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Education Committee
February 20, 2007

[LB30 LB234 LB357 LB658]

The Committee on Education met at 1:30 p.m. on Tuesday, February 20, 2007, in Room 1525 of the State Capitol, Lincoln, Nebraska, for the purpose of conducting a public hearing on LB234, LB30, LB357, and LB658. Senators present: Ron Raikes, Chairperson; Gail Kopplin, Vice Chairperson; Greg Adams; Brad Ashford; Bill Avery; Carroll Burling; Gwen Howard; and Joel Johnson. Senators absent: None. []

SENATOR RAIKES: Good afternoon, and welcome to this hearing of the Education Committee of the Nebraska Legislature. We appreciate your being here, overcoming all the hurdles you had to, slick roads and whatever, to get here. Let me mention at the outset that we have this hearing room, of course, and there's also room in 1023, which is just around the corner over that way. So if some of you can't find seating here, why, there should be space available there. We're going to hear four bills today: LB234, Senator Dierks; LB30, Senator Hudkins; LB357, Senator Flood; and LB658, introduced by me. We will use our customary procedures for testimony. Following the introduction by the member of the Legislature, we'll hear proponent testimony, opponent testimony, neutral testimony, and then a close by the introducer, if desired. If you are a testifier, we will have a light system up here. We will allow three minutes for testimony. And let me warn you ahead of time, three minutes goes faster than you would believe, so please try to organize your thoughts as carefully as possible. The green light will be the first two minutes, then a yellow light for the final minute, and finally, the red light will come on after three minutes. And please try to honor that system, to make the best use of your time and everyone else's. Also, I would mention that as you're testifying, try as best you can to relate to the committee points that they have not heard before, new points, new information. I know sometimes that's difficult, that I can surely say it better than the guy before me. But, you know, do your best if you would. Okay. All right, I've got just handed here a list of testifiers. And I will, if you wish, I will...Senator Dierks, I'll use this list, then. []

SENATOR DIERKS: That would be fine. []

SENATOR RAIKES: Let me also mention that we'll try to limit the hearing...or, the testimony on each side of the issue, 45 minutes after the conclusion by the introducer. So if you look at the clock once Senator Dierks finishes, we'll try to finish up on the proponent side, if it takes 45 minutes, by 45 minutes after that; we'll do the same thing on the opponent side. Probably on the neutral side that won't be necessary. But we'll try to operate that way on all four bills. The next thing I need to do is to introduce to you our committee and staff. Our legal counsel, who's not here right at the moment, is Tammy Barry. Senator Brad Ashford, from Omaha, will be here shortly. Senator Gwen Howard, from Omaha, is here. Senator Carroll Burling, from Kenesaw, is next to her. This is Matt Blomstedt, our committee's research analyst. I'm Ron Raikes, District 25. To my immediate left is our committee's Vice Chair, Senator Gail Kopplin, from Gretna,

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Nebraska; Senator Greg Adams, from York, Nebraska; Senator Joel Johnson, from Kearney, Nebraska; Senator Bill Avery, Lincoln; and our committee clerk is Kris Valentin. So please disable your cell phones or any other noisemakers you might have, so that we don't interrupt the hearing process. And I think I've covered all the basics, so we will begin. And as you begin, I'm reminded, please, when you come to testify, state your name and spell your last name for us. And that's for the transcribers, so that we get a good transcription. We'll work our best to see that the ventilation system works, so that we get air movement. With that, I think we're ready to go. And we'll begin with Senator Dierks. Welcome. []

SENATOR DIERKS: (Exhibit 1) Thank you, Mr. Chairman. I appreciate the opportunity to be here again and address this august group. It's always a pleasure. My name is Cap Dierks, spelled D-i-e-r-k-s, and I represent District 40. I'm here today to introduce LB234. This bill simply reinstates Class I schools as they were before the passage and enforcement of LB126. I've always believed in the benefits of Class I schools, and have seen firsthand the quality education that children received in these schools. When I first was elected to the Legislature, there were 41 Class I school districts in my district. These schools served a very unique purpose, especially in rural Nebraska. Children received an excellent education in these schools, without traveling large distances to and from bigger schools. I know of numerous graduates from Class I schools who went on to be top students and valedictorians of their high schools, and excellent students in college. I was not in the Legislature when LB126 passed, back in 2005. This...the bill was passed and vetoed by the Governor. A motion to override the veto was successful, and LB126 became law. The story of Nebraska's Class I schools would end at LB126 if it were not for an important ballot measure last November. Referendum number 422 was placed on the ballot in 2006, after Class I school supporters gathered enough signatures to put the issue before Nebraska voters. Referendum 422 presented the simple question: Shall LB126, enacted by the First Session of the Ninety-Ninth Nebraska Legislature be retained? Voters filled in ovals to retain or repeal; 224,922 voters wanted the law to be retained, 290,136 asked that the law be repealed. That is a difference of 55,214 votes. The majority has spoken. A very clear message was sent to the Legislature recently. Members of the Legislature discussed the constitutional amendment LR8CA that would have changed our current initiative and referendum process. Much dialogue took place about our unicameral system of government. Nebraska is unique in this nation. We are the only state government with a one-house legislature. We claim the people are the second house. Members of the Education Committee, our second house has spoken. Nebraska voters clearly told us what they expect us to do regarding Class I schools. They want them back. They want Class I schools the way they were before November 30, 2005, when they were dissolved. LB234 is drafted simply to follow the wishes of the voters. My bill requires that we reestablish those Class I schools. This may not be totally possible in some cases. I read that some buildings may have been demolished, educators then moved on to other jobs, and so forth. But we must do whatever it takes to obey the voters' wishes. We

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must bring back this very important and valued system of education to our citizens. Thank you very much for your attention to this bill. I will try to answer any questions from the committee. [LB234]

SENATOR RAIKES: Thank you, Senator Dierks. Questions for Senator Dierks? I have one, Senator. LB234 was offered as a...as petition language? Is that correct? [LB234]

SENATOR DIERKS: Yes. [LB234]

SENATOR RAIKES: And that was... [LB234]

SENATOR DIERKS: I beg your pardon? It was offered as what? [LB234]

SENATOR RAIKES: It was offered as a petition, after the end of last session, I think? [LB234]

SENATOR DIERKS: LB234? [LB234]

SENATOR RAIKES: Yes. [LB234]

SENATOR DIERKS: I passed out a copy of the petition language that was on the ballot. [LB234]

SENATOR RAIKES: Yes. [LB234]

SENATOR DIERKS: And LB234 addresses that. [LB234]

SENATOR RAIKES: Yes. This is a different question. LB234 was the so-called green petition? Am I correct? [LB234]

SENATOR DIERKS: This is the so-called petition that addresses the constitutional amendment...or, not the constitutional amendment, the petition amendment. I don't know who Green was, I guess. [LB234]

SENATOR RAIKES: Okay. All right. Thank you anyway. Any other questions for Senator Dierks? I don't see any. You're going to stick around, Senator? [LB234]

SENATOR DIERKS: I will. [LB234]

SENATOR RAIKES: Okay. I believe the next testifier--and if I'm incorrect, notify me--Tim Shafer. [LB234]

TIMOTHY SHAFER: (Exhibit 2) Yes, sir. [LB234]

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SENATOR RAIKES: By the way, this is proponent testimony for LB234. Dr. Shafer, welcome. [LB234]

TIMOTHY SHAFER: It's good to be here. [LB234]

SENATOR RAIKES: Go ahead. [LB234]

TIMOTHY SHAFER: Okay. I'm Timothy Shafer, T-i-m-o-t-h-y, Shafer, S-h-a-f-e-r. I represent Broken Bow Public Schools, and I'm here to offer supporting testimony. Senator Raikes, members of the Education Committee, I am Dr. Timothy Shafer, superintendent of Broken Bow Schools, District 21-0025, Custer County, Nebraska. I'm here today to testify in support of LB234. As has been stated before by the Broken Bow Board of Education, LB126 not only affected Class I schools; some K-12 schools were also adversely altered. As I have personal experience only with Broken Bow, I will address the harm done to Broken Bow, not any of the other K-12s. Through the mechanizations of LB126, Broken Bow lost 16,900 acres of land to a neighboring district. This land represented a loss of over \$8.6 million of taxable property, cost Broken Bow district over \$100,000 of tax revenue annually. That \$100,000 is represented by over 3 cents on our \$1.05 levy to make up that \$100,000. LB234 is the only legislative proposal that makes Broken Bow whole. Thank you very much. [LB234]

SENATOR RAIKES: Thank you, Dr. Shafer. Questions for Dr. Shafer? Tim, Broken Bow is an equalized school district, is it not? [LB234]

TIMOTHY SHAFER: Yes, sir. Yes, sir. [LB234]

SENATOR RAIKES: And are you...what's your enrollment...? [LB234]

TIMOTHY SHAFER: Declining. [LB234]

SENATOR RAIKES: Declining. How rapidly? Faster than you'd like, but... [LB234]

TIMOTHY SHAFER: Too fast, yes. Too fast. [LB234]

SENATOR RAIKES: Yeah, okay. [LB234]

TIMOTHY SHAFER: Our state aid dropped almost \$300,000 this year. [LB234]

SENATOR RAIKES: And your...because of valuation increases and student losses? [LB234]

TIMOTHY SHAFER: Because of the formula, yes. [LB234]

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SENATOR RAIKES: Okay. Yeah, okay. I don't see any questions. Thanks for being here, Tim. [LB234]

TIMOTHY SHAFER: Thank you. [LB234]

SENATOR RAIKES: Next testifier,...I don't have a number. Oh, there I am. John Hansen. Come on, John. [LB234]

JOHN HANSEN: (Exhibits 3 and 4) Mr. Chairman, members of the committee, for the record, my name is John K. Hansen. I'm president of the Nebraska Farmers Union. And if I may, I have two sets of testimony that I would like to hand out. The first is my own, and the second is from the Center for Rural Affairs, who was not able to be here today. So first, the Center for Rural Affairs; and second, Nebraska Farmers Union. The issue before the committee today is not the pros or cons of LB126. The previous Legislature has already debated those pros and cons, made their judgment, and passed LB126 throughout three rounds of consideration. Mr. Chairman, did I spell my name? [LB234]

SENATOR RAIKES: I assumed you couldn't spell it. (Laughter) [LB234]

JOHN HANSEN: I don't believe I did, and I just am turning myself in to the spelling police. But it's Hansen, H-a-n-s-e-n. Thank you. Through three rounds of consideration, and past the veto of Governor Heineman. The majority of the farm and rural organizations that represent rural Nebraska oppose the passage of LB126--that's certainly no secret--including Nebraska Farmers Union. Thanks to the leadership and the efforts of Class I's United, with the help of a coalition of farm and rural organizations, including Nebraska Farmers Union, a successful volunteer-driven citizens' initiative petition effort placed the repeal of LB126 on the 2006 general ballot election. Nebraska voters exercised their constitutionally derived power to overturn the judgment of the Legislature by voting to repeal LB126, by a 56.34 percent to 43.66 percent margin. The judgment of the Legislature is rarely overturned, but when it does happen, the will of the people, in our judgment, should be respected. In the judgment of my organization, the issue before the committee today should not be how the Legis...should be how the Legislature best keeps faith with the overwhelming will of Nebraska voters. Nebraska Farmers Union believes that LB234 is just the simplest, most straightforward way to implement the repeal of LB126 and respect the outcome of the election. Right or wrong, agree or disagree with the judgment of the voters about the repeal of LB126, they have spoken. We strongly urge the Education Committee to place LB234 in the General File for consideration of the whole Legislature. Thank you for your attention and your consideration. I'd be glad to answer any questions that I may be able to do so. [LB234]

SENATOR RAIKES: Thank you, John. Questions for John? I don't see any. Thanks for being here. [LB234]

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JOHN HANSEN: Thank you, Mr. Chairman and members of the committee. [LB234]

SENATOR RAIKES: We'll move now to Kevin Cooksley. Is Kevin...there he is. Welcome, Kevin. [LB234]

KEVIN COOKSLEY: (Exhibits 5-7) Good afternoon, Chairman, Mr. Chairman, members of the Education Committee. I'm Kevin Cooksley, board member of Broken Bow Public Schools, legislative representative for the District 25 of Custer County, and I appear here today on behalf of Broken Bow Public Schools in support of LB234. To be brief, in the interest of time, LB234 repairs the financial and democratic damage inflicted upon us by LB126. Neither LB30 nor LB658, in their present forms, will repair that damage. If you will agree to restoring the Class I's as they were prior to LB126, and provide for their right for dissolution, then peace will be restored and the wishes of the Nebraska voters are respected. If Class I patrons vote to dissolve--and I believe a large number will do...vote to do so--then the valuation will go back to the K-12s where they were originally affiliated, and the harm done to Broken Bow Schools will be undone. You have in front of you a map of the situation involving the Gates, which, former Class I school district, and Broken Bow schools in K-12 in Custer County. LB126 stripped Broken Bow Public Schools of approximately \$8.6 million in valuation, and gave it to a neighboring K-12, Anselmo-Merna. That is the equivalent of over \$100,000 in annual tax revenue for Broken Bow Public Schools, or a 3 point...or a 3-cent levy in our district, which happens to also be at the levy limit already. It also disenfranchised approximately 21 voters, 16 landowners, from being a part of the Broken Bow Public Schools. This same scenario occurred in eight other Class I's across Nebraska, and involved 11 other K-12 districts. You have that information in front of you. Those Class I patrons were disenfranchised, as well, and the K-12s were stripped of valuation ranging from \$.43 million to \$98 million. We ask you to remedy this unintended, but nonetheless damaging financial and democratic miscarriage of law. I implore you to do so, no less...I implore you to do no less than allow the displaced property owners to return to the K-12 they were affiliated with prior to LB126. You could do this through a one-time petition offer. I am followed today by Jeff Johnson, one of those disenfranchised voters and property owners in the Gates school district, previously affiliated with Broken Bow. Please take heed of his testimony. Thank you. Do you have any questions? [LB234]

SENATOR RAIKES: Thank you, Kevin. Questions for Kevin? I don't see any. Thanks for being here, Kevin. Jeff Johnson. Welcome. [LB234]

JEFF JOHNSON: Welcome. Thank you. My name is Jeff Johnson. I'm from Broken Bow, Nebraska. I'm probably a little bit green at this, but I'm here in support of LB234. As Dr. Shafer said in his original testimony, there was approximately 16,000 acres of land just in our county that was affiliated at one time to Broken Bow that had been lost. It went to Anselmo-Merna, because of LB126. Because of LB126, my children that

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originally went to Broken Bow, have gone to Broken Bow from the Gates district, had to opt out. As a landowner, I was a little "disconcerned," because in 1990, before that, we had the option to designate our land to different affiliated schools if the schools were to be broken apart, the Gates community school was to be broken apart. Just out of the clear blue, I guess the way I see it, is that we were not given the right to even say anything about where our tax dollars went to from when we originally affiliated them with Broken Bow. That's really my main concerns. I would just like to be able to see to be done what was promised to us. [LB234]

SENATOR RAIKES: Okay. Well, thank you, Jeff. Questions for Jeff? Do you know, the levy...I think Kevin said the levy currently in Broken Bow is \$1.05? [LB234]

JEFF JOHNSON: Yes, sir. [LB234]

SENATOR RAIKES: Is...what is it in Anselmo? [LB234]

JEFF JOHNSON: I'm not really sure. It is a bit less. But I have a Broken Bow address, I do all of my business in Broken Bow, I support that community. I'm a member of the chamber in Broken Bow. And I don't...you know my land got affiliated to something I have nothing to do with. And I realize there always will be lines and things with different...going to different communities. But we are in kind of a unique situation, when I moved to Broken Bow 20 years ago, that, you know, I was understood that it could go three different ways, and we were given the option to affiliate our land to Broken Bow. And since that's where we did business, that's where I'd like to see things prosper as a person, as a rancher, a landowner, that's what I would like to see done with our tax dollars, my tax dollars that I feel go towards education. [LB234]

SENATOR RAIKES: Okay. Thank you for being here, Jeff. [LB234]

JEFF JOHNSON: Yeah, thank you. [LB234]

SENATOR RAIKES: John Recknor. Is John here? [LB234]

JOHN RECKNOR: Good afternoon, Mr. Chairman, members of the committee. [LB234]

SENATOR RAIKES: Welcome. [LB234]

JOHN RECKNOR: My name is John Recknor. Last name is R-e-c-k-n-o-r. I appear here in support of LB234. And I guess I would like to give you a little bit of a legal synopsis, having practiced law for 30 years come next month, and having been involved in the perennial Class I struggle for all of my practice. The reason that I support LB234 is because I believe it's the only way this body can keep faith with the people, who are an equal house, under the case of State ex. rel. Klosterman v. Marsh, in which our

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Supreme Court has said the people are the other house, they're a coequal body, and they have as much right to repeal your handiwork as you have to change your handiwork, and the people have spoken very loudly. Now, the other thing I would like to remind this body of is that this case has been on litigation to the Supreme Court in a case called Pony Lake and others v. the State Reorganization Committee. And one of the concerns that we had in the struggle back then, and which caused the organization to get a permanent injunction from the District Court of Lancaster County, was the fear that we would hear the arguments that we're now hearing and that I'm sure you will hear about why we can't fix what was broken, just because the people have said you have to do it. What the court said in that case is, no, it's not an advisory vote on November 7, because if the people repeal LB126, it is abrogated. And then, being good scholars, they gave us a hint where we might look to find what the word "abrogated" means; and the word "abrogated," in every edition of the Black's Law Dictionary I'm aware of, means "rescinded"; and "rescinded" means to wipe away that which was, and replace people to the positions that they enjoyed immediately preceding what caused their change of position. So once LB126 is wiped away and has been held by the people to be void ab initio, what is required is for this body to put the people back in the position that they were. Now, I'm sure you will hear, oh, it's not that simple, it's so hard, it's so chaotic. I've seen quotes in the paper, well, why don't you just kill all these bills and move on and let's get over this and forget about it? Well, I guess this is what I have to say to you. In traveling some 1,400 miles throughout the state and talking to people immediately before the election, people are not going to go away and they're not going to be quiet, because whether they like Class I's or whether they don't like Class I's, what they do like is their ability to be heard by way of an election, and they have spoken. Now, in order to have a full understanding of why a lot of these arguments are makeweight arguments--well, they didn't understand what they were voting for; and they voted for ulterior motives, and so on and so forth; and besides, this bill is just not clear--I would like to remind you, it's not the only statute on the books. And so LB234 will replace these people to their immediately preceding LB126 position. And when you apply the statutes presently on the books, this thing will all work itself out just fine. I implore you to do this. It's the only way you can keep faith with the voters. [LB234]

SENATOR RAIKES: Thank you, John. Questions for John? Let me ask you, as I asked Senator Dierks, LB234 was the language of the so-called green petition, am I correct? [LB234]

JOHN RECKNOR: It was. That is correct. [LB234]

SENATOR RAIKES: And that petition did not receive enough signatures to be put on the ballot? [LB234]

JOHN RECKNOR: Well, it...no, it didn't, but I don't know that you can make much of that, for the reason that we already had one issue on the ballot which really should have

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addressed what the people were wanting to say to the Legislature in light of Pony Lake. And you know, the election question on November 7, I would remind you, wasn't an essay question. It was, shall it be repealed, or shall it be retained? And the people told you it should be repealed. That would have been the third petition initiative undertaken by this body of volunteers. And I would remind you that this body had 69 days to get the ballot question that was referendum 422 on the ballot; 69 days to get that many signatures in 38 counties. So to find that people may have run out of steam after, you know, a 50- and 60-year fight on this issue, I don't think says anything. [LB234]

SENATOR RAIKES: Okay, thank you. Any other questions? I don't see any. Thank you, John. I believe, Joe Fryman. Is Joe here? Welcome, Joe. [LB234]

JOE FRYMAN: (Exhibit 8) Thank you, Senators, and good afternoon. My name is Joe Fryman, J-o-e F-r-y-m-a-n. I'm president and representing the Nebraska State Grange. I am speaking in support of LB234. We believe the voters of Nebraska have clearly and simply asked to have the school system classification structure in Nebraska be returned to a form as it was prior to the implementation of LB126. We don't believe the voters asked for a complex set of laws and regulations former districts would need to follow before they were again able to exist. We believe LB234 is the simplest way to carry out the will of the people in Nebraska concerning this issue. Having served on the Blair Community Schools Board of Education for 20 years--and I want to add that I am not representing the Blair Community Schools here; I'm representing the Grange--I learned that you must be able to discern the will of your patrons if you are to have a successful school system. Sometimes this discernment is easy, and sometimes it is not. When a proposal such as a bond issue is presented to the voters, they have a direct voice in that decision. In these instances, discernment is made easier. It was then our responsibility as a board to carry out that decision. In my view, the people of Nebraska have spoken clearly enough to be able to discern that what they want is a return to our prior school system classification. It would seem that now...it is now the responsibility of the Nebraska Legislature to carry out that decision. It is apparent that since the implementation of LB126, a number of issues and concerns have arisen that must be dealt with. Sales of property, contracts, board member selection, along with other problems that we may not even recognize yet will need to be addressed. These situations that the...are situations that school districts can deal with if they are allowed to. Local school boards don't always need to be told what to do to make good decisions. I believe in these local school boards. I and the Grange ask you to support LB234, to reestablish the school classification structure as it was, and to enable our school districts to move forward with the business of educating the children of Nebraska. Thank you. [LB234]

SENATOR RAIKES: Thank you, Joe. Questions for Joe? I don't see any. Thank you for being here. Dave Howell, please. Welcome. [LB234]

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DAVID HOWELL: (Exhibit 9) Thank you. I've got a handout here. Good afternoon, Mr. Chairman, members of the Education Committee. My name is David Howell. That's spelled H-o-w-e-l-l. I'm here today to testify in support of LB234. My family resides in rural Sioux County, in the northwest corner of the state, where we live and farm. I currently serve on the K-12 board for our former Class I school district, Chalk Butte, and am proud to have served as a fourth-generation Class I school board member, alongside two other school board members who moved into our district from both Colorado and California. I mention this to illustrate the diverse experience of our board. The board is located...or, the school is located one mile east of Wyoming, and about 46 miles south of the high school in Harrison. In fact, this issue was so important that it is my pleasure to have driven 450 miles to be here today. We support LB234 as the best piece of legislation to reestablish our Class I/Class VI systems in Sioux County. Since the implementation of LB126, we have had numerous problems and issues that all the patrons of our school district are anxious to get fixed as soon as possible. Because of our small size at Chalk Butte, we embraced every child, no matter what culture or disability. We utilized modern technology, the Internet, current textbooks, and good old-fashioned teaching to provide the very best resources for our students to learn. We have had many students option into our district, and actually have a waiting list that has many times been added to from the hospital room of a newborn baby. This is due to our reputation of excellence and our respect and acceptance of all students. These students have blossomed at Chalk Butte. The administrators of the junior high and high schools who have received our kids tell us that they are...enjoy having our kids because of their study skills, attitude, enthusiasm about school. While the majority of our students have performed in the upper quartile, including several valedictorians and salutatorians, we have taught every student, regardless of level, culture, or disability, to make or exceed their personal academic goals. This has happened not only because of our teachers, but because every family member has been a valued part of our education of these children. I attended Chalk Butte School and went on to get my bachelor's degree in agricultural engineering from the University of Wyoming, and my MBA from the University of Colorado at Denver. My wife also has a BA from the University of Wyoming, and I have lived and worked in both Los Angeles and the Denver metro areas. We could choose to continue our careers almost anywhere, but when we started our family, we decided to return to this great state of Nebraska and to raise our children so they could attend this Class I school. Young families want excellent schools for their children to attend. Bringing these families to the rural areas of Nebraska directly translates to economic growth and development. We've lived in larger and more populated areas, and as far as education is concerned, bigger is not better, nor does it provide more opportunities for students. So in conclusion, I'd like to remind each of you that your districts all voted to repeal LB126. So I conclude by saying that we want local control of our schools back. Honor the voters of this state and represent them as your senators and support LB234. Thank you. [LB234]

