. In fact, I think that's really a good thing. And not only that, I think you would probably agree with me that there is no magic thing about throwing money or giving additional money at something and automatically expecting results. I think there needs to be accountability with it and I think that's what we see with the community

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achievement plan. So I think the elements are there in LB1067 to enhance what already exists in the Learning Community, so I thank you. [LB1067]

SENATOR KOLOWSKI: Any questions for Senator Sullivan, please. Thank you. [LB1067]

SENATOR SULLIVAN: Um-hum. [LB1067]

SENATOR KOLOWSKI: That ends our work on LB1067. I'll switch back to Senator Sullivan and we'll move on to LB903. Thank you. [LB1067]

SENATOR SULLIVAN: Thank you, Senator Kolowski. And as he said, we will move on to the next bill. And that will be introduced by Senator Baker. Welcome, Senator. [LB903]

SENATOR BAKER: Thank you, Senator Sullivan, members of the Education Committee. For the record, my name is Roy Baker, R-o-y B-a-k-e-r, and I represent the 30th Legislative District. LB903 makes numerous changes to the statutes governing learning communities. Many of the provisions are similar to those of LB1067, but there are some differences. All of the bills with regards to the finance of learning communities call for the common levy to go away, so that's a common element. LB903 restores core service dollars to ESU 3 and ESU 19, allowing those districts to access core service dollars for things like staff development, technology, and the like. So that is a difference. Three, LB903 establishes an extreme poverty adjustment, starting when a school district reaches the 40 percent free lunch threshold. This is not to be confused with the current poverty allowance, which is available to all school districts. The number plugged into this was designed to come out at about \$9 million, that turns out to be \$131.04 for each free lunch student in districts that would qualify. Extreme poverty adjustment applies to all public school districts in Nebraska, not just those in the Learning Community. In fact, only two in the Learning Community would meet that level. All across the state I think there are 31 districts who are at or above the 40 percent level of students qualifying for free lunches. The districts commonly bandy about a number that says we have this number of students on free and reduced price lunches. We're not talking about that, we're talking about districts in which 40 percent or more of the students qualify for free lunches. And if the questions get into that, I could talk more about why I think that's important. Because clearly the demographics of Nebraska have changed, even in the last 10 to 15 years. This combines the current, separate Learning Community levies into one levy of up to \$0.02 for operations on evaluation of elementary learning centers, associated programs, juvenile justice attendance, and all aspects of early childhood education. It also includes the research and evaluation under that levy. This bill treats Learning Community districts the same as the rest of the state for state aid and property tax distribution, except for the 2 cent levy for the ECE and the ELC. Likewise, this bill freezes the boundaries, treats Learning Community schools the same as other districts, with board approvals needed for land acquisition,

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and thirdly, removes the Learning Community from any authority regarding boundaries. In terms of governance, bureaucracy and redundancy are reduced, creates a 12-member elected board, eliminates current voting school board members from the Learning Community Coordinating Council, eliminates current nonvoting school board members from Learning Community Coordinating Council...I think I just repeated myself there...both voting and nonvoting, that's the difference. All right, requires the CEO of the Learning Community to meet with superintendents in a meeting arranged by the superintendents to work on early learning centers, associated programs, early childhood, juvenile justice attendance, focus programs schools, any pilot programs related to ELL and poverty. The Learning Community Coordinating Council authority would include...it combines current, separate Learning Community levies into one levy of up to \$0.02, evaluates the elementary learning standards and associated programs, early childhood education as part of that 2 cent levy. They will be responsible for hiring, firing, evaluating the CEO of the Learning Community, they would approve pilot programs for poverty and ELL, as related to elementary learning centers, associated programs, early childhood education, would approve focus programs in schools, would resolve complaints against the Learning Community, would provide dispute resolution between member schools for areas the Learning Community oversees. Open enrollment will be changed to option enrollment, so it would change all current open enrollment students to option enrollment, grandfathering transportation services to the level of the student...in other words, to the elementary school, middle school, or high school, wherever they happen to be. LB903 preceded LB1026 and it was unclear what might be included in Senator Sullivan's bill, so I too worked with the superintendents of the 11 districts. I would say that if the committee decides to move LB1067, I will support it 100 percent. I will now try to answer any questions you may have. [LB903]

SENATOR SULLIVAN: Thank you, Senator Baker. Are there any questions for him? Okay. Welcome back. [LB903]

JIM SUTFIN: Thank you. Are you ready? [LB903]

SENATOR SULLIVAN: Yes. [LB903]

JIM SUTFIN: (Exhibit 1) Madam Chairperson, members of the Education Committee, thank you for allowing me the opportunity to testify in favor of LB903. My name is Jim Sutfin, J-i-m S-u-t-f-i-n, I am the superintendent of the Millard Public Schools. Senator Baker, we appreciate the work you've done in helping us get into print the concepts we had during the many, many meetings that we had. And again, your work was extremely important to us. The Millard board has stood behind the elimination of the Learning Community since its inception, even though we benefit under the 95 cent levy. It is our belief and continues to be our belief that no school district should be financially penalized for being a member of the Learning Community and that

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the structure of the Learning Community should not duplicate the work of school boards. As I look at your bill, Senator Baker, three things that stand out to me, that are worthy to note and hopefully can be a part of the discussion as you work in executive committee to finalize LB1067. First, the extreme poverty adjustment works to address poverty on a statewide level. This benefits many districts in the state outside of the Learning Community. In fact, only two school districts in the Learning Community benefit from the extreme poverty adjustment. Although Millard would not receive any money for this, we believe it is an effective plan that benefits areas across our state where extreme poverty is found. Second, the return of the core service dollars to districts, so that they can be used as intended, is important. I will not go into the details surrounding the core service dollars because I have already done that in earlier testimony. I do want to reiterate that the language we were looking at was up to but not more than \$650,000, so the collaboration between the Learning Community and districts can be done. We certainly do not want to get in the way of the Learning Community evaluating their programs, we just believe, based upon the data that we have seen, the reports that we have read, that there could be a more efficient and effective way to do evaluations, that brings both groups to the table. And in Millard, we're pretty tight, and we want to make sure that money is being spent well. Third, the reassignment of the 5 cent levy for the ELCs and summer school programs is a good thing for the Learning Community students. This allows for expansion of early childhood programs, without having to go back to the Legislature for additional financial approval. Again, I appreciate the time to testify on behalf of LB903, and thank you for addressing the Learning Community this year in the Legislature. Thank you. [LB903]

SENATOR SULLIVAN: Thank you, Dr. Sutfin. Any questions for him? One of the points that you make in terms of Millard's support for this is core service dollars. [LB903]

JIM SUTFIN: Yes, ma'am. [LB903]

SENATOR SULLIVAN: But they wouldn't go back to you, they'd go back to the ESU, right? [LB903]

JIM SUTFIN: That is correct. And then those dollars that flow into the ESU would then provide services for the school districts. [LB903]

SENATOR SULLIVAN: Okay. So it's not like the money flows back to Millard, it goes to the ESU to develop programs that benefit Millard. Is that... [LB903]

JIM SUTFIN: That would be correct. To give you an example, if we were to be able to receive some of that money back from the core service dollars. We're in the middle of a math curriculum adoption right now, we're looking at a license software program that would be supported through

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the service unit that would help on-line aid for math instruction for high school kids. Because that is the one place where kids don't seem to benefit from their parents help in math. I'm speaking of that as a parent because I can no longer do my daughter's math. And so those are things that we give up because of the loss of those dollars. And if those dollars were to be returned, those are the sorts of services we'd be looking to the service unit to help provide. [LB903]

SENATOR SULLIVAN: In the same breath though, one of the things that I'm charging the Learning Community Coordinating Council to do is help with the evaluation of these community achievement plans, so I'm actually giving them a little more responsibility. [LB903]

JIM SUTFIN: Okay. [LB903]

SENATOR SULLIVAN: All right. Any other questions? Senator Kolowski. [LB903]

SENATOR KOLOWSKI: Thank you, Madam. Dr. Sutfin, what other core dollar usage do you have in your district besides the one example you gave of math. Anything else you'd like to... [LB903]

JIM SUTFIN: Yeah, we use the core service dollars for staff development, we use it to broaden our student information system, we use the dollars for services relating and surrounding technology, which is the intended purposes of those pieces. [LB903]

SENATOR KOLOWSKI: Thank you. [LB903]

SENATOR SULLIVAN: Any other questions? Senator Groene. [LB903]

SENATOR GROENE: What does the ESU do with the mill levy they get locally now? I mean, can't they do this...do they have to be directed with a certain tax to offer you those services? [LB903]

JIM SUTFIN: Yeah, the mill levy is the core service dollars. So the mill levy of the core service money, \$650,300-some odd thousand from the ESU 3 goes to the Learning Community to support the evaluations. If I'm in ESU 2 or ESU 19 or ESU whatever it is, that mill levy does not flow to a Learning Community for valuations, but rather stays for the purpose of technology and staff development. [LB903]

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SENATOR GROENE: And you want that reinstated? [LB903]

JIM SUTFIN: You know, when we say reinstated, would that be the ideal? Yes. Do we recognize that there is need for the Learning Community to perform evaluations? Yes, we do. We would like to have language that allows for collaboration, so that's the up to but not to exceed \$650,000, so that we all come to the table and look at the evaluations so that they're effective. In my earlier testimony, I provided three copies of evaluations of the same program. One of them is ours, two of them are the Learning Community's. The Learning Community evaluations for that program are incomplete because of student privacy issues. The way they are written does not help us make formative decisions on the program, but instead we go and we write our own evaluation. [LB903]

SENATOR GROENE: Earlier you said you were redoing your math curriculum. What's that have to do with poverty? [LB903]

JIM SUTFIN: Core service dollars were not intended for poverty. Core service dollars are intended for staff development and technology. [LB903]

SENATOR GROENE: But Senator Sullivan said what her intent is to look at poverty programs, not math programs...curriculum. [LB903]

JIM SUTFIN: Correct. So the core service dollars that flow to the Learning Community to perform evaluations are done on those programs of poverty. What I believe I heard Senator Sullivan say is she's going to charge the Learning Community with additional evaluations for the community achievement plan. [LB903]

SENATOR GROENE: Which deals with poverty. [LB903]

JIM SUTFIN: Correct. [LB903]

SENATOR GROENE: Not with overall math programs. [LB903]

JIM SUTFIN: That is what has been...the consternation in our district is that the core service dollars were intended for things such as math or staff development, and they are not being used that way. [LB903]

SENATOR GROENE: Thank you. [LB903]

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SENATOR SULLIVAN: Any other questions? Thank you for your testimony. [LB903]

JIM SUTFIN: Thank you. [LB903]

SENATOR SULLIVAN: Welcome back. [LB903]

