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EDUCATION COMMITTEE CRETE
October 07, 2013

[LR182]

The Committee on Education met at 4:00 p.m. on Monday, October 7, 2013, in Crete, Nebraska, for the purpose of conducting a public hearing on LR182. Senators present: Kate Sullivan, Chairperson; Tanya Cook; Al Davis; Ken Haar; Rick Kolowski; and Les Seiler. Senators absent: Jim Scheer, Vice Chairperson; and Bill Avery. Also present: Kate Bolz.

SENATOR SULLIVAN: Good afternoon, everyone. Welcome to LR182 public hearing, the resolution that is charged with the responsibility of studying how we deliver and fund K-12 education in this state. I'd like to thank Crete Public Schools for hosting us. And Superintendent McGowan, would you like to make some...give us the official welcome?

KYLE MCGOWAN: Well, welcome. And also, I don't know if your microphone is turned on. It might have a little button on the top that you can pull. This is homecoming week for us and we all need you to give good karma to Crete. There is a Seward superintendent here who we're playing against who I think their team has been in (inaudible) homecomings this year. (Laughter) I'm just teasing, Dr. Barnes. Bathrooms, the men's bathroom is this door off the left. The ladies' bathroom is this door off to the right. And we welcome you and appreciate your time and effort for this important topic. Thanks.

SENATOR SULLIVAN: Thank you, Mr. McGowan. I'd like you to get to know the Education Committee a little bit. My name is Kate Sullivan. I'm Chair of the committee. I'm from Cedar Rapids. I represent District 41 which is a 9-county area in central Nebraska. And I'd like the other members of the committee to introduce themselves. We'll start with Senator Haar.

SENATOR HAAR: My name is Ken Haar. I'm state senator from LD21 which is northwest Lincoln and northwest Lancaster County.

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SENATOR COOK: My name is Tanya Cook. I'm the state senator from Legislative District 13 which is northeast Omaha and Douglas County.

SENATOR DAVIS: I'm Senator Al Davis. I represent Legislative District 43 which is 21 percent of the state of Nebraska, 13 counties and 16 school districts from Crawford to Springview on the north and down to North Platte on the south. Thank you.

SENATOR KOLOWSKI: Good afternoon. I'm Senator Rick Kolowski. I'm from District 31, the southwest area in the Omaha area with portions of Millard and a little piece of the Elkhorn School District. Thank you.

SENATOR SULLIVAN: We have a new senator, Les Seiler of Hastings. He's on his way from Lincoln. He'll be joining us shortly. And then two other members of the committee are not able to be with us today: Senator Jim Scheer of Norfolk and Senator Bill Avery of Lincoln. But we do have three able-bodied staff people who help us keep the ball rolling on these hearings and make sure that they're adequately recorded. To my immediate left is Tammy Barry, legal counsel for the committee, as is LaMont Rainey at my far right. He's also legal counsel for the committee. And to his left is Mandy Mizerski who is the committee clerk and will make sure that, as I said, these hearings are appropriately recorded. Why don't I give you a little background on LR182. I know you're all familiar with it. But as I said earlier, we're charged with doing a study of how we fund and deliver public education in this state. And when the committee came together at the end of this last legislative session to begin our work, we decided that we wanted it to be...and start with a blank slate. So it wasn't so much that we were looking at the current TEEOSA formula and what is or isn't working although we're open to hearing those comments as well, but also, what are they thinking outside the box and seeing if there are new and different ways that we should look at. And I want you also to know that while we have talked about a lot of different ideas and heard a lot of different ideas in our Executive Sessions thus far, the committee has not reached a consensus on any

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issues nor are we having been..brought to the point of making any recommendations. So we are truly here to listen and do value and want your input and hope that will be accomplished. We've already had four hearings, and just came from Omaha earlier today. They've all been very well attended. We heard some good testimony and we're expecting that here today. So as far as the...oh, and I would say also that in addition to these hearings, because I chair the Education Committee, I'm also a member of the Tax Modernization Committee. And as you know, that committee has been having other hearings, and we'll have two additional ones in Lincoln and Omaha next week. And at every hearing of that group, the issue of state funding and property taxes and how we fund our schools has come up. And so again, we've been hearing a lot (inaudible), but we're also eager to hear your comments as well. So as far as logistics for the hearing, if you're planning to testify there are green sheets at the table right at the bottom of the stage. I'd like you to fill one of those out and bring it up with you when you come to testify. It needs to be filled out in its entirety. Print your name and then when you do come up to testify, hand the green sheet to LaMont. And then when you begin your testimony, be sure to spell your name and so that we again, have an accurate record. If you don't wish to testify but want to be on record of having been here, please, again feel free to sign the sheet by the green sheets. If you also have copies that you would like to be made part of the official record, please give those to LaMont as well. And if you have handouts for the committee, we'd like you to have 12 copies if possible to make sure that all the senators and the staff have copies. I would like you to turn off your cell phones. And I think that probably...the microphone will be on. I don't think that we're going to have a problem with any extraneous noise. And I think the microphones are sensitive enough that we'll be able to hear everyone. Even though we don't have a large crowd here today, just to be respectful of everybody's time, I will be limiting the time of testimony to five minutes and then allowing just some questions from the senators if they have any. So with that in mind, I think I've outlined what everybody needs to be aware of. So we'll open the hearing and ask for the first testifier. [LR182]

KYLE McGOWAN: I think I have plenty of copies here. So it's not as intimidating as it

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looks. [LR182]

SENATOR SULLIVAN: Welcome. [LR182]