SENATOR RAIKES: Thank you, Dave. Questions for Dave? How many students do you

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now have in Chalk Butte? [LB234]

DAVID HOWELL: Twelve. [LB234]

SENATOR RAIKES: Twelve. And how many did you have last year? [LB234]

DAVID HOWELL: We had, I believe, 16 last year. [LB234]

SENATOR RAIKES: Okay, so you've got a decline of four students. Is that just due to the normal population trends in the area, or is something else going on? [LB234]

DAVID HOWELL: We had a couple students option out of the district because of the consolidation, and some of that is just normal give and take. We usually vary between 15 and 20 students in our school. [LB234]

SENATOR RAIKES: Okay. and the area, in general, I suppose is, like many parts of greater Nebraska, losing population? Or not so? [LB234]

DAVID HOWELL: Actually, there's a prison being built in the state of Wyoming right across the border from us, and so we expect that our area will grow because of that. [LB234]

SENATOR RAIKES: Okay. Hopefully it doesn't grow a lot in one night or something. (Laughter) Senator Avery has a question. [LB234]

SENATOR AVERY: How many teachers do you have? [LB234]

DAVID HOWELL: We have two teachers. [LB234]

SENATOR AVERY: For 12 students? [LB234]

DAVID HOWELL: For 12 students, yes. We have what we call our little room and our big room. Our little room is K through 3rd, and our upper room, or big room, is called...is 4th through 8th grade. [LB234]

SENATOR AVERY: Okay. [LB234]

SENATOR RAIKES: Senator Johnson. [LB234]

DAVID HOWELL: Yes, sir. [LB234]

SENATOR JOHNSON: I'm just curious. When the voters spoke last November, did that take away the protections of your school that were built into LB126? [LB234]

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DAVID HOWELL: As I understand, they were rescinded, yes. But it also rescinded those protections for the receiving district, as well. So right now, it's all in limbo. [LB234]

SENATOR JOHNSON: Okay. Thanks. [LB234]

SENATOR RAIKES: One other quick question. How would you say that education has changed in Chalk Butte from last year to this year? [LB234]

DAVID HOWELL: We, unfortunately, were a district that paid our teachers a higher base salary than the receiving district, so we lost both of our teachers. They were concerned that they were going to take a pay cut, and so they both left the district. So we have two new teachers this year. They are good teachers, but we have lost a teacher that has been highly respected in our area for a long time, and when a lot of these children optioned into our district because of her. We feel that it's deteriorated some, our teaching. [LB234]

SENATOR RAIKES: Okay. Well, thank you for making the trek all the way over here. [LB234]

DAVID HOWELL: Thank you. [LB234]

SENATOR RAIKES: How many other proponents do we have for LB234? Okay, I see one, two, three, four. So please come forward and we'll progress here. There are some seats up in the front here if you'd like to take an on-deck chair, if you plan to testify. Welcome. [LB234]

KATHY HOLKEBOER: (Exhibit 10) Hi. My name is Kathy Holkeboer, H-o-l-k-e-b-o-e-r. My comments concerning this situation do not come from my being a parent of a Class I student. They do not come from having been an educator in the Class I system. I live in Bellevue, Nebraska. But I am an educator, because I'm a parent. According to education statistics--specific details are available in the information that's being handed to you--parental involvement in education greatly enhances the effectiveness of the education. Parents have a responsibility in providing an environment for their children's education. Even though they place those children in the hands of the government, they should still be held responsible for what happens in that child's education, and therefore should have some say in what's done. Ask a teacher if he or she wants to carry all the weight of the failure of a student who gets no help at home. The point is, the government should not interfere in the attempts of parents to be involved in the education of their children. Obviously, other Nebraska voters agreed, as evidenced by their instruction to the government to repeal LB126 that had forced the destruction of the geographically local schools where parents could have direct involvement in their children's education. So now that the law has been put into effect against the people's

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will, damages have already been done. LB234 allows parents and district residents who pay the bills with their property tax to make the decisions. This bill is the best attempt to honor the people's vote to repeal LB126, and the apparent motive of the people's vote to allow for local decisions to be made in the local environment where the local needs can be addressed locally. So regardless of your personal opinions on the issue, I feel it is critical that you honor what the people have said, so that we can remain a government of the people, by the people, and for the people. [LB234]

SENATOR RAIKES: Okay. Thank you, Kathy. Are there questions? I don't see any. Thank you for being here. Next proponent. [LB234]

TANYA STORER: (Exhibit 11) Good afternoon. My name is Tanya Storer. That's S-t-o-r-e-r. I'm from Whitman, Nebraska. Don't blink when you go down Highway 2, or you'll miss it. (Laugh) I do have copies of my testimony for you. Members of the Education Committee, I'm here today as a former Class I board member, parent of former Class I students, and perhaps most important to today's issue, a registered Nebraska voter. I've been before the Education Committee several times throughout the years, always for the same reason, which is to exercise my right and what I believe to be my responsibility as a citizen of this state, which is to express my ideas, my concerns, and my needs, thereby giving you, my government, direction. Today I'm here to speak in support of LB234, which calls for the reinstatement of all Class I schools in the state of Nebraska. On a personal level, it is my desire to see these systems reestablished, for reasons of location. I live in the infamous Cherry County, always known to the Legislature as unique, due to her size. My husband and I are proud to be fourth-generation on a family ranch, raising the fifth generation. Our former Class I was part of the Valentine former Class VI, which is 120 miles to the northeast. Therefore, we are now governed by a board 120 miles away, many of whom could probably not find their way to our former Class I school building without a map. This, Senators, is not what I believe our forefathers has in mind when they designed our system, and as I reiterate the former testifier, to be one of the people, by the people. This brings me to my second point, which is one of concern as a citizen of the United States of America. It was once said by one of the great minds of all time, Aristotle, that, quote, if liberty and equality, as thought by some, are to chiefly be found in democracy, they will be best attained when all persons alike share in the government to the utmost. As elected officials of this state, you took an oath to support the Constitution of the United States, as well as the Constitution of the State of Nebraska, documents that were carefully written as to keep us on the path of democracy as we navigate the waters of time. The reality is that every action you take either moves us closer to that goal or further from it. Please ask yourself which direction school consolidation moves us, or, more importantly, which direction reinstatement of Class I schools move us. My final point is based on the fact that I'm a registered voter of the state of Nebraska, and the people of the state of Nebraska have indeed spoke. We've exercised our rights within our system of government in a lawful and orderly manner. The message is clear. The people of the

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state of Nebraska demand the reinstatement of all Class I schools, governed by the people of their respective Class I districts. The people of the state of Nebraska value liberty and equality and the right to share in the government to the utmost. We have done our job, and now we're asking you to do yours. When there is a lack of honor in government, the morals of the people of the whole are poisoned, a quote by Herbert Clark Hoover, a man of respect. Today I brought a van load of young people, who are in the overflow room, for lack of room here. I brought them here to see that our legislative system does work, to be encouraged that it still works, and that it is held to a higher standard of integrity. They, along with all the citizens of this state, will be affected by the actions you take or fail to take, and so we're asking you to honor the vote, which we feel is best accomplished through LB234. [LB234]

SENATOR RAIKES: Okay. Thank you, Tanya. Questions for Tanya? How many students are there in your school now? [LB234]

TANYA STORER: At this point, our Class I is...the timing was poor. Our Class I is down to one student, and so that student, for reasons of, obviously, that would make sense, is attending a...the closest other former Class I. But the population, the survey, or the statistics for the next five years, there are young families and babies on the ground, and some not yet on the ground, who will be in need of school in that area. And please keep in mind, just for clarification, we are 25 miles north of Whitman, Nebraska, and the next nearest school would be...from my residence, would be approximately a 20-mile drive on county roads. [LB234]

SENATOR RAIKES: "Babies on the ground." I'll remember that one. Thank you. (Laughter) Senator Avery has a question. [LB234]

SENATOR AVERY: I was just curious, is that a low-maintenance county road? (Laughter) I've been on that low-maintenance county road up there (inaudible). [LB234]

TANYA STORER: (Laugh) We've had some discussions with the commissioners. Unfortunately, yes, it is. [LB234]

SENATOR AVERY: So I can understand your concern. You have one student, you said, in the school? [LB234]

TANYA STORER: In the school district at this time, yes. [LB234]

SENATOR AVERY: And at least one teacher, right? [LB234]

TANYA STORER: At this time, our former Class I is not operating because of that fact. [LB234]

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SENATOR AVERY: So what would you have done then? You would want to recreate a school with no students and no teachers? [LB234]

TANYA STORER: No, Senator Avery. At this point, it would have made sense to not have those doors open. What we are asking is for the right to reopen them when those numbers return, and which... [LB234]

SENATOR AVERY: When the babies are on the ground. Got it. (Laugh) [LB234]

TANYA STORER: Absolutely. And the ones that are on the ground reach school age. [LB234]

SENATOR RAIKES: That reminds me of another point, I guess. If you, say, under the old system, went...well, maybe this wasn't true with Class I/Class VI, which is what you were, with Valentine. [LB234]

TANYA STORER: Right. [LB234]

SENATOR RAIKES: But actually, you have more flexibility for closing a school building and then reopening it under a K-12 than you would under, certainly, an affiliated Class I, and maybe even a Class I/Class VI. [LB234]

TANYA STORER: That would be a matter of perspective, I suppose. Under the old system, I believe there was a three year...if I'm correct, a three-year interim where you could be closed with no students? [LB234]

SENATOR RAIKES: I think that's right, but I would have to check, as well. And it's possible that in your area you might go three years without having a student of school age, elementary school age? [LB234]

TANYA STORER: Possible. Historically--and I've got the records--uniquely enough, back to when my mother attended Class...it wasn't a Class I at that time, I guess, but attended school there, and the average...the reality is, the average student population hasn't really changed in our area over the last 40-45 years. It's been anywhere between three and eight, but it's been consistent. [LB234]

SENATOR RAIKES: Okay. Again, thank you for making the trek. [LB234]

TANYA STORER: Thank you. [LB234]

SENATOR RAIKES: Next proponent. Welcome. [LB234]

KEN MYERS: Hello, ladies and gentlemen of the committee. My name is Ken Myers,

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M-y-e-r-s. I live in Gates, Nebraska. We are approximately 20 miles from our affiliated K-12 school. My three daughters are the fifth generation of my family to attend the Gates school. I myself went from kindergarten through 8th grade at Gates. This was a very positive education experience for me, and I believe I was very well prepared as I went into high school at Merna and then on to college in Norfolk, Nebraska. I've been living back in the Gates community for the last 19 years. I wanted my three daughters to have the same education experience as I had growing up. For a long time, we have fought to keep our school open. I was a student at Gates when a bill to close our schools came up in the mid-seventies. I remember spending the day here at the Capitol, along with my teachers, classmates, and parents, listening to the testimony of other folks trying to save our small schools. Today, I find myself in their shoes. I'm here asking you to restore our Class I schools. LB126 was a bill that put strife between districts, and the larger schools grabbed their affiliated land and assets, not worrying about the students or the tax patrons of our district, but only what they could get out of it. However, the people of Nebraska recognized how essential these small schools are. We the people spoke to you in November. We said, get rid of this bill that brings strife between districts, steals the Class I experience from our children. I realize that as legislators you may not always make the right decisions. Sometimes you will make mistakes. The people of Nebraska are saying to you, as our legislators, fix your mistake, vote LB234 into law, turn back local control to our schools. Let Class I's continue to responsibly manage our resources and educate our children in rural Nebraska. [LB234]

SENATOR RAIKES: Okay. Thank you, Ken. Questions? Ken, you were in the Gates district, and you said you went to Merna to high school? [LB234]

KEN MYERS: To high school, yes, I did. [LB234]

SENATOR RAIKES: Are you among the group that would like to be a part of Broken Bow instead of Merna? [LB234]

KEN MYERS: We would like to be a part of Gates. (Laughter) [LB234]

SENATOR RAIKES: Okay, fair enough. I don't see any other questions. Thanks. Next proponent. [LB234]

ROSEMARY ANDERSON: Speaking of babies on the ground, and in utero,... [LB234]

SENATOR RAIKES: There you go. [LB234]

ROSEMARY ANDERSON: My name is Rosemary Anderson, A-n-d-e-r-s-o-n. [LB234]

SENATOR RAIKES: Welcome. [LB234]

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ROSEMARY ANDERSON: Thank you. Lady and gentlemen of the committee, I'm from Whitman, Nebraska. I'm here today to testify in support of LB234, as a representative of my family, my community, and, most relevant, of the majority of voters in last year's election in the repeal of LB126. As youngsters, my dad, brothers, cousins, neighbors, and I all attended a Class I school in lower Grant County. This school was only four miles from our ranch headquarters, and a similar distance for the other attendees. For me personally, the incredible education that I received from that school more than prepared me for a successful academic career. After graduating from Mullen High School, I attended UNL on a full-tuition Regent's Scholarship and earned my bachelor's and master's degrees in animal science and ag econ. I then returned home to the family ranch with my husband, where we planned a life of raising cows and children in the same blessed rural setting that I grew up in. Similar stories could be told of many of my cousins and neighbors, as well as my brother, who have all pursued higher education and then chosen to return to the area to start families. Just within a ten-mile radius alone, there would be at least a dozen children whose future will be affected by the viability of our school. That's why it is unimaginable to me that the possibility even exists that those children might not get to attend that school if it were to close due to loss of local control, that instead they may have to get on a bus to travel an hour or more each way to the next closest district school. Even if that district board were benevolent enough to keep our learning center open, our ranching neighborhood would have no authority over our finances, schedule, the hiring and firing of the teacher, or curriculum. Having these important decisions handled by people so far removed, 35 miles removed from our community, would surely lead to the fragmentation of our school family. As a representative of that community and my own family, and, most importantly, as a registered voter, I hope you will follow through with the obvious solution to this situation and reorganize the school districts as they were before December of 2005. After all, this is what the people of Nebraska voted for three and a half months ago, and it's up to you to honor that vote. Thank you. [LB234]

SENATOR RAIKES: Thank you. Questions for Rosemary? You're now a part of which district? [LB234]

ROSEMARY ANDERSON: Now it would be District 11, Hyannis. [LB234]

SENATOR RAIKES: Hyannis, okay. Thank you... [LB234]

ROSEMARY ANDERSON: Thank you. [LB234]

SENATOR RAIKES: ...for being here. Any other proponents, LB234? Welcome. [LB234]

ANGIE PALMER: (Exhibit 12) Hello. I am Angie Palmer, P-a-l-m-e-r. According to the Constitution of Nebraska, we the people have retained for ourselves certain powers. The power of referendum is one such power. If the state of Nebraska and the

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Legislature can ignore a successful referendum election, then we the people have retained for ourselves a power that is, in essence, without meaning or purpose, which would be unconstitutional. In 2005, the Legislature passed LB126, which consequently dissolved Class I schools in Nebraska. In response to the passage of this bill, Class I supporters across the state, using their constitutional right to referendum, quickly organized a petition drive to repeal the law. The purpose for the referendum petition was so that Class I schools would continue to exist and operate in Nebraska, and local controls of school districts would be maintained. That purpose never changed. Those in opposition to Class I schools will claim other reasons other than the reestablishment of these districts for the repeal of LB126. However, they can produce no proof of this claim. No one campaigned that the bill should be repealed for reasons other than to restore Class I districts. According to the Nebraska Accountability and Disclosure Commission, there was no effort or money spent on behalf of any group other than Nebraskans for Local Schools to publicly advertise a position on the referendum of 422. The only public statements from those in favor of dissolving Class I schools came from three letters written by Senator Raikes. Each of these letters urged voters to retain LB126, not repeal it. There are also some questions about whether people in Omaha confused the issue with LB1024. I don't believe that that is a legitimate claim. Class I supporters spent considerable time in Omaha circulating petitions and educating people about the issue. In fact, Nebraskans for Local Schools had several volunteer petitioners from Omaha. Other volunteers from Lincoln, as well as other parts of the state, went to Omaha numerous times to circulate petitions and campaign. The vote in the metro area was a result of this petitioning and campaigning. It follows that those who voted to repeal did so to reestablish Class I districts that existed prior to the implementation of LB126 and to maintain local control. This was the message carried by the nearly 2,000 people who voluntarily circulated petitions and campaigned for the repeal. Some have said that Class I's should not be reestablished because of the effect it will have on Class I teachers. On November 7, every voter in Nebraska was given a chance to decide the fate of Class I schools, Class I teachers included. We don't ignore the vote of the people because of a select group. Four bills have been introduced in response to the vote of LB...in response to the repeal of LB126. None of these bills would have been introduced if the majority had voted to retain. What we must now decide is which of these bills accurately responds to the will of the people who voted to repeal. Regardless of your personal opinions or the opinions of special interest groups on the issue, the will of the people must be honored, and all Class I districts must be reestablished. The best and simplest way to do that is through LB234. LB234 restores Class I districts to their status prior to implementation. It does nothing more, nothing less, the will of the people as expressed by their vote to repeal. This is no longer an issue about Class I schools; it's about the right to vote and have that vote recognized. It's about the power that we the people have expressly retained for ourselves in our constitution. If this vote is ignored, we are sliding down a slippery slope away from democracy and opening the door to ignore future votes, as well. Abraham Lincoln once said, our safety, our liberty, depends on preserving the Constitution of the United States, as our fathers made it inviolate. The

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people of the United States are the rightful masters of both Congress and the courts, not to overthrow the Constitution, but to overthrow the men who pervert the Constitution. I urge you to preserve the Nebraska Constitution and honor the will of the people by advancing LB234. [LB234]

SENATOR RAIKES: Okay, thank you. Questions for Angie? I don't see any. Thank you. Any other proponents? [LB234]

KEVIN O'CONNOR: Gentlemen, my name is Kevin O'Connor. I bring a little bit different perspective on LB234. I am for it. But I moved to Nebraska a few years ago from a state that had larger schools, and the education wasn't bad, but could have been better with better teachers. [LB234]

SENATOR RAIKES: I have to ask you to spell your name, please. [LB234]

KEVIN O'CONNOR: Oh, I'm sorry. O'-C-o-n-n-o-r. [LB234]

SENATOR RAIKES: Thank you. [LB234]

KEVIN O'CONNOR: My daughter currently goes to what was a Class I school. In that Class I setting, she has blossomed. She's doing work in grade levels two and three grades above her current age group. That is why I support LB234. Now, I spent several years in the Marine Corps, so that we have the right to honor our vote, and I think that's the right thing we should be doing, instead of coming up with other ways to legally put LB126 in different words. And that's why I think LB234 needs to be honored and passed through. [LB234]

SENATOR RAIKES: Okay, thank you. Questions? Thanks for being here. Any other proponents for LB234? Welcome. [LB234]

JOAN HANSON: Hi. I'm Joan Hanson. The last name is H-a-n-s-o-n. I'd like to give you a little bit of background why I'm here. I'm with the Ithaca Public School District 50, and LB126 has made a horrendous mess of everything, basically. The minimum qualifications of LB126 were met by our school district. We turned over the keys on June 15 to Wahoo Public Schools, which we're affiliated with. The first thing that they did is they canceled any option enrollment into our school district, unbeknownst to us. The next month, in August, I get this letter in the mail, not even a seven-day notice, that they're having this meeting. So I contact our former superintendent of our school district, only to find out that there's a chance they're going to shut down our school. We had been told from the minute we gave over those keys that we would have school in District 50. We prepared curriculum, we ordered any of the necessary equipment that we needed to do and carry out this school year, and only to find out that, I go to this hearing, or I should say board meeting, and the first thing they do at the Wahoo school

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board meeting is to pass over a \$1 million bond issue to put a heating system in the Wahoo high school. Well, I thought, wow, that's a lot of money, and they did that without a blink of an eye. The next thing they did was to use the loophole in LB126 to shut down the Ithaca Public School District. That loophole was to close it down for no more than two years. Our students were left without any knowledge of where to go. I have two children of my own. One, my son Lynn (phonetic), is here to witness this proceeding. We had Spanish in kindergarten at our school district, and we optioned to Mead, which doesn't even have Spanish. Our financial situation was within \$250 cost per pupil with Wahoo, well within our guidelines, well under the state average cost of cost per pupil. We have a school building that we've taken care of over the years. It's a beautiful school building. I handed out the picture during our board meeting at the Wahoo Public School Board. They passed it on without even a second glance. The vote was 4 to 2 to shut us down. I do want to say that I would take this into high consideration. I can tell you personally what an impact it has on our children, from going to a Class I school district, to optioning out to a larger school. We've had fights on the bus. I mean, misbehaviors. It's gone rampant, I mean, from having a controlled setting in a Class I school district and being complimented on each and every one of our field trips on how well our students are mannered. Think about what you're doing. You're not only affecting the Class I school districts; you're affecting the Omaha Public School system. I happen to work in Omaha, and a lot of my supporters on the petition that I circulated were supporters of revoking LB126. It's not just the people in the small central and western end of the state that repealed this. There's people out west, as well, and east, in Omaha and Lincoln, that wanted it repealed. Many of them came from smaller school districts. I would like you to take this into consideration. [LB234]

SENATOR RAIKES: Okay, thank you, Joan. Questions? Senator Howard has one. [LB234]

SENATOR HOWARD: I'm just wondering, how many students did you have in your school district? [LB234]

JOAN HANSON: We had seven students, and eight with a special education student that we outsourced. And we had the population coming in, so we were well over the five minimum requirement on LB126. [LB234]

SENATOR HOWARD: So those would be the option students that came into your school? [LB234]

JOAN HANSON: No, these would be in...already in District 50, that were preparing to come into our school district. So we would have kept our head count. And that was something that we kept a very close watch on. In fact, we have new houses being built in Ithaca. We have a neighbor across the street that said, they're doing what? They shut you down? I planned on my son going to school here in town. I mean, when you shut

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down a community such as Ithaca, you're going to end up paying one way or another. Granted, we ran our financially secure school district well. But then you end up with no school, no school for any of the houses that come up for sale. That was one of the selling factors in our community, was the fact that we had a really nice school, and they had an opportunity to go to school there. We had a very, very good teacher. [LB234]

SENATOR HOWARD: So, one teacher for the five students? [LB234]

JOAN HANSON: Yes. [LB234]

SENATOR HOWARD: Did your two children attend there also? [LB234]

JOAN HANSON: Yes. They're in 3rd and 4th grade. [LB234]

SENATOR HOWARD: So, your two children and three additional children? [LB234]

JOAN HANSON: Four additional children. [LB234]

SENATOR HOWARD: Okay, thank you. [LB234]

SENATOR RAIKES: Okay, thank you, Joan. Next proponent. [LB234]

PATTY JO HIGGINS: Hello, my name is Patty Jo Higgins, H-i-g-g-i-n-s. I am from southern Cherry County. I have a letter written out, but most of it has been repeated. I just wanted to state that the reason I'm here to support LB234, like everyone else, is because I feel it should...it honors the vote that was held in November. I wanted to kind of explain that...some of the things that happened with LB126. You know, our main concern with...is, with the bill, and to try to reinstate things, is to make sure for economic growth for our area. You know, we ranch 45 miles south of Valentine. We go to school 21 miles away, and that is our closest K-8 school. Our local control is ran 60 miles away. You know, how do we get hired men to come? How do we, you know, make our ranch grow and prosper if our education system...if we're unsure about it? And we can't expect people to come out to our area if we're not sure where their kids are going to go to school at. To get a good visual, our county covers an area from Lincoln to Grand Island, a total of 5,960 square miles. Yes, our population is less, but education is vital for our area to survive. After graduating from the University of Nebraska, my husband and I chose to move to the Sandhills to carry on the tradition of ranching. We were never concerned about education, knowing that a Class I school was close. And I had wanted to...you were talking about rural roads to drive on. I live 21 miles away from our school, but it takes me 45 minutes to get there, on a good day. Our fine state has always prided itself in one unicameral system, knowing that the second house, the people, always has a voice in its democracy. This past election, 287,000 citizens overwhelmingly voted to repeal LB126. I know that some have said the people were