TERRY HAACK: (Exhibit 2) Yes, thank you. Good afternoon, Senator Sullivan and committee. My name is Terry Haack, T-e-r-r-y H-a-a-c-k, I would like to offer testimony as a proponent for LB903. You have heard our testimony for LB1067, regarding the common levy, open enrollment, and appropriate changes to the Learning Community. LB903 provides similar language regarding these changes, therefore, I would like to address the difference between the two bills. I believe there is some confusion about the role of public education dealing with poverty. Public schools welcome all students, including children of family that live in poverty, and help them all become productive citizens through education. One can argue education is one of the most important tools to help children move out of a life of poverty. However, education cannot and should not be the only entity charged with fixing families in poverty. Families living in poverty affect the entire state in some way or another. Helping families move out of poverty cannot be accomplished through education alone, it will take the collaboration of many to move families from poverty into a better life, thus a total state approach to addressing children of poverty is imperative. One of the many differences between LB1067 and LB903 is how TEEOSA funds students in extreme poverty. Both provide additional funds to districts with students of poverty. As you already know, LB903 does not isolate extreme poverty funding to simply two counties in the state of Nebraska. LB903 allows the citizens of Nebraska to recognize poverty as a state issue. Although Bennington Public Schools will not see a dime for extreme poverty funding in the foreseeable future, our district supports the calculation for students of extreme poverty in LB903. All citizens in our great state will benefit from a systematic approach to educating children living in poverty through LB903. Thank you very much, I'll take any questions if the committee has any. [LB903]

SENATOR SULLIVAN: Thank you. Are there any questions? Thank you for your testimony. [LB903]

TERRY HAACK: Thank you very much. [LB903]

SENATOR SULLIVAN: Welcome back. [LB903]

MARK ADLER: (Exhibit 3) Thank you. Good afternoon, Chairwoman Sullivan, members of the Education Committee. My name is Mark Adler, and it is my honor to serve as superintendent of

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the Ralston Schools. That is spelled M-a-r-k A-d-l-e-r. I'm going to separate out some of my comments so I don't get repetitive, but today I do come before you in support of LB903. As I mentioned before, the Ralston School District has advocated for long-term and dependable support for students living in poverty. As I said before, our school has grown in poverty just over 24 percent in the last 10 years. And something I looked back at not too long ago was we have 16 of our kids that are designated as homeless. And so those are some things that have changed. LB903 outlines a mechanism to provide additional funding to districts with more than 40 percent of their students qualifying for free lunch. This mechanism, referred to as the extreme poverty adjustment, begins to address the increased needs of students living in poverty. Implementing LB903 would help districts across Nebraska, including Ralston, make significant progress in addressing the escalating concerns that these students faced on a daily basis. The successful passage of LB903 would provide the Ralston Public Schools of the small level of predictable and dependable funding if the common levy is abolished. LB903 would also provide the same level of predictable and dependable funding for students living in poverty across Nebraska. Removing the common levy in a district where average evaluation growth over the last five years has been 1 percent will eliminate any level of stability that once existed. The implementation of an extreme poverty adjustment however, would provide a degree of stability for schools and students with escalating needs. LB903 would allow Ralston and many schools across Nebraska to start addressing the challenges associated with extreme poverty that many of our students now face. And as I mentioned before, I think it's important to know that addressing students in poverty is a journey over time, it's not one program or action. And I think that's important to remember, and so I've identified some things towards the end of my testimony that are just some examples of things that have been done or can be done. And with that, I definitely want to thank Senator Baker and Senator Sullivan for all your work over the years. I know you guys have a really tough job, and so we are here to help in any way possible. And with that, I would try to answer any questions that you might have. [LB903]

SENATOR SULLIVAN: Thank you, Dr. Adler. You've indicated that over the last several years you've seen your numbers of children in poverty in your district increase. So has that been reflected in the allowance that you've been able to... [LB903]

MARK ADLER: Absolutely. You are correct, we do get a healthy allowance and we try to maximize that as much as we can to help with the needs that we have. [LB903]

SENATOR SULLIVAN: And so then when you talk about stability, I don't know how long...or do you know how long you've been at above 40 percent the number of students in poverty? [LB903]



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MARK ADLER: You know, I don't know if I know that. And I think you're talking about just free students are you? [LB903]

SENATOR SULLIVAN: Yes, yes. [LB903]

MARK ADLER: I don't know. I think we're about 43.5 or 44 percent now in just free students. I'd have to do some research to know how long that's been above 40 with just that number. [LB903]

SENATOR SULLIVAN: So have you thought through this...if you're that close to the 40 percent what would happen in this extreme poverty adjustment if you drop below that? [LB903]

MARK ADLER: Yeah, we may. And I'm not sure if we're at a level that has topped out or not. I was just talking about that this morning with my cabinet about are we at a spot where we're going to continue to see more poverty. In our district a lot of our students live in short-term housing. One of the highest concentrations of apartments in the metro area go to our schools. And in our elementary schools we see poverty that looks different in just different places in the district. One of our elementary schools, where a lot of kids in apartments and short-term housing go to that school, it's a lot more difficult for our teachers than other places where there is still high poverty, but they're a lot of times single-unit homes where families live together. [LB903]

SENATOR SULLIVAN: Okay. Thank you, Dr. Adler. Any other questions for him? Thank you for your testimony. [LB903]

MARK ADLER: Thank you. [LB903]

SENATOR SULLIVAN: Welcome. [LB903]

VIRGIL HARDEN: (Exhibit 4) Good afternoon, Senator Sullivan, members of the Education Committee. My name is Virgil Harden, V-i-r-g-i-l H-a-r-d-e-n, and I'm the executive director of business for Grand Island Public Schools. And we are one of those school districts that clearly are not part of the Learning Community that would benefit by Senator Baker's LB903. We are here specifically to speak to the concept or notion that's introduced by the bill to the extreme poverty factor, where school districts that are over 40 percent would receive additional funding. And so to remind the committee, Grand Island Public Schools has a concentration of 68 percent of our entire student body is free and reduced, 57 percent of our entire student body is reduced...or I'm sorry, free. So we are clearly above that 40 percent mark. So you've probably never met a business official that said he couldn't use more money, but I'm certainly in that

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category. But I want to talk to you, not about expenditure, but investment. And so the handout that came around lists the 29 different strategies that Grand Island Public Schools employs to try to address the issue of poverty. And there's a number of them there and we could probably spend all day, but I'll give you a couple of examples. Our attendance court, we're one of the first, if not the first, school district in Nebraska to work with our local county attorney. We have an interlocal agreement where we have a designated county attorney that comes in and helps us with attendance issues and makes sure that there is an accountability by the student to their family. So that's just one example. We had very limited...in fact, transportation was limited to special education. When the poverty allowance came in we implemented an in-district transportation program to try to give every student in Grand Island access to equal programs. And just again on that whole attendance issue, if we can get a student to school and deliver that curriculum, we can educate them to the best of our ability. But if they're not there, we can't educate them. So we implemented that as a strategy. So you can see there's a long list here, and I'd be happy to answer any questions you might have. [LB903]

SENATOR SULLIVAN: Thank you, Mr. Harden. Any questions for him? Yes, Senator Schnoor. [LB903]

SENATOR SCHNOOR: Did I hear you correct, you said in Grand Island Public Schools it's 57 percent free? [LB903]

VIRGIL HARDEN: Correct. [LB903]

SENATOR SCHNOOR: Really? [LB903]

VIRGIL HARDEN: Yes, really. [LB903]

SENATOR SCHNOOR: How big is Grand Island? [LB903]

VIRGIL HARDEN: 9,600 students, so that means over 5,500 students qualify for free priced meals. [LB903]

SENATOR SCHNOOR: No kidding. I would have never ever guessed that. What other school systems are in Grand Island? Obviously Grand Island Public. [LB903]

VIRGIL HARDEN: Well, in Hall County, there's Doniphan and there's Wood River, and then of course, Northwest would be in that metro Grand Island area. [LB903]

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SENATOR SCHNOOR: Okay. All right, thank you. [LB903]

VIRGIL HARDEN: You're welcome. [LB903]

SENATOR SULLIVAN: Senator Groene. [LB903]

SENATOR GROENE: I see your poverty allowance went from \$4 million to \$400--some thousand to \$9,500,000 in one year. [LB903]

VIRGIL HARDEN: That is correct. [LB903]

SENATOR GROENE: So we do...the state does have a poverty allowance that helps... [LB903]

VIRGIL HARDEN: Senator, absolutely. I would be the first one to thank the state for their poverty allowance. [LB903]

SENATOR GROENE: And the question that begs to be asked is if you're in poverty you fail? I mean, I was a poor kid. I mean, automatically does the administrators believe if you're in poverty you need special help? That a mother or a family that just because they don't make as much money as somebody else they're bad parents, the kid needs more help? Is that an automatically one to one ratio? [LB903]

VIRGIL HARDEN: No, I don't think it's automatic. It depends on the individual student's environment at home. [LB903]

SENATOR GROENE: So when the child comes, and they're poor, you just label them that they need extra help? [LB903]

VIRGIL HARDEN: No, we don't label any child, that would be counterproductive for the child and for the educator. [LB903]

SENATOR GROENE: I would think so. [LB903]

VIRGIL HARDEN: Nobody says oh, Johnny is poor and Susie's not. We have students and we take everybody and we apply these strategies. So the transportation, it's available to everybody. [LB903]

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SENATOR GROENE: These 29 programs you got here, you got to be poor to get in them? [LB903]

VIRGIL HARDEN: Absolutely not, Senator. Absolutely not. And that's why I was trying to explain with the poverty, with the transportation, we provide that in areas where there is clearly...like at the mobile home park. We make sure that there is a bus stop there. Now there may be high concentration of students... [LB903]

SENATOR GROENE: And that's how you help solve truancy? [LB903]

VIRGIL HARDEN: It's one of the strategies, yes, sir. [LB903]

SENATOR GROENE: Thank you. [LB903]

SENATOR SULLIVAN: Any other questions? Thank you. [LB903]

VIRGIL HARDEN: Thank you very much. [LB903]

SENATOR SULLIVAN: Welcome back. [LB903]