KYLE MCGOWAN: (Exhibit 1) Thank you. I don't know if it's good to be first or last or if it makes any difference. But my name is Kyle McGowan, K-y-l-e, McGowan, M-c-G-o-w-a-n, and I'm superintendent at Crete Public Schools. And thank you again. Just so that you know a little bit about Crete Public Schools, many folks to the east might consider us rural although we have 1,850 or so students which makes us the metro school in Saline County and in District 32. So we...it's all relative. And as I talked with Senator Davis from being in Hyannis, there's quite a diversity that we all recognize in this room. The percentage of our minority students is twice the state average. The number of ELL students that we serve at Crete Public Schools is four times the average school district in Nebraska. State aid is very important to us. About 50 percent of our revenue comes from state aid. Our valuation is \$821 million. And that's not a lot in the scope of our size of district. So it's an important topic. Something that I want to make sure that I'm record on saying is we don't believe that the current TEEOSA formula is totally broken. In fact, we think it works most of the time. And this idea of tweaking the formula ends up with winners and losers. And you guys hear that much more than what we hear it. Our interest in our size of school district is similar to many other Nebraska schools. And in fact, in an effort to really kind of focus on the intent of the formula, there's a fledgeling group of us called STANCE. And the STANCE group is an acronym for Schools Taking Action for Nebraska Children's Education. And our effort is really not to count the dollars of the winners and losers, but to really look at the intent of the formula. For example, averaging adjustment; we didn't have averaging adjustment last year. It's being discussed. I gave you a handout that showed a spreadsheet of about, oh, a little over \$11 million of what would happen with an averaging adjustment. Our question is not so much the 18 schools that would get that \$11 million. Maybe they're very well deserving. My question and the STANCE group question would be: What's the intent of averaging adjustment? Is the purpose of that part of the formula to recognize

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school districts that are already taxed at their maximum and are low spending? Or what's really trying to be accomplished with it? Because in terms of Crete Public Schools, we would be in favor of a position that recognizes schools with...that are already taxed to the max and are growing and a source of funds. Crete is a relatively low-spending school, although we would not personally...or this year would have benefited from averaging adjustment which is fine depending on what the Education Committee or the Legislature is looking to do. One of the things that affects all of Nebraska schools is special education regardless if you're equalized or not. And I took a look at Crete's situation with special education. And just this past year, our budget for special education services was \$2.3 million. Of that from the federal and state we received \$1.1 million in reimbursement. So it's about 48 percent of our required special education funding was reimbursed. That number is dropping drastically. Just ten years prior, our expenditure for special education was \$845,000 and we received \$600,000 in reimbursement. That's 71 percent. We all know the mandate. We're not arguing with how important it is to serve all children, but certainly the cost of that expense is going up and the reimbursement is going down. My hope is that the state can either one of two ways: put more money in that fund for all schools, or talk to the federal government about contributing what they're supposed to be putting into special education. Now I've asked my business manager to come talk specifically about some components of the state aid. And I just want to speak about one more thing before I'll try to answer any questions. But preschool and early childhood, a little bit of a difference. Preschool we tend to think of 4-year-olds, and early childhood we tend to think of a 0 to 3; hugely effective program at Crete Public Schools. So today as I speak to you, we serve about 160 children, in that range. We have great data that shows the impact of how we stop the achievement gap before it starts. The children that go to our preschool have outperformed the children who didn't go to our preschool in some testing at kindergarten. And so we think that's very positive. The unfortunate piece of that next data is that by 4th grade, half of those children are gone from Crete Public Schools. So again, I don't think it matters whether you're an equalized or an unequalized district. Everybody would, in Nebraska, would benefit from services for early childhood

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education. And then, of course, it wouldn't matter if children are moving within the state. I'm going to stop there and just see if there's any questions. [LR182]

SENATOR SULLIVAN: Thank you, Mr. McGowan. You indicated that special education reimbursement is down compared to what it had been. Are your needs in special education increased and in what ways? [LR182]

KYLE MCGOWAN: Absolutely. Our percentage numbers are going up slightly, but the type of needs that kids are having, particularly autistic children, are just very, very costly. [LR182]

SENATOR SULLIVAN: And with respect to your early childhood programs, what percent of the population are you reaching? [LR182]

KYLE MCGOWAN: Well, a better way to say that is we have a waiting list for children. Our early childhood program prioritizes kids. So if you are from a non-English-speaking family, if you are from a low-income family you would be prioritized and receiving services. [LR182]

SENATOR SULLIVAN: Thank you. Any other questions? [LR182]

SENATOR DAVIS: You talk about benefits of pre-K and early childhood. And the way I'm kind of interpreting this and I want to be sure, you said, whether it's equalized or nonequalized, it makes sense. So are you suggesting that there be some sort of permanent addition to the formula that would support that? [LR182]

KYLE MCGOWAN: I am. I am. I think as we spoke briefly beforehand, you know, the fact of the matter is Nebraska has a revenue problem. It's not like everybody in this room doesn't want to put more money into education. That's why we're all here. There is no more money or currently. So how do we come up with? But there is no doubt in my

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mind or any educator's mind of the benefits that come from early childhood education. And we have our data, but there's mountains of other information out there that would show it. So here's what is an important factor of that. Are schools contributing enough already because there's no...Crete Public Schools was providing early childhood programs before the state was giving us any money. But the only way we were able to do that is to apply for federal grants. And then you look for space. And so we're in a basement of a church or we partner with somebody, other groups. So that can happen already, but it is more difficult for schools that maybe don't have the budget authority or, frankly, have some other issues that I just described to you. Our school board made a commitment to serve those 160 preschoolers and it's paid off for us. [LR182]