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confused, but I have more faith in the intellectual capability of our voting citizens to completely understand the difference between repeal and retain. In my own county, it was a 4 to 1 decision to repeal. I have to say that many are still frustrated, in that we have voiced our opinion, and yet we still have to come to Lincoln again to fight for our schools. I am sure that it is no coincidence that there is talk of adding another house to the state when the second house right now, the people, is not taken more seriously. It is time to change and protect the people from within. One would think that once a bill is repealed, then things would go back without more legislation. But we have discovered that is not the case. I am proud to be a voting citizen of this state, and it is very disheartening to see my vote and 56.34 percent of other citizens that has been ignored for three-plus months. How do we encourage our young to know that it's important to vote and to be part of our democratic process, a question for which I'm sure I still don't know the answer? I believe that LB234 is the only bill before this committee that addresses the whole state for Class I education, and the only bill that honors the vote of the people. I have read and heard many administrators and senators speak on the difficulty of going back and restoring things because of selling of property and closure of buildings. As a parent, my first response would be, that is the consequence of your behavior. All people in this state knew that there was a chance that the people would vote down LB126, yet many chose to be aggressive in their decisions with these students, buildings, and funds. It is not the fault of Class I patrons or students that many did not believe the voting public would do what is best and repeal that a bill that was bad legislation with bad implementation. I know that many in the Class I group, and many Class I patrons and board members tried to encourage K-12 administration to be cautious in their decisions. But those with less faith in our fine citizens of this state pushed ahead. Now they must suffer the consequences of their decisions. I do not believe the Legislature should be concerned with how to implement LB234. They should only be concerned with honoring the vote and giving back to the people what was taken away. Please consider LB234 as a solution to honor the vote for Class I education in Nebraska. [LB234]

SENATOR RAIKES: Okay, thank you, Patty. Questions? I don't see any. We have another proponent. Any more proponents after this testifier? Okay, please come on over. [LB234]

DAVE JEFFREY: (Exhibit 13) Mr. Chairman, committee members, my name is Dave Jeffrey, J-e-f-f-r-e-y. My family and I moved from Arizona to Oconto in 1997. One of the primary reasons for our move was to allow our children to attend a small school that encouraged active parental involvement. I served on the Oconto school board until June 15 of last year. In Arizona, I had firsthand experience with the results of forced consolidations. I knew that they did not improve efficiency, nor did they, more importantly, improve a student's education. In November, an overwhelming majority of Nebraska voters said that they knew the same thing. In the short time since the consolidation, our school has suffered through a number of changes. Our children are

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regularly transported to Callaway for instruction in P.E., art, music, and library skills. In previous years, our students did these very well, did very well in all these subjects, right where they were. Meanwhile, the Oconto school sits empty, while all the students travel to Callaway for these subjects. Our students have, however, been introduced to a few new experiences, not necessarily good. Oconto has several minority students in its population. These students are among my son's very best friends. Prior to attending the larger school, my son had not heard any of his friends referred to by a racial slur. Now he has heard the words, most hate-filled words directed at some of his best friends. As the biggest kid in his class, he's been forced to defend his friends. I admire him for doing the right thing, but wouldn't it be better if he could have remained color-blind just a little bit longer? The kids have this figured out. Kids are kids, period. We're not...when you insist on counting the colors, you can't be color-blind. Class I schools, our Class I school, never counted the kids, they never counted the kids by their colors. Small schools have historically offered the best education possible. They have contributed to the identity of rural communities, and have offered a choice to parents. As society clamors to take responsibility...pardon me, as society clamors for people to take responsibility for their own actions, LB126 took the responsibility of our children away from us and gave it to our neighbors. Please honor the vote and restore responsibility for our children to where it belongs. Please support LB234. Thank you. [LB234]

SENATOR RAIKES: Thank you. Any question? Senator Avery. [LB234]

SENATOR AVERY: Could I ask one question? How many children of color did you have in your Class I school? [LB234]

DAVE JEFFREY: Well, before LB126, zero; after LB126, seven. Honestly, we didn't count them because we didn't have to. We did not have to report statistically. And if you want to hit on probably the sorest subject for me, that's it. I married a Hispanic gal, okay? My kids, to look at them you can't tell it, but they have Hispanic heritage. And my kids hear from the media that Class I schools are racist. Therefore, by default, I'm a racist. And that really, really bugged me, and it bugged my kids. Can you imagine how you would answer the question, when your kid comes home from school the second week of school and asks you, daddy, what's a...and I won't use the word. He never heard the word before. And bigger is not better. And for the answer that, you know, I had to come up with, stammering and stuttering, was, it's a hate-filled word that tells somebody that you, for the color of their skin, because of the color of their skin, you hate them. And he doesn't understand that. He's sitting back here today. He doesn't understand the changes. He doesn't understand. After the vote, he asked, when are we going to get our school back? Do I still have to go to Callaway on Fridays? Because he's being held back with the curriculum changes and some other issues. It's tough to explain it to an eight-year-old. And there's been a lot of things that I don't think you expected to have happen, that happened. [LB234]

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SENATOR AVERY: Thank you. [LB234]

SENATOR RAIKES: Thank you, Dave. [LB234]

DAVE JEFFREY: Thank you. [LB234]

SENATOR RAIKES: Thanks for being here. Next proponent. [LB234]

JULIE STEVENS: Dr. Julie Stevens, S-t-e-v-e-n-s. Thank you for the opportunity to address the committee. I'm Dr. Julie Stevens, a proud daughter and granddaughter of three Class I school teachers. My husband and I choose to option our children to a Class I school instead of choosing local public and private school options. Our main reason for sending our children to Class I school is for the flexibility. Several of my children are in grade levels consisting of a child with learning challenges and a gifted child. Some subjects are taught together; other subjects are done with grades above or below, as needed. Supplemental material challenges them to their individual maximum potential. The teachers know their strengths and weaknesses well, and I'm impressed with our teacher's observations at the parent-teacher conferences. A second reason for optioning is the curriculum. The students complete all textbooks. Our Class I school kindergartners learn to read. They drill math facts thoroughly. My children reenact science experiments at home, and give detailed accounts of calf dissections. They recite from memory the Preamble to the Constitution, the Gettysburg Address, Declaration of Independence, and the Bill of Rights. They read classical literature. They learn time management skills in having to complete assignments while teachers work with other students. When they go to high school, the freshman year is mostly review. Those who merely survive the Class I school finally thrive in high school. Two out of the last three valedictorians of the high school have come from Class I's. The third reason is the effective use of time. What material was efficiently covered previously must now be fit into three extra weeks and longer days. The number of days off is astonishing. The elementary school children are off for state girls' basketball, boys' basketball, wrestling, parent-teacher conferences, which were previously handled in two hours. The local school districts sent out a speaker on childhood obesity and nutrition. You know what my children came home with? They were fed snacks by the speaker at 11:00, and had lunch at 11:30. The voters spoke clearly on reinstating Class I schools. They are efficient and effective in educating students. They are much more cost-efficient. We need to let a time-tested institution continue in its proud condition. Thank you. [LB234]

SENATOR RAIKES: Thank you, Doctor. I don't see any questions. Thanks for being here. [LB234]

JULIE STEVENS: Thank you. [LB234]

SENATOR RAIKES: Any other proponents? Okay, we'll move to opponents, LB234. Are

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there any opponents? Yes, come on up. All of you who want to speak in opposition, come up and sit in these chairs in the front, if you would, please. [LB234]

LARRY GROSSHANS: (Exhibit 14) I apologize for reading my presentation to you. I know that you can all read. But if I'm to finish before that red light goes off, it's best that I do read it. My name is Larry Grosshans. I live at 801 Russell Circle in Firth, Nebraska, and am a member of the board of education of Norris school district 160. The Class I districts of Cheney and Rokeby were assimilated into Norris this past fall. Incidentally, my name is spelled G-r-o-s-s-h-a-n-s. I met with the former teachers from those two school districts, who are now a part of the Norris district, because I was curious as to how they felt about the assimilation and possibility of Class I's being resurrected. These are their thoughts on the matter. First, they said there was a significant advantage of now being a part of the Norris school district, because of the additional personnel available to assist them with their jobs. They mentioned building administrators, special ed coordinators, school psychologists, guidance counselors, media and technology personnel, curriculum specialists, and even nurses, secretaries, and custodians. In the previous districts, many of these people were not available, and they had to assume these duties in addition to their own teaching responsibilities. They also indicated that becoming a part of Norris resulted in a significant increase in programs and services for students. Specific mention was made of the Title I reading and math programs, the expanded library and technology services, availability of breakfast and hot lunch programs, and the increased number of classes in both the elective and exploratory curriculums. They also found that teaching in teams of six to seven staff members gives them the opportunity to share ideas, get assistance, and even specialize in given academic areas. As one teacher said, we can now focus on one grade level, and no longer have to prepare lessons for different subjects and different grades. Consequently, we can do a better job of teaching. It was also noted that much of the burden of accountability for state standards and No Child Left Behind has been relieved...has been reduced considerably. These teachers also appreciated the fact that their salaries and benefits increased substantially when placed on the Norris salary schedule and negotiated contract. They did recognize the advantage of smaller class sizes in their previous school districts, but felt that was more or less negated by the availability at Norris of assigned paraprofessionals who worked with them throughout the day to handle many of the routine duties so they can better utilize their time and effort in teaching. I asked how they would feel about returning to their Class I districts and the educational system that existed before LB126. They indicated fond memories of those experiences, and were grateful for the opportunities, but without exception would not want to return. They said they felt the era of Class I's is behind them, and it's now time to move on. They believe that the former Rokeby and Cheney students at Norris have adjusted well and are progressing nicely in their new setting, and doubted if they would want to return either. They also indicated that parents of those students who enrolled in Norris have been really pleased with the changes, and would prefer that things remain as they now are. Therefore, to have a wholesale return of Class I's

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statewide, as this bill calls for, would certainly not be the desires of the students, parents, and former Rokeby and Cheney districts who are now at Norris. Thank you for your time. [LB234]

SENATOR RAIKES: Thank you, Larry. Questions for Larry? Thank you for being here, Larry. [LB234]

LARRY GROSSHANS: You're welcome. [LB234]

SENATOR RAIKES: Next opponent to LB234. Robin. [LB234]

ROBIN STEVENS: (Exhibit 15) Robin Stevens, S-t-e-v-e-n-s. I'm superintendent at Schuyler Community Schools. However, I do want to emphasize that my comments today may be challenged by some of my board members--not all, but some--as well my other community members. So I want to make sure that I am on the record for that. I must tell you a little bit about Schuyler, the demographics of our Schuyler Community Schools. We have 1,503 students K-12; 901 of those students qualify for free and reduced lunches; 405 of those students are identified as English language learners. We house these students in seven buildings that range in number from 16 to 656. I feel also I need to give you a little bit of background as to reorganizations as it relates to Schuyler Community Schools. Prior to the passage of LB126, we were a Class VI system, one high school and six K-8s, Class I's. We are now a Class III district. However, we did lose, because of the membership study, District 505 to Clarkson. All of our former attendance centers that are part of the Schuyler Community Schools remain open. The Schuyler area voting precincts, I must tell you, voted 60 to 40 to reject LB126. I want to make sure that that is on the record as well. My testimony, however, is based on my opinion, and how it has affected...the passage of LB126 has affected Schuyler Community Schools. Now, I am a proponent of LB126, and while my comments may seem to focus as what I see as the good points of LB126, I use them to demonstrate why I believe LB234 is flawed legislation. There has been increased communication since we have become a Class III system. This is true at many levels, be it teachers, administrators, board members, operating councils, parents, and patrons. The K-12 curriculum is starting to take shape. We are now working together to update and coordinate our curriculum guides and to align our standards and assessments. The budget has become more streamlined, with one budget being submitted instead of seven budgets. The budget-setting process has now become more cooperative, as compared to a negotiations environment where the Class I's seem to be competing and at times begging for the same dollars, with the high school board holding the purse strings and fighting for the high school budgets, realizing that the high school got what was left. The use of personnel has also become much more efficient. From teachers, to maintenance, to food service personnel, we are able to fill openings with the best person possible, working together, rather than using district boundaries to set differing salaries and compensation packages, to create an unnecessary barrier that had a

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spirit...instead of having a spirit of cooperation when it came to personnel, and to compete at times rather...for the very same candidate. Now we are working together. Improvements in these areas are a process, not an event. In other words, we will continue to work every day to improve our communication channels, our curriculum needs, budget efficiency, and personnel usage. Reverting back to the way we were would, in my opinion, be a step in the wrong direction. Therefore, I oppose LB234. Thank you very much for this opportunity. [LB234]

SENATOR RAIKES: Thank you, Robin. Senator Avery has a question. [LB234]

SENATOR AVERY: I'd be very interested in your comments on why you think your experience is so different from the previous testimony we have heard from the Broken Bow area and Valentine and places like that. [LB234]

ROBIN STEVENS: First of all, I can't compare to those districts, but I will tell you what I believe was an advantage. We worked very, very hard in organizing what we called our LB126 task force, which was open to each and every person within the district. And I would guess that we had at least...(laugh) and board members would say way too many, but probably a dozen meetings in which we talked about LB126, and how can we best make it work here. Now, let me emphasize that those communication times were not always pleasant, that the communication sometimes was very, very difficult. There was a lot of tears and a lot of sweat, at least from me. And so I would say that that was the start. And then we got all of the administrators together in each of those attendance centers, and we started working together, realizing, whether or not we support LB126, it's here; let's make the best of it. How can we take a good system and make it better? And that's where we continue to work. We've tried to be open with our staff, as well. I would like to say that they were heavily involved. I wish they would have been more involved. They had the opportunity to be involved, and at times they were. At some of our LB126 meetings, and of course, after our SAA meetings, our Schuyler Area Administrator meetings, we would try to go back to our staff and share with them some of the decisions or the discussions that took place. I guess that would be the way I would answer that question. [LB234]

SENATOR AVERY: Thank you. It sounds like you saw it as an opportunity for growing... [LB234]

ROBIN STEVENS: Absolutely. I really believe LB126 provided a tremendous opportunity to us take a good system and make it...and work towards making it a great system. That's been our philosophy. [LB234]

SENATOR AVERY: Thank you. [LB234]

SENATOR RAIKES: Thank you, Robin. Next opponent, LB234. [LB234]

SCOTT NORBY: Mr. Chairman, members of the committee, my name is Scott Norby, N-o-r-b-y. I'm an attorney with the McGuire and Norby Law Firm, and I am here today on behalf of the Nebraska State Education Association. The NSEA supported LB126, with full knowledge that it would likely have a disparate impact on a certain portion of its membership, Class I teachers, and with full knowledge that it probably represented the most significant restructuring of Nebraska school districts, certainly during my 27 years as an attorney involved in education law in Nebraska. But it did so because it felt it was sound educational policy, taking our state into the future. Serving as a teacher advocate in that process and effectively being on the front line representing those Class I teachers and indeed all NSEA member teachers through this process, I can represent to you that with some minor exception, the transition and the disruption inherently associated with a restructuring of this magnitude worked quite well. The allocation of teachers from former Class I districts to their receiving districts worked quite well. I can't really identify any real problems that occurred in that allocation process. Very, very few school districts tried to stack the deck or take advantage of the process by entering into unreasonable contracts immediately prior to their closure, or shenanigans of that nature. And students, and teachers for that matter, seem to have acclimated to the change that has taken place as a result of LB126. In short, the trauma associated with that restructuring is now behind us. The only material problems, in my experience, that have arisen are not as a result of the restructuring, but of...as a result of the specter of these Class I districts, like proposed under LB234, to all of a sudden just spring back into existence, whether there exists any objective criteria supporting their recreation or not. That was first manifested following the allocation when many of the receiving districts refused to issue individual contracts to those Class I teachers allocated to them, out of some concern that if they have contracts with them, they're going to be stuck with them even if this referendum is successful. That generated a lot of litigation, and I can tell you that most...well, all of the Class I teachers involved in that litigation have contracts today, and the few that don't, out in Cheyenne County, the court has ordered both Leyton and Sidney to enter contracts with them. That same issue continues to exist with this legislation, because I can assure you, what is going to happen next is, as long as this legislation and that like it hangs out there, school districts are going to be confronted with having to determine staffing needs next fall, and they have to do so now. What they're going to do...a number of them are going to do is do what are called preemptive RIFs. In other words, they're going to reduce elementary staff in anticipation of not needing those staff because of the fear that these Class I's, you know, whether they even have...you know, they should objectively exist or not, they're going to have too much staff. That's going to create all of this disruption all over again. It's going to be very expensive, it's going to be traumatic again for the teachers, it's going to result in litigation, and it's going to cost this state not only disruption to the educational system, but a ton of money. And that's going to happen in the next few weeks, gentlemen, if this legislation is still hanging out there one way or another, you know. Our view is, you can't turn back the hands of time. That's not to say that you don't have to acknowledge the

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will of the voters, but candidly, we believe that LB658 does that, yet imposes some rational, objective criteria to the recreation of Class I districts, as opposed to simply arbitrarily recreating every district as though it existed December 1 a year ago, whether there are kids there, whether there's a building there, whether there's even a desire for it to exist. [LB234]

SENATOR RAIKES: Okay, thank you, Scott. Brad...Senator Ashford has a question. [LB234]

SENATOR ASHFORD: Scott, I...I'll tell you, I've been around this place for 20 years, and I've supported teachers, and...but I'll tell you one thing that I do not like. And I've known Senator Dierks since 1986, and I don't agree with Senator Dierks on everything. But one thing I will tell you, he never in his career has brought bonehead legislation to this Legislature. Do you understand what I'm saying? [LB234]

SCOTT NORBY: Yes, sir, I do. [LB234]

SENATOR ASHFORD: All right. The next time we get quoted in the paper, let's realize, I hope, that we're dealing with people that give a tremendous amount of time to this place, and represent, in my view, better...represent the people in a very, very rigorous and thoughtful manner. And I really don't like the use of those words. [LB234]

SCOTT NORBY: Senator, I understand that I've been quoted in the paper. I have not seen what I've been quoted as having said. [LB234]

SENATOR ASHFORD: Well, let me read it to you. Let me read it to you. There are...in referring to the bills that we're...LB234 and LB30: There are enormous unintended consequences to this bonehead legislation, Norby said. It's not reality-based. Kill these bills and kill them today. I mean, you're entitled to your opinion, but you've been around here a long time, and Senator Hudkins and Senator Dierks do not bring boneheaded legislation to this body. [LB234]

SCOTT NORBY: I respect that, Senator. [LB234]

SENATOR ASHFORD: Okay. Thank you. That's all I needed. Thank you. (Applause) [LB234]

SENATOR RAIKES: I will tell you that, after that, please, no demonstrations. We don't allow that. Thank you. Yes, sir. [LB234]

GEORGE MOYER: Mr. Chairman, my name is George Moyer. I'm a school board member at Madison. I'm opposed to LB30 and also to LB234. I'm 70 years old, and I've been coming down here to this Legislature for 50 years on this issue, first as a cub

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reporter for the Lincoln Star, and then as an attorney representing school districts in northeast Nebraska. And it's always the same emotional, knockdown, drag-out fight. And the most distressing thing about that fight is that we have had so little leadership in those 50 years, so little leadership from the Governor's Office, so little leadership from the Department of Education, so little leadership from this Legislature. And then in 2005, the waters parted and we got some leadership. And then we put the leadership back in a box, or in the sack, and we didn't campaign in favor of...or, opposed to the repeal of LB126. One of the other speakers said, Senator, the total campaign for the bill was three letters you wrote to the newspapers. My goodness gracious. Everybody knows that's not the way to conduct a political campaign. So they won that issue. What does it mean? I submit to you, it means nothing, because there was no organized campaign to bring home to the people what the issues were in LB126. Now, let me turn to my district. Let me turn to our concerns. We were...we took in one Class I district, District 48, which would be reconstituted by LB30 and LB234. The district contains a village, Enola, and most of the territory between Madison and Norfolk. District 48 is composed of 11 former Class I's. With the help of compliant county superintendents, it has spread, amoeba-like, from Madison city limits to within two miles of Norfolk's airport, easily 13 miles long and 7 miles wide. Children living east of Madison in the rural area drive right through Madison. In some cases, they drive right by our grade school to get to the schoolhouse in District 48. Now, don't mistake me. When they merged with us, it went well. We had an advisory committee from their district, we respected their opinions and their judgments. We listened to them every board meeting, and meetings in between. There has been no acrimony, there has been no ill will. There's been vigorous debate, but we remain friends. And I think that the merger has been very productive. But let me talk about 2005 and 2006, District 48's last year. The total enrollment in that district was 42; their resident enrollment was 24; their per-pupil cost was \$12,053.67. Our per-pupil cost was \$8,247.62. We have a large Hispanic population. Despite all the coaches, counselors, speech therapists, nurses, psychologists, special helps and special needs staff that we provide in our district, 18 of our students attended District 48 on open enrollment. Now, gentlemen, if you think that the ethnicity of our grade school didn't have anything to do with that, check with me after this hearing. We'll have...we'll talk about reality. District 48 cost Madison \$108,000 in state aid by taking 18 of our students in their last year of existence. There are four Class I's, all suburban districts huddled around Norfolk and Madison County, in addition to District 48. In my judgment, these districts are inefficient anachronisms of a long-gone agrarian past. They claim to do a wonderful job educating. We heard it today again. You know, the little ones listen to the big ones, and so on. But their advocates cannot prove that their children would not do as well or better in a Class III system. The committee should kill these bills and leave things where they were when all the districts were merged under LB126. Let the dead past bury its dead. Two years after we have remained merged with District 48, no one will remember what the fight was about. They're our friends and neighbors. I was intrigued by the woman who said that her people, or her school board, was 35 miles away. Yes, that's miles, but it's not emotionally distance and it's not sympathetically

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distant. And those people on that school board got to be like us. They got to be willing to listen to any of their patrons and accommodate them if they can. I want you folks, if you can, to move Nebraska education into the twentieth century. Next session, we'll talk about moving Nebraska into the twenty-first century. Thank you. [LB234]

SENATOR RAIKES: Thank you, George. Questions for... [LB234]

GEORGE MOYER: Any questions? Excuse me. [LB234]

SENATOR RAIKES: ...George? [LB234]

GEORGE MOYER: (Laugh) I'm jumpy here. [LB234]

SENATOR RAIKES: I don't see any. Thank you for being here, George. [LB234]

GEORGE MOYER: Thank you. [LB234]

SENATOR RAIKES: Yes, sir. [LB234]

STEVE TANDY: Good afternoon, gentlemen. My name is Steve Tandy, T-a-n-d-y. I...some of these people had some of these wonderful teachers they were talking about. I wish I'd had a couple of them when I was in school. Till I was in the 5th grade, I didn't know what four and four was. (Laugh) They wanted to roast marshmallows and eat hotdogs. But anyway, I am a former board member of Stull School, 28, in Cass County. I am still a groundskeeper there. My great-great-grandfather cut one acre off the ground that I still live on, donated this acre of ground, and had this little school built. My grandfather, grandmother, mother, myself, my kids, have went there. Little school served its community very well down through the years. Like everything, time does change things. This is where my concern is: number one, our children, their education; and the taxpayer himself. It's my belief that neither one came out too good this past year. First off, you need a board of education you can trust to do the right thing, and not a principal running the board. Trust me, this went on most of my stay on this board. And unless you're living under a rock, I am sure you heard what this board did for this principal's wages this past year. It made all the newspapers. That's right, a wage of \$101,000. I think the whole district that I live in went into shock when we found this out. What in fact was this board thinking about, giving a wage of this nature, and doing so at the ninth hour, just a couple of days before joining Plattsmouth Schools. And how about putting money away in an escrow account right before the district dissolved? And how about issuing contracts to staff members right before the changeover? How professional was this board? What were they thinking about? And where was the interest here? Seems to me that more time should have been spent on school things, like the policy handbook, which never did get completed. And how about the books in this school that were way outdated? And how about one old computer in the whole school, and the