DAN SCHNOES: (Exhibit 5) Good afternoon, thank you. My name is Dan Schnoes, D-a-n S-c-h-n-o-e-s, administrator of ESU 3 in La Vista. Just wanted to offer my thanks to Senator Sullivan, Senator Baker, and all the Learning Community superintendents for really having some great discussions on what we can do to redesign the Learning Community. I just wanted to make a couple of comments. I think as you've heard some testimonies today these couple of bills that we've been talking about really does reach farther across the state of Nebraska, more so than just the Learning Community area. My focus has been on core service dollars. I do want to say that we are in favor of good program evaluation and following up with what Dr. Sutfin said, I think we can learn a lot. In fact, ESU 3 would like to be part of the evaluation process as it's happening in the Learning Community. I think we can learn from it, I think even share with the all 18 districts in our ESU what's going on evaluation-wise. And I think we can take that message and share it across the state of Nebraska, through our ESUCC. Returning some of the core service funding back to, or at least having a say in how that money is spent, is valuable to us in the transfer of knowledge of what's going on with those programs. And we welcome the opportunity to be at the table and talk about that. And you know, we're in a process too, as long...well, along with all the other school districts, to do an internal audit of the programs and services that we provide to all of our school districts. We are continually looking for ways to do things better and

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provide more services for our school districts for lower dollar amounts if possible. And we'd just like to be a part of that process. Thank you. [LB903]

SENATOR SULLIVAN: Thank you, Mr. Schnoes. Any questions for him? Thank you for your testimony. Welcome back. [LB903]

DAVID BLACK: (Exhibit 6) Thank you. David Black, mayor of the city of Papillion, D-a-v-i-d B-l-a-c-k. I'm here as a proponent, but not as strong as I was on LB1067. We are a stronger proponent of LB1067, but we are a proponent of LB903, and I want to explain it again. Our concern from a municipal perspective is economic development, and that's coming down fundamentally to levies and boundaries. We believe LB1067 addresses both of those in a very logical fashion, putting boundaries back the way they used to be. LB903 we are in support of because it does eliminate the common levy. That is our fundamental issue and it does resolve that. And if that is resolved the school districts do have the agreement to shift the boundary, so our immediate issue is resolved. But while we're not as strong as a proponent on LB903 is because it still does leave the mechanism for boundaries the way it was in the old law. So while we would have some short-term relief from a development perspective, with the boundary shifting, it's not a permanent solution like LB1067. At some point in time, as that ground north of the boundary develops and gets chewed up, we will be faced with the same issue again on the boundary moving and this will not to give that mechanism. At some point in time, I think there's a perception that we want everything in the Papillion-La Vista School District. I want to clear that up, that's not the case. We absolutely believe Springfield Platteview is a really good school district. In fact, in the future, at full build-out, we will have a large percentage of our city actually in the Springfield Platteview School District. We are not advocating for one, it's a market force. And the practical example is developers invest millions of dollars in these developments, and that's private money that's at risk--it's a risk reward. And the cities and the counties invest a lot in the infrastructure. There are developments right now that the land is on the market, ready to sell, and the people want to sell, but it's not selling to a developer because that piece of land, if you're standing on it, you can see a Papillion La Vista School. However, if it develops, that child will go to Springfield Platteview. They will get on a bus and drive miles to school. A developer is not going to buy that land on the risk that that lot is going to sell, because somebody is not going to buy that lot because of that issue. [LB903]

SENATOR SULLIVAN: Okay. All right, you can finish up. [LB903]

DAVID BLACK: I was winding up. So at some point in time, we know that the boundary will equalize, but let's let the market determine it. And that's what LB1067 allows, is for that to equalize. At some point in time, the boundary will be in the right spot and then those new developments will be in Springfield Platteview, which is a good school district. [LB903]

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SENATOR SULLIVAN: All right, thank you, Mayor Black. Any questions for him? Thank you for your testimony. [LB903]

DAVID BLACK: Thank you. [LB903]

SENATOR SULLIVAN: Welcome. [LB903]

CRAIG MIELKE: Thank you. Craig Mielke, C-r-a-i-g M-i-e-l-k-e. Chairwoman Sullivan, members of the Education Committee, thank you for your work on this very important issue, and providing the public with an opportunity to speak. I come to you today as a citizen and as a resident of Papillion. I come here in support of LB903, although I could also as easily testify in support of LB1067. I just thought I would let the crowd clear out a little bit. I'm a resident of Papillion, and specifically an SID just outside the city limits of Papillion. And as Mayor Black said, the boundary issue is key here. My family moved to the area due to the excellent schools in Papillion and a great reputation of the entire district. However, just a couple years before I moved into my house, my neighborhood was a cornfield in the Springfield Platteview District. And so when my neighborhood was developed, an agreement between the two districts allowed that land to be moved from Springfield Platteview into Papillion. In fact, I still pay taxes on that actual transaction...my tax bill still has bond issues being paid off for Springfield Platteview. Now I look out my front window, across the street to a cornfield that's in the exact same position: it's in the Springfield Platteview School District, but it's only a stone's throw away from several...two or three Papillion schools. And as Mayor Black said, those kids will not go to those Papillion La Vista schools, walk to schools like my kids do, they will have to be bused to Springfield Platteview. So as a result, this has resulted in discontinuous development, gravel roads throughout the south end of Papillion, and my car's suspension can be a testament to that. Compact and planned, quality development patterns are key to the continued growth of Papillion, and the great community feel that Papillion fosters. So I would strongly urge you to look for solutions that allow these mutually beneficial agreements between two school districts come to fruition and be worked out. So I urge you to support LB903 and/or LB1067. [LB903]

SENATOR SULLIVAN: (Exhibit 7, 8) All right, thank you. Any questions for him? Okay, thank you. Any other proponent testimony on LB903? I'd like to read into the record two letters in support of LB903: one from Marja and Michael Selna, owners of farmland in Sarpy County, residents of California; and another one from Karen Gibler, Sarpy County Chamber of Commerce. Anyone wishing to speak in opposition to LB903? Welcome. [LB903]

MARK EVANS: (Exhibit 9, 10) Thank you, Madam Chair, Senate (sic)...Ed Committee. Mark Evans, superintendent of Omaha Public Schools. M-a-r-k E-v-a-n-s. Thank you for the opportunity to speak today, thank you for all the work that Senator Sullivan has done...Senator

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Baker is not here, but...is he here? He is over here. I want to thank him also, specifically, and all of my superintendent colleagues from the 11 school districts that make up the Learning Community. In December of 2014, the school board in Omaha approved the superintendent's plan by a split vote, and we had hoped last year to possibly have a bill that would come forward with the superintendent's plan within it. Unfortunately, that didn't happen. And this year, we were able to work with Senator Baker on LB903. And I'm here today, even though I'm an opponent, I want to share with the committee that the school board and myself agree with probably 90 percent of it, if not more. The pieces and parts that were concerns to our school board and to myself were the omissions of the ELL, which is the English language learners position, which was part of the superintendent's plan originally. We have about 17,600 English language learner students, and as Ms. Knoche stated earlier, that's about...I think it's the third or fourth largest district, if you were just to pull that number out, in the entire state of Nebraska. We have 52,000 total students, 73 percent are in poverty, free and reduced, although the free number is approximately 53 percent. And so we're always concerned about those special supports that we give to our students in poverty and ELL. And I'm more than willing to address some of those questions we've had earlier. I know Senator Groene had a great question that I'd like to address later too, on poverty and growing up in a poor family. And I did the same as you, Senator, but there's a difference between the poverty of a generational poverty setting than the poor home that I grew up in. Even though my father, who was a construction worker, didn't have two nickels to rub together by the time he raised three kids, I had a mom and dad, I had a hot meal every night, I never worried about where I was sleeping, and I always knew I had a hot shower every morning...or a hot bath, and actually in that case, we didn't have a shower, we had a bathtub. It's a different kind of poverty, and I can go more in depth on that later, but it is a different situation. And that's why Senator Baker's bill and the extreme poverty adjustment is important to us, is that we do provide additional resources to those schools and to those settings to meet the needs of the kids. And at the end of the day, I mean, the big question is is it making a difference? Is it making a difference for kids? Can you show that the work that we've been doing, not only the three years I've been here, but in the years the Learning Community has been here, has it improved student achievement? The documents I've just handed out to you show that we've not only improved student achievement on state assessment scores, you'll also see a reduction in the achievement gap between our subgroups, minority, free and reduced subgroups, whatever it might be. So we truly are seeing a difference there. In fact, you may have even read the article in the Omaha World-Herald this weekend, where they talked about the numbers of minority students have gone up by over 75 percent who are graduating now from UNO and UNL. Well, a majority of those kids are coming from OPS. So the impact in the supports that we've provided through the Learning Community, through your support is critical. But again, all that success still is dependent upon continuing with the supports. If the Learning Community common levy is removed, continuing those supports for ELL and high poverty. And I thank my colleagues who showed support for that as well. I'll end by just saying thank you again for all that you do as Senators and all that you've done in support of listening to and hopefully learning a little bit

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about our challenges too. I couldn't say thank you enough for that. You've all been, Senator Sullivan, Senator Baker, extremely helpful in that. So with that, I stand for questions. [LB903]

SENATOR SULLIVAN: Thank you, Dr. Evans. What sort of impact have the elementary learning centers in north and south Omaha had for some of the students in your district? [LB903]

MARK EVANS: We do an annual evaluation on early childhood, and of course we're just now getting a lengthy enough time period to look at a longitudinal study. But in the case where we're doing similar types of situation, like it's called Educare, if you're familiar with the two sites that now have been expanded to four sites in OPS. The longitudinal studies show incredible growth. The early studies, it's only been there two years, are showing growth, but I think it's going to be even greater over time, based on the Educare longitudinal study. [LB903]

SENATOR SULLIVAN: What's been happening to your poverty allowance and your ELL allowance in your district? [LB903]

MARK EVANS: Going up as the population goes up, because the need is going up. Of course our overall population is going up too. We're growing by about 1,000 students a year, predominantly Hispanic/Latino. So we're growing by about 1,000, free and reduced has gone up from approximately 25 percent over the last decade. So we have more students, and in fact we're busting at the seams at the majority of our schools. And we also have more students who are high-poverty and more students who are ELL. That number has gone up five times in a decade, it's now 17,600. We also have 2,000 refugees, refugees who are predominantly coming from Sudan, Somalia, Myanmar--the old Burma, and obviously that brings with it a whole other series of challenges. Not only do they not know the language, can you imagine living in a refugee camp one day and the next day living in Omaha, Nebraska? [LB903]

SENATOR SULLIVAN: So do you know offhand the percent increases you've seen in those allowances over the last several years? [LB903]

MARK EVANS: I could not tell you off the top of my head. [LB903]

SENATOR SULLIVAN: Okay. And I know you mentioned the concern about ELL, but with my community achievement plan idea, even though it gives a 5 percent...or 8 percent over the 5 percent poverty allowance, it should and could include some of the barriers to achievement, which are if you are an English language learner. So it could be covered in some of that, would it not? [LB903]



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MARK EVANS: I think that's very possible, Madam Chair. I think our concern with that is that becomes an allowance, I believe, after two years. It starts out as an adjustment, then becomes an allowance. And knowing the history of TEEOSA, where 21 out of 24 years it has changed and shifted and sliced back, to be quite honest, we're concerned about stability over time, and that we see it just potentially rolling off the table. And I know that's down the road, but I think that's our bigger concern, is the unpredictability of it. [LB903]