SENATOR SULLIVAN: Senator Kolowski. [LR182]

SENATOR KOLOWSKI: Thank you, Madam Chairman. Superintendent McGowan, thank you for hosting us and thank you for your comments today. The aspect of the mobility of parents, of families...if some of the figures I usually see of one out of every five households ends up moving every year across the country, I don't think that we're that out of line in Nebraska to see where that mobility takes place. You make an excellent case for everyone having early childhood because kids move everywhere and that's all part of it that we need to think about. And you have input into and time and energy and money into those kids and then they go elsewhere, yet you still get kids from elsewhere where they haven't had that background and they enter your schools in some cases less prepared because of...you have the data on that. So I think you really make a great case for what we believe in, what we'd like to see happen in early childhood. And having had a wife who worked in that area for many, many years, I know very well what you're talking about; and I hope we might be able to give very serious consideration to that issue on a state level and rethink what we're doing there. UNL has a great push on that... [LR182]

KYLE MCGOWAN: Yes. [LR182]

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: ...through the programs that have been established there. And we could be a leader in the country for that aspect of our total P-12 education experiences for kids. So thank you. [LR182]

KYLE McGOWAN: Thank you. [LR182]

SENATOR SULLIVAN: Senator Haar. [LR182]

SENATOR HAAR: I don't think anybody that's testified has been against preschool, early learning obviously. But we've had various ideas on where that money should come from, all the way from, gee, we ought to...I think somebody in Omaha this morning had said we ought to take money that we're spending for K-12 and put it in early learning. So just redistribute the money. Other people have said we need to put more money into the whole process. Do you have any thoughts on this? [LR182]

KYLE McGOWAN: Yes, I've got a lot of thoughts on it. And the first one is if you're really committed to the program, you're going to find the money. And Crete Public Schools found the money. And fortunately, as that money has deteriorated, the state came on board and provided aid to the four- and five-year-old programs. It still comes down to not enough money...the pie is not big enough. So what I like about putting more money into the formula for preschool, early childhood, is it might be harder to take it away. But at the same token I think Seward Public Schools would benefit as much as Crete Public Schools does as far as having those programs. And so if it's in the formula in such a way that a nonequalized can't benefit from the funds, I don't think that works for all of Nebraska. So the net result is more money. And it's wherever...whether you want to put it in the pie or outside the pie, so to speak, is the question. I don't know. Did that answer? [LR182]

SENATOR HAAR: Okay. Thank you. Thanks. [LR182]

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SENATOR SULLIVAN: Thank you for your testimony. [LR182]

KYLE McGOWAN: All right. And I don't mean to pick on Seward very much, but they're a great school system. [LR182]

SANDRA ROSENBOOM: (Exhibit 2) I'm Sandy Rosenboom, the business manager for Crete Public Schools, S-a-n-d-r-a, last name R-o-s-e-n-b-o-o-m. My testimony has some charts that the committee may like to look at. Thanks for taking your time to listen to all our thoughts about financing public schools in Nebraska. I have attached to my testimony two charts with information about the schools just in District 32 which is the legislative district we're in. And I'll refer to them briefly just for illustration purposes. And I'm going to address three topics on your list of topics for input. The first is the idea of reducing the reliance on property tax through option local income or sales tax. On the surface, this sounds like a possibility. But it would add complexity to both the school finance and the tax collection systems. One factor in good tax policy is that a tax should be efficient to collect. If local income and sales tax would probably be collected at the state level and then it would be redistributed back out to the school districts. This adds expense and a step in the process. The amount that would be generated by districts across the state would vary widely and make a district's revenue even more unpredictable. Collecting income tax locally also creates another fairness issue. Some of the land and businesses in a district are owned and/or farmed by people who reside in another school district. Thus the income generated would be credit to that other's district, not to the district where the business or the land was located. People would also pay sales tax in neighboring districts. All of these details indicate to me that collecting sales and income tax is probably better left as a state function with the state using that money to fund state aid to schools. Another idea mentioned was providing a minimum level of funding for each district. This to me is counter of the goal of the current equalization formula. As you can see on chart A which is the first one, District 32 is a little bit different in that an awfully lot of the schools in the district are nonequalized. In

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fact, only three of the schools are equalized. But four of those have become nonequalized in the last five years. The chart is sorted by valuation per student. Crete has a valuation per student of \$464,800 per student. Well, the nonequalized districts have anywhere from \$1 million to \$3 million per student. Multiplying those valuations per pupil by the Crete's \$1.04 general fund levy shows the ability--that's in the last column--of the...shows the ability of each district to locally fund their district. The first three on the list, even though they have the lowest average daily membership cost, they still need equalization to supplement the local funds. If a minimum level of aid is given to each district as the idea suggests, some districts would get state aid that could get it locally, unlike the total aid for the state. Unless the total aid for the state was raised to cover this aid going to nonequalized districts, equalized districts would probably get less than they need. I very personally understand the problem of rising farmland values and property tax. Increased property value does not translate into an increased ability to pay. On chart B, you will see the increased valuation and the change in levy over the past five years of these District 32 schools. Crete has the lowest increase because of a flat residential market and a higher percentage of our valuation coming from residential and commercial property. Only Crete did not see a decline in revenue. The farmers in our district, however, did see 80-plus percent increase in valuation of their land. But they could not benefit from a lower levy because we could not lower the levy due to our increasing needs. Valuation growth was not enough in those five years to allow us to lower the levy. The district is growing. The needs are increasing. Our farmers need equalization funds in order to continue. There is something very unfair about the profitability of a farm being so contingent on the school district that it sits in. The disparate general fund levies are also creating tax havens that will discourage future consolidation of very small districts. The third idea I'll make a brief comment on is recognizing additional need for unavoidable cost. The current formula does this, and it needs to continue. This fall, Crete had a poverty rate of 55 percent, 26 percent of our students were ELL, and 17 percent had special needs. Five years ago these percentages were 38 percent for poverty, 17 for ELL, and 13 for special ed. If you decide to use a single per student need factor, it would be very important that these