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students were not allowed to touch? And about buying supplies that you didn't really need, but we buy, buy, buy, and the basement is so full, it's to the point now it's a fire hazard, and this basement has to be cleaned out. I could go on and on. I think I've made my point. And the little school has been a big part of my life down through the years, but I do feel it's time to pass on, to move on. Thank you. [LB234]

SENATOR RAIKES: Thank you, Steve. Questions for Steve? Senator Avery. [LB234]

SENATOR AVERY: Could I just...I think I missed where you're from. What school was it? [LB234]

STEVE TANDY: Plattsmouth...or, Stull School. It's District 28, just outside of Plattsmouth. [LB234]

SENATOR AVERY: Okay, thank you. [LB234]

SENATOR RAIKES: Thanks for being here, Steve. [LB234]

STEVE TANDY: Thank you. [LB234]

SENATOR RAIKES: Other opponents, LB234? Welcome. [LB234]

SUSAN ERNEST: My name...thank you. My name is Susan Ernest. I'm a member of the Leyton Board of Education, and a small business owner. I am also a former special education teacher. I taught in the Lodgepole school system from '90 to '94, during which time we absorbed a Class I school into our system. Not all Class I's are created equal, nor should they be recreated. I have witnessed twice what consequences this has had on a K through 12 district. Financially, the burden is heavy when the K-12 district is required to take on physical assets of the former Class I. That financial hardship increases exponentially when we are also required to absorb all staff as well. In both cases of the transition of the Class I staff into the current staff, they were all met with trepidation. Where else is it required by law to take staff from a former business and transition them into the new? I understand the value of job security, but at what cost? When the entire school funding issue is under tremendous scrutiny, the requirement that the K through 12 districts absorb all costs of the former Class I's is somewhat questionable. For instance, Leyton has had to absorb a deteriorating building and two teachers from Broadwater, in addition to one teacher from District 77. This has created quite a financial burden for the Leyton district. The only way to relieve this burden is to implement the reduction in force policy, which would eliminate teachers who have been longtime employees of Leyton's district. The Leyton district did not have openings prior to the closure of the Class I's, but now is expected to possibly eliminate teachers that were specifically hired to meet Leyton's needs. We are now paying close to \$100,000 for three teachers that we didn't need but were required to absorb. Again, where else is

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such financial irresponsibility mandated by state law? The NSEA has also promised that no teacher will lose their job with the closure of the Class I's. I believe that to be impossible and an irresponsible answer to this problem. Absorbing the student bodies of both District 77 and Broadwater has been very successful. Our superintendent received phone calls from parents the day after the elections, worried that their children would be sent back to Broadwater. The students who have come to Leyton are very happy and well adjusted. One of the students and my daughter have become good friends. She told my daughter that she's never had so much fun learning, or had so many friends at school. You can't ask for more proof of success than that. It would be impossible to reverse time and reinstate all Class I's, like LB234 lines out. Therefore, I believe that LB658 is the best solution to this situation. There are many areas in Nebraska where having a Class I district would be very beneficial, and LB658 is very specific on how that could be accomplished. It is both unnecessary and fiscally irresponsible to reinstate all Class I's. For all these reasons, I urge you to support LB658. Thank you. [LB234]

SENATOR RAIKES: Thank you, Susan. Questions? From my...I understand from your testimony that in your opinion the students are doing well, but... [LB234]

SUSAN ERNEST: The students are doing great. [LB234]

SENATOR RAIKES: ...the school district has had its problems with LB126, particularly managing the fiscal issues? [LB234]

SUSAN ERNEST: Yes. Part of the building at Broadwater is held up by posts. To get a person in to see the boiler, just to look at it, costs us \$2,000. Leyton is located in between Sidney and Bridgeport. It's a consolidated district, made up of the towns of Dalton and Gurley, the school districts of Dalton and Gurley. And that was consolidated in '78-79. We already manage two buildings, two boilers, two...and Leyton is a very financially and a very viable district. The District 77 that we absorbed the students, they had sold the building, and they were already going to close. They only had one resident student. Two of the other teachers took jobs elsewhere, and we were left with one. That teacher has proven very useful, and has really provided good education for our students. We're not as pleased with what we see with the...what's left in Broadwater. I don't know if you're familiar with how the districts were affiliated. In Broadwater, you have a house that's affiliated with the Leyton district, the next house could be affiliated with Bridgeport. So we have some kids that automatically came to Leyton. Those kids wouldn't go back in a heartbeat. They love it there, and our kids love having them there, so. [LB234]

SENATOR RAIKES: Okay. Well, thank you for being here, Susan. Next opponent, LB234. Welcome [LB234]

SANDRA ROSENBOOM: (Exhibit 16) Good morning. My name is Sandra Rosenboom,

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S-a-n-d-r-a, Rosenboom is R-o-s-e-n-b-o-o-m. I'm the business manager for the Crete Public Schools. I'm here to testify in opposition to LB234. I bring an interesting perspective to this debate. I served on a Class I board for nine years, and my son has attended a Class I from kindergarten through 6th grade. Currently, I'm the business manager, as I said, of Crete Public Schools, and dealt with the merger of three Class I's into Crete Schools. We at Crete chose to maintain these buildings for the 2006-2007 year, to see how the process has evolved. This year, one building had 6 students, one had 9, and one had 11, all of which were option students. LB234 is not a fair solution to remaking the Class I's. The bill mandates that we, the Class III district, return all assets as they existed on December 1 of 2005, and anything they would have gotten since then. Many of those dollars have been spent to pay outstanding bills and update facilities. The funds were paid for teachers and operating expenses for this school year. When we took over in June of 2006, we found one building badly in need of repairs. We put on a new door and more secure locks before we could even open the building in the fall. We found bookkeeping and withholding errors that had to be corrected, and budget authority that had been exceeded, not only this year, that past year, but also in previous years. Crete used some of its remaining budget authority to pay remaining bills that would have put them even further over their budget authority. We found teachers who had had little support in terms of formal evaluation and personal feedback. We sent our maintenance staff to make repairs, our technology staff to finish technology installations. If we were to return them their December 1, '05...or, 2005 assets without recognition of the time and money we have spent, you'll be robbing the K-12 districts and failing to recognize the work we have done. In addition, it's important for the committee to take a careful look at the problems in running a Class I building as you craft a solution to this problem. Even 20 years ago, when I was on the Class I board at Rokeby, and during the following years, when I acted as a volunteer consultant for them, the job of volunteers administering a school was daunting. Today, the boards with minimal paid administrators must also manage state and federal accountability and assessment portfolios, in addition to hiring and managing personnel and building maintenance issues. This makes a small district's board job of running the school almost impossible. Even though the law required Class I's to have a principal, in small schools, that was a part-time person who only evaluated teachers and signed reports. In locations within the state where remoteness is an issue, there may be a place for Class I's. But in many places, we've made the transition, and it's time to move on. If you do reinstate them, I would suggest that we need to have them be required to be of sufficient size to generate enough budget authority to effectively run a school, and that's probably going to be a minimum of 15 students, unless remoteness is an issue. And I would also suggest that they only serve K-6 at the most. As a former Class I parent, I found it very important for students to make that transition to a larger school by the 6th or 7th grade. I urge you to consider all students as you make your decision. [LB234]

SENATOR RAIKES: Thank you, Sandra. Questions for Sandra? Thanks for being here. Any other opponents to LB234? Yes, sir. We have any opponents, any additional

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opponents after this testifier? Okay. Welcome. [LB234]

TED DeTURK: (Exhibit 17) Thank you. My name is Ted DeTurk, and that's spelled D-e-T-u-r-k, and I'm here in opposition to LB234, but I'm also here on behalf of the communities of West Point and Beemer. A number of years ago, Beemer went through a painful decision to change from a Class III to a Class I school district. Throughout the debate of LB126, these wounds, which had healed, began to open again. Beemer's board of education requested to meet with West Point's board of education to discuss a full merger. Now, at that time, the "reorg" committee, they weren't hearing any petitions, so the two boards met to develop a mutually beneficial interlocal agreement. Over the next six months, the boards hammered out in detail an agreement that both communities continue to be proud of. As a district, we view Beemer Elementary School as an asset, that is an asset academically as well as financially. Regardless of legislation needed as part of the repeal of LB126, please do not undo the hard work accomplished by our local elected officials. A mechanism to reestablish those Class I districts wishing to do so must be part of any legislation. This would ensure those Class I schools happy with the current arrangements, they may be maintained as is, and Beemer is one of those. Simply put, the communities of West Point and Beemer have started an educational partnership that should not be undone. [LB234]

SENATOR RAIKES: Okay, thank you, Ted. Questions for Ted? Thank you for being here. Any other opponents to LB234? Is there any neutral testimony, LB234? Senator Dierks. [LB234]

SENATOR DIERKS: (See also Exhibits 38-45.) Well, first of all, I want to thank you all, committee members. You've been very patient, and we've presented you with a lot of testimony. And I want to just say that I didn't come here to find fault with Class IIs or Class IIIs, because I appreciate them. I was on a school board from a Class II school district for 15 years at one time, and then came back for two more years, and I had to resign when I got elected to the Legislature. So I know what their problems are. I think we heard today in opposition outline some of those problems. And I heard them talk about per pupil costs and how that affects the difference in Class I's and Class IIs. Per pupil costs can be a problem, but the problem we're talking about today with LB234...or is it LB324? I... [LB234]

SENATOR RAIKES: LB234, yeah. [LB234]

SENATOR DIERKS: LB234,...is not dealing with per pupil costs, and isn't flawed legislation, like someone suggested. And I feel for the parents of the students in Rokeby and Schuyler, but they're going through growth problems that happen when you have Class II and III schools start to merge. We still haven't gotten past...I don't want us to get past the reason for LB234, and that is to do what the voters have asked us to do in that November election. That's the main thing we're here for. It would be neat if we

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could classify all Class I's in the same club, all Class IIs and all Class IIIs in the same club. We can't. We're going to find differences there. That's the way it is. I've seen it in the little neighborhood I come from, with the various Class II schools up there. We just don't all fit in the same box. But that isn't our problem today. Our problem today is to find the solution to the voters' problem with our...with LB126 in November. And I would urge your support of LB234. I'd be glad to try to take any more questions for you. [LB234]

SENATOR RAIKES: Okay, Senator. Thank you. Questions for Senator Dierks? I don't see any. Thanks for being here. That will... [LB234]

SENATOR DIERKS: Thank you. Thanks again for your kind attention, Senator. [LB234]

SENATOR RAIKES: Thank you. That will close the hearing on LB234, and we'll move to LB30. And Senator Hudkins, if she's here? Okay, we've got a call out to her, so we'll stand at ease for a moment until she comes. Let's resume. Senator Hudkins, if you're ready and willing, we'll move forward. I'll see if I can...please take your seats or take leave, as you choose. We're going to begin our...the introduction on LB30. Senator Hudkins. (Whistle) It was a little demonstration there. I apologize for that. [LB234 LB30]

SENATOR HUDKINS: Thank you, Senator Raikes and members of the Education Committee. For the record, I am Senator Carol Hudkins. That's spelled H-u-d-k-i-n-s. I represent District 21, and I'm here today to introduce LB30. In 2005, the Legislature passed LB126. That bill, as all of us are aware, forced the... [LB30]

SENATOR RAIKES: One moment, Senator. [LB30]

SENATOR HUDKINS: Yes. [LB30]

SENATOR RAIKES: Are we not...is the mike not working, or...ah, that's the wrong one, huh? Okay, try that. [LB30]

SENATOR HUDKINS: I'll talk... [LB30]

SENATOR RAIKES: I don't know. Just holler at it, please, Senator. [LB30]

SENATOR HUDKINS: I need to sit closer. Okay, I'll start after I introduced myself. In 2005, the Legislature passed LB126. That bill, as all of us are aware, forced the consolidation of Class I and Class VI schools with Class II, III, or IV school districts. The voters, in November of 2006, repealed the enacted provisions of that legislation. While it's not possible to know exactly why the legislation was repealed by 90 of our 93 counties, including our most populated counties, I would propose that the primary reason for most of the voters was because the Legislature just plain violated the trust

that the voters give us every time there's an election. The saying about, those who do not repeat history are doomed to repeat it, clearly applies to forced school consolidations. Every single time this Legislature has passed such legislation, the voters have repealed it. LB30 is an attempt to achieve some of what Senator Raikes wanted to accomplish in LB126, which I believe was the reduction in the number of school districts, and achieve more districts serving K-12 and less districts serving K-8 or 9 to 12. But if you look at the statistics, over the years, there were 10 to 12 for whatever schools every year that were closing on their own. They had decided that it was no longer in their particular district's best interest to continue having a Class I school. At the same time, LB30 allows the patrons of Class I's to have the vote on whether to consolidate or to return to their pre-LB126 status. LB30 doesn't provide for the Class II, III, or IV district patrons to vote, because the Legislature forced the closure of Class I's and VIs, not Class IIs, IIIs, and IVs. Further, under the statutes on consolidation as they existed prior to LB126, both school districts would have been required to vote to consolidate by a majority of their voting patrons. If the Class I or VI vote no on continued consolidation, it would mean the same as if both districts had voted on consolidation in the first place. Also under this formula, it only allows the Class I or VI to get out of the consolidation. Under the scenario where both districts vote to dissolve the consolidation, the Class II, III, or IV could vote yes to the dissolution of the consolidation, and the Class I could vote no, and the result would still be the dissolution of the LB126 consolidation, unless, of course, you follow the course that Senator Raikes will propose later this afternoon, which is that a majority vote at the polls is not enough, but rather, you need a majority vote of the registered voters. Now, please correct me if I'm wrong on that, Senator Raikes. We don't even get that kind of turnout for presidential races or contested school bond issues. Reasonableness is the call of LB30, reasonableness on the part of the opponents of LB126, and more importantly, reasonableness on the part of the proponent of LB126. LB30 reinstates the protections that were set forth in LB126 for the Class I's. There is a shortfall in this section of the bill, because in drafting the legislation, we erroneously left out some definitional language from LB126, which will need to be placed in LB30 in order for the protections to make sense. LB30 also says that since the state forced the cost incurred by all of the school districts in complying with LB126, that the state will stand the cost of the election to determine whether any given district will remain consolidated, or return to its pre-LB126 status. LB30 further returns to the Class I and VI districts all assets and liabilities that existed on the date of consolidation, if they still exist, and gives the teachers and administrators first opportunity to return to the Class I at the wage they had at the time of the consolidation. In my opinion, it is not possible to do what Senator Dierks proposes to do. Senator Dierks' bill swings a very wide loop, and captures those Class I's that were voluntarily consolidating. It's the intent of LB30 to catch only those schools who were forced to consolidate because of LB126. Those schools that had already entered into agreements of consolidation based upon their own decision-making processes, are meant to be left alone. I believe that LB30 is reasonable legislation dealing with an issue that has been contaminated by a lot of unreasonableness. So I anticipate that if unreasonableness is

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still the call of the day, then this bill won't be sent to the floor. I am hopeful that this committee and the full body will see fit to follow the clear vote of the people, that LB126 was not the proper vehicle to achieve any of the intended results of LB126. It's time to try and give voice to that vote, and to try and put people back where they were, if they choose. Thank you, and I ask you to move LB30 to General File for consideration. Are there questions? [LB30]

SENATOR RAIKES: Thank you, Senator Hudkins. Questions? Senator Johnson has one. [LB30]

SENATOR JOHNSON: Senator Hudkins, I guess the question that comes to mind to me is that we had probably 15 people come in support of Senator Dierks' bill, and every one of them, I think almost without exception, said that it was our constitutional duty to change back to what Senator Dierks was proposing. Now, if that was our constitutional duty, what's our constitutional duty in regard to your bill? [LB30]

SENATOR HUDKINS: My bill would allow the Class I's to go back to being Class I's if they choose. Senator Dierks' bill, it is my understanding that everything would go back just like it was, whether they want it to or not. Now, people can say it's constitutional to do this, it's not constitutional to do that. I don't know how...and I'm not denigrating any of those people by any means, because they are in a hard place, they have lost their schools. But I am saying that I don't know how many of them are constitutional lawyers and really know. I don't know. I'm not a constitutional lawyer either. I am just allowing a method that we can do part of what Senator Raikes wanted to do, and that is to have a series of K-12 systems, with the Class I's still operating in their own buildings, with their own...not school board, that's not the right term anymore; and also their own budget authority. [LB30]

SENATOR RAIKES: Okay. Any other questions for Senator Hudkins? Senator Burling has one. [LB30]

SENATOR BURLING: Thank you, Senator Hudkins. Would there be a way to get the desires of the people without first putting everything back like it was and then having them vote? Because this is...might be an unnecessary process to put them back and then have...no, we...and... [LB30]

SENATOR HUDKINS: I agree. Yes, Senator Burling, I agree with you. And I think that there should be...you know, the desires of the Class I's should be met. But there does need to be that vote, because why would you put them all back if they didn't want to go back? [LB30]

SENATOR BURLING: So that's why I'm asking the question. Is there any way to get that desire without... [LB30]

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SENATOR HUDKINS: Well, you know what, that's up to this committee. You're hearing four bills today, and I would hope that you would take the best parts of each of these bills and put them together so that there is a bill that the whole body can support, and also so that there would be a method for students to attend the school that their parents want them to attend. [LB30]

SENATOR BURLING: Okay. Thanks. [LB30]

SENATOR RAIKES: Any other questions? I don't see any. Thank you, Senator. [LB30]

SENATOR HUDKINS: Thank you. [LB30]

SENATOR RAIKES: Are you going to stick around? [LB30]

SENATOR HUDKINS: Yes. [LB30]

SENATOR RAIKES: Okay. Could I have a show of hands of proponents for LB30? Okay, we'll get underway. Ed, you...first up. [LB30]

ED SWOTEK: (Exhibits 18-19) Thank you. My name is Ed Swotek. That's S-w-o-t-e-k. Chairman Raikes, distinguished senators of the Education Committee, my name, again, is Ed Swotek and I reside in Lancaster County. I speak before you today in support of LB30. I am also not a member of any organization or group, but a parent of a child who attends a Class I school, and as chairman of my daughter's attendance center operating council. The entire issue surrounding the future of Class I schools boils down to two very simple questions: What is it that Class I supporters really want; and how do we fairly and equitably get there with new legislation consistent with state policy? Addressing both of these issues are the building blocks to finding a real solution. What is it that Class I supporters want? Quite simply, it's two things: legitimate self-governance, and budget authority; legitimate self-governance, and budget authority. The loss of these two fundamental local control issues is what gave rise to the repeal of LB126 last November by an overwhelming majority of voters in 90 of 93 Nebraska counties. If a Class I school has the ability to govern itself and set its own budget, all in the best interest of its students and local taxpayers, and consistent with state and federal law, such other things as boundaries on a district map or a uniform K-12 structure hardly matter. Secondly, how do we fairly and equitably get there? How do we resolve this Class I dilemma? I'd like to answer those questions by speaking about a two-part solution: the process to get there, the journey; and where it is when we arrive, the destination. I've circulated a flow chart of LB30 I'd like to call your attention to. LB30 is the journey. It is the fair and equitable process to reconstitute a Class I school district in a timely manner. It does not automatically recreate Class I districts, but requires the affirmative vote of those most affected, the local voters of that Class I district. Even if

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voters turn down the reconstitution of their Class I district under LB30, many of the protections put in place under the repealed law are reestablished for that attendance center. Yet LB30 does not quite go far enough. It is not the final destination. Under LB30, a reconstituted Class I district recreates a dual K-8/K-12 system. Chairman Raikes, in his own bill, LB658, has made it very clear that if Class I districts are to go forward, they must be under a uniform K-12 system. For me, that's very acceptable, and either an amended LB30 or a blended LB30/LB658 could still provide for accountable self-governance and budget authority, along with a uniform K-12 system. Ladies and gentlemen, now is the time to move forward, the time to seek a reasonable and equitable solution consistent with state policy, yet responsive to the needs and desires of voting taxpayers. It's time to put this chapter of Nebraska's educational history behind us and move on. I strongly urge you to support LB30 as the journey portion, to allow those Class I schools committed to delivering an effective education to succeed and flourish throughout our beloved state. Thank you very much. [LB30]

SENATOR RAIKES: Thank you, Ed. Questions for Ed? Senator Adams has one. [LB30]

SENATOR ADAMS: This is,...I....as I'm reviewing your testimony here, as you presented it orally, you have an attendance center that's still in existence, then? Is that correct? [LB30]

ED SWOTEK: That was true, Senator, up until last night. The Malcolm school board has voted to close Oak Valley School, which is just north of the city of Lincoln. Senator, two years ago, Oak Valley School was ranked among the top five most efficiently run schools on a cost per pupil basis in the state of Nebraska. It was also recognized nationally as a model by the Bill & Melinda Gates Foundation, as a model school for running...not only from efficiency standpoint, and academic effectiveness. But the board of Malcolm chose to close that school, effective last night. [LB30]

SENATOR ADAMS: May I ask, how many students did you have in it? [LB30]

ED SWOTEK: We originally had 30 students, at capacity, plus a waiting list for that particular school. Because of the option issue that was hung over the heads of many of the option parents that went into Oak Valley last year, that dropped down to 10. And... [LB30]

SENATOR ADAMS: What do you mean by the option issue? [LB30]

ED SWOTEK: Well, what it is, Senator, is you have a one-time, lifetime option opportunity, and as a result of that, with the pending threat of the closing of Oak Valley School, some of these parents chose not to play that final card, and so they chose to send their child elsewhere. [LB30]

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SENATOR ADAMS: Okay. [LB30]

ED SWOTEK: It's tragic. [LB30]

SENATOR RAIKES: A question, Ed. [LB30]

ED SWOTEK: Yes, sir. [LB30]

SENATOR RAIKES: So had it not been for the repeal of LB126, it would not have been possible for Malcolm to vote to close Oak Valley? [LB30]

ED SWOTEK: My understanding, Senator, is I think it was in kind of that gray area between the 4 and 10 miles, if I'm not mistaken. I mean, you know the parameters better than I do. But they had indicated a year ago that it was their intention probably to close Oak Valley after one additional year. [LB30]

SENATOR RAIKES: Okay. Any other questions? Thank you, Ed. [LB30]

ED SWOTEK: Thank you. [LB30]

SENATOR RAIKES: Rob. [LB30]

ROB ROBERTSON: Good afternoon, Senator Raikes and members of the Education Committee. I'm Rob Robertson, with the Nebraska Farm Bureau Federation. And the Nebraska Farm Bureau Federation is testifying in support of LB30 today. I'll try to summarize my comments, to make this go as quick as possible. Nebraska Farm Bureau is a strong supporter of Class I schools. We supported the repeal of LB126. However, our members do not believe it is the most feasible and practical method to move forward to recreate all the Class I schools. We think that would create some unnecessary administrative expenses, paperwork. We do, however, believe that the Class I school districts and the patrons that reside in there should be allowed to vote to be recreated, and we should give them the opportunity, which is why we're coming forward in support of LB30. We also believe that the Class I schools who vote to come back into existence, that they should be allowed to have the valuation they had prior to the repeal of LB126. Again, Nebraska Farm Bureau supports LB30, and we believe it most closely fits with our policy on Class I's, and we believe it's a rational and realistic way to move forward. So I'll be happy to answer any questions at this time. [LB30]

SENATOR RAIKES: Thank you, Rob. Questions for Rob? Let me ask you a couple. As I understand Senator Hudkins' bill, that would start out basically with LB234, that we would recreate everything, and then decide if we want to stay recreated. Is that your read of it? [LB30]