SENATOR SULLIVAN: But the allowance, particularly with respect to poverty, if anything has been accentuated, not changed over the last several years. [LB903]

MARK EVANS: I don't know that it's been...I think it's been at the 30 percent level for quite a while. I guess I would have to ask one of my colleagues who's been here. [LB903]

SENATOR SULLIVAN: But we've not taken it off the table, let's put it that way. [LB903]

MARK EVANS: No, the 30 percent rate, it has been at that rate. [LB903]

SENATOR SULLIVAN: Okay. Any other questions for Dr. Evans? Senator Groene. [LB903]

SENATOR GROENE: Yeah, I'm not ready. Go ahead. [LB903]

SENATOR SULLIVAN: Oh, I'm sorry. Senator Kolowski. [LB903]

SENATOR KOLOWSKI: Thank you, Madam. Mr. Evans, on the issue of special education, approximately how much money out of your whole budget comes from your district to pay for the gap that exists within special education funding in your... [LB903]

MARK EVANS: I apologize, Senator Kolowski. I do not have that number off the top of my head, but I can get it very quickly. [LB903]

SENATOR KOLOWSKI: It has to be considerable though. [LB903]

MARK EVANS: It has to be, and I might even be able to get it before I'm done testifying. We do have our chief financial officer here, and she can pull that number. I know it's significant. [LB903]

SENATOR KOLOWSKI: Yes, sir. Thank you very much. I'm just checking. [LB903]

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MARK EVANS: And I believe it's about 17 percent of our population are in special needs. [LB903]

SENATOR KOLOWSKI: Thank you. [LB903]

SENATOR SULLIVAN: Senator Groene. [LB903]

SENATOR GROENE: Thank you, Madam Chairman. I pulled the figures and I talked to your financial officer there, but you're going from \$46 million in poverty allowance to \$56 million in one year, and you've been going up about \$1 million or so a year prior to that. Could you show me exactly where that money is going to be spent or is it going to be just dumped into your general fund? [LB903]

MARK EVANS: It's going to be spent in a multitude of ways. Part of it is going to be reduction of class size, part of it is going to be additional social workers, part of it is going to be additional supports that are provided to our persistent low-performance schools. [LB903]

SENATOR GROENE: Could...if I asked you on your budget that \$10 million, and I asked you which schools had 40 percent or more poverty, could you pinpoint that that \$10 million went to those schools? [LB903]

MARK EVANS: Well, almost...gosh, almost all of them have more than 40 percent, Senator, so that's almost all 90 schools. So it's not... [LB903]

SENATOR GROENE: All your grade schools. [LB903]

MARK EVANS: Yeah. We've got 65 grade schools, and I believe of the 65, 60 will be over 40 percent. So it's the vast majority. We're 73 total, and of those 65...I can get that number for you, but I believe it's going to be about 60. [LB903]

SENATOR GROENE: Do you...I know you added a bunch of administrators last year. Do you have an administrator that's just a poverty czar? [LB903]

MARK EVANS: No, we do not have a poverty czar. [LB903]

SENATOR GROENE: I'm just using that term. An administrator that his job or her job is to focus on poverty and make sure the poverty funding is used correctly? [LB903]

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MARK EVANS: Well, it's actually something that's a much bigger responsibility than one person has, Senator. I'd say that's all of our jobs. That's what we look at when we look at school improvement planning process, when we look at schools that are persistent low-performing. [LB903]

SENATOR GROENE: But you see, what a lot of our concern is we just keep dumping more money in. And Senator Sullivan actually has a plan that you've got to tell us how you're spending that poverty money. Do you see any harm with that? [LB903]

MARK EVANS: And we already currently turn in a poverty plan as well, Senator. We've got one right now that identifies all the additional resources that go in as part of the poverty plan. [LB903]

SENATOR GROENE: But we get generalities, that we cut class size across the whole...we gave raises. I mean...anyway... [LB903]

MARK EVANS: Well, I guess my point of the story would be though, and I think we should be held accountable, the big question to me always is are we better? And if you say you're better and you say you've improved how students are performing in poverty, if you say student success is up, then where is your indicators? That I think is what we should be held accountable for. And if we're not getting better, if student achievement is not up, if graduation rates aren't up, if kids in poverty are doing worse than they were last year and you've given us more financial support then I think you've got something you should be saying superintendent what have you been doing? Because if we're not making a difference, then we're doing something wrong. And we better be able to show we're making a difference, because you're right, you've supported our growth in poverty, our growth in overall student enrollment too. So we appreciate it. [LB903]

SENATOR SULLIVAN: Dr. Evans, I don't know if you know the specific percentage or dollar amount, maybe your business official can help, but what percentage of your poverty dollars are represented by federal support? Do you have any idea? [LB903]

MARK EVANS: I can tell you what our Title I dollars are. It's approximately \$22 million. [LB903]

SENATOR SULLIVAN: Okay. And are there other federal supports aside from Title I? [LB903]

MARK EVANS: That's the primary one--Title I is the primary one. You do get some Title IIA dollars as well, but it's not nearly as large. The \$22 million is the biggest. And there's a whole

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litany of requirements on how you have to spend that. It can't be spent any which way you want, there's comparability reports you have to turn in to the federal government, to the state department. It's pretty rigorous formula that spells out how you distribute those dollars to your highest-poverty schools. And by the way, on that one our line is schools that are over 70 percent free and reduced. In other words, schools that don't have that level...like at 50 percent free and reduced, they don't get any Title I dollars. And the state and the fed requires you to set a bar, and so our bar is currently I believe at 70 percent. [LB903]

SENATOR SULLIVAN: Okay, thank you, Dr. Evans. Any other questions? Thank you for your testimony. [LB903]

MARK EVANS: Yeah, thank you. Thank you all. [LB903]

SENATOR SULLIVAN: Anyone else wishing to speak in opposition to LB903? Anyone wishing to speak in a neutral capacity? Welcome back. [LB903]

LORRAINE CHANG: (Exhibit 11) Thank you. Good afternoon again, my name is Lorraine Chang, L-o-r-r-a-i-n-e C-h-a-n-g. I'm the chair of the Learning Community Coordinating Council, and I'm here to testify neutral on LB903 on behalf of the Learning Community of Douglas and Sarpy Counties. As I indicated earlier, we're taking neutral position to respect the individual positions of our districts. However, we want to express our appreciation to Senator Baker for his sponsorship of this bill on behalf of the superintendents of the Learning Community. And the Learning Community CEO also participated very closely with the superintendents in the many discussions and hours spent over the last year as all parties worked diligently and in good faith to reach agreement on key terms. While the two bills have much in common, I just want to comment on the extreme poverty adjustment provision in LB903. In our view, during this time of limited resources, the factors in extreme poverty adjustment in LB903 really provide a meaningful and targeted way to find an alternative to the common levy for our highest poverty, low property value districts. And it also recognizes that extreme poverty needs extend beyond the school districts of the Learning Community with its statewide approach. The other issue that I'd like to comment briefly on relates to the core service dollars that other districts have testified regarding, as well as the ESUs. I just want to reiterate the importance of the core service dollars to the Learning Community. Its use for evaluation and research of our programs that we're funding is really a reasonable percentage of our program dollars, as our program dollars have increased. We've also increased our need for program evaluation dollars. A core principle is having an experienced, independent third-party evaluator perform the evaluation so that the results of that evaluation are credible. And we report that every year to this committee. We also believe that with additional programs expanding, and the community achievement plan as well, there may be additional resources, so putting a cap on the core service

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dollars at this point would be shortsighted. So we're appreciative of LB903 with those comments. [LB903]

SENATOR SULLIVAN: Thank you, Ms. Chang. Any questions for her? Senator Groene. [LB903]

SENATOR GROENE: Just a quick one. How many dollars is that, the core service? [LB903]

LORRAINE CHANG: About \$650,000 is what we get from the core service dollars. That's not all of them. The ESUs get 90 percent of the core service dollars, we get 10 percent for this purpose. [LB903]

SENATOR GROENE: That's a ESU levy. [LB903]

LORRAINE CHANG: It is. [LB903]

SENATOR GROENE: And then they turn over 10 percent to you. [LB903]

LORRAINE CHANG: Correct. For this particular purpose. [LB903]

SENATOR GROENE: And you just use it on poverty programs? [LB903]

LORRAINE CHANG: Yes, exactly. [LB903]

SENATOR GROENE: All right, thank you. [LB903]

SENATOR SULLIVAN: Okay, thank you very much. And just to make...the dollars come...they're state dollars, not... [LB903]

LORRAINE CHANG: Oh, I'm sorry, they are state dollars, yes. [LB903]

SENATOR SULLIVAN: Right. Yeah, it's okay. All right, thank you very much. Anyone else in a neutral capacity? Welcome. [LB903]

MICAELA LAROSE: (Exhibit 12) Good afternoon, Senator Sullivan and members of the Education Committee. My name is Micaela LaRose, M-i-c-a-e-l-a L-a-R-o-s-e, and I'm a fellow

with OpenSky Policy Institute. I would like to speak briefly to the extreme poverty provision, which provides increased funding for school districts that have greater than 40 percent poverty students. LB903 recognizes the additional body of research that shows that concentrated poverty is its own cost for schools. In a 1986 study commissioned for the U.S. Department of Education, researchers found that the link between a school's average income and educational outcomes is stronger than the link between a family's income and that child's educational success. Concentrated poverty increases educational challenges in a number of ways. With more students joining and leaving the school throughout the year, increased absenteeism and a collective summer learning loss, lessons frequently have to be repeated. The focus in the classroom necessarily becomes catching up students and getting them prepared to learn. Additionally, not only is the focus of the curriculum impacted, but what experts refer to as the hidden curriculum is affected as well. According to a report by the Poverty and Race Research Action Council, students learn as much from their interactions with their fellow peers as the material taught in class. In a high-poverty school, even the most academically-invested student will likely have decreased achievement, due to a negative peer influence, which can contribute to a lack of interest in studying. A study conducted by the National Center for Education Statistics found that students in high-poverty schools spent less time on homework on average than students on low-poverty schools. Similar studies have found that socioeconomic status is a predictor of parental involvement, and that high parental involvement in higher income schools leads to better programming and performance. Studies show that additional investment does matter when it comes to educating students living in poverty. A 2015 study from the National Bureau of Economic Research found that for low-income students, a 20 percent increase in funding for all 12 years led to an increased year of educational attainment, as well as a 25 percent increase in earnings across a lifetime and a 20 percent reduction in annual incidents of poverty in adulthood. Similarly, a 2014 study in Massachusetts analyzed the impact of their school financing reform that redirected aid to higher-needs districts. They found that this corresponded to a significant increase in mean test scores across districts of all levels of needs. If this committee intends to recognize the additional challenges of concentrated poverty by providing additional funding through a mechanism like that created in LB903, it may make sense to consider the concentration of poverty at the building level that gets masked when district-wide data is considered. For example, we looked at school building level data for 2014, 2015, that we obtained from the Nebraska Department of Education. We found that 250 of the 793 school buildings in Nebraska, for which data was available, have greater than 40 percent free meal students. But 40 percent, or 101 of those buildings, would not receive any additional support for extreme poverty under LB903, because the school district they are part of is not 40 percent free as a whole. Still, by providing the extreme poverty adjustment at the district level, LB903 begins to address the unique challenge that is faced by schools with concentrated poverty. Thank you for your time. I'll be happy to answer any questions. [LB903]