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other cost factors that you add for ELL, poverty, etcetera, be allowed to grow with that changing demographic. Please don't put a single...a total allocation for these different allowances and then not increase it in future years. Thank you for your consideration on these very complicated issues. [LR182]

SENATOR SULLIVAN: Thank you, Sandy. Any questions? Sandy, you have, in addition to focusing on some of the ideas that have been discussed to the committee, I know that you have a good handle on the TEEOSA formula. If you were to hold up some things that from your perspective aren't working or not as effective as they are under the current circumstances, what might those be? [LR182]

SANDRA ROSENBOOM: I think the time for instructional time and teacher education...the original purpose for them doesn't justify them to be continued. Those either need to be phased out or eliminated entirely. And I think that's getting to be more the common feeling among business managers. [LR182]

SENATOR SULLIVAN: Thank you. Any other questions? [LR182]

SENATOR DAVIS: One. Recognizing the dilemma that all school districts seem to be in with regard to the levies, and this is where the idea of sales and income is maybe an option. And obviously there are issues that we'd have to work out. But what would you think about relaxing the \$1.05 levy lid? [LR182]

SANDRA ROSENBOOM: Raising it? [LR182]

SENATOR DAVIS: Uh-huh. [LR182]

SANDRA ROSENBOOM: No, I would...frankly, very frankly, it needs to probably go the other direction because...this will tell you how long I've been around which is too long. When Jerome Warner first proposed the levy limits, his idea was that they would go

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from \$1.10 to \$1.00 to \$0.90. And I think we need to be going back to that idea of going down to 90 cents. This solves some of the problem of too many nonequalized districts that I don't...raising the levy limit causes more of the property tax problem that we've got. I think we need to be increasing the income and sales tax aid from the state rather than pushing more of it on to the property tax. [LR182]

SENATOR DAVIS: You know, that's kind of the sticky wicket that we're in. We really can't fund the formula the way it was funded in the '90s. It would take another \$500 million which we don't have. So you know, the formula has been manipulated in this manner. But I mean, that's...one option would be to change that because it has been 15 years since it was put in place, you know. [LR182]

SANDRA ROSENBOOM: The one place I do think we need to have a little more leniency in the levy lids is we need to have some that could be dedicated toward the building fund. We are at the point where we've been robbing from building fund to fund general fund, you know, in our levy ability. And we're running the risk of our buildings deteriorating. And I think as a good fiscal policy, we need to be maintaining the capital structure infrastructure that we've got. [LR182]

SENATOR DAVIS: So essentially, a building levy that would be outside the lid. [LR182]

SANDRA ROSENBOOM: Outside the lid, yes. And it could be set at a certain amount rather than the full 14 cents. [LR182]

SENATOR SULLIVAN: Thank you, Sandy, for your testimony. Welcome. [LR182]

LARRY GROSSHANS: (Exhibit 3) Thank you. My name is Larry Grosshans, L-a-r-r-y, and Grosshans is G-r-o-s-s-h-a-n-s. I'm a member of the Board of Education of the Norris Public Schools just east of here. And I'd like to begin by thanking the state senators on this committee for your outreach and your willingness to gather input from

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the stakeholders around the state. I know not everybody agrees on what needs to be done nor how it needs to be done. What I'd like to share with you today is how difficult it has been for my school district these past few years to plan and develop a budget while not knowing until late in the budget-planning process what our district valuation will be nor what state aid will be since the formula is in a rather constant state of change. Notification of state aid and district valuation both occur well beyond the February deadline when negotiations are to be settled and also beyond the April 15 deadline for notifying staff of any changes to their contracts for the following year, both of which further complicate the process. For example, Norris experienced an unanticipated loss of state aid revenue of about \$1.4 million in 2011-12. As a result, the district had to freeze salaries, reduce staff, and limit needed purchases in order to balance the budget. All of the preceding hindered the quality of educational services and programs for our students. And students are our foremost concern. It should also be noted that state aid accounts for roughly half of the revenue for our district. So any reduction of that amount has a significant impact on our school. The amount of money available for the district the following year in 2012-13 actually was sufficient because of a slight increase in state aid along with a significant increase in district valuation. However, most of the increase in district valuation was due to increases in valuation of agriculture land. That I personally do not believe is sustainable. It also places a heavy burden on the farm families in our district, especially with the fluctuations in commodity prices. Even with the neutral tax levy, a sizable source of revenue for the district was essentially shifted from the state to the local property tax payer. This year's state aid for Norris again was reduced significantly. Although there was an increase in the amount of state aid dollars available at the state level, Norris actually received some \$900,000 less in state aid than they had the previous year. It should also be noted that state aid for this year included \$900,000 because we opened a new building as a result of increasing enrollment. Had it not been for that, our loss would have been about \$1.8 million. The problem that we're seeing is that the challenges of the administration and the Board of Education is the unpredictability of state aid from year to year, not knowing what the property valuation will be and not knowing what the amount of state aid will be until late