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ROB ROBERTSON: And that is the read, and that's the part we have some concerns with. But we would be able to, I think, work with the committee on that language. [LB30]

SENATOR RAIKES: My question is a different one. Actually, the language of LB234, to recreate all school districts, was never really adopted by the voters, was it? It was the green petition, and the green petition didn't get sufficient signatures to be on the ballot. And certainly, what was on the ballot in the repeal of LB126 was not LB234. [LB30]

ROB ROBERTSON: That's my understanding. [LB30]

SENATOR RAIKES: Okay. My other question is, what happens if a school, or a Class I in the bill decides that they don't want to remain a Class I? Then, in effect, the provisions of LB126 would go back into effect, the building protections and all that sort of thing. Is that your read of the bill? [LB30]

ROB ROBERTSON: My understanding is that the bill attempts to put in the building protections. [LB30]

SENATOR RAIKES: Okay. So my question for you then is, the voters did reject the building protections, so wouldn't that be the Legislature undoing what the voters said they wanted? [LB30]

ROB ROBERTSON: I believe that in some instances, when you're elected as state senators, that you sometimes have to interpret what the voters were voting on. And I think the vote was clear that they were not for repealing Class I schools, and I would therefore think you could make some logical assumption that they would want some protections in place in state statute. [LB30]

SENATOR RAIKES: Okay, thank you. Any other questions? Yes, Senator Adams. [LB30]

SENATOR ADAMS: Rob, I realize that when an organization like Farm Bureau takes a position on a bill, you listen to your membership and you have as many opinions on every bill as you have members. But can you summarize for me, why is the Farm Bureau...what's at stake here, as far as they're concerned, philosophically, in the recreation of Class I's? [LB30]

ROB ROBERTSON: Philosophically, it's, local control is important. A lot of Class I school districts are important to the sparse areas of the state which we represent, farmers and ranchers. And we have a lot of farmers and rancher kids that go to Class I's. And so it's our opinion all along that quality education is important in rural Nebraska, as well as in Lincoln and Omaha, and we felt Class I's are doing a good job and they're an important part of many communities out there, and many school systems. [LB30]

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SENATOR ADAMS: Okay. [LB30]

SENATOR RAIKES: Okay, I don't see any other questions. Thanks, Rob. [LB30]

ROB ROBERTSON: Thank you. [LB30]

SENATOR RAIKES: Other proponents, LB30? Okay. Proponent? Any other proponents for LB30? If so, please come forward, speed the process a little bit. Welcome. [LB30]

CHUCK PORTER: Senator Raikes and distinguished committee, my name is Chuck Porter, P-o-r-t-e-r. I'm here representing several concerned parents from Unadilla, Nebraska, a former Class I district, now merged with the Syracuse-Dunbar-Avoca school district. I should first say that we all recognize that you as a committee, and then the legislative body as a whole, are human and cannot recognize every ill effect of a bill that goes out there, once it becomes law. But speaking for parents and other citizens of the Unadilla district, we've been around the community ever since LB126 was passed, and have gotten a really what we feel is credible sense of how this community felt they weren't being served by this bill. We don't feel Unadilla has identified themselves as a Class I community, nor do we feel like we've ever called ourselves Class I. We feel that's a matter of categorical demographics. Such thinking, we feel, has led to a broad-based, undifferentiated assessment that all Class I's deserve to be dissolved by LB126. We realize this was done in an effort to rid our districts statewide of inefficiencies, of cost and resource inequities, and to provide for better access to better educational opportunities for all children involved. But I'm here to tell you that Unadilla did not deserve this. We were running a good school, an efficient school, a school that competed very well in terms of academic performance measured up against statewide assessments, as well as national assessments. Moreover, our school was a community school. It's long been a nucleus for the community of Unadilla, and it has remained that even during this, what we see as somewhat of a transitional year. We are now merged with the Syracuse district, but we have been allowed, for this year, to maintain our grade levels. We've been serving our community with a pre-K through 6th grade program. And at present, many of us are mobilizing, if there's not any other better term for it, to get a better sense in our community of what the current bills on the table mean to our community. I don't necessarily come as a full proponent of LB30. We certainly see a lot of good things that could happen with LB234. What we recognize that LB30 definitely would provide for us is an opportunity, if nothing else, to reinstate some protections for us, so that we can continue to work out amicable and mutual solutions with the Syracuse school system. I appreciate the opportunity to speak before you. I would leave you with that I feel local control can easily become a buzz phrase that we think means the same thing to everybody. What I want you to recognize with Unadilla, as our own, distinguished community, is that we want community control. We want Unadilla to control what happens in our district and in our community. We certainly appreciate

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every other Class I's particular circumstances. We're not necessarily sure that we fall right in line with them, because we know who we are as a community, and the strength we get from that. So I'll be glad to take any questions. [LB30]

SENATOR RAIKES: Thank you, Chuck. Senator Adams has a question. [LB30]

SENATOR ADAMS: In light of your argument about community identity, I truly can empathize with that. But now, that begs the question, how many students in your school? [LB30]

CHUCK PORTER: We are serving now close to 80 enrolled students. [LB30]

SENATOR ADAMS: All right. How many of those are option-in students, percent, do you know? [LB30]

CHUCK PORTER: I'm not clear on that. I think it's nine to ten. I may be mistaken. Nine to ten students. [LB30]

SENATOR ADAMS: Nine to ten percent, or students? [LB30]

CHUCK PORTER: Oh, sorry, students themselves. [LB30]

SENATOR ADAMS: Okay, thank you. [LB30]

SENATOR RAIKES: Senator Burling. [LB30]

SENATOR BURLING: Thank you for being here. [LB30]

CHUCK PORTER: Thank you. [LB30]

SENATOR BURLING: Do you now have or do you anticipate a good chance of having representation from Unadilla on the Syracuse K-12 board? [LB30]

CHUCK PORTER: We did have an individual run from our Unadilla community for that school board. He was not elected. We have raised concern that we don't then have a formal voice for our concerns on that board. However, we are meeting with the Syracuse school board and the superintendent, we think in a very friendly manner. We are not against working with Syracuse as a school district to help relieve their problems, because they're a growing community with crowding concerns in their own schools, and we need to meet at the same table and work out the best-case scenario for us. But we recognize as a community in Unadilla what we feel is our, alone, best-case scenario, is to be back to running our own show and being able to decide for ourselves if we need to throw in the towel, so. [LB30]

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SENATOR BURLING: Thanks. [LB30]

CHUCK PORTER: Yeah, thank you. [LB30]

SENATOR RAIKES: One other question from Senator Adams. [LB30]

SENATOR ADAMS: Just one more. Do you...as you sit down and you start talking with the Syracuse school district, do you see there are services that they can provide that your school district as it presently exists cannot? You know, are there benefits to you in coordinating and cooperating? [LB30]

CHUCK PORTER: I think maybe what you should understand about our districts is that we have had a good relationship all along. We're five miles apart from each other. Our high school students have gone to Syracuse since 1958. We are affiliated, or have been affiliated with them, and recognize the importance of that. It's a good relationship. It's been compared to a dating relationship to where we're now married, (laugh) because of LB126. But those of us that live in Unadilla recognize that we maintain a large and proud separateness as a community from Syracuse. Now, that's not an answer to your question. We surely recognize that Syracuse as a school district offers fine services, in some respects, in some avenues, better than what we can provide for ourselves. But we also recognize our community has always gone to bat for our school system, and we recognize as a community that has successfully passed bonds over the years, and a community that is a growing community with many young families coming in, that we can begin to provide for what we see as liabilities in terms of our programs for ourselves. [LB30]

SENATOR RAIKES: Thank you, Chuck, for being here. [LB30]

CHUCK PORTER: Thank you. [LB30]

SENATOR RAIKES: Any other...we're proponents, aren't we? Proponents for LB30? Are there opponents for LB30? Okay. Would you please come forward and also move toward the front, if you would, please. Welcome. [LB30]

SHAUN JENSEN: (Exhibit 20) Thank you, Senator Raikes and the Education Committee, for having me today. My name is Shaun Jensen, and I am currently the Holdrege Public Schools board president, have been on the board for seven years now. I'm here to testify against LB30 and against reinstating protections that are put into some of these bills. I would like to reiterate what Robin Stevens from the Schuyler school said. One avenue that LB126 has provided for us is the open communication with our Class I's. As you know, in the repeal, you didn't have to have the advisory councils or anything like that. And we chose to keep doing that to be able to have input

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from them. We also had the foresight of one of our Class I patrons to run for our board this last November, and was elected. His insight is invaluable. These advisory councils and his input, we don't always agree, but it's a good discussion, and it's very valuable to us, and we hope to maintain that, no matter what comes of these bills. Financially, though, it has been difficult for the Holdrege Public Schools. Prior to the merger, Holdrege Public Schools reduced staff in preparation for taking on 21 certified staff from the Class I's. That was an additional cost averaging \$9,400 per Class I teacher, for a total of nearly \$200,000 more than the year before. In addition, the Holdrege Public Schools received all the liabilities, including building, staff, and the job of running these Class I's, but did not receive all the assets; 39 percent, 31 percent, and 11 percent of our three Class I districts went to other K through 12 districts. Those districts received those valuations free and clear. Unfortunately, this has become about money, but we want it to be about students and working together with all our kids. Our consolidation became an unfunded mandate when protections created barriers to efficiency. It becomes expensive to comply when lost funds are not replaced. Protections make it impossible to be fair to all children in a district, and it has put our school board in a difficult position. Protections will only make it difficult to be fiscally responsible. The reinstatement of protections could force our school district to file for a levy override election. I believe legislation should never, ever result in this. The financial problems created by protections could potentially pit neighbor against neighbor and friend against friend. If we are to have local control, then please allow the local K-12 boards to make efficiency decisions by working with all of our attendance centers and including them all. Reinstating protections in elementary attendance centers creates problems for future planning in both our rural and existing elementary attendance centers. We don't mind working with the merging districts. We understand the emotions of losing control of schools. We can even accept the wild ride of petitions, elections, litigation, and legislation that LB126 has given us. But please don't reinstate protections. It will only cost us more dollars and in relationships with our Class I neighbors and friends, money that our district does not have. At this point, we cannot risk losing more of either one. Thank you for your time and dedication to education. [LB30]

SENATOR RAIKES: Thank you, Shaun. Questions for Shaun? Sounds as though you're...you do have concerns for the financial implications of LB126 on Holdrege? [LB30]

SHAUN JENSEN: Yeah, it's resulted in about a price of about \$1.6 million in loss that came out of our general...or, our reserve. So that's kind of where we're at with those numbers. And our district is a little unique, and I guess we're just looking at a way...to find a way to fund that, either through an amendment on a bill or some form of that. [LB30]

SENATOR RAIKES: Okay. Thank you for being here, Shaun. [LB30]

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SHAUN JENSEN: Thank you. [LB30]

SENATOR RAIKES: Next opponent, LB30. Welcome. [LB30]

DAVE MELICK: (Exhibit 21) Senator Raikes and members of the Education Committee, my name is Dave Melick, last name is M-e-l-i-c-k, and I currently serve as superintendent of the Madison Public School District. The information I'll share with you is based on personal experiences as a school administrator in two separate districts affiliated with Class I districts. First, I would like to state that I firmly believe that all school districts in the state ought to be organized as K-12 entities. There's greater alignment curriculum scope and sequence, greater consistency in school improvement initiatives that provide better educational opportunities for our students, and improved professional development opportunities for educators. I believe that the structures put into place by LB126 benefit our students. Our former Class I students now have the services on a daily basis of a school nurse, if and when needed, and we also plan to provide hot lunch program at the rural school. This is a service they did not have before, and many of those families will benefit through the free and reduced lunch program. Our staff also benefit from the merger with Madison through a much more realistic salary schedule than they had and the provision of health insurance benefits. I also believe the concept of local control is very important. No one wants to be pushed into a corner. No one wants their school to be closed without their own ability to make that decision. Here again, I believe that LB126 provided legitimate protections against undue closings, and retained local control of that decision. I believe the best course of action is to leave our educational structure alone. Knowing that legislation has been introduced to respond to the voters' repeal of LB126, I'd like to share five concerns that I have about LB30. First, LB30 reorganizes all Class I's as they were in November 2005, and then there would be a vote to determine whether to keep those or not. I believe the vote ought to proceed the formation of the new districts. This could be a recommendation that the operating council could bring forth to the board of education for its approval. That process would respect the wishes of voters who wanted to have local input, local control regarding their Class I school. My second concern is with how LB30 deals with the return of assets and liabilities. Assets, in the situations I'm aware of, have been included in the K-12 budget to support all the needs of the merged district. It would be difficult to return money that's already been or will be spent during the remainder of the school year. As for the liabilities, how do we return those? There's nothing in the legislation that describes that process. A third concern deals with our professional staff. LB30 provides that those employed by the reorganized Class I district would go back to their salary as of November 2005. Conversations with teachers in our district indicate they would not be receptive to any significant cut in pay and benefits. My fourth concern is with the redundancies in LB30, specifically with the operating council. We have taken actions to form those councils, and we have respected their involvement. Specifically, we value and appreciate the input of our four operating council members. Those patron representatives have input into the agenda for the council meetings. They've provided

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valuable information to help us more effectively administer their school, and we fully intend to continue to tap into that resource. My fifth concern relates to one of the stated duties of the operating council, and that is the participation in the interviewing and hiring of teachers. I believe that's an administrative and board task, and should not be delegated to others. In conclusion, I realize you have an extremely important and difficult task in front of you. I respectfully request that you consider the concerns identified with LB30, abandon it, and that you focus instead on Senator Raikes' LB658 as the method to pursue this issue. Thank you. [LB30]

SENATOR RAIKES: Thank you, Dave. Questions? Thank you for your testimony. Next opponent to LB30. [LB30]

SCOTT NORBY: Mr. Chairman, members of the committee, my name is Scott Norby, N-o-r-b-y. I appear again on behalf of the Nebraska State Education Association in opposition to LB30. As I indicated in my prior testimony, the NSEA was...supported LB126. We believed it to be sound educational policy for the future of our state at the time, and we continue to believe that. Many of the reasons I attempted to articulate our opposition to LB234 equally apply to LB30. We see a number of significant practical problems associated with the mechanics associated with LB30. However, recognizing the referendum that did take place last November, we believe that LB658 addresses that referendum by creating objective criteria that, if satisfied, would support the creation of a new Class I district. [LB30]

SENATOR RAIKES: Okay. Thank you, Scott. Questions for Scott? Thank you. Next opponent to LB30. Gene. [LB30]

GENE NEDDENRIEP: (Exhibit 22) Good afternoon, Senator Raikes. I think it's still afternoon. [LB30]

SENATOR RAIKES: We're wearing on. Appreciate your patience. [LB30]

GENE NEDDENRIEP: Education Committee, my name is Gene Neddenriep, N-e-d-d-e-n-r-i-e-p. I am the superintendent of Malcolm Public Schools. Good afternoon, Senators. I don't envy you your task ahead, but I do have concerns with LB30. I do not believe you can turn back a year in time like nothing has ever happened. Cash balances that were turned over to the Class III districts June 15 of 2006 have been incorporated into forming the '06-07 school budgets. That money was not put in a jar and put on a shelf. It's gone, or soon will be. If we now have to come up with a specific cash balance or cash assets to turn back to the Class I's, it will jeopardize the Class III's ability to meet its financial needs for all the students in the district for the '07-08 budget. How will the Class I's be funded? I sincerely doubt if more money will be sent the way of the K-12 education, so Class III districts will receive less money from state aid, or will receive less local funding. I also have a question about how do you return a liability, especially if

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it's no longer a liability and has been paid. If property or buildings have been sold, where are these Class I's going to have school? You cannot turn back time. If you could, I would not be as old as I am right now. I feel you must look ahead and determine how best to go forward. Automatically reorganizing all former Class I's and then having a costly special election two months after the fact to determine, do we want to remain open, does not make good financial sense. According to LB30, or at least the copy I read, the State Department of Education was supposed to fund these special elections. Their budgets have been cut over the past years. Where are they going to get that money? With the involvement of the Class IIIs and taking this money and returning it to the Class I's, you have now involved the Class I's in this whole process. It needs to be part of the entire district's decision whether or not it should be reformed. Operating councils, I personally have not found the operating council to be worthwhile. Working with the teachers, the parent groups, and the building principals seem to be much more beneficial to the education of the students at the attendance centers. If you feel an operating council is a necessity, I feel the operating council should be made up of resident district patrons. And if the council cannot come up with enough resident parents, then I really question the need. [LB30]

SENATOR RAIKES: Gene, you've given us a written copy, which we much appreciate, so we won't ask you to read the rest of it. Let me ask you a question, though, regarding protection of attendance centers. Your district had...has had one now former Class I building. [LB30]

GENE NEDDENRIEP: Correct. [LB30]

SENATOR RAIKES: It remained open this year, but the board's decision has been...or, is that it's not going to remain open next year? [LB30]

GENE NEDDENRIEP: The board's decision was to move all the option students that were attending that Class I to Malcolm. There were ten students there, nine of which were option students, one resident student. We have room in our district facility attendance center for all those students, so it did not make financial sense to continue duplication of services. [LB30]

SENATOR RAIKES: So actually, if that's the case, that building would not have been protected by the LB126 requirements,... [LB30]

GENE NEDDENRIEP: That's correct. [LB30]

SENATOR RAIKES: ...because you had to have five resident students. [LB30]

GENE NEDDENRIEP: Right. [LB30]

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SENATOR RAIKES: And so this year that building has ten students, nine of which are option students? [LB30]

GENE NEDDENRIEP: Correct. [LB30]

SENATOR RAIKES: Okay. Any other questions for Gene? Thank you. [LB30]

GENE NEDDENRIEP: Senator, I have one final thought. [LB30]

SENATOR RAIKES: Okay. [LB30]

GENE NEDDENRIEP: There are students, teachers, and parents from Class I's, IIIs, and IV that are enjoying the school year. Don't pull them apart. I mean, they're being successful, and that's what we wanted, and I think it would be a mistake to pull that apart. [LB30]

SENATOR RAIKES: Okay, thank you, Gene. Next opponent to LB30. Welcome. [LB30]

ROBERT PRIEBE: (Exhibit 23) Thank you. My name is Robert Priebe, P-r-i-e-b-e. I'm president of the Plattsmouth school board, and I'm here to speak in opposition of LB30. When we inherited our Class I school district, we found it necessary to take a number of steps to ensure equity for these students who were now in our district. Textbooks had outdated copyrights which had to be corrected, and there was curriculum coordination to do. Plumbing, electrical, security, and ADA compliance issues were found and corrected. There was only one, outdated computer in our Class I; subsequently, we installed a computer lab for the students with 12 computers, and placed a computer on the desk of each teacher. This obviously allowed teachers to work more efficiently to meet the needs of the students and provide more timely information to parents in the district regarding student attendance and academic progress. This critical upgrade required installation of a T-1 line and significant wiring and electrical work. The inappropriate, and some may even say unconscionable salary that the Class I board gave to the kindergarten teacher/administrator was made more reasonable. The escrow account set up by the former Class I board at 0 percent interest has been managed in a more responsible manner. How does one undo all of these things for the benefit of our 48 Class I students in a way that does not harm the other 1,700 students in our district? Why would you put a Class I board that conducted itself in such a manner back into power? LB30 suggests a vote two months after reconstituting the Class I schools. If you want local control, why not require that vote before putting them back in place, to determine if the community wants to go through the agony of untangling this system. The vote would be needed of both districts, because both districts are impacted by the action. A majority vote of both districts should be required to reestablish the Class I district. When you force attendance center protection on a district, you accomplish two things. One, you clearly convey a lack of trust in the locally elected board members of

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that board of education; and two, you restrict the abilities to efficiently manage the resources of the district in a way that supports the best educational practices for all our children. You force a greater burden upon local property taxpayers, due to the inefficiency of such unwarranted protections. I respectfully ask that you refuse to allow this bill out of committee. [LB30]

SENATOR RAIKES: Thank you, Robert. Questions for Robert? Don't see any. Thanks for being here. Next opponent, LB30? Is there neutral testimony? Yes, come forward. Welcome, George. [LB30]

GEORGE LAUBY: (Exhibit 24) Good afternoon. Senator, how are you today? [LB30]

SENATOR RAIKES: Good, thanks. [LB30]

GEORGE LAUBY: It's been a long day. I want to thank everybody for being here and trying to wrestle these issues. These are tough issues. I'm George Lauby. I'm a former Class I board member near Lexington, between Lexington and Cozad, and I was a member of Nebraskans for Local Schools, that conducted the referendum drive for LB126. I'd be glad to talk to any of you privately or at greater length about this. It's tough to distill all the complications down. I entered testimony earlier in support of LB234, basically because I feel like the districts ought to go back. We've heard from people on all sides of the issue today, and some want it back, some don't. And in my mind, when we have a complicated decision with a variety of opinions, we settle it, in this country, with a vote. And we've settled it with a vote. And I certainly had deep, heartfelt reasons for opposing LB126, and we conducted a petition drive in a civil manner and in a constitutional manner, and with that purpose, to let people decide what they wanted to do. And I think the people thought that repeal meant rescind and revoke and undo and leave as though it had never happened, abrogate. And that was part of the public trust and the public belief in the referendum process. So that said, that's my perspective on that. The issue of protections comes up in LB30, and I want to...I have some handouts here I guess I'd hand out to you. It's about the loopholes in the protections. And they were really not protective. Fifty-three schools, by the Legislative Fiscal Office's report, have been closed following the passage of LB126, despite the fact that one of the protections was that if they had five resident students and a kindergartner, they wouldn't be closed for seven to nine years. I believe I'm correct on that, Senator. Still, 53 schools have been closed because, primarily, one of the loopholes in the protections says that any school can be closed for two years for an unspecified reason. It became known in Lincoln County as the nuclear option. A receiving district would threaten that to a Class I school, basically scare the patrons to death, and they would basically give up. And they'd say, why fight for this, why go through this process, why create an operating council, why try to reorganize; we'd just as soon...the writing is on the wall, we'll find another place. I know parents who sold their houses and moved. So that was one big problem. The other one was that resident students were redefined as residents of a

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K-12 district instead of the Class I district. So what was a resident student before became an option student now. They could be denied enrollment in the former building where they used to go, even though they never moved, the school never moved. But the boundaries changed and their status as an option student or a resident student changed; they lost their right to go to that school. So that was...certainly discouraged and dismayed a lot of parents. So those problems are still in the protections, the way I read them, in LB30 and LB357, I believe it is. So those are issues, and that's why I can't support either one of them. I do think it's reasonable to think that if we have a 30-day or a 60-day window, have the Class I's reestablished as the voters have requested us to do, have a 30-, 60-day window for people to sit down locally and decide what they want to do and to talk it out. And I would like to think that we have enough faith in each other that we can come to the wise decision. And if it's working good in Schuyler, then perhaps Superintendent Stevens can convince the school board members and community leaders and school leaders and teachers to continue down that road. They may want to adjust it a little bit, they may want to tweak it to a certain degree to suit their special, unique situation. That ought to be able...they ought to be able to do that. I don't see...to me, we've become way too fragmented in public education. It's...education lifts everybody up when it's working good. It binds us together in a common purpose. And we've become obsessed with boundaries and budgets and divisive concepts, and we haven't taken our own initiative. And I fault myself as much as anybody, but we don't reach out to each other and say, where are we going as a district, where are you going as a district, are we going to need to get together at some point, if so, when, and if so, how is the best way to do it, and who do we need to communicate with to make sure this is a positive process? And if we do that, we do it voluntarily. We don't need legislation to do it. We need motivation to do it. We need encouragement to do it. I find that encouragement lacking, and I find that a lot of rules and regulations just tend to hinder the process, and let us place the blame game and say, no, that should have been handled over there. So it may be a little idealistic. We may not get there. But to me, that's the goal that we ought to be reaching for, is local cooperation, local understanding. As I understand it, mergers can happen voluntarily, and they don't have to be a big process. We merged in our Class I--and it didn't happen on my tenure on the board, but my predecessors did--basically merged three Class I districts together, and they were all working together fine. They worked out transportation arrangements. They worked out...they shared buildings. The younger kids were in one building, the other kids were in another building. We had 50 kids. The ranchers that were 15 miles away got a bus ride in to school. Now those ranchers have become option parents. They don't get transportation reimbursement. Now Cozad has had to take these schools on, and Cozad has threatened to close--they just told us the other night--to close the two buildings that are operating. And we had a good, efficient school. We had good people who were trying to do their best. We...in Dawson County, we had ten schools that worked together as a cooperative. We shared administrators. We met every month and talked about common issues. We shared spelling bees, we shared transportation arrangements, we shared the P.E. teachers, we shared, you know, speech teachers,