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SENATOR SULLIVAN: Thank you, Ms. LaRose. Any questions for her? Guess not, thank you. Anyone else wishing to speak in a neutral capacity? Senator Baker. [LB903]

SENATOR BAKER: Well, thank you for listening to the testimony. You know, I like LB903, I don't dislike LB1067. In fact, there's a thing or two in there that might even be better. So I'm just eager for the Education Committee to start getting involved in this and talking about it. And as we have our Executive Sessions coming up, to see what the rest of you have to say on these bills and see what we can put together to go forward. With that, I thank you. [LB903]

SENATOR SULLIVAN: Thank you, Senator Baker. Any closing questions for him? All right, that closes the hearing on LB903. [LB903]

SENATOR SULLIVAN: We'll move right on to LB904, also being introduced by Senator Baker. [LB904]

SENATOR BAKER: Members of the Education Committee, for the record, my name is Senator Roy Baker, R-o-y B-a-k-e-r. LB904 would give any school district with a census population under 12,000 the option of dropping membership from the Learning Community. LB904 would amend Section 79-2102 to permit a school district with a census population of 12,000 or fewer in the most recent federal census to withdraw from the Learning Community on a majority vote of the board of education of the district. When, in any future decennial census, the population of the district exceeds 12,000 residents, the school district shall rejoin the Learning Community by July 1 of the next even-numbered year. It will also amend Section 32-546.01 to address the vacancy on the Learning Community Coordinating Council, due to the school district's opt-out of the Learning Community. I originated the concept the summer of 2015 in large part because we were not successful in bringing forward any bills to the Education Committee last year to eliminate the common levy. But evidence points to the extreme hardships being exacted on smaller districts, namely Springfield Platteview and Douglas County West. Those districts, being small town, rural in nature, experience significant gains on taxable valuation, due to the rising ag land values. The current situation appears to be untenable for those districts. Arguably, those smaller districts are neither urban or suburban for the most part, instead they were included in the original Learning Community based on lying in Douglas and Sarpy Counties. Passage of LB1067 or LB903 would mitigate the hardships under which those districts now operate. I will answer questions you may have. [LB904]

SENATOR SULLIVAN: Thank you, Senator Baker. How many school districts that are currently members of the Learning Community would be eligible for this? [LB904]

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SENATOR BAKER: It would include Bennington, in addition to Douglas County West and Springfield Platteview. [LB904]

SENATOR SULLIVAN: Okay. Any other questions? All right. Very good, thank you. We will now hear proponent testimony for LB904. Welcome back. [LB904]

BRETT RICHARDS: (Exhibit 1) I'm Brett Richards, B-r-e-t-t R-i-c-h-a-r-d-s, superintendent of Springfield Platteview Community Schools, testifying in support of LB904, which allows school districts with a population of less than 12,000 residents to opt out of a Learning Community. I just want to add on to my testimony here. I think this has always been a plan b option for us if we can't get anything done because of the politics involved of being in a Learning Community. We want to kind of try to highlight some of the areas that we just don't fit and how we are affected as a school district. In 2015, 2016, our property tax valuation for our district's 4,701 property owners went up over 10 percent. These 4,701 property owners range from farmers, to acreage, to residential owners of land, not much different than you see in most rural Nebraska towns. This 10 percent generated over \$1.1 million in new taxes. Most Nebraska school districts boards of education can and will lower their tax levy to adjust to such a large increase, because they don't need that much money to continue operations and programming in their district. Not only do our taxpayers have to pay an additional \$1.1 million to the common levy pool this school year, our school district doesn't gain a dime. We actually lose \$24,000 in revenue through the common levy here. Now try and go pass a bond for schools that were built in the 1960s and 1970s, this is the same problem DC West is having. The taxpayers in our school district see their money going out, they're telling us to get it back, we're not going to give you more. Because the common levy will never go down from the 95 cents, our taxpayers get stuck with this large increase year in, year out. The largest increases impact our farmers the most. Here's another inequity, Sarpy County taxpayers are reassessed every year, Douglas County taxpayers are not, which leads to significant gaps in who pays into the common levy formula. So Sarpy County taxpayers are getting adjusted every year, Douglas County is not. The way the Learning Community's common levy is set up, our district will continue to be significantly harmed in the foreseeable future. It is our hope that senators that represent large and small school districts across the state can understand this and that changes are needed within the Learning Community. No district our size or smaller with 4,701 property owners should have to bear this much responsibility in the name of stability for larger districts. The larger districts already have a lot more opportunities for their students academically and in extracurricular programs than smaller districts can provide. Thank you, Senator Baker, for sponsoring this bill for us. [LB904]

SENATOR SULLIVAN: Thank you, Mr. Richards. Any questions for him? Senator Groene. [LB904]



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SENATOR GROENE: What is the school district south of you? [LB904]

BRETT RICHARDS: Louisville. [LB904]

SENATOR GROENE: What's their mill levy? [LB904]

BRETT RICHARDS: Oh gosh, I can't answer that. I want to say... [LB904]

SENATOR GROENE: Are they equalized? [LB904]

BRETT RICHARDS: No, I don't think so. I think they're about 95 cents, 98 cents. [LB904]

SENATOR GROENE: So really there isn't much of a valuation property tax difference between you and Louisville? [LB904]

BRETT RICHARDS: They're a little smaller in the number of students, but they're similar in nature with the ag land. [LB904]

SENATOR GROENE: But I mean on the tax burden. You're about the same? [LB904]

BRETT RICHARDS: They're probably at least 7 cents less. [LB904]

SENATOR GROENE: Thank you. [LB904]

SENATOR SULLIVAN: Any other questions for Mr. Richards? Thank you for your testimony. Welcome back. [LB904]

MELISSA POLONCIC: Thank you. Melissa Poloncic, DC West Community Schools superintendent. I'm here to testify today in favor of LB904. I sincerely would like to thank Senator Baker for submitting this bill. Senator Baker recognizes the difference between districts with 800 or 1,000 kids losing \$1 million and a district with 8,000 or 1,000 kids losing \$1 million or a district with 52,000 kids gaining \$1 million. There's quite a difference. I see this bill as a must do this year, if nothing can come from the committee supporting Senator Sullivan's LB1067, with or without amendments. Though appreciative of the programs and collaboration that are provided by the Learning Community, as the superintendent of DC West I join MOEC, which is a metro collaboration group for a few thousand dollars every year. I still collaborate with our metro to my advantage, and it does not cost my students \$1 million-plus a year to

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collaborate. Our resources of \$6.4 million, that have left our district over the past 6 years due to the common levy, have not paid for 1 cent of the programs and services that the Learning Community touts and are successful for the students of poverty. There is no accountability for how the money gained from the common levy--95 cent common levy is spent. There is no accountability whatsoever that these funds are spent on programs that make a difference for students in poverty. I again ask you, would you let this happen to your local school district? Thank you. [LB904]

SENATOR SULLIVAN: Thank you, Melissa. Any questions for her? Senator Schnoor. [LB904]

SENATOR SCHNOOR: A question that came to mind. DC West is a merged school district. [LB904]

MELISSA POLONCIC: Yes, we are. [LB904]

SENATOR SCHNOOR: What communities does that all...I know Valley is one, but... [LB904]

MELISSA POLONCIC: Waterloo and Valley, and the district merger was a little over 10 years ago. [LB904]

SENATOR SCHNOOR: Okay. And then also my assumption here is the population is of the entire district, it's not just a community. [LB904]

MELISSA POLONCIC: Correct. [LB904]

SENATOR SCHNOOR: So what is that...any idea what that puts the population of DC West at? [LB904]

MELISSA POLONCIC: We are roughly... [LB904]

SENATOR SCHNOOR: Roughly is close enough. [LB904]

MELISSA POLONCIC: You are asking me off the top of my head. I believe that we're roughly 8,000...7,000, 8,000. [LB904]

SENATOR SCHNOOR: That's fine. Okay, thank you. [LB904]

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MELISSA POLONCIC: Thank you. [LB904]

SENATOR SULLIVAN: Senator Groene. [LB904]

SENATOR GROENE: I apologize if I missed it with Senator Baker, but those three school districts at the penny and a half for the common levy, how much would the Learning Community lose on the Learning Community's levy? [LB904]

MELISSA POLONCIC: If we were to leave? [LB904]

SENATOR GROENE: Yeah. [LB904]

MELISSA POLONCIC: Each penny generates from our district about \$88,000 a year. [LB904]

SENATOR GROENE: So they would lose \$120,000, \$130,000 from you? [LB904]

MELISSA POLONCIC: Correct. With the early childhood... [LB904]

SENATOR GROENE: With the penny and a half, yeah. All right, thank you. [LB904]

SENATOR SULLIVAN: Any other questions? Thank you for your testimony. [LB904]

MELISSA POLONCIC: Thank you. [LB904]

SENATOR SULLIVAN: Welcome back. [LB904]

KYLE FISHER: Thank you. Again, my name is Kyle Fisher, K-y-l-e F-i-s-h-e-r, resident of Springfield. In this matter, it helps the Springfield taxpayers with being a larger ag oriented area than much of the metro. As those farm taxes have been rising, as you just heard from Mr. Richards, that money is not going to the Springfield School District, it's going elsewhere. And as the landowners and such are not able to express their opinion to the local school board that does not have the control to conduct these matters. And I appreciate this bill in regards to returning that to the local control. Thank you. [LB904]

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SENATOR SULLIVAN: Thank you, Mr. Fisher. Any other questions for him? Thank you for your testimony. Anyone else wishing to speak in support of LB904? Anyone wishing to speak in opposition? [LB904]