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in the process. I realize that any time that the formula changes in TEEOSA are made, some districts are going to gain at the expense of others. And those that gain commend you, and those that lose complain. Norris is a prime example of a district that would benefit greatly from state aid. The traits that Senator Sullivan is advocating and emphasizing as goals for TEEOSA and that is: simplicity, sustainability, and maybe most important, predictability so that we know ahead of time and can plan accordingly. These are vitally important and I encourage you to continue your focus and efforts in this regard. Again, I thank you for taking the time to listen to me and all of the other people across the state. I'm sure that you're getting all kinds of suggestions and ideas. And not everybody is going to agree. But I do appreciate it. [LR182]

SENATOR SULLIVAN: Thank you, Mr. Grosshans. Any questions for him? Thank you for your testimony. [LR182]

LARRY GROSSHANS: Thank you. [LR182]

SENATOR SULLIVAN: I would like to mention that we have...go ahead...an additional senator who's joined us, Senator Kate Bolz, in the back, from Lincoln. Thank you for joining us, Senator Bolz. Welcome. [LR182]

MIKE GROENE: Senator Sullivan, I think we've met before. Mike Groene, G-r-o-e-n-e. I'm from North Platte, Nebraska. Business concerns didn't allow me to make the McCook meeting, but I have business this direction so I thought I'd show up because I seen in the paper World-Herald, that most that's shown up were the people who make a living out of education and the people who pay the taxes wasn't showing up. So I represent the Western Nebraska Taxpayers Association. We try to influence legislation and local...we wanted a few people to show up at local budget hearings. Going to have to disagree with the superintendent from Crete. Not everybody in the room believes more money is the answer or that we need more money. I've looked for studies. There's nothing out there that relates or a correlation between how much money you spend and

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results in education. It's not there; never has been, never will be. We had a perfect example of K-8 schools. They spent very little, had great results. But the teachers union didn't like that example staring them in the face so they had you guys get rid of them. But there's no correlation at all between how much money you've spent. There isn't a lack of money in public education. There's too much. You've doubled it since..Senator Davis said since the '90s. This whole fiasco started in '98 I believe when Senator Raikes and Schimek started this formula. Now we got \$200,000 administrators. All they do is sit around trying to figure out ways to get around it. I hear all over that special needs children are going up in all the districts. Second language is going up. Why? Because if you can force kids into that you get more money per head, that's why it's happening. It's about the money. You all of a sudden believe...I thought everybody believed in evolution in public school. We should have less special needs, not more if that's true. But we're labeling kids. Why is it that government is the one institution that can be racist, bigoted, and label people and get away with it? I was a dirt poor farm kid. I'm glad nobody in a public school ever told me that I was poor and I was disadvantaged; one pair of shoes a year, three sizes bigger when we entered school so we wouldn't outgrow them by the end of the year. A lot of farm kids lived that way, but nobody told us we were poor and labeled us. But that's what you do in public education now. You get a chip on these kids' shoulder right away. You need to stop that. You need to stop being so...I don't see any social engineers in front of me. You did sex education. Look what you did there in the public schools. You destroyed the family. You did cultural diversity. We're more racist now than we ever been. You start telling people they were different instead of a melting pot. Quit doing it. Math and English, teach it. That's all you need to do. You don't do it very well. Start focusing on that instead of social engineering. None of you are very good at it. I can't believe it. Anybody else would admit failure but education doesn't. They keep coming at you with more of this stuff. Anyway, back to why we're here, the present tax system, first, the state constitution says you have to have a supply of free education. It doesn't say what type. It's a free education; the state's responsibility, not the local school district, not the county. Two, in our state constitution, we got income and sales tax. It specifically forbids the state to have a property tax for any of its

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purposes. Education is your purpose. But yet you dictate to the local people that they have to have a property tax from \$0.95 to \$1.05 mills. That's a good example to children. We bend the rules. I think what you ought to do is divide your state aid by the student head count. Pass it out per student across the state. Get rid of the requirement for a property tax levy. And if a local school district deems that they want to help the system out, they can have a mill levy. If a small district in western Nebraska doesn't have special needs students, they can lower their levy. They don't need that instructor when you only got a hundred kids or so in the school. If the next year they do, they can go to the taxpayer and raise the levy. You would have more people running for school board. You would have a lot more people than just the Western Nebraska Taxpayers showing up to school board public hearings on their budgets. And you'd get local people involved again. Everything you've done has failed so why do you keep doing it? I mean, you...I graduated high school in 1973. Do you really believe the outcome of the public schools is better now than it was in the '70s or the '60s or the '50s? In North Platte, all of our doctors are coming from across the ocean. We don't raise doctors anymore. We got administrators, instead of worrying about what's going on in our schools, worrying about formulas and playing the game of state aid. Just give your money to the...per student. Let the local school districts decide if they want to help out. It can't get any worse than what it is. And you'd have local input again. As far as some of your ideals, don't start another tax. You'd have a revolt in this state. There would be more people than me showing up if you told me my local school district can have an income tax or a sales tax. The income tax doesn't work because the varied incomes out there across the state. Plus, I think of the top 25 retail centers in this state...communities, the bottom 1 is about 4,000 people. You go down to 25 cities and you got 4,000 people. There's 93 counties. So that don't add up. I live in North Platte. Logan County, all those communities up there have maybe one town in the whole county. They go to North Platte to do their business. Who gets the sales tax, North Platte? It doesn't work. Around here, Lincoln get all that sales tax? Don't they get enough money already, all the tax dollars going into Lincoln, the capital city? Sales tax doesn't work. Income tax doesn't work. And the present system isn't fair. You get a farmer with \$2.5 million of property that was raised