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music teachers. They rotated through the schools. We had all kinds of things worked out. LB126 broke all that teamwork up, because it put everybody in a different assimilated receiving district. And the tragic thing is, it hasn't brought anybody more together. And the tragic thing is that those ranchers and those young ranch families that Nebraska needs are the ones that really pay the price. We all agree, I think, in this state, that we need young people and we need to highlight our attractions and we need to make them more available for people who want to come in here and raise a family and celebrate the great character and the great Nebraska values that we have, family values. And the Class I's always did that, in my mind. Good Class I's did that. They were about family values and they were about agriculture and they were about giving young families a chance to make their way in Nebraska. But now, you know, we want to do away with Class I's. And those are the reasons that I fought that, and those are the reasons I helped with the petition drive and I still speak out against it. I know we can do better. I'm not sure how. But I know if we set our sights on the goal of local cooperation and we don't waver from that and we keep reaching for it, we'll find it. We're good people in this state, every one of us. [LB30]

SENATOR RAIKES: Okay, thank you, George. Any questions? [LB30]

GEORGE LAUBY: Any questions, I'd be glad to ask...answer. Senator Howard, could I just speak to you for a second? I know there's been...and this has come up, too, about teachers and the salaries. We have...well, I just talked to our teacher the other day, our senior teacher. She was making \$35,000; she worked there 15 years. She didn't have much in the way of benefits. She didn't...she was...felt a little underpaid. She's now making quite a bit more. But I talked to her the other day. She said, you know, some years my enrollment...I had 20 kids in my upper-room classes, sometimes I had 15, sometimes I had 12, sometimes I had 10. It varied. You know, I didn't expect to make the kind of money that a teacher that was dealing with 20 kids year in and year out needed to make. A lot of teachers, it depends on their husband's situation, it depends on, maybe they've got money in the bank from an inheritance or something, they're willing to work. It's a local negotiation in Class I's. I think if the NSEA wants to be a constructive part of this process, they would talk to local boards that they think are underpaying the teachers, and try to persuade them that they are. I think Class I board members are pretty reasonable people, and they could also advise the Class I teachers about negotiating skills. A lot of them don't understand how to enter negotiations and salary negotiations. A lot of times they just give up and they take the first offer. And if you've got a taxpayer that feels put out on the board and wants to try to save some money keeping the salaries of teachers low, a lot of times that's as far as it goes. They could go better. And if the NSEA really wants to help the process, I think I'd suggest they do that. [LB30]

SENATOR RAIKES: Okay. Thank you again for being here, George. [LB30]

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GEORGE LAUBY: Thank you, Senator. [LB30]

SENATOR RAIKES: We have one other neutral testifier, I think. Come on up. [LB30]

JOHN RECKNOR: Yes, good afternoon again. I'm still John Recknor, R-e-c-k-n-o-r. And I have carefully studied LB30. In fact, I have talked with one of Senator Hudkins' assistants to express the things about it that I think are good, as well as the things about it that I think maybe I am in a unique perspective to at least suggest to you. That's why I am appearing in a neutral condition...or, position. If you look at Section 1 of LB30 and compare it against the introductory page, it would appear on its face that they say the same thing, but in my opinion, they don't. I think it is the intention of the senator to have them say the same thing, and that is, on the introductory page, that this is a reaction to referendum 422 to address the people's instructions to this body, if you will. But Section 1 brings back Class I and Class VI districts. It reestablishes the boundaries of Class I and Class VI districts. It does not, however, reestablish the boundaries of K-12 districts which were amended, such as you heard in early testimony, Broken Bow being a case in point. You can take any K-12 that had a Class I affiliated in whole or in part with it, and the effect of LB126 was to eliminate the Class I, redraft the boundaries of the K-12. Now, because of the position in which I have been, and having worked with most of the Class I school districts in the state of Nebraska, and having worked with Class I's United, one of the things we thought would be illustrative, no matter how the effort to repeal LB126 came out, was to remind Class I districts that, unlike most other districts pre-LB126, there were certain statutory requirements of Class I districts to submit questions to voters. And so we were insistent that these districts should submit to their voters' involvement in legal processes. We were insistent to these Class I's that their voters should react to district memberships. And in fact, Class I districts cannot dispose of a piece of chalk without the Class I patrons having a specially called meeting and authorizing it. Now, here's what I represent to you, and here's what I want to comment to you about the latter portions of LB30. We are...we became aware of 158 Class I districts, out of 208 Class I districts, who clearly indicated to us they wanted to continue to exist. And so my commentary as to LB30 is, I would respectfully suggest that the concept of finding out whether all Class I's want to come back or not is a legitimate enterprise, but it would be more efficient if the presumption were in the reverse. And again, I want to remind you that when you look at LB30, were that to be adopted, that's not all the statutes that pertain to school districts. LB30 simply would dovetail into existing legal precepts, such as Section 79-413, which makes it a very simple process; if a school district wants to dissolve, it can do so. And I can represent to you, a number of districts that I know of called the voters together, the voters directed the board to rid themselves of the building and said, we're not coming back no matter what. Those minutes are available and could be sent very easily to the state reorganization committee, without the need for the expense of special elections. They simply aren't necessary. And I addressed that to Senator Hudkins' assistant, and I think there's going to be some receptiveness to working through those things, to make it a simple, easy

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process. And you would honor the vote better by saying, you all come back, because it's easy enough to go away under existing statutes than it is to put people in a position, without any money and without any guidance and without any professional assistance to figure out exactly what they have to do to come back if they want to come back. There would be many, many fewer of them that don't want to come back, and that could be very easily handled. And then finally, because my time is up, but I do think it deserves some comment because it is somewhat of a riddle that some people have entertained themselves asking, is, well, isn't it true with the repeal of LB126 you got rid of the attendance center protections? The answer to that riddle is very simple. If I'm a freestanding Class I, I don't need any protections. I'm not somebody's subservient being or existence. I don't need any protections. And further, I would like to pass along two things for your consideration which I think are implied by LB30. One thing you should know, because we've done it for years, I have done it actively for 30 years, I've been personally involved in the reorganization, I don't know how many hundred Class I's, but I can tell you, it's well in the hundreds. When I started practicing law, there were over 1,000 Class I's. With the adoption of LB126, there were 208 Class I's. And you know what, we didn't need a LB126 to make them go away. They went away voluntarily when they figured out this just doesn't make any sense anymore. And sometimes it was the fear of the loss of local control that would cause a Class I to go to the K-12 and say, look, we think we're about at the end of our rope; can we cut a deal? And they'd say, if you'll keep us open for two years, we'll merge now; or, if you keep us open for five years, we'll merge now; or, if we can run as long as we have 15 kids, we'll merge now. And what I'm suggesting to you is, that mechanism is in the law at the present time, and so there's really no reason to start a whole new mechanism in LB30. And finally, I can tell you, the much touted protections have not been uniform in protecting anybody. And if you want to weigh that as a postulate that I put before you, ask yourself this: Where did the hundred-plus kids in Rokeby and Cheney go this year? Not to Rokeby and Cheney. And I think what people have found is, these purported protections don't protect anything...anybody from anything. And so if we put everybody back freestanding, they can go their separate way. And I think LB30 can be slightly recrafted to be that, and that's why we take a neutral position, because we see both the positive and some of the problems with it. And with that, I appreciate you being patient and allowing me a little bit more time to explain. And if you have any questions, I'll be happy to answer them. [LB30]

SENATOR RAIKES: Okay. Thank you. Questions for John? Don't see any. Thank you, John. [LB30]

JOHN RECKNOR: Thank you. [LB30]

SENATOR RAIKES: Any other neutral testimony on LB30? Yes, come on up, please. Any other neutral testimony after this testifier? Okay, Senator Hudkins, you'll be up next. Yes, sir. [LB30]

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GALEN KEHRLI: Good afternoon. My name is Galen Kehrli, K-e-h-r-l-i. I'm president of the Schuyler Community School System. I don't have anything formal. I just came down here, and I've listened to a lot of pros and cons. But what I would like to state is, last night, we had a school board meeting in Schuyler. We got home about 11:30 in the evening. And Robin, what he says is very true; we have a lot of good things happen, we've had a lot of excellent communication. But we still have issues out there. We had the largest district...or, Class I in Schuyler's grade schools. We also have about four outlying districts now. My problem is, I've got an overabundance of students in the Schuyler district, in Schuyler schools, but I also have a number of upset Class I patrons that have expressed interest to me that they want to have their district back. Now, here I sit, or we sit, as a board. We have an overcrowding problem in Schuyler. We need to try to sell an issue of...a bond issue, that we failed on the last four times. So I've had...but now the thing is, with LB126, we have drawn all of the outlying districts in. They now can vote. Prior to that, they couldn't. And believe me, to try to get those people to vote for a bond issue is not an easy task. So I have people there that we have taken a number of things away from, and we've provided a number of things. I'm a Class I supporter, but I'm also my district supporter. I'm a whole district supporter for Schuyler. So I see...and I probably wouldn't have came up here today until after last night's meeting. I guess one of the comments one of the patrons made to me, and he was very good, he said, you have a deeper rift now than you had a year ago. So that says to me, we need to have some tools by you people to help us out there to get these people back in the good graces with us. Now, what it is, I guess I don't know. I think I've heard a lot of good...LB234 is good, LB30 has some issues, and some of the issues that you brought forth in your bill is...they probably all have some merit. We don't want any more petitions. We don't want any more elections. We've done that issue. I think if you allow the people that are out there and let them decide if they want to be a Class I system, and then we can start to heal the hurt that we've got in between them, then we might have an ability to try to get these people on board, help us with these issues, you know, of trying to get some type of facilities. Unless...until that happens, the way the guy told me last night, he says, you don't have a snowball's chance of trying to get a bond issue in Schuyler. So until you guys give us the tools to work to try to get these people back, at least come on board and talk to us, we're in trouble. Unless, for some reason, you can come up with a different formula to help us fund facilities in these small...we have problems in Schuyler. I mean, there's no sense trying to sweep it under the rug. We have problems in Schuyler and Madison and things. And as long as we have the property owners trying to fund these facilities, we're going to continue to have problems. So I guess that's the end of my discussion. And we need the tools to try to get these...the people, the former Class I's, that are my friends and my neighbors, back on board and at least come to the table and talk. They were at the meeting last night. We had a tremendous outpouring of people, and I like to see that, as the president of the school. We need to...we've done a lot of things. We need to do some more. So, that's all I have to say. [LB30]

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SENATOR RAIKES: Okay. Well, thank you, Galen. Questions for Galen? I don't see any, but thanks for coming down. [LB30]

GALEN KEHRLI: Thank you. [LB30]

SENATOR RAIKES: Senator Hudkins, to close. [LB30]

SENATOR HUDKINS: (See also Exhibits 38 and 39.) Thank you, Senator Raikes, and I would like to express my appreciation to all of the members of the committee. School issues are not easy issues, because every school is different. I would like to address some of the statements that some of the people who testified ahead of me mentioned. Mr. Jensen from Holdrege said that every situation could be different. Well, of course, because it's based on personal experiences. Every school is not the same. A few years ago, I was invited to a meeting and I'm going to use Oak Valley and Malcolm because obviously that's what I'm most familiar with. I was invited to a meeting at Oak Valley school with the members of the school board and they showed me a chart listing the efficiencies, the cost per pupil, K-8, and I said okay, you're comparing K-8 with Malcolm. Let's compare apples and apples. And they said, no, turn the page. So they were comparing K-8 at Oak Valley with K-8 at Malcolm. K-8 was doing the job with less money spent per pupil. What does Oak Valley have? Well, they have 20 computers, they have a three-room building, they had three teachers, now they're down to one. And by the way, she took a pay cut when Oak Valley was merged with Malcolm. But sometimes the pay isn't what those teachers are looking for when they go to a bigger school. She knew her kids. She knew their families. There are some Class I schools that they work together. They have more people at their monthly school board meetings than I would hazard a guess that, perhaps, Lincoln Public or Omaha Public, and we know that Omaha is going through some tough times right now. The gentleman from NSEA said that LB126 was sound educational policy. Well, I guess that's going to be an issue on where we disagree. This was done by 30 people in the Legislature and it was overturned by 90 out of the 93 counties. Mr. Neddenriep, he and I visited before the hearing and we're still friends, but this might strain our friendship just a little bit, but that's okay. We'll get through this. He talked about, you know, cash balances and the expenses and how do you do all of that. Well, it says right in my bill that if there are assets, if they still exist, then they will be turned back over. But Oak Valley also turned over to Malcolm its cash balances. Now I don't know what those were, but you can bet your boots that Malcolm wasn't expecting that. So could that then be considered a cash windfall? And there were hardly any liabilities. Oak Valley is turning over the building, the books, the computers. And he mentioned the fact that there are mostly option students in Oak Valley. Well, how many of those students switched to Malcolm because they were uncertain about the future? We go to Oak Valley for one more year and then the school is closed anyway. And as we heard, that is exactly what happened. I found it interesting that all of the opponents who spoke against this bill--and that's their right,

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they know what they want--but they all wanted LB126. Does this mean that they don't care about the feelings of the voters throughout the state? And not all boards did what the particular school down by Plattsburgh did. They all didn't run right out and give their teachers \$102,000 salary or whatever it was. That was a case of inefficiency and they should've been taken to task for that. We asked Mr. Neddenriep why they were so ready to close Oak Valley school, and he said it was a case of cost and safety. Well, we've already heard that the cost of the teacher went down. The cost of the per student went up because it costs more to educate a student in Malcolm than it did in Oak Valley, and he said that they had room. Did he forget to tell you that they have ordered, I think it's three portables? Yeah, they might have room with three portables sitting on the playground. He also said that--and forgive me Gene, I'm not picking on you--he also said that there was also an issue of safety. And I said what are you talking about? And it was told to me that, well, there's one teacher there. She could very easily be in a bad situation. Anybody could walk in off the road. That's true, but you know I don't think that size matters for security purposes. Malcolm is a small town. Everybody knows everybody and you know everybody's kids. When our kids did something wrong we knew about it before they got home, but there could have been a very catastrophic situation at Malcolm when that young man decided he was going to take out a bunch of his teachers and a bunch of his fellow students. So where is the safety there? Oak Valley is paying for itself. How much money in option monies goes to Malcolm now? Interesting. I also thought it was interesting that there is a registration for a lobbyist. This happens to be written out for the Alliance for Cohesive and Coordinated K-12 Learning Communities. I won't tell you who the lobbyist is. It doesn't matter, but you can look it up if you want to. But if you call the number that's listed on that application, it's the Norris school office. Does that seem a little strange that we are using an entity like a school to be the headquarters for the Alliance for Cohesive and Coordinated K-12 Learning? I think it did, to me anyway. Mr. Lauby, I appreciated his comments. He said that 53 schools were closed against their wishes. And the protections that they thought they had, the schools didn't pay any attention to them. And the gentleman from Schuyler said, you know, things were working well in Schuyler until they go to pass a bond issue. Well, guess what. That happens in schools where you have big mergers. Raymond Central, same thing. They have four communities that were put together and they have a dickens of a time passing a bond issue, because they all went together. The north half didn't particularly like what the south half was doing and vice versa. I have a lot more here I could say, but I won't. I know it's getting late. But I would, again, refer you to this chart that Mr. Swotek passed out. If you look at LB30, and if you also look at a combination of LB30 and LB658, it's fairly simple. The districts are reinstated. There's a special election within two months, and if they don't have it, they don't go back. They vote to either dissolve or to retain. If they vote to dissolve, that's the end of it. If they vote to retain, then they deal with the budget authority. If the district is dissolved, the school then becomes an attendance center. If you look at LB658--and none of you are looking--if you look at that it has the same destination, but the process is quite a bit more complicated. You have to submit a plan by January 15 of even-numbered years.

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Why does it have to be even-numbered years? Why couldn't it be an odd-numbered year? And then you have to appeal the process to the State Committee for Reorganization, and then by April 15 you have to have the vote. And then you have to put the plan into a petitioned form by July 15. And it goes on and on. Senator Raikes and I want the same thing. We want there to be a K-12 system. The difference is that I want it to be the Class I is part of the K-12 system, but they are still allowed to have their own building and their own governance and their own budget authority. One of the stories that I'd like to tell you, and I will make this quick, Senator Raikes, I promise. A bunch of us visited a school near Valentine, it was south of Valentine, like 40 miles from Valentine, and there was another school, you know 30-40 miles from there. Well, the state Department of Education came out and checked this Class I school and they determined that there wasn't enough light. They didn't have enough lumens for the students there. So just for fun, the school board member at this school contacted a contractor in Valentine. \$3,500 later, it could have been fixed. Well, they didn't accept that bid. They did it themselves. It cost them between \$300 and \$350--a tenth as much. Because the people in that school want to keep that school, they do the volunteer work. The parents are there for parent-teacher conferences. I know for a fact that when my girls were in school at Malcolm not all the parents went to parent-teacher conferences, and in fact, I think it was Mr. Neddenriep that said the parents that really need to be here are never here. That you don't find in a Class I school. I promised I would quit. I know I've got some more things here, but I can't find them. So thank you. [LB30]

SENATOR RAIKES: Thank you, Senator. Questions for Senator Hudkins? I don't see any. [LB30]

SENATOR HUDKINS: Okay, one last...I found it. [LB30]

SENATOR RAIKES: Oh, you did find it. Okay, I was hoping maybe they were lost for good (laughter), but go ahead. [LB30]

SENATOR HUDKINS: No, no, no. The brain is clicking a little bit. I would just like to ask you senators, Senator Avery, you're a product of--well not even Nebraska--from another state. We're glad to have you here. But your children went to school in Lincoln, so you didn't know any different. Now Senator Johnson, you told me that you went to a Class I school. Where did you go wrong? I mean, you're... [LB30]

SENATOR JOHNSON: I've got to remind you that we get to ask the questions on this side (laughter). [LB30]

SENATOR HUDKINS: Oh, I'm sorry. Sorry. Yeah, you're right. I know that. And Senator Adams, you are a former teacher at a very well-respected school. You don't have the problem. So therefore, you don't really need to know. And I'm not saying that that's a bad thing. Senator Kopplin, same thing, from Gretna. You don't have the situation that

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we have at Malcolm or at Valentine or wherever in the greater Nebraska area. Senator Burling, I don't know your situation, but I know you're from a rural community. Senator Howard, you're from Omaha. You really don't have to know, because your kids went to Omaha. What I'm saying is that we have families out there that want it like it was, kind of. Well, now according to one of these bills, they want it exactly like it was. I'm not going that far. I'm saying we need to work together to put these schools into a K-12 system, but have those attendance centers. Have them be able to make their own decisions. And that is my final word. Thank you. [LB30]

SENATOR RAIKES: Okay. Oh, Senator Avery. [LB30]

SENATOR AVERY: I have to tell you that when I was in elementary school, my mother petitioned the school board to petition me out of a Class I into a Class II. [LB30]

SENATOR HUDKINS: And that was perfectly her right. And that's what we're saying. We had 10-12 schools every year close, because they felt that their schools were no longer viable. Terrific, fine. [LB30]

SENATOR AVERY: I bussed right past a Class I school everyday. [LB30]

SENATOR HUDKINS: Yeah. Talk to me sometime and I'll tell you why I went to Waverly High School instead of Ashland High School where Senator Raikes went. [LB30]

SENATOR RAIKES: Thank you, Senator. [LB30]

SENATOR HUDKINS: Thank you. [LB30]

SENATOR RAIKES: That will close the hearing on LB30, and we will begin the hearing on LB357. Speaker Flood is here. Mr. Speaker. [LB357]

SENATOR FLOOD: Thank you, Mr. Chairman. I had good afternoon, but I've amended that to good evening (laughter). [LB357]

SENATOR RAIKES: We like to thoroughly cover the topics in this committee, Senator. You can shout them down. [LB357]

SENATOR FLOOD: Good evening, Chairman Raikes and members of the Education Committee. [LB357]

SENATOR RAIKES: Maybe. Go ahead, that's fine. [LB357]

SENATOR FLOOD: For the record, my name is Mike Flood and I represent Madison County and the 19th Legislative District which includes all of Madison County. [LB357]

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SENATOR RAIKES: Please, if you would keep it down. We're going to go ahead with the testimony here. Thank you. [LB357]

SENATOR FLOOD: I'm here today to introduce LB357. This bill restores the Class I schoolhouse protections that were repealed in November 2006, and restores provisions relating to elementary improvement grants. The language in LB357 is taken directly from LB126. You have already heard quite a bit about these schoolhouse protections, and they are summarized in my statement of intent. Details regarding the elementary improvement grants are outlined in the fiscal note for LB357. Rather than repeat all of this, I want to just provide a bit of background of my involvement in this issue. When I started in the Legislature in January 2005, LB126 was one of the first bills under consideration. Madison County was, at that time, home to eight Class I school districts, and these districts passionately opposed any efforts of consolidation. I shared their concerns with the dissolution plan and I worked to defeat the bill. Madison County's Class I's provided high quality education to over 350 students, and I simply saw no good reason to shut them down. Although my rural colleagues and I did not have the votes to stop LB126, we were able to negotiate the schoolhouse protections that were ultimately included in LB126. Now we all know what happened after LB126 passed over the Governor's veto. I see no reason tonight to revisit that discussion. So let me just tell you about what has happened in my district. In Madison County, about 350 students from Class I schools joined larger K-12 school systems. I think that most of the folks in my district, myself included, would agree that the Norfolk, Battle Creek, and Madison school systems went out of their way to treat parents and students of former Class I schools with respect. Rather than fighting it out, the school administrators, school boards, and parents have taken a cooperative approach, and it has proven successful, for the most part. The former Class I school buildings have remained open, for the most part. The same teachers have stayed in those buildings and the focus has remained where it should be on providing the best possible education for our children. That being said, I know that two of my colleagues here today, Senator Hudkins and Senator Dierks, are working hard to ensure the former Class I school districts have a fair and reasonable opportunity to reestablish themselves. I appreciate their efforts. My focus in this bill, at this point, is ensuring that LB126's schoolhouse protections are restored as quickly as possible. That is what my constituents have told me they want first. Last December, I held two meetings in Norfolk regarding the future of Class I schools. I invited parents, teachers, school board members, school administrators, and anyone else interested in what comes next for these districts. Again, most everyone in attendance agreed that the parents and children of former Class I schools had been treated well by the absorbing districts; yet, many parents were concerned that the current arrangements were not protected by law. As these parents wait for an answer on the reestablishment of their old Class I school districts, I agree that we need to legally recognize and protect their ability to keep their kids in the same schools with the same teachers. These families have lived with uncertainty for far too long. LB357 gives them what the vote in