DAVID BLACK: Thank you again. David Black, D-a-v-i-d B-l-a-c-k, mayor of the city of Papillion. From a municipal perspective, we're probably the city that's the most affected by this bill. As with LB1067 and LB903, you had all of Sarpy County holding hands in support of that, cities, school districts, chamber of commerce. That partnership and that holding the hands fall apart on this one. Sarpy County is the smallest county in the state of Nebraska, it's the fastest growing county in the state of Nebraska, it is an urbanizing county. One of the comments was...the purpose of it was to mitigate the hardships on Springfield. Actually, I think it would probably end up doing some more damage with some of the unintended consequences. And it all goes back to this boundary issue, which is our number one economic development issue. This pulls Springfield Platteview out, it does not address the common levy, and it does not address the boundary, so the boundary remains frozen. What we end up with is a new dynamic that we don't understand. Right now, if the common levy is in place, Papillion La Vista and Springfield Platteview are on equal footing of what the issue is--it's funding caused by the common levy. Common levy goes away, they're on common footing, because now the common levy is out and they can deal with the boundary. This creates a new dynamic where one of my school districts in my city has the common levy, the other school district in my city does not. How do they now work together to determine what the motivation is to move that boundary? And I don't think any of us can understand what that dynamic is, and I'm afraid of the unintended consequence, and it would probably put us into a worse situation with the boundary. The comment that Mr. Richards made about the Sarpy assessor, he is exactly right. Sarpy County assessor and the Douglas County assessor do it differently--Sarpy assesses every single year. So if you pull Springfield Platteview out of this and leave Papillion La Vista in, Papillion La Vista now has even a higher burden in that disproportionate treatment, because right now we share that with Springfield Platteview. You pull them out it causes a disproportion in how that treatment works. So I would say if you're going to pull anything out, pull all of Sarpy out, because it is a different county, it is urbanizing. So pull it all out or leave Springfield Platteview in. [LB904]

SENATOR SULLIVAN: All right, thank you, Mayor Black. Any questions for him? Welcome. [LB904]

JOHN LINDSAY: Thank you, Senator Sullivan. I thought as usual I start with a yellow light. Senator Sullivan, members of the committee, for the record, my name is John Lindsay, L-i-n-d-s-a-y, appearing on behalf of Omaha Public Schools in opposition to LB904. First, just in the support for the common levy, the need to have all the districts in the Learning Community remain there. That is our position and that's...just I would reiterate the testimony from Ms. Knoche and Mr. Evans from earlier on the rationale for the common levy. But also object I guess

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another issue, and it's the question of potential constitutional issue as to whether this constitutes special or local legislation in violation of the constitution. It's clear, and I think we heard from the testimony, it's not an overarching state policy that's being sought, it's three specific school districts...that we're looking at legislation to allow three specific...that will affect only those three districts. And the population I suspect is the 12,000 person number probably correlates to those three. So the case law is pretty clear that it's a special legislation if it creates an arbitrary, unreasonable method of classification. And the question is how do you arrive at the number of 12,000, other than we want to get three school districts out of the Learning Community. The districts are all part of the metro area, you've heard the developers on all the bills today I think, or at least on one of them, talk about...and Mayor Black just talked about how Sarpy County is urbanizing, how the metro is growing into south Sarpy, that the development is taking place there. It is a part of the metro area and for that reason, we would urge that LB904 be indefinitely postponed and that...I'd be happy to answer any questions. [LB904]

SENATOR SULLIVAN: (Exhibit 2) Thank you, Mr. Lindsay. Any questions for him? Thank you for your testimony. Anyone else wishing to speak in opposition? Anyone wishing to speak in a neutral capacity? I'd like to read into the record one of neutral testimony from Lorraine Chang of the Learning Community Coordinating Council. Senator Baker. [LB904]

SENATOR BAKER: I waive. [LB904]

SENATOR SULLIVAN: Senator Baker waives closing. We will now move on to LB739 by Senator Smith. [LB739]

LISA JOHNS: Good afternoon, Senator Sullivan and members of the Education Committee. My name is Lisa Johns, L-i-s-a J-o-h-n-s, and I'm here today representing Senator Jim Smith of the 14th Legislative District in Sarpy County. Senator Smith does send his apologies, he wasn't feeling well today and so he left earlier. So you have me here to introduce LB739. I want to apologize if my testimony is repetitive of what you've heard here today, I think it's an indication that we're all...almost all of us, not all of us are pretty much on the same page. And that is the elimination of the common levy. LB739 is a straightforward bill that goes directly to what many, as evidenced by today's testimony sees as the problem with the Learning Community, and again, that's eliminating the 95 cent common levy. LB739 would not eliminate the Learning Community, it would not change the governance of the Learning Community, it would not make changes to funding formulas, and it would not take away the 2 cent levy for early childhood programs for children in poverty. It simply puts the levy authority for the operation of the 11 school districts back with the local school boards. Senator Smith does want to make it clear he does not have a problem with the Learning Community per se. He supports its efforts with respect to early childhood education and with the resolution of the boundary issues and as

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Senator Sullivan, you mentioned in your testimony, the Learning Community's intent of encouraging collaboration and fostering a sense of community among the 11 districts. The common levy is not necessary to meet any of those goals. Early childhood education in the two-county area is being addressed by a comprehensive plan developed by the Superintendent Advisory Board. These 11 superintendents are all very conscientious, intelligent, and dedicated leaders who do more to bring cooperation and community to the two-county area than the common levy ever can or will do. In fact, Senator Smith, and I think it's probably safe to say a good number of his constituency, see the common levy as doing the opposite. Ever since the Learning Community's creation, the common levy has been the most contentious and divisive component. It takes funds from some districts and it gives it to neighboring districts, it creates winners and it creates losers. The redistribution of these tax dollars continues to place pressure on those districts that are not at net loss school districts to maximize their tax levies. Papillion La Vista is a growing district and yet, it is also a net loss district under the common levy. Though it already has one of the lowest general fund expenditures per pupil among the 11 school districts, the constant loss of funds has force PLV to continuously look at ways to cut costs. Eventually, these costs, if it hasn't happened already, are going to negatively impact those classrooms. The common levy also has resulted in a loss of TEEOSA dollars for the Learning Community as a whole. And as superintendent Richards mentioned this earlier in his testimony, the state has saved between \$17 million to \$18 million on the backs of Learning Community schools. And as you also heard earlier, in Dr. Rikli's and Mayor Black's testimony, the common levy has also been blamed for stunting development and causing valuation stagnation in the metro area. Of course we've also heard that the boundary agreements reached between Springfield Platteview and both PLV and Bellevue Public Schools is contingent upon the elimination of the common levy. Finally, the common levy does nothing to address the cost of educating a growing number of children in poverty and children needing English language learning services. Poverty is a real issue, it's a problem for OPS, as we heard, as it is for Ralston and it is for districts across the entire state. Senator Smith believes this is an issue that needs to be addressed, but on its own as a statewide issue, and not tied directly to the Learning Community or the common levy. The common levy today is more destructive than constructive, it pits district against district, it pits county against county. And as four of the five bills that you have heard today are advocating, it's time to get rid of the common levy. LB739 is clear cut and straightforward and it will address one of the biggest, longest standing problems of the Learning Community. That concludes my testimony and I urge you to give it serious consideration to this measure. [LB739]

SENATOR SULLIVAN: Thank you, Ms. Johns. Any questions for her? Thank you. [LB739]

LISA JOHNS: All right, thank you. [LB739]

SENATOR SULLIVAN: Will you be here for closing? [LB739]

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LISA JOHNS: I will be listening. [LB739]

SENATOR SULLIVAN: All right, we will now hear proponent testimony on LB739. Welcome. [LB739]

DOUG LEWIS: (Exhibit 1) Thank you. If you're reading along, my name is not Andy Rikli, my name is Doug Lewis, D-o-u-g L-e-w-i-s. I am the assistant superintendent for Papillion La Vista Community Schools. We'd like to thank Senator Smith for introducing LB739, and Senator Sullivan, members of the committee, thank you for taking the time to discuss this issue. I'm not going to read the whole thing, I'm just going to paraphrase, because you've heard it all. We do support the collaboration that's occurring in the Learning Community, we support many of the programs that the Learning Community has, including the superintendent's early childhood plan. Probably our biggest contention, and it has been since the inception of the Learning Community, is the common levy. And for the Papillion La Vista School District, it has resulted in a difficult time managing a growing district. We have lost resources available to us through the common levy--this year \$1.3 million, on an aggregate level, about \$5.2 million. Bringing in students, 300 on average per year, trying to manage that with less and less resources becomes very difficult. And the common levy has created that issue for us. So we appreciate your willingness to examine this issue and we'd be happy to be a part of any solution (inaudible). Thank you. [LB739]

SENATOR SULLIVAN: Thank you, Mr. Lewis. Any questions for him? Thank you for your testimony. Any other proponent testimony on LB739? Anyone wishing to speak in opposition? [LB739]

JOHN LINDSAY: Senator Sullivan, members of the committee, John Lindsay, L-i-n-d-s-a-y, appearing on the behalf of Omaha Public Schools in opposition to LB739. Earlier this afternoon, Ms. Knoche had distributed a map that shows poverty across the two-county area. One thing we know the Legislature cannot do is amend that map. That poverty is where that poverty is, those ELL kids are where those ELL kids are. The question on the common levy is access to resources. That has been the common levy's question since the common levy came into existence as part of the solution to the one city, one school district issue that came up a decade or more ago. Part of what was driving that was that OPS had growing poverty, growing ELL, and declining resources. That hasn't changed. The time is not now to replace the common levy, unless it is replaced with something that is going to address the obstacles that map provides. The significant, most important part about the common levy...we hear about winners and losers, but the common levy was applied to a Learning Community, which was all of us. Everybody having responsibility for the kids within that metro community. So there shouldn't be winners and losers, there should be our adequate resources going to kids who need an education. We've heard about the difficulty

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from some of the districts of managing a school district under the common levy, because the resources...that they don't have sufficient resources in growing districts. Repealing the common levy would just shift all of those problems back onto the districts that don't have the resources, mainly OPS, Ralston, probably Bellevue. And that problem of managing without adequate resources continues. It would shift...repeal of the common levy would shift OPS from 50 percent reliance on property tax and 50 percent reliance on TEEOSA to 54 percent reliance on TEEOSA and 46 percent on property tax, in a declining valuation per student environment. We would urge that any changes that would take place in the Learning Community be those that all superintendents, that all school districts can agree on. [LB739]

SENATOR SULLIVAN: Thank you, Mr. Lindsay. Did I...what has changed since the inception of that legislation that created the Learning Community? Because at that point, OPS was against the common levy, is that correct? [LB739]

JOHN LINDSAY: Well, again, look to the environment. Nobody would be here today...because at that time, Omaha--OPS was exercising its rights under then-existing statute, similar to the Lincoln statute that allows the city school district to grow with the city. So relative to what the choices were, which were having Omaha being one school district, the common levy was untried, new concept, untested, so yes, OPS supported retaining one city, one school district. [LB739]