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because Ted Turner came in and bought a bunch of ranchland or some retirement fund came in and bid up the ground. You get a farmer with \$2.5 million in property and you compare him to a college professor making \$150,000, \$200,000 in Lincoln with a \$250,000 house, that farmer with that \$2.5 million in property makes less income than that college professor did. But you're asking him to fund the school system when the college professor, all he's got to do is pay taxes on it...or let's forget the college professor. Let's talk about the school administrator. All he's got to do is pay on his \$250,000 house. It's blatantly unfair and it needs to change. So I figured you give about \$1 billion in aid. There's 220,000 students. It's been flat, folks, or going down for the last 20 years, since 1998. The number of students in this state is going down. The only reason it's peaking up a little bit is because this early childhood and schools going from half-day to full-day kindergarten which increases the number. But really we have less students in the state. But yet your aid has more than doubled. It's going on tripling. That would add up about \$4,500 per student. A student is a student. Don't label them and say they need extra money and this one doesn't and this one don't. You could start...I heard something say start something in Nebraska. Start being the first educational system in the United States that doesn't label and is a bigot and calling people names and labeling them...children names. You could be the first one. And the social engineering has got to stop. You understand that the parents...everybody winks and nods and said we got such lousy parents nowadays. They're the alumni of the public schools. They're the alumni of the public schools. And now you're going to take their three- and four-year-olds and turn them over to the same people. Do any of you go to church on Sundays? You're going to put three- and four-year-olds in an atheist organization, sterile environment. They can't even mention God or Christ. Just think about that when you're sitting in church on Sunday. Why would you do that? Anyway, straighten it out. Just give a flat fee. You guys do something else. Turn the education back to the local. That's when education was good in this state. Schools were started by local people. None of my ancestors came over to this country saying, oh, I'm coming over here because I want to build a public school. They came here for freedom. Part of that freedom was to educate their children, not you educate them, they educate them. Let's get it back to

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local control. And quit trying to be social engineers. Thank you. Any questions? [LR182]

SENATOR SULLIVAN: Any questions? Senator Kolowski. [LR182]

SENATOR KOLOWSKI: Mr. Groene, thank you for coming today and for making your statements, although I might find myself in disagreement with a great deal of what you said because I don't believe it. And I've worked in the schools and know what we do and what we stand for and the progress we made. And I could reference a lot of things you might want to look at if you'd like to have some information on that. But I just want another side to be...to come forward also, that a lot of the accusations that you're making just are not true. They're not happening in the schools. [LR182]

MIKE GROENE: My children are in public schools. [LR182]

SENATOR KOLOWSKI: That's fine. But I worked in public schools for 41 years, and I can give you many examples. And there's a great deal that we're very proud of in this country, that we have succeeded at. And it's different than your opinion, and I'll just leave it at that. You have your opinion. I have mine. [LR182]

MIKE GROENE: I have here...somebody gave me the comparison of NAEP scores in Nebraska. They've been flat since the '90s. There's been no improvement. And that's a test that actually compares everybody. Florida made some changes, put back local control on things, their scores are skyrocketing. You might look at Florida. I'll tell you what my opinion of it is. I went to Catholic school. I didn't go to kindergarten. I went to a little Catholic country school with 10, 11 other kids in my class. Public school kids, they went to kindergarten. Everybody knew when we showed up in Dodge High School that we'd go to the top of the class, and we always did--valedictorian and salutatorian. We never went to kindergarten. We never had any preschool education. When I tested in the 7th grade with Iowa Basics when I came into Dodge Public School systems as an 8th-grader, I tested a sophomore in college, 4th semester. You know what I tested when

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I graduated from that public school? College sophomore, fourth semester; I got good at football. Still got some records there. I don't like public education. I do if it stays local, period. Let the local people decide. Thank you. [LR182]

SENATOR SULLIVAN: Thank you, Mr. Groene, for your comments. LaMont, (inaudible)...? Welcome. [LR182]

PATTY BENTZINGER: (Exhibit 4) Hi. My name is Patty Bentzinger, P-a-t-t-y B-e-n-t-z-i-n-g-e-r, and I am the president of the Norris Board of Education. I have served the Norris Board for the past 17 consecutive years, so I have seen many fluctuations in the state aid formula during that time. I've also had the privilege and the pride of serving a great school district during a time a growth, and I've seen continued excellent achievement from the wonderful students and the families in our district. I'm very grateful to you for your willingness to consider what, if any, changes may be made to funding schools because what I have seen over the last five years is unparalleled. I didn't think I'd ever see the day when our district, which is less than one-third agricultural valuation at this point, would have such a heavy reliance on farmland valuations in order to fund our district through property taxes. As a board member, I thought that the point of state aid was to create an equitable distribution of resources to our schools. But we are now at a point where over 100 of our districts are missing out on state money due to this upswing in ag land values. We are still reliant on state aid at Norris, but we seem to be receiving less of it even when more money is allocated for it at the state level. My family farms and has for four generations. Our family is also very supportive of the school district, and I've had three generations of my family get great educations from the Norris system. But like a lot of farm families, we're questioning how much longer we will be able to make it work in our vocation. There are a lot of things farmers don't control that exert a controlling influence on our successes from the weather to commodities prices to property taxes. The high prices of fuel and fertilizer are just a couple of those things. Property taxes have become one of the single biggest input costs, something that any farmer who wants to remain in business has to budget