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November took away, and I call that peace of mind. Finally, I've been contacted by various individuals and groups regarding technical amendments to LB357. I am particularly concerned with an issue raised by the Lincoln and Norfolk Public Schools. According to both of these school systems, this bill, as written in its green form, would prevent them from modifying the grades offered at their elementary and middle schools. It was not my intent to interfere with Lincoln Public Schools' or Norfolk Public Schools' ability to do so, and I have advised them of that. My understanding is that your committee staff is also aware of this issue, and so I will leave it at that at this time. In conclusion, I ask you to please advance LB357, with whatever technical modifications are necessary, to the full Legislature for debate. I appreciate the committee's hard work on this very emotional issue, and I would be happy to answer any questions. I would also like to say that it's nice to see so many people from my district that have come down to testify at today's hearings. Thank you, Mr. Chairman. [LB357]

SENATOR RAIKES: Thank you, Mr. Speaker. We have questions for Senator Flood? Senator, an obvious one is the building protections were sort of the main operational aspect of LB126 at the time it was repealed. Is there any concern that reinstating the building protections is counter to what the voters said they wanted? [LB357]

SENATOR FLOOD: Not from my vantage point. In my district, the constituents I talked to didn't realize that by opening the front door they had left the back door open. And so there was a real feeling among the folks that I've talked with that the building protections were so important that getting them back as quick as possible would be in their best interest. If I had an opinion, it would be that majority of Nebraskans that wanted Class I schools to be resurrected did not realize they were voting to get rid of the protections at the time they cast their vote. [LB357]

SENATOR RAIKES: Okay. [LB357]

SENATOR FLOOD: That's my opinion, though. [LB357]

SENATOR RAIKES: Okay. Senator Johnson. [LB357]

SENATOR JOHNSON: I was just going to say that the World-Herald was going to be disappointed, because they had an editorial stating that apparently people don't read the World-Herald. [LB357]

SENATOR FLOOD: I read it (laughter). I don't know what I...I guess I just see this as a way...these parents have great connections in these schools and the teachers do a good job. And while we figure out the rest of the equation, which is a lot more complex than my bill, I'd just like to keep everybody in their place so the parents know that some overly aggressive school district doesn't go ahead and shut down the school while we're still putting together the details of how this will work. [LB357]

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SENATOR RAIKES: Okay, thank you, Mr. Speaker. Are you going to stick around or... [LB357]

SENATOR FLOOD: I will be waiving my closing today. [LB357]

SENATOR RAIKES: Oh, okay. We're disappointed (laughter). Thank you for... [LB357]

SENATOR FLOOD: Thank you. May I be excused? [LB357]

SENATOR RAIKES: You may, you may. Thank you. How many people do we have to testify as proponents for LB357? Looks like one of my bills (laughter). How many do we have to testify as opponents? Okay. We'll go ahead and begin, Jim. [LB357]

JIM HAVELKA: (Exhibit 25) Thank you. I'm beginning to understand how the kids in my social studies classes must have felt by the end of the period (laughter). Good afternoon. My name is James Havelka, that's H-a-v-e-l-k-a. I'm superintendent of North Bend Central Public Schools, and today I'm testifying on behalf of the Nebraska Rural Community Schools Association, NRCSA. I am cochair of the legislative committee of that organization. NRCSA represents about 180 rural, K-12 community schools throughout greater Nebraska. Historically, NRCSA has been a strong proponent of K-12 school districts in rural Nebraska. We believe in stable, unified rural educational communities that provide education from kindergarten through high school graduation. We also strongly support giving local communities the independence to structure those schools and operate their school systems in the way they deem most beneficial. The state must set and monitor the goal of providing a high-quality education to all children, but to the extent feasible, we believe the local community should be given the responsibility and authority for meeting that goal. We believe that LB357, by restricting the ability of locally elected boards of education to alter the grade structure of its school buildings or to close its school buildings, would seriously hinder the efficient and effective operation of our rural community school districts. As an example, I would like to talk a little bit about my experience as superintendent of a reorganized K-12 district. And I just want to mention as an aside, because we've heard much about it this afternoon, I personally, as did many people in North Bend that I am acquainted with, voted to repeal LB126. And one of our concerns was the building closing protections in there would have affected K-12 schools and would have affected our ability to manage our own elementary schools. So there was, at least, a few votes that I'm aware of where building protections were the issue. Anyway, back to our situation in North Bend, until July of 1998, the North Bend/Ames/Morse Bluff area was structured as a Class I/Class VI combination with six elementary schools and a single junior-senior high. In 1998, it voluntarily voted to reorganize as a K-12 district, as did many similar Class VI districts in the area like Logan View, Lakeview, etcetera. In 1998-99, the first year of operation as a K-12, North Bend Central Public Schools had 307 elementary students in 23

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classrooms in six buildings. The buildings ranged in age from 1923 to the mid-sixties as far as construction, and were in various states of repair. The school district employed more than 51 people in the elementary schools, including slightly more than 32 teachers. Yet, many of those 23 classrooms were combinations with two and even three grades to a room. The instructional cost per pupil for that operation was about \$5,550. [LB357]

SENATOR RAIKES: Jim, you've handed out your testimony and we appreciate that. [LB357]

JIM HAVELKA: Okay. [LB357]

SENATOR RAIKES: Tell me, how often is it in operating a school system, that you need to restructure the grades offered at a given building? [LB357]

JIM HAVELKA: Well, with alterations in enrollment, it can happen quite frequently. And in our case, over a period of eight years, going from where we were in 1998-99 to where we are today, we altered grade structures at least four different times that I can think of. Ultimately, we arrived at a point prior to the opening of an addition to the elementary school in town where we had all third and fourth graders in the Morse Bluff building, and at various other times we would move grade structures around. We moved all kindergartners into town to begin with, then moved all sixth graders. So there are just, you know, lots of times with that. In addition, as schools look differently at the concepts of middle school, you know, that's an issue there, too. I can think of a district that I'm familiar with, one of our NRCSA members, who was very concerned with LB126, that it would not allow them to go to a 5-8 middle school and take fifth grade out of their existing elementary school. I just think if you're going to give the responsibility to local boards of education to manage, you can't tie their hands and say this building can't be touched, you know, and expect them to be able to operate, you know, in an efficient fashion. [LB357]

SENATOR RAIKES: One other question. We've heard from some folks that the ability of the K-12 district to assign option students to a building was a problem. You know, particularly in the case where you had option students attending what was then a Class I building, and then when it became part of the district the K-12 board said okay, well you can option in the district, but you have to attend the K-12 elementary. [LB357]

JIM HAVELKA: Yeah. I'm not altogether sure on how the law works on that. In our case, we had numerous youngsters who had optioned in when our districts were Class I's, and they moved with our other kids. So if all the sixth graders went to North Bend Elementary to town, the option kids moved also. We didn't feel we could ever guarantee a building slot, you know, to an option student. Now today that's not a problem for us, because we have one building for each of the grade levels, but, you know, if you have a

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multiple building district I think you have to leave the board of education in control of that. [LB357]

SENATOR RAIKES: Okay. Any other questions? I don't see any, thank you, Jim. [LB357]

JIM HAVELKA: Okay, thank you. [LB357]

SENATOR RAIKES: Any other opponents, LB357? Is there any neutral testimony on LB357? Come on up. [LB357]

ROBIN STEVENS: (Exhibit 26) I'm going to ride the coattails of my board president and talk a little bit about the facility segment that is in LB357. When you receive the salmon-colored sheet, I would ask you just to refer to the very end of the first page and then turn it over to the back. My remarks will be very short. Before I go into that particular area, I do want you to know that we are seriously considering taking out classes of first graders and third graders from Schuyler, the overcrowded buildings in Schuyler, out to the rural attendance centers to better use our facilities. So that's one of the things we're going to be fighting through on this thing. And the reason I bring this up, because in Senator Flood's bill it talks about the Elementary Improvement Grants, and so I'm going to start just reading what I have down at the very bottom. I ask that no matter what reorganization legislation is recommended by this committee and passed by the Unicameral, it would include the Elementary Improvement Grant provision that provides an incentive to districts that pass bond elections for the purpose of facility improvements. Because of our growing student population and an obsolete building, Schuyler Community School is in need of numerous facility improvements, not the least of which is the fact that nearly one-third--450 of our students--go to school in modular classrooms. This is a safety issue that we struggle with everyday. And then I want to just add one more thing. In Senator Raikes' bill, LB126, you may recall that there was a provision in there established for rural transition funds, and that was removed, of course, with the rejection of LB126. Again, no matter what legislation comes out of this committee, I ask that you reconsider the Rural Transition Funds which are formerly known as REAP funds, that that also be reestablished in any legislation that you may pass. [LB357]

SENATOR RAIKES: (See also Exhibit 38.) Okay. Thank you, Robin. Questions for Robin? I see none, thank you, Robin. Any other neutral testimony on LB357? Okay, Senator Flood has waived closing so that will close the hearing on LB357, and I'll turn it over to my able vice chair. [LB357]

SENATOR KOPPLIN: And we will open the hearing on LB658. Senator Raikes will make his introduction. [LB658]

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SENATOR RAIKES: (Exhibit 27) Thank you, Senator Kopplin and members of the Education Committee. Ron Raikes, District 25, here to introduce LB658. I commend you all for your attention and presence and involvement. I'm in admiration. One more to go and I'll try to be fairly quick on this, but I don't want to brush over details that you think are important. Sort of a summary statement is the following. It would allow for the creation of new Class I school districts through a reorganization process that would be initiated by an individual or group of individuals developing a plan describing the proposed district, resident students, facilities, staffing, estimated budget, and a proposed method for dividing assets and liabilities. LB658 would also eliminate Class VI districts as a reorganization option and would make all Class I districts wholly part of a K-12 in terms of voting and taxation. All reporting to the Department of Education would be done at the K-12 district level. Let me mention a couple of things that sort of underlie this bill in terms of operating principles. One of them is that as a result of LB126, we are organized in this state as K-12. We don't have any Class I subdivisions now in the state. We are all K-12. And the voters repealed LB126, but they also did not reject the implementation of LB126. So that is in place. And a number of courts have looked at LB126, the procedures, the constitutionality, and so on, and all have agreed that it was both constitutional and done properly. So we are organized as K-12. If we're going to make local decisions about changing the organization, then everybody in the K-12 needs to be involved in that decision. So that separates me a little bit from my colleague, Senator Hudkins, but I wanted to make that point to you. The second thing is there have been some proposals or at least statements to the effect that well, we should just allow for the recreation of former Class I school districts. Again, we cannot legislate to a closed class. There is a constitutional prohibition against that. If you are legislating only for former Class I school districts, you're legislating to a class that you cannot now join. You cannot now become a former Class I school district. So if we're going to make provision, as I think the voters said they wanted us to do, for the creation and operation of Class I school districts in Nebraska, those districts need to be able to exist throughout the state, not just where there was a district formerly. So those are a couple of underlying principles. If you have any questions, I'd be happy to attempt. [LB658]

SENATOR KOPPLIN: Senator Avery. [LB658]

SENATOR AVERY: Would you explain the point you made about the constitutionality of joining a closed class? [LB658]

SENATOR RAIKES: There is a provision in--well, I won't read it--but basically, it is...and I think it has sound basis if you think about it, that the Legislature cannot make a law that affects or benefits or otherwise affects, I guess I should say, only a select group of the citizens. You have to make whatever legislation available to anybody in the state. That is the basic underlying notion. Now I'm sure I've kind of not covered the details as specifically as I should on that, but that's the basic idea. And it is a constitutional provision. And as a matter of fact, it has a history in LB126, because you've heard a

number of people say well, there were building protections imposed in LB126 and clearly what we had in mind in drafting LB126, that we wanted to protect what would be former Class I school buildings from being closed by a K-12 district. Well, you cannot close the class. So, in effect, LB126 protected all elementary buildings whether they were in a former Class I or in a K-12 or wherever, and that is the source of some of the concern that's been expressed today about the building protections and their implications. [LB658]

SENATOR KOPPLIN: Other questions? Okay, thank you, Senator Raikes. We will move into public testimony. I would remind you that we do use a light system so do your best to keep your testimony to the three minutes. First proponent. [LB658]

JIM HAVELKA: (Exhibit 28) I don't mean to jump in rudely, but it is boys' district basketball tonight and so...(laughter). I had introduced myself before. I told you a little about our organization before. I'm just going to mention briefly that NRCSA supports LB658, specifically we support the concept of the creation of Class I subdistricts only after a clear demonstration of broad community support that is embodied in the petition and election requirements. We support the provisions that leave property in the currently existing K-12s. Rural districts went through a difficult struggle in the last two years with affiliations and we don't need to fight that battle again. And additionally, we support limiting affiliation to single districts. A multiple district affiliation, we don't think, fits in with the plan as it looks like now. Finally, we strongly support the idea of allowing small K-12 districts to depopulate their secondary grades and become a Class I or become an elementary, and affiliate with a contiguous K-12 district. We've seen this procedure work in a lot of rural areas in Nebraska and we think it provides for a smooth transition, and if an eventual consolidation comes about it tends to be more stable if that step has been taken. There are a couple of modifications we would like to see considered. First, NRCSA has historically supported the concept of Class I/Class VI arrangements. We think that could fit in the structure outlined in LB658 and allow additional flexibility for rural communities. Second, a minor technical point, but the depopulation option is limited to Class IIs. We think small Class IIIs ought to also have that option. Third, we think there needs to be clarification of the relationship between depopulated Class I's and their high school affiliate. And finally, we would like to see flexibility in the grade structure for affiliations. Forty years ago everybody pretty much agreed elementary was K-8. Today it's often K-4, K-5. We think there ought to be flexibility when you enter an affiliation agreement to have it be a 7-12, a 6-12, whatever the local community sees fit. Thank you very much for your time. I'd be glad to answer any questions. [LB658]

SENATOR KOPPLIN: Questions for Mr. Havelka? Thank you, Jim. [LB658]

JIM HAVELKA: Thank you. [LB658]

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SENATOR KOPPLIN: Next proponent. [LB658]

SCOTT NORBY: Members of the committee, my name is Scott Norby, N-o-r-b-y. I, again, appear on behalf of the Nebraska State Education Association. As you are now well aware, the NSEA did support LB126; however, I am pleased to be able to appear in support of LB658. We believe it to be responsive to the referendum vote. Indeed, Nebraska voters did vote to offer their support for Class I districts. The legal consequences of that vote did not automatically recreate those Class I districts, however, that were dissolved last December 1 a year ago. And in contrast to LB234 and LB30, LB658 does not simply recreate all former Class I districts just because they happen to used to exist. I think it Mr. Recknor in his previous testimony indicated that among the 208 school districts that existed as of November 30, 2005, maybe 25 or 30 percent of them, even at that point in time, were not interested in being recreated. A year has passed since then. A lot of water has passed under the bridge and my suspicion is that there's even a greater percentage now that would likely not be interested, for one reason or another, in reestablishing themselves. I think LB658 sets forth criteria--the political, economic, demographic, and educational criteria--that if met and if, in fact, there is sufficient interest to recreate a new Class I district based on boundaries that make sense today and into the future, that that's appropriate. It's responsive to the will of the voters, the desire of the voters. It is responsive to those individuals who determine that they want and need and can support an independent Class I district based on boundaries that are determined today, were not determined in the nineteenth century sometime. And for that reason, we support this legislation. [LB658]

SENATOR KOPPLIN: Questions for Mr. Norby? Senator Avery. [LB658]

SENATOR AVERY: As a practical matter, realistically, how likely is it that if you have the vote to reestablish or to establish a Class I, if you have that vote through the whole K-12 population, how realistic is it that you'll get approval? [LB658]

SCOTT NORBY: Boy, you know, that's a good question. I don't know. [LB658]

SENATOR AVERY: Would you be here if you thought it would actually work? [LB658]

SCOTT NORBY: I would be here if legitimately the criteria and economic and educational forces exist to justify a new Class I district, if it can stand on its own two feet. That's the reason we were in opposition of the other legislation, because that legislation is based on recreating a system that goes back to the nineteenth century and doesn't necessarily reflect educational or economic or demographic needs as they exist today. I mean, LB30, as I understand it, simply relies on Class I voters to vote. I think that, frankly, disenfranchises those districts that are going to be profoundly affected by the recreation of those old Class I districts, yet those voters don't have any say in it.

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What we find attractive in this legislation is that everybody, all the patrons of the districts affected by the creation of this district, have a say so at some point in this process by which the legislation is created. [LB658]

SENATOR KOPPLIN: Other questions? Thank you, Scott. Next proponent. [LB658]

CARY LINTON: Good afternoon, members of the committee. My name is Cary Linton, that's L-i-n-t-o-n. I'm board president of Leyton Public Schools, which is a K-12 district, Class D, in the Nebraska panhandle, north of Sidney. We're a consolidated district consisting of Dalton and Gurley. We've had two Class I schools affected by LB126. One is closed, the other one has met the requirements for a community school and it has continued in operation. First, let me say that all Class I's and their affiliated districts are in different situations, as you've heard here today. I'm not here today to say whether or not all Class I's should or should not exist, but to give input on how LB126 has affected our district and how we feel things should proceed. Our situation, however, I don't feel is not unique. As far as the bills go, we oppose LB30 and LB234, but are supporting LB658. Too many things have changed since LB126. We believe it's unrealistic that many of the Class I's to actually go back the way things were. Whether that's right or wrong, we feel that's reality. Teachers now have new contracts. Some may not go back to their previous Class I. Buildings have been sold. So at this point, as I said, we're in favor of LB658. It may need some tweaking, but we feel right now that it's the best solution for how we can go forward, regardless of how we got here. It provides the mechanism for the formation of Class I's for where they're really needed and wanted. It also recognizes that Class I's need to be affiliated with one district. One thing that we believe that also needs to be addressed, and whether or not this is something that can be added, but it's a concern for us, is dealing with the teaching staff. One problem that LB126 has created for our district is dealing with our teaching staff. The teachers union supported LB126 giving the impression that no one will lose their jobs, but many districts throughout the state have no problem absorbing teaching staff. And that's great if they can do that. In our case, we cannot just absorb extra staff. We do not have the funds to be able to do that. Everything is about as lean as we can do things. We are in jeopardy right now of losing some of our experienced, but not tenured, staff being replaced by Class I teachers. We don't believe it's fair to force a district to absorb Class I staff and that the district needs to be able to pick the staff. We know what is needed in our school. It is true that we did not offer Class I teachers contracts to our current district at this point. The reasons for that is because of waiting for the outcome of the repeal of LB126, which we do know now. It's also to protect our existing staff, who also resent the fact that some of them may lose their jobs just because a Class I is no longer in existence. It is not because of, as was referred to earlier today as shenanigans this afternoon, but we've done it for what we think is best for our students as far as picking our staff and we wish that this issue would be addressed. We need to move forward. We believe LB658 at this time is our best option and thank you for your time. [LB658]

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SENATOR KOPPLIN: Are there any questions for Mr. Linton? Seeing one, thank you, Cary. Next proponent. [LB658]

MARY JO RUPERT: (Exhibit 29) Thank you for your time at this late hour of the day. My name is Mary Jo Rupert, R-u-p-e-r-t, and I'm currently an assistant middle school principal at Norris. Prior to the school year, I spent 17 years as principal and teacher at Cheney School. Cheney was a Class I district in eastern Lancaster County. During my career at Cheney, we rode a roller coaster of various levels of anxiety whenever the future of our Class I school was in question. Our local patrons and parents had a long history of commitment for maintaining our Class I district. This commitment continued when LB126 was proposed in the Legislature. Many of our patrons, parents, and staff members fought the good fight to maintain what they believed to be in the best interest of the students and the district, to keep their Class I open. Needless to say, this period was very stressful for all involved. Much of the stress was related to what many believed was their inability to control the future of their children's education or their jobs. We are now eight months into LB126. The doors of Cheney School have been closed. Our students have settled into neighboring K-12 school districts. All nine of our staff members, both professional and nonprofessional, were absorbed and welcomed in the Norris School District. Former students of Cheney School are receiving excellent educations in their K-12 districts. All staff members have made successful transactions and are happy with their new assignments. To require the reinstatement of our Class I would put us right back on that roller coaster of anxiety. Therefore, I want to voice my support for LB658. LB658 allows for the option to develop a Class I district, details the process for dissolving a Class I district, and requires the single affiliation with a K-12. LB658 recognizes local control and eliminates many of the factors and complications that created frequent anxiety for those of us formally associated with a Class I school. Great things happened at Cheney School. However, the majority of former parents and all former staff members of Cheney recognize that it is time to move on. For the staff and students at Norris, we have settled in. We have been assimilated into Norris school district and are now proud to be a part of a larger learning community of academic excellence and collaboration. LB658 represents excellent compromise for those who have a past with Class I districts and for those who may choose to have a future association with a Class I district. Therefore, I urge your support of LB658. Thank you. [LB658]

SENATOR KOPPLIN: Questions for Ms. Rupert? Senator Johnson. [LB658]

SENATOR JOHNSON: Thank you very much for a very good presentation. [LB658]

MARY JO RUPERT: Thank you. [LB658]

SENATOR JOHNSON: As did the gentleman before you. What popped into my head was this. As the person who did speak before you told about that in absorbing the Class

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I's, and maybe this isn't quite what his situation was, but let's just say that you did then end up with an excess number of teachers and staff of other kinds. I guess as I think about it, there would be a couple of different ways that you handle that. One is you absorb them and bloat the budget beyond reasons, shall we say. But the other things that you could do is you could give preference to the Class I teachers that transferred in or you could give preference to the teachers that were there or you could have an open competition between all of them and pick out the best ones, the teachers. How would you go about doing it? [LB658]

MARY JO RUPERT: Well, I think there are some legal parameters as far as how that would, in fact, be done. However, in our experience, fortunately, that was a decision that did not have to be made. [LB658]

SENATOR JOHNSON: Yeah, but he does. [LB658]

MARY JO RUPERT: He does, I know. And I can't speak for his situation, but, you know, and there's only so many resources available and oftentimes personnel have to be cut and tough decisions have to be made. One thing I do want to address. Earlier in the testimony there was a comment that was made that, I think, kind of implied that Cheney School is no longer in operation because of action that the Norris school board took. I do want to clarify that we did have family members that could have attended that building, but those families chose to not attend Cheney as an attendance center. That was not a decision that the Norris school board made. Thank you. [LB658]

SENATOR KOPPLIN: Okay. Other questions? Senator Avery. [LB658]

SENATOR AVERY: I have a comment really. It seems to me that one of the things you could do with the extra teachers is improve your student/teacher ratio. I don't know if that's what you did or not, but that's how I would go about it. [LB658]

MARY JO RUPERT: Well, and I think to some extent that was, you know. I don't know if you know the particulars about Norris, but it's a very growing school district, and so fortunately the staff that we had were going to be able to be assimilated into the Norris school district, and that's been done very effectively. Norris was also opening a new building, and so they were able to, I think, reduce some of their class sizes in their elementary, which then made the opportunity for those elementary teachers from our Class I to, in fact, have jobs. [LB658]

SENATOR AVERY: And there was no nostalgic affection for that old schoolhouse that people would want to stay there and hang onto the past? [LB658]

MARY JO RUPERT: Oh, I'll tell you. I've gone back there a couple times, you know, for various reasons and yeah, it gets emotional. It's tough. It tugs at my heart, but we have

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accepted the situation and we're going to move on. And I think that, in fact, reinstate Class I's just without any parameters that it would be counterproductive to quality education. [LB658]

SENATOR AVERY: Just out of curiosity, how many grades did you have at Cheney? [LB658]

MARY JO RUPERT: We were a K-7 building. [LB658]

SENATOR AVERY: A K-7 building. [LB658]

MARY JO RUPERT: Yes. [LB658]

SENATOR AVERY: And how many teachers were in the building? [LB658]

MARY JO RUPERT: We had four classroom teachers. [LB658]

SENATOR AVERY: Um-hum. For seven grades. [LB658]

MARY JO RUPERT: Pardon me? [LB658]

SENATOR AVERY: For seven grades. [LB658]

MARY JO RUPERT: For eight grades, actually. [LB658]

SENATOR AVERY: For eight grades. Oh, yeah. [LB658]