SENATOR SULLIVAN: Thank you. Senator Baker. [LB739]

SENATOR BAKER: Thank you. Mr. Lindsay, do you believe in school equalization? [LB739]

JOHN LINDSAY: I do. [LB739]

SENATOR BAKER: So it shouldn't matter. A student's quality of education shouldn't depend on the zip code he or she lives in? [LB739]

JOHN LINDSAY: That's true. [LB739]

SENATOR BAKER: So there could be poverty in Omaha, there could be poverty in Grand Island, there could be poverty in South Sioux City, Timbuktu, that could be anywhere, right? [LB739]

JOHN LINDSAY: I agree. [LB739]



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SENATOR BAKER: So why is that not the solution for stability--looking at equalization, rather than 11 schools that are put together by a shotgun marriage? Why then a whole state responsibility? [LB739]

JOHN LINDSAY: I absolutely agree that it is. But the reality is TEEOSA has been changed 21 out of the last 24 years, it's not as stable as property tax. [LB739]

SENATOR BAKER: I agree with you. I suffered many of those changes. [LB739]

JOHN LINDSAY: Yeah, as a former superintendent, you understood that being able to project from year to year and rely on those resources. And that's just fundamentally the issue is property tax. I think most superintendents, if you asked them the question what's the most reliable source of revenue, I think they're going to say it's the property tax. [LB739]

SENATOR BAKER: Thank you. [LB739]

SENATOR SULLIVAN: Senator Groene. [LB739]

SENATOR GROENE: What year did it go into effect, the common levy? [LB739]

JOHN LINDSAY: I believe it was 2009. [LB739]

SENATOR GROENE: So from 2009...2008 to now, have you seen a huge increase in funding because you've had more of Springfield Platteview's property taxes? [LB739]

JOHN LINDSAY: No, and I think that's the issue. It's a question of stability of resources. [LB739]

SENATOR GROENE: But it hasn't changed from 2008 to 2015. The whole pool of money versus state aid or property taxes hasn't changed much has it? Actually, we've heard that it went down. [LB739]

JOHN LINDSAY: Are you talking about state aid or property tax solution? [LB739]

SENATOR GROENE: Your funding...total funding. [LB739]

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JOHN LINDSAY: Well, our total funding has increased, we've had enrollment increases in the past five years. Where we increased, maybe 4,000. [LB739]

SENATOR GROENE: Well, the point I'm trying to get from you is has it changed? Have you gained more money because you've forced people to have a common levy? [LB739]

JOHN LINDSAY: We had about...I think it was \$2.1 million more this past year than we would have had without the common levy. Other years we've had maybe an equal amount less than we would have had. [LB739]

SENATOR GROENE: State aid. [LB739]

JOHN LINDSAY: No, I'm talking about property tax. State aid is going to fluctuate because that property tax is going to be a resource within TEEOSA. So as it... [LB739]

SENATOR GROENE: So you lost...you gained \$2 million in property tax, but you lost \$2 million in state aid in the formula. [LB739]

JOHN LINDSAY: It's going to be a...I think it comes out a little bit less than that. I don't think TEEOSA replaces dollar for dollar what the property tax would generate. [LB739]

SENATOR GROENE: Has the school district taken a stance on tax increment financing? I mean, you talk about your base, you guys have lost 89 percent of your total base. And on generating \$400 million or \$500 million, or whatever it is on your property taxes, that's a pretty good chunk of property tax that you haven't said a word about. [LB739]

JOHN LINDSAY: It is. Our legislative committee of the OPS board is actually formulating a policy on TIF now, and it's going to be before their board in the next... [LB739]

SENATOR GROENE: Because they didn't seem to care that 8 percent, 9 percent wasn't stable, just disappeared in the past. [LB739]

JOHN LINDSAY: We don't have any say in that. It would be nice. I know the... [LB739]

SENATOR GROENE: OPS would have a big voice in the city of Omaha if they would say something to the city council. You have a voice, it hasn't been heard. [LB739]

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JOHN LINDSAY: And maybe that's something we take under consideration, our board should consider. We have not been active in those TIF decisions. [LB739]

SENATOR GROENE: And also one other thing, as far as 21 out of 24 times. Us rural senators have noticed those 21 out of 24 years, the changes went that way to the east, to the bigger school districts, protected the state aid for them. And 175 districts now in rural Nebraska, 170 next year will not have any state aid. So I think the changes...you wouldn't complain. Don't scream too much, the changes went your way. Would you say? [LB739]

JOHN LINDSAY: I would say at times they went our way, at times they didn't. [LB739]

SENATOR GROENE: Well, 170 school districts wouldn't say that. [LB739]

JOHN LINDSAY: Well, I'm sure they wouldn't. But I would say there's a lot of larger districts that would complain as well. [LB739]

SENATOR GROENE: Thank you. [LB739]

SENATOR SULLIVAN: Mr. Lindsay, do you have any idea, regarding TIF, what the total amount of dollars is that really the state supports because of the TIF loss? [LB739]

JOHN LINDSAY: I don't know any statewide. [LB739]

SENATOR SULLIVAN: No, specifically to OPS. [LB739]

JOHN LINDSAY: With OPS (inaudible). I'm thinking...I will get you that number, but I believe it is...we have \$1.2 billion TIFed in OPS. I think Senator Groene's number is fairly accurate, I think it's between 8 percent and 9 percent of property tax valuation is at the lower value. [LB739]

SENATOR SULLIVAN: Okay, thank you. Senator Kolowski. [LB739]

SENATOR KOLOWSKI: Thank you, Madam. Just to Mr. Groene's comment. I believe every district in the state except for one gets some form of state aid, but equalization aid is the issue. [LB739]

SENATOR GROENE: Equalization. [LB739]

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JOHN LINDSAY: Right. [LB739]

SENATOR KOLOWSKI: And we need to be careful on how we talk about that. The downturn in 2008--economic downturn, had more to do, did it not, with the lack of funds coming to you in those earlier years? The Learning Community board was sat for the first time in January of 2009. [LB739]

JOHN LINDSAY: Yes. [LB739]

SENATOR KOLOWSKI: And in those early years--2009, 2010, 2011, 2012, you weren't getting money that you thought you would be getting because your taxes, your taxable property declined so much within the metropolitan area. It happened to all of us: Millard, Omaha, any of the suburban areas. And then you had an upswing in the last couple of years as that built up and leveled out again. Is that not true? [LB739]

JOHN LINDSAY: That is correct. The common levy was designed to capture the growth in valuation and to allocate that across the Learning Community. When 2008, 2009, 2010 happened, property values across the Learning Community, I'm sure across the state, were decreasing. And we just simply didn't have the growth because economic development wasn't occurring. And because of that, there was no growth to capture, so there were other factors that came in and affected that. Since that time, we have had increased growth in some of the suburban districts and some growth within OPS. I believe it's a little over 3 percent, versus much higher levels in some other districts. But you're absolutely right that that's why those numbers came out the way they did in the early days of the Learning Community. [LB739]

SENATOR KOLOWSKI: We can't forget the difficult economic time we had in 2008, 2009. Thank you. [LB739]

JOHN LINDSAY: I'm sure nobody can forget that. [LB739]

SENATOR KOLOWSKI: Yeah. [LB739]

SENATOR SULLIVAN: Any other questions for Mr. Lindsay? Thank you. [LB739]

JOHN LINDSAY: Thank you. [LB739]

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SENATOR SULLIVAN: (Exhibit 2, 3, 4) Anyone else wishing to speak in opposition to LB739? I would like to read into the record a letter of opposition from Lorraine Chang, Learning Community Coordinating Council. Anyone wishing to speak in a neutral capacity? Ms. Johns, would you like to close? So Ms. Johns waives closing on LB739, so that ends the hearing. We will now move on to our last one: LB967. Welcome. [LB739]

SENATOR KINTNER: (Exhibit 1) I think I've done this before, I'm not sure. I think I have. Thank you, Madam Chairman, members of the Education Committee. My name is Bill Kintner, K-i-n-t-n-e-r, and I represent Legislative District 2. And I'm giving you two things, one of them is "Has the Learning Community Achieved its Purpose?", this is Educate Nebraska web site. It talks a little bit about what's happened. And the second one was in the Omaha World-Herald today, "School funding: spend smarter." It shows that as Nebraska has increased spending, our educational outcomes have not kept up with the rest of the country. The more we've spent, the further behind we've fallen. And you can look at that when you have a little bit of time. But I would like to thank every member of the committee for being here, for being attentive. I've been watching it on TV, it's been a long day. I'd like to specifically thank Chairman Sullivan for her work in trying to get a compromise on the Learning Community, having some frank discussions with me over the years on it, and the amount of time she's put in it. I thank you very much for that. Senator Baker, I also want to thank you, you've been engaged. I think both of you being engaged has gotten us closer to the goal line, and I very much appreciate that. I've been working on this for four years, it's been one of the prime things that I wanted to accomplish and I think we're close enough that we can taste victory if we can just work a little bit more together. Let me talk a little bit about my bill, and I'm going to give you a different way to do it. When I look at that \$17 million fiscal note on one bill and \$14 million on another bill, to be quite honest with you, as a member of Appropriations, we cannot afford that. Fundamentally, right now we cannot afford that. Now we might be able to, with the work of our chairman on Appropriations, do some smoke and mirrors and get some reappropriated funds and get some cash funds over here and move it around. And through smoke and mirrors we might be able to make it fit in the budget, but fundamentally, we do not have the money to do a big fiscal note. So I offer my bill, let me tell you what it does. It eliminates the common levy, it changes the open enrollment to option enrollment, it allows for the negotiation of boundary changes from school districts in the Learning Community. And the other thing that it does is it takes away any transportation obligations from the school district. It's very similar to Senator Smith's bill, with the addition of the transportation portion, which doesn't affect us, but it does affect school districts. One of the things that, as I've looked at Learning Community, I think it's the definition of a failed government program. It has not achieved what we wanted to achieve. And the cornerstone of the failure is the common levy. To whatever success it's had, it hasn't had because of the common levy. So we've got broad agreement the common levy hasn't worked, and we mean people from across the political spectrum in this very room have agreed the common levy has not achieved anything, and that's why we're here to talk about getting rid of it. But now we're talking about