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for and project a big increase in year to year. It gets to a point where farmers like us are questioning whether we can afford to continue to farm our land. In the last five years, farmers in our district and across the state have seen not just incremental but exponential leaps in property tax cost based on assessed valuations. Our school district has seen a 20 percent increase in valuation in just the last 2 years. That increase reflects all district property. In the ag sector, those increases have actually been drastically higher with some of our local farmers seeing land values spike by nearly half again within the last 24 months. While this has been happening, corn prices declined by almost 9 percent in the month of September and soybean prices dropped by over 5 percent. And we expect that corn prices are going to drop to a level that we haven't seen in the last three years, yet our land has been assessed at historically unprecedented levels. At the same time, our school district has been a vivid example of state aid roller coaster, as two of the last four years have seen a couple of the largest state aid cuts in the history of Norris. Our schools and farms in communities like those of the Norris district share an intertwined fate. Good schools produce good, learned, accomplished students who are able to go on to successful adult lives, hopefully right here in Nebraska. Good farms with high productivity are the fuel that drives our state's economy. Farmers like us are willing to pay our fair share because we know the value of a top-quality public education for our children. But we are issuing the warning siren that the current burden in property taxes is becoming too much to bear. We need the Education Committee and all your colleagues in the Legislature to consider alternative means of revenue for the future viability of Nebraska schools and the betterment of student learning across the state. I thank you so much for your willingness to listen and for your courage to consider solutions to those vexing challenge. Thank you very much. [LR182]

SENATOR SULLIVAN: Thank you, Mrs. Bentzinger. Any questions? [LR182]

SENATOR DAVIS: I have some. Thank you, Mrs. Bentzinger. I appreciate your testimony very much, and I would urge that you testify at the Tax Modernization

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Committee with the same testimony when that happens. I come from agricultural area myself which is extremely reliant on the property tax. And fortunately, our levies are low. But I understand the difficulty that you face. We've talked about sales and income tax as an applicable local option. And I think a lot of times people miss the bigger picture that I see opening that up because what we've had happen is residential areas in our large cities have had flat valuation increases. Agriculture has gone the other way. And so we've got this disconnect. So the way I vision that is that if we had a local option income tax or sales tax, a city like Omaha would be able to access more revenue which would give them more resources and then reduce maybe some of the state aid, and we could flow some of that out the other way. But what's your opinion on sales and income as a local option? [LR182]

PATTY BENTZINGER: I guess I haven't considered the local option too much. I have felt for years...I was on the school board 30 years ago and my feeling about the tax burden in Nebraska is that the fairer tax burden is...or I shouldn't say burden. But the fairer taxation is sales and income tax at a state level or at a local level. So I guess that would be my feeling. That, you know, if you can buy something, if your income is higher, you'll pay more in income taxes to fund. [LR182]

SENATOR DAVIS: Well, the problem that I see with this formula as it is, is that it's based on property valuation rather than ability to pay. So you know, the income of people within a given district has an effect on the ability to pay. But that's not reflected in the formula. [LR182]

PATTY BENTZINGER: That's right. And you know, as I've said, we've been farming for a long time, my husband and I for almost 50 years. And we know that the prices are going to go up and down. We know that this is a bubble. And when the bubble bursts as far as the land prices and the commodities go down that way, it's going to be very difficult to sustain what we've been able to. We've had...we've paid our taxes. But when you look at that in the future and in the fluctuation that will come, it does make us really

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nervous. [LR182]

SENATOR DAVIS: Thank you. [LR182]

SENATOR SULLIVAN: Senator Seiler. [LR182]

SENATOR SEILER: Thank you, Madam Chairman. Ma'am, when you say your taxes are going up now on your farm ground, are they at the level yet of the sales prices going on around you? [LR182]

PATTY BENTZINGER: I'm sorry. [LR182]

SENATOR SEILER: Okay. What I'm asking: Has the assessed value reached the market value as of yet in your area? [LR182]

PATTY BENTZINGER: No. [LR182]

SENATOR SEILER: So you can expect, unless the mill levy comes down, that tax is going to continue to climb. [LR182]

PATTY BENTZINGER: That's correct. [LR182]

SENATOR SEILER: That's true in the Hastings area too. [LR182]

PATTY BENTZINGER: Yeah, the... [LR182]

SENATOR SEILER: I just wondered if it was true here. [LR182]

PATTY BENTZINGER: ...land prices, every time there's an auction it's...you know, you kind of figure what you estimate what it might sell for and it always has exceeded it,

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especially in the past two years. [LR182]

SENATOR SEILER: Okay. Thank you very much. [LR182]

PATTY BENTZINGER: You bet. [LR182]

SENATOR SULLIVAN: Any other questions? Thank you so much for your testimony.
[LR182]

PATTY BENTZINGER: Sure. Thank you. [LR182]

SENATOR SULLIVAN: Welcome. [LR182]

NANCY FULTON: (Exhibit 5) Good afternoon, Senator Sullivan and members of the committee. My name is Nancy Fulton, N-a-n-c-y F-u-l-t-o-n. I'm a 34-year teacher and now president of the Nebraska State Education Association. We represent 28,000 NSEA members. We include public school teachers, principals, education support professionals, and higher education faculty. On a personal note, my tenure as a teacher was in the Wilber-Clatonia School District, which is neighboring to the Crete School District. It's 10 miles down the road. And that is my current home, and I still continue to live there. Thank you for your work studying how the state can improve its support for our public school students. I'd like to take a few minutes to discuss NSEA's position on LR182 under two broad categories: one, the need for stability in school funding; and number two, how we can improve education and student achievement. Number one, NSEA supports changes to reduce the volatility in the state aid funding. To begin, I urge the committee to support funding TEEOSA for 2014-15 at the same level as the 2010-11 at \$950 million. Money is available in the state Cash Reserve Fund to undo the cuts for the 2011-12 year and the 2012-13 year. This fact I think you're aware of: Nebraska is 49th in the nation in state support for public schools. It is clear that state aid has not kept pace with the cost of operating schools and that is putting more pressure

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on property tax. NSEA also supports requiring that a year delay prior to any formula changes and setting the funding level a year in advance of state aid distribution. We also believe it is time for a cost study to be done to develop a research base for determining student needs. No changes in funding the needs side of the formula should be made until this study is complete. NSEA continues to support creating an education trust fund to smooth out funding for schools, and given the balance in the state Cash Reserve Fund, now is an excellent time to create that fund. NSEA supports repeal of the budget lid. The current budget lid has not been fair to rural schools and has not reduced disparities in spending between schools. Many urban schools do not have enough revenue to spend their allowable budget authority either because of a lack of growth in property valuation or the \$1.05 levy cap. On the other side, many rural schools have the property tax capacity but cannot spend it and must lower their already low levels. Secondly, category two, NSEA supports incentive funding for schools to improve teaching and learning. We believe the state aid formula should maintain and build upon this teacher education allowance and aid pieces until it can be replaced with a broader instructional improvement incentive. NSEA supports incentive funding to encourage school districts that reward teachers for improvement in their skills and knowledge where research shows a connection to gains in student achievement gains including advanced degrees for subject teachers that are assigned to teach, possibly National Board certification, teaching in a shortage area, teaching in high-poverty schools, or teaching advanced placement and dual-enrollment courses. We also support a funding program for mentoring new teachers and an increase in the amount of lottery proceeds used to fund the student teacher loan forgiveness program. And as mentioned earlier, we support an increased level of state support for early childhood education as one of the most cost-effective means to combat the effects of poverty. To ensure quality, state funding for early childhood education must continue and include a requirement that preschool programs used certified teachers with an early childhood endorsement. I appreciate your time and your work, and I will be happy to answer any questions. [LR182]

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SENATOR SULLIVAN: Thank you, Mrs. Fulton. You mentioned several aspects of the teacher preparation that you thought you'd be supportive to increase funding. I was a little unclear though if you thought they should be funded through the equalization formula or through the lottery funds or what...can you be a little more specific about that? [LR182]

NANCY FULTON: I believe they can be done either way but probably through the lottery funds. [LR182]

SENATOR SULLIVAN: Senator Haar. [LR182]

SENATOR HAAR: Thank you. I gave a double star to your suggestion that we need a cost study to determine true needs. Now at least in some states where they've done that it shows that the true need to educate the kids is beyond state funding and the ability to fund that true need. So I guess my question is if we did that study to determine need, what do you do about the gap then that happens? When you say, here's the true need. Here's what we can afford. I mean, in the past, in my opinion what we've done is to mess with the formula so that we can, you know...finally define the need is what we say we can fund. But what about the gap that would show up? [LR182]

NANCY FULTON: And my theory is that that gap must be much larger than what we already know it is. I guess we would have to support state aid to the extent that we can as a state. [LR182]

SENATOR SULLIVAN: Any other questions? Thank you for your testimony. Welcome. [LR182]

LIZ STANDISH: (Exhibit 6) Thank you. Good evening. My name is Liz Standish, L-i-z S-t-a-n-d-i-s-h, and I'm the associate superintendent for business affairs for the Lincoln Public Schools. I'm here today representing my school district and my superintendent.

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Equalization is the center point of school funding in the state of Nebraska. The role of state aid is to fill the gap between what school districts need and what they can raise locally. We all know needs minus resources equals aid. Many of the topics on the agenda today compound a recent trend in state aid policy shifting away from equalization. We want to sincerely thank you for taking the time to gather input and feedback on some of the ideas that you're considering. So our testimony is very much crafted on point to give response and reaction to each one of those. For local option income or sales tax, communities must work together. Cities and school districts must work together. And that infrastructure that provides the fabric of a community is used as shoppers drive on streets, have access to the safety and security of a police force, and have the protection of firefighters. Having those two priorities share one local resource base would be disparate for school districts that are already at \$1.05 if a levy limit was placed on them. The original intent of TEEOSA was grounded in equalization to narrow the spread of levies across the state and to combat the inherent equity which occurs if the funding is driven by a property-wealthy zip code having access to more resources than a property-poor zip code having access to less resources. Resources to support education for children must remain the top policy and goal of the state aid formula to provide communities that don't have access to local resources the ability for school children. An education trust fund, school districts would support if it added to the stability and predictability of the formula, if it allowed the formula to work and flow year over year providing that safety net of fluctuations. I agree with many previous testifiers, that finding a way to stabilize that would be beneficial. Apportionment must be distributed based on census. That's the charge school districts are given. School districts are given the charge to provide education for every child that comes to the door. So membership would not be something that would be supported as a mechanism to distribute apportionment. School spending limitations, there's been many, many, many revisions, I think almost every year since LB988, on school spending limitations. The Lincoln Public Schools has \$195 million worth of unused spending authority because we're at the other extreme; the other extreme of not having spending authority but having resources is having spending authority but not having resources when you're up against the levy lid.

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And I think we all know that. We've been through the history of this dialogue. The averaging adjustment is intended for that very group. You're in a small cost group because you don't have school districts larger than you. So you're starting in our case with 12. Dropping out the two high, the two low, you create a very narrow span of school districts that if they are all up against the \$1.05 are not able to raise additional revenue. So you get locked in. And that is the reason for the averaging adjustment which is the exact opposite of spending limitations. I understand that school districts also need access to additional spending authority. And if there are other elements in the formula that need to be put in for that, obviously our school district wouldn't oppose that school districts might need additional spending authority. The minimum level of state aid of funding for each school district; Nebraska currently provides, if you put it together, on average \$352 per student through allocated income tax and