MARY JO RUPERT: Yes. [LB658]

SENATOR KOPPLIN: Other questions? Thank you, Mary Jo. [LB658]

MARY JO RUPERT: Thank you. [LB658]

SENATOR KOPPLIN: Next proponent. [LB658]

CHAD BAILEY: (Exhibit 30) I'm Chad Bailey, B-a-i-l-e-y, from Holdrege. I'm a former Class I board member and I'm actually a teacher at Holdrege High School, and I'm taking a personal day to come down and enjoy the process of our government, and it's getting late so I'm going to rush through this. A lot of what I would like to talk about has already been spoken to, but I think the most important thing that we're talking about is, as we have in several years, in our state is education, and more importantly what we're going to do for our students. And there are a number of positive options I see in LB658. First, it points out that the Class I's would not be reinstated, but it's a possibility of

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working through restructuring that to affiliate with one K-12 district, which I feel is an essential part of our school system to be effective. Secondly, the bill calls for a method of dividing assets and liabilities. Holdrege was burdened severely by LB126. I wrote down here, we absorbed 21--what would we equivalent to 21--teachers and administrators from Class I's, and 168 students, and not receiving all of the assets. And I had divided that up amongst the three Class I's in the Holdrege area. Plus, the Class I's lost the REAP funds for the school year, because of LB126. So I would be in favor of the LB658, and the evenly distributing of assets and liabilities. And then, the final thing, in LB658 is a proposal calling for at least three resident students to enroll in a district. I feel that number is too low. A number that I threw in there would be 10. The first school district I taught at, K-12, had 62 students. And we went through a merger and it was about five or six years overdue. So I point that out. I'd like to thank you for all the testimony you heard today. It's been a long day, and I'm looking forward to sitting in one of those seats someday as a state senator. That's my only other goal in life. Be a teacher and be a state senator. Can't afford to quit teaching to be a state senator, though. (Laughter) [LB658]

SENATOR KOPPLIN: Are there questions for Mr. Bailey? Thank you, Chad. Next proponent. [LB658]

RENEE JACOBSON: (Exhibit 31) My name is Renee Jacobson and after the last time I was here, I owe you a couple of minutes. So I will go very quickly through this today. Jacobson is spelled J-a-c-o-b-s-o-n. I am the superintendent of Plattsmouth Community School District in Cass County. If the committee feels it is necessary to allow for the formation of Class I school districts, I believe that LB658 is the vehicle to do that. However, I would encourage you to strengthen the language related to curriculum and services for special education students. In Section 63, which amends 73-716, this bill states that every affiliated high school district shall undertake efforts to provide for coordination of the curriculum between the elementary school program of instruction of participating Class I districts and the high school program of instruction of such affiliated high school districts. I forgot my glasses today. I respectfully request that you require Class I districts to coordinate their curriculum with the affiliated high school program of instruction. When LB126 was debated, I came before this committee to encourage the adoption of a bill that explicitly required K-12 articulation of curriculum because in our system there was no mechanism for bringing the Class I district to the table for such discussions. I am back here today to remind the committee that our priority, the essential need, is for the education of the children. We need your explicit requirement to ensure that curriculum is K-12 for every child in the state, not just for students in Class II, III, IV, and V schools. Second, I would ask that you require Class I schools to consult with their affiliated high school district to ensure appropriate services for special education students and to ease the transition. The graph that you have received helps document my reasons for asking that consultation is required of the Class I's. As you are aware, when budgets are made the state certifies budget authority for Class I's plus

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special education costs. One way of getting more budget to a Class I school is to inflate the special education costs because those costs cannot be denied by the affiliated district. I can tell you with my knowledge now of the caseload of special education students, and looking at both number and severity, at Stull their numbers and severity did not support the dramatic increase that you see in the budget on that graph. Please do your part to ensure that the students are properly served, and that all taxpayers are equitably taxed. Any questions? [LB658]

SENATOR KOPPLIN: Questions for Dr. Jacobson? Thank you, Renee. Next proponent. [LB658]

ROBIN STEVENS: (Exhibit 32) I, too, want to thank the senators for their patience and diligence today. As I looked at my precincts and as I testified earlier about our 60-40 split to reject LB126, and I've heard 90 out of 93 counties rejected it, and as many of the testifiers have brought to your attention quite eloquently, generally speaking, you know, the voters have spoken. And so I believe that you folks are obligated to do something with the Class I school districts. It is my opinion that LB658 provides, again, the best opportunity to accomplish that. I am going to, now, refer you to the very bottom of the information that I have given you and then onto the back. LB658 allows the newly organized Class III districts to stay in existence until action is taken to recreate the Class I districts. As you know, the other reorganization proposals provide for the Class I districts to be recreated and then rejoin the Class III if they so desire. By allowing the steps in LB658 to take their course, the planning time to reorganize into a Class I district is more systematic and, naturally, better thought out. Because LB658 does allow for more time to recreate the Class I district, it also allows for newly created Class III districts to better monitor and evaluate the education process that has been created through LB126. Finally, I appreciate the fact that LB658 removes the Class VI option. It has been my experience that the Class VI hinders efforts to encourage communication, align curriculum, streamline the budget process, and make the best use of personnel. And you can refer to my previous testimony on that. In summary, LB658 gives school districts the amount of time needed to properly plan for the recreation of Class I districts, and it allows the districts the time needed to better monitor and evaluate their newly organized Class III districts. Once again, I want to thank all of you for your time. [LB658]

SENATOR KOPPLIN: Any questions for Robin? Senator Burling. [LB658]

SENATOR BURLING: Thank you for your testimony. Let's say a Class I was formed out of this bill and they're affiliated with the K-12. How is that relationship different than the former Class VI/Class I relationship? You kind of elude to that in your testimony here. [LB658]

ROBIN STEVENS: The Class VI, and I'm going to probably spend too much time in this in giving some background, but the Class VI had the high school and then the Class I

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attendance centers. Each of those attendance centers had their own school boards. We set their budgets. That was probably the biggest concern that I have had with the Class VI. In the new created Class IIIs, those districts that recreate Class I's would be given their formula for the creation of their budget from a state set formula rather than from the high school board setting their budget. So that would be one of the things that I see as a major difference from a Class III to the Class VI. [LB658]

SENATOR BURLING: Okay. [LB658]

ROBIN STEVENS: Did that answer your question? [LB658]

SENATOR BURLING: That helps. [LB658]

ROBIN STEVENS: Okay. [LB658]

SENATOR KOPPLIN: Any other questions? Thank you, Robin. [LB658]

ROBIN STEVENS: Thank you guys. [LB658]

SENATOR KOPPLIN: Next proponent. [LB658]

ROB BRIGHAM: (Exhibit 33) Good afternoon. My name is Rob Brigham, B-r-i-g-h-a-m, and I am the president of and representing the Wahoo school board. My first point, I believe that most schools in Nebraska, including the former Class I's, provide a high quality education. But to us this is not a quality of education issue. It's an efficiency of education issue. Resources are limited and we need to do our best to educate all the students to the highest level possible, keeping in mind the limited resources that we have. We about 350 students in our elementary school. If Class I's are reestablished, it is unlikely that we will reduce staff, because we didn't have to add to accommodate the students that came in. As is, we can educate all of the students for approximately \$2.1 million. If the four Class I's that were in existence on November 30 of 2005, are reestablished, we will spend the \$2.1 million plus the cost of at least four more teachers and the operation and maintenance of four more buildings. At a very low estimate, that is well over \$100,000 more to do the same exact job. If we can deliver an equally good or better education at a lower cost, it is our responsibility to do so. For the districts that are not in a similar situation, LB658 gives the power to create Class I districts. My second point, two Class I's closed voluntarily and two closed by the operation of LB126. A board member of one of those two called me saying that it was unlikely that there would be enough kids to justify the attendance center. Additionally, when we discussed temporarily closing the two attendance centers that we had only one mother, who you heard from today, came to speak against our proposed action. So therefore, we have dealt with at least three of the four, generally, to their satisfaction. Yet, if LB30 or LB234 are passed, we will have to deal with that whole situation again. Quite possibly against

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the will of those districts that have dealt with it and moved on. LB658 allows for the recreation if desired, but does not force or cost anything if there is no desire. We have kept funds from the closure of Class I separate, but we have educated their former students, we've maintained the buildings, and we've incurred other costs that would have been theirs. LB30 and LB234 proposed to give back what was theirs as of November 30, 2005, plus, anything that they would have had if they remained open. That doesn't account for the fact that we had four districts operate and spend money up to June 15, 2006, including spending to support causes that were contrary to the whole district's benefit. Additionally, it is unfair to the districts that have done all they can to deal with all the other factors, such as reducing former staff to make room for Class I teachers, negotiated buyouts with staff, and dealt with this whole situation in general. My last point, if the vote to repeal LB126 was a clear mandate to reinstate Class I's, there should be no problem with the proposal to allow for a vote by all affected, not just by those in the proposed Class I district. In conclusion, I ask what issue is not addressed by LB658. It continues to provide for a quality education for all while respecting the limited resources to do so. There is a process to create a Class I, if desired, without forcing those without the desire to deal with the issue again. It is most fair to the affiliated K-12 district, and it allows for the will of the voters to control without having to assume what the vote to repeal LB126 meant. Thank you for your time. [LB658]

SENATOR KOPPLIN: Thank you, Rob. Are there questions? Senator Avery. [LB658]

SENATOR AVERY: Thank you for your testimony. I'm a little bit concerned about your first point. Did you really mean to say that quality of education is trumped by efficiency in education? [LB658]

ROB BRIGHAM: No, my point there is that I think we all provide a quality of education, a high quality of education, in the state of Nebraska regardless of whether you're a Class I or a Class III or anything else. I think our former Class I's did that, and I heard a lot of testimony earlier today about we provide a quality education. I have never disputed that. And so I just wanted to make it clear that that's not the issue to us. The issue is let's provide a quality education at the most efficient price that we can, and I think that's what the example showed. [LB658]

SENATOR AVERY: Thank you. [LB658]

ROB BRIGHAM: Thank you. [LB658]

SENATOR KOPPLIN: Other questions? Thank you, Rob. Any other proponents? [LB658]

ED SWOTEK: (Exhibit 34, 35, and 36) Guess it's good evening now. Chairman Raikes,

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distinguished senators, Education Committee, my name, again, is Ed Swotek, S-w-o-t-e-k, and I reside in Lancaster County. I speak before you today in support of the framework of LB658. As I addressed in my supportive testimony for LB30, the entire question surrounding the future of Class I schools boils down to, again, two simple questions. What is it that Class I supporters really want? And how do we fairly and equitably get there with a solution consistent with state policy? What is it that Class I supporters want. It's two simple things--legitimate self-governance and budget authority. The loss of these two fundamental local control issues is what gave rise to the repeal of LB126 last November by an overwhelming majority of voters in 90 of 93 Nebraska counties. Secondly, how do we fairly and equitably get there? I would, again, like to answer this question by speaking about a two part solution: the process to get there, the journey, and where it is when we arrive, the destination. I believe a flow chart is being circulated to you about the structure of LB658. LB658 is the destination. Under Section 6 of this proposed bill, a newly created Class I district with its own self-governing school board and budget authority, would be formed within its affiliated K-12 district. This is consistent with state policy in that it provides for a uniform K-12 system, not the dual K-8/K-12 system Nebraska had in place prior to the initial enactment of LB126. However, the journey to reach this desired destination under LB658 is onerous and it is not consistent with the spirit and intent of the statewide mandate repealing LB126 last fall. LB658 calls for an overly burdensome and insurmountable process to create Class I districts where many Class I districts had previously existed. It involves a lengthy, biannual process that leads to as little as 30 days to circulate petitions in collecting a minimum 55 percent of registered voters in the proposed Class I district, and in excess of 15 percent of the registered voters in the larger combined Class II, III, or IV district to put the formation of the Class I district on the ballot. Senator Avery, to your point earlier, regardless of the fiscal efficiency and educational effectiveness of the proposed Class I schools, voters in the considerably larger Class II, III, or IV district will perceive a loss in the district's property tax base and will oppose any such Class I district formation. Yet, LB658 does provide an achievable framework to finally solve the Class I issue. It ultimately allows for Class I subdistrict with its own self-governing school board and budget authority. It calls for a uniform K-12 structure which is consistent with state policy. It just doesn't provide a fair and equitable process to get there. LB30 does that process. A second chart was circulated showing a combined LB30 and LB658, which I believe can solve the Class I dilemma that has cost this state an immeasurable amount of time, money, and emotional capital. Ladies and gentlemen, it's time to put this chapter of Nebraska's educational history behind us and move on with a reasonable and equitable solution consistent with state policy yet responsive to the needs and desires of voting taxpayers. I urge you to support the framework of LB658 as a starting point for the Class I solution. LB658's end result, the destination, combined with the fair and equitable process of LB30, the journey, can positively resolve this educational quandary. Thank you. [LB658]

SENATOR KOPPLIN: Questions? Seeing none, Ed, thank you. Other proponents. Are

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there opponents? Okay. [LB658]

JOHN RECKNOR: Good afternoon, ladies and gentlemen of the committee. I appear here in opposition to LB658 for a variety of reasons, and because the hour is growing late and you've already heard from me, I'll try and be brief. You've probably heard about the lose-lose situation where the shipwrecked guy saw a ship coming on the horizon. When the ship stopped to pick him up he was relieved to be rescued until he found out he was taken aboard a slave ship. Well, what I'm suggesting to you is these people that have voted to get rid of LB126 don't really intend to live under the tutelage of another political subdivision. That isn't what they're asking you for. That isn't what they told you they thought of LB126. And of all the testimony you've heard in support of this bill, it would really have been germane two years ago to support an LB126. It has nothing to do with referendum 422, which I think very starkly and clearly told you, no thank you on LB126. Now what kind of slippery slope are we headed down if we have to have a vote someplace to decide whether a vote we took someplace is really a vote? And that's, in essence, what you're asking these Class I supporters to do. And to do so is to exert absolute arrogance against the will of 287,000 people, and I respectfully suggest to you, you don't have the right to do that. I would also respectfully suggest to you that you need to get your head around the Pony Lake case, which says that a vote to repeal LB126 means something. And I don't mean to come across as harsh toned, but I can tell you having been in this fight for 30 years, the many people throughout the state that this issue really resonated with, were trying to send a message bigger than the Class I message. It's not just whether you like Class I's or whether you don't like Class I's. We had many people in Scotts Bluff County tell us they couldn't care one way or the other about Class I's, but what they cared about was a vote being cast and not ignored. And what I've heard here this afternoon is how swell everything is going hither and thither, but I can tell you perhaps not everything you've heard here today is a complete "recountment" of what really happened. Did you know that there were people that lived across the street from the Cheney school district that were not allowed to go to the Cheney school district, because Norris wouldn't let kids who lived on Lincoln affiliated land go to the school district they lived next to. Is that life imperfect? Well, it doesn't sound like it to me. And what I'm saying to you is there's enormous resistance to having to come to this body and say will you please do what we told you to do. You have to fix this problem. And I don't disagree with Mr. Swotek that maybe this bill could in some grotesquely changed permutation constitute a vehicle by which you could fix it. But not at the expense of the freestanding nature of a Class I. We didn't come here and say because we didn't like what you told us, we're now willing to ask our neighbors what they think about us forming. The people said they want to be freestanding. They want to have an autonomous school district and they're owed that. And for that reason LB658 does not get us where we're going. [LB658]

SENATOR KOPPLIN: Questions for Mr. Recknor? Thank you. [LB658]

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JOHN RECKNOR: Thank you. [LB658]

SENATOR KOPPLIN: Next opponent. [LB658]

KEN MYERS: Thank you for the chance to speak again. My name is Ken Myers, M-y-e-r-s, from the Gates School. This LB658, to us, looks an awful lot like LB126. If it comes up to a vote of the K-12 that we've been taken over by, whether we'll have a Class I, we won't have Class I. This is important to our family and to our area. What was all the work we did for? What was the steps we went through to do things right to get this on the ballot? And then we defeated the bill and got it repealed. What was that for if all you do is put it back like it was? Is that a free country? No, that's not what we stand for. You can't just put it back like it was. I don't have a lot to say. I don't think that's right. I think there's a lot of issues that get made a lot more difficult than they are. We try to run a responsible district. This teacher thing with the teachers union, all the teachers got a raise that went from the Class I. So many of them did. We had to hire a teacher a few years ago at Gates. We had 11 applicants for the job. We interviewed five of them. Any one of them would have been excellent teachers. We've got two excellent teachers. Their raise was about \$11,000 when they went to Merna. They'd rather teach at Gates for less, because of the stress level you get with a K-12. They never had to coach a volleyball game or public basketball game when they was at Gates for the school. They never had all this after school extracurricular stuff. Now our kids never got to do that stuff either, but that's why we got teachers that work for less money, less was expected of them. And in turn, for that situation I think we also had teachers that excelled, because they weren't going to a basketball game after school. They were worried about their studies. They were worried about what they were going to teach tomorrow. We got a school that has done well. My daughter went to Broken Bow to a K-12. She has straight A's and she didn't get that from her dad. She got that from a good school system that does their jobs, that's not distracted by athletic stuff. I just really hope that you'll hear the people. That you'll give us a chance. We tried to be financially responsible, and we're doing a good job as far as teaching our students for what our surrounding schools do. And I guess that's it. If you have any questions I'm glad to answer them. [LB658]

SENATOR KOPPLIN: Are there questions for Mr. Myers? Seeing none, thank you, Ken. Next opponent. [LB658]

GEORGE LAUBY: My name is George Lauby from Dawson County, former Class I board member. I, too, find Senator Raikes' proposal, well, at least its intent to provide a mechanism to reestablish the schools as too cumbersome. It's, in effect, impractical. I don't believe that any K-12s are going to look kindly onto the establishment of a Class I school district within their boundaries. It wouldn't allow anything to come back for two years. It's a long time to be out of the loop of operating a school and then try to get started up again. Life in school is very complex these days and regulations and

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procedures are fast moving and fast changing, and you need to stay with them. Again, if we recreate the districts and provide some mechanism and encouragement for people to work out their differences I think we'll be on the best foot possible. It appears to be inequitable is the thing that Senator Raikes is searching for in all this procedure is more equity, but it appears to be highly inequitable that one of the most significant educational overhauls in the state is ever attempted through LB126 is all about all the districts a year after it was enacted, but yet we can't allow for the establishment of any for at least two more years. I don't think the voters are going to stand for that. I don't think people are going to like it. What I really fear is out of this we're going to get more fragmenting with education in the state. We're going to have a whole lot more movement towards charter schools and private schools or home schools or vouchers. And have tremendous political battles along those lines. Nebraska just doesn't seem to have that bad of public education system to me. It needs help, but it doesn't seem to need this overhaul and this potential fragmenting of who we are. Any questions?
[LB658]

SENATOR KOPPLIN: Any questions for George? Thank you. [LB658]

GEORGE LAUBY: Thank you. [LB658]

SENATOR KOPPLIN: Next opponent. Is there anyone wishing to testify in the neutral?
[LB658]

CINDE WENDELL: (Exhibit 37) Good evening. My name is Cinde Wendell, W-e-n-d-e-l-l, and I am superintendent of Holdrege Public Schools. I wasn't authorized by the board to take a position on this legislation, however, I would like to speak for Holdrege Public Schools and present some information. We merged with three former Class I districts through LB126. We also merged with another Class I in 2005. And we have appreciated the opportunity to work more closely with these Class I schools. We've grown professionally and we've grown personally together through the mergers. It's gone extremely well educationally for students and for teachers. We spent time together as professionals working on curriculum, assessments, technology, and instructional strategies. We are learning from our rural attendance teachers and they seem to enjoy the support of the K-12 resources. We don't want to separate what we have worked so hard to join together. It's working well, and our hope is to continue to work together for all students. For us to go back after all we've done to successfully merge into one district would be costly in dollars and relationships. Attached you will find a letter. And this letter was sent to me this morning from Class I teachers. And they wanted you to have this, and basically it outlines just more of what I have just told you. The K-12 district, in this case Holdrege, has been good to work with. They've provided students with all the educational opportunities that these Holdrege students have--access to technology, curriculum, and staff. There has been alignment of curriculum. As far as policies, Holdrege policies were adopted and this, too, was a good

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change. Some of the policies were outdated and in some instances there were no policies at all. The teachers felt this at the Class I. They go on to say there were a few changes made that some patrons in the district did not agree with. These changes did not affect the education of the students, but these changes were sports, grades 5-8; although, seventh and eighth grade sports were provided or participation was encouraged. They go on to say we just feel the students were treated well and fairly and the teachers have been treated fairly also. We were brought into Holdrege Public Schools with all our years of experience intact, all the benefits that Holdrege Public teachers negotiated. HPS, Holdrege Public Schools, went out of their way to make themselves available to answer our questions and make this transition as smooth as possible. So, I guess, on a positive note, we have enjoyed working with our Class I's and we think there's some really good things that have come from it educationally. So thank you for all your caring and your work for Nebraska students. [LB658]

SENATOR KOPPLIN: Any questions from the committee? Thank you for your testimony. Are there other people in the neutral? [LB658]

KENNETH O'MARA: Good evening. Kenneth O'Mara, O-M-a-r-a. We've been sitting here for many hours now and there's one thing you need to be thinking about. The people in the state of Nebraska voted to repeal LB126. We've heard about 90 out of the 93 counties voted to repeal. Every senatorial district voted to repeal LB126. Senator Raikes says you can't go back and protect a class. You aren't going to protect them if you go back and put them as they were prior to LB126. And that's what was voted on by the people, to repeal LB126. So everything that has been done under that law should not exist. The people voted to repeal LB126. They voted that things should be as they were prior to that. Senator Raikes talks about K-12 school districts. I've never received a tax statement on a piece of property yet that was not in a K-12 school district, and that covers quite a few years. The entire state of Nebraska was in a K-12 school district of some kind, be it Class I/Class II, Class I/Class III, Class I combination, up through Class I/Class VI's. I think this group needs to look at the vote of the people that says LB126 did not exist because we repealed it. The Class I's need to go back as they were prior to the passing of LB126, and then let the people decide what they're going to do. You've heard testimony how many schools were going to close, and I can tell you there will be many schools that will close. They would've closed without LB126. So please, remember the people voted to repeal this and in repealing, I believe they knew what they were doing and the Constitution says "we the people." Thank you. Questions? [LB658]

SENATOR KOPPLIN: Thank you. Are there questions for Mr. O'Mara? Thank you, sir. Any other neutral testimony. Senator Raikes, would you close? [LB658]

SENATOR RAIKES: (See also Exhibit 38.) I would. I must apologize. In my exuberance over the possibility of a proponent testifier, I kind of lost control (laughter) and I had an

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amendment that I needed to tell you about. And perhaps it's already been circulated...
[LB658]

SENATOR AVERY: It has. [LB658]

SENATOR RAIKES: ...but several people have spoken to the issue raised in this amendment and that is if you are a K-12 school district that took in a Class I district and are maintaining that building. And in fact, what I'm thinking about here is not only the situation where you are maintaining the building, but also to provide an encouragement to maintain the building. If it's an elementary attendance center and it's more than seven miles from the nearest other elementary center in your district then you would get a remote elementary allowance, which would be a per-student allowance in the aid formula amounting to, in effect, getting the sparse payment rather than the standard payment for every student you serve in that elementary building. So again, it's just a financial incentive/provision to help school districts that are serving, and in fact, encourage them to continue to serve students in remote elementary centers. [LB658]

SENATOR KOPPLIN: Any questions for Senator Raikes? Okay, that will close the hearing on LB658. Thank you for your participation. [LB658]

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Disposition of Bills:

LB30 - Indefinitely postponed.
LB234 - Indefinitely postponed.
LB357 - Indefinitely postponed.
LB658 - Advanced to General File, as amended.

Chairperson

Committee Clerk