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well, if we get rid of it, we've got to buy off OPS with a bunch of money for poverty. Now, it's not quite defined exactly how much money for what, and I do appreciate Senator Sullivan's bill, that she tries to hold some people accountable and make them actually produce something. I do appreciate Senator Baker's bill, and he addresses poverty across the state, looking at a broader view. But we're here because the common levy hasn't helped, as a matter of fact, it's absolutely hurt a number of school districts. And you're aware of those school districts and you're aware of how much it's hurt. And to tie the two together, say well, we'll get rid of this thing that doesn't work, but you got to throw a bunch of money over there sure sounds to me like extortion. I don't think that's particularly good policy. I think we need to deal with the common levy, which we pretty much all agree is not working, and then over here we have to deal with whatever we need for poverty, which I think needs to be defined. I mean, I think OPS is getting over \$15 million a year right now in poverty, so \$5 million more, what's that going to buy you, what's it going to be used for, are we going to require you to use it on poverty? I'm not sure the two should be linked, I think it just makes things a lot more complicated. So I'm offering you a different way here, a way that just takes care of the stinker that's not working and that's hurting people. And then we can look at the poverty and not try to have a shotgun marriage and force anything. We could take the summer, look at it, and be ready to go next year. And I've always said I want to talk about poverty, I want to get numbers, I want to see where it's going to go and how it's going to help and who needs the help. And we're starting to define that in some of these bills, I'm not saying we're not, and I appreciate all the hard work. But I don't think that they need to link together like that, I think that's a very mild form of extortion. So I would offer this to you as an alternative that we can actually probably get into our budget without any smoke and mirrors. I think we'll have money on the floor that that could handle \$5.3 million, and we still live to fight another day on poverty. I assure you with OPS they're spending \$15 million a year on poverty right now, we gave them \$6 more they may or may not do anything with it. And you know, according to the information I give you, it may not do any good. But any school district that has their hand out can get more money. I don't blame them for getting more money, sometimes it's up to us to say yes or no to them. So that's why I introduced it this way, that's why I went in this direction. I wanted to give you the other option. At the time I introduced it, I didn't know what the fiscal notes were, so I didn't know if this would be viable or if it would not be that big of a difference. It is viable now. One, once we've seen these fiscal notes, and that's why introduced it this way. This is just the basics, it just does what we need to do and we live to fight another day. Thank you for your time. Thank you for sticking around today, I appreciate it. [LB967]

SENATOR SULLIVAN: Thank you, Senator Kintner. And of course, just to clarify, in all of these bills, including yours, the fiscal impact doesn't come about until the 2017-2018 school year. Any other questions for Senator Kintner? Senator Kolowski. [LB967]

SENATOR KOLOWSKI: Thank you, Madam Chair. Senator Kintner, who is the author of the article on "Achieved its Purpose"...the Educate Nebraska? [LB967]

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SENATOR KINTNER: Katie Linehan. [LB967]

SENATOR KOLOWSKI: Is that listed anywhere on this? [LB967]

SENATOR KOLOWSKI: You know what? She wrote the first one and then she sent me this one too. I don't...I think it's on another page of the web site. It's (inaudible). [LB967]

SENATOR PANSING BROOKS: It's right here. [LB967]

SENATOR KOLOWSKI: So she's credited with both articles. [LB967]

SENATOR KINTNER: Yes. Yes, she is. [LB967]

SENATOR KOLOWSKI: And in your past travels, have you visited the Learning Community facilities in north and south Omaha? [LB967]

SENATOR KINTNER: North, not south. [LB967]

SENATOR KOLOWSKI: North? What did you think of the visit, seeing those students and parents and their activity level? [LB967]

SENATOR KINTNER: I liked it, I liked it. [LB967]

SENATOR KOLOWSKI: Good things are happening? [LB967]

SENATOR KINTNER: I hope so. I was not there when they were actually doing anything. I was just there and they only had one classroom doing something. I was there on a Friday morning, so it was not a hub of activity. But I did see the facilities, I was with Ted Stilwill and Senator Hilkemann. [LB967]

SENATOR KOLOWSKI: And have you read the research as far as the results that they have been logging since 2009, getting into these activities and what that's doing to those families and to those children? [LB967]

SENATOR KINTNER: Well, I am a little leery of the results, until I can actually see student achievement. [LB967]

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SENATOR KOLOWSKI: It's kind of too soon. [LB967]

SENATOR KINTNER: They're getting to the age now where we're going to start seeing it. But we can follow these kids all the way up to college and see what happens. I have not spent a lot of time looking at it because to be honest with you, I think you need to do long-term studies. But I'm interested. [LB967]

SENATOR KOLOWSKI: There's achievement at every grade level, every age level, and they have shown progress probably better than almost any district would show, as far as the evaluations that have been done by the Med Center. I just point that out from a continuity of what has been available for people to view over time. And I'm glad you stopped in to see... [LB967]

SENATOR KINTNER: Good. And my bill wouldn't blow that up or anything. So I'm not interested in touching that. And you know, you and I have talked, if the common levy goes away, I'm not going to do anything else on the Learning Community. I want to watch it, I want to study it, and I want to look at those numbers a little closer. [LB967]

SENATOR KOLOWSKI: Sure. Thank you. [LB967]

SENATOR PANSING BROOKS: I was wrong by that. It's not... [LB967]

SENATOR SULLIVAN: Senator Groene. [LB967]

SENATOR GROENE: Senator Kintner, didn't Senator Kolowski just make your point that if we focus the money and we make accountability of where the money goes and we do that with the Learning Community, we give them one mission, we get results? [LB967]

SENATOR KINTNER: I hope so. I think so. [LB967]

SENATOR GROENE: And when we just give them \$56 million and it just flows into the budget, we have no tracking of that results? [LB967]

SENATOR KINTNER: I would say yes. We're always better when we can account for it, look at what happens, and study it. [LB967]

SENATOR GROENE: Thanks. [LB967]



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SENATOR KINTNER: Absolutely. [LB967]

SENATOR SULLIVAN: Any other questions? Will you be here for closing? [LB967]

SENATOR KINTNER: Yes, I will. [LB967]

SENATOR SULLIVAN: All right, thank you. We will now hear proponent testimony on LB967. Welcome back. [LB967]

BRETT RICHARDS: Thank you. Brett Richards, superintendent of Springfield Platteview Schools, B-r-e-t-t R-i-c-h-a-r-d-s. Just wanted to testify in favor of Senator Kintner's bill. He is in our district, he is our district senator. Out of the 4,701 properties that I talked about earlier that are in our district, he has probably walked 4,710 of those. He's found even more I think out of that group. So he feels the passion of what, you know, I talked about from our taxpayers. I think one of the things that has come up today that is concerning is the comments out there about access to resources by Omaha Public Schools. The access to resources argument on our end means that our kids suffer. They're our resources, just like everywhere else in the state of Nebraska, they should be available to us. We only have \$1.05 cap limit, just like everybody else. But with this common levy, it puts us down below 85 cents in access to resources. I think that's also dangerous, and I agree with Senator Baker that the solution is equalization, that's what state aid is for. It is not borrowing from other school districts' resources to get things done in your district. I mean, that's dangerous. What's next, what's going to be enough here? Louisville, Plattsmouth, Blair, Fort Calhoun, Arlington, are they next? They're pretty close to Omaha too. What about Norris and Waverly and some of the districts outside of Lincoln? Is that going to be the next avenue for them to get more resources for Lincoln Public Schools? I think it's a very fundamental question that needs to be answered here with these bills. So I appreciate the time. [LB967]

SENATOR SULLIVAN: Thank you, Mr. Richards. Any questions for him? Senator Groene. [LB967]

SENATOR GROENE: So your taxpayers or your people don't mind paying the 2 percent, staying in the Learning Community...the 2 cents or the penny-and-a-half? [LB967]

BRETT RICHARDS: You know, we haven't heard a lot from them on the penny-and-a-half. [LB967]

SENATOR GROENE: So what does 1 cent bring in for your valuation? [LB967]

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BRETT RICHARDS: About \$113,000. [LB967]

SENATOR GROENE: Penny-and-a-half is about \$160,000 for you to the Learning Community? Thank you. [LB967]

SENATOR SULLIVAN: Any other questions? Thank you for your testimony. Anyone else wishing to speak in support of LB967? Anyone wishing to speak in opposition? [LB967]

JOHN LINDSAY: Senator Sullivan, members of the committee. For the record, John Lindsay, L-i-n-d-s-a-y, appearing on behalf of Omaha Public Schools. Given the fact that I think I'm the only thing standing between you and adjournment, I'll just say we oppose the bill for the same reasons that I've talked about on prior bills. [LB967]

SENATOR SULLIVAN: (Exhibit 2, 3) Thank you, Mr. Lindsay. Any questions for him? Thank you. I would like to read into the record two letters of opposition on LB967: one from Lorraine Chang, of the Learning Community Coordinating Council; and another one from Dr. Mark Adler, of Ralston Public Schools. And I apologize that Dr. Adler also had a letter of opposition for LB739, that I failed to mention earlier. Anyone else wishing to speak in opposition to LB967? Anyone wishing to speak in a neutral capacity? Senator Kintner. [LB967 LB739]

SENATOR KINTNER: You know, the first time I met Ted Stilwill, when he was running the Learning Community, I said you know, we could just get rid of the Learning Community and just give all those programs to OPS. That would work, you could still run the programs. He goes, OPS would screw them up, that's exactly what he said. He goes, they need to be run by the Learning Community. If they could have done this stuff, they would have already done it. So that tells me we give them another \$5 million or \$6 million, without closely looking at it, without having real accountability, and I think yours starts going that way, I think that we're not going to get the results that we want. The only thing else I would say is you are right that mine doesn't kick in until next year. We'll find out a little bit more when the Forecasting Board meets on Friday, and I'm expecting the worst, and if we see two downward forecasts in a row then I think I would batten the hatches and be ready for a few more quarters of a downward cycle. But we'll find out. Maybe it will be good news. But I would urge you to strongly consider this, I think this is a different way, it's a less expensive way, and we still live to fight another day to figure out what we want to do on the poverty if you would choose this way. Thank you for your time today. [LB967]

SENATOR SULLIVAN: Any questions for Senator Kintner? Senator Groene. [LB967]

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

Education Committee  
February 22, 2016

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SENATOR GROENE: You don't take anything away from the Learning Community, right? [LB967]

SENATOR KINTNER: What's that? [LB967]

SENATOR GROENE: You don't take any tax dollars away from the Learning Community? They get their 2 cents? [LB967]

SENATOR KINTNER: Nope. They're going to do everything that they're going to do. [LB967]

SENATOR GROENE: I was just curious why they would have a letter of opposition. [LB967]

SENATOR SULLIVAN: Any other questions? Thank you very much. [LB967]

SENATOR KINTNER: Okay, thank you. [LB967]

SENATOR SULLIVAN: And before I close the hearings for today, again, an oversight of mine. Jumping back to LB739, there was a letter in support of LB739 from Matt Litt, Americans for Prosperity, Nebraska Chapter. And without further ado, thank you all. This closes the hearings for today. [LB967 LB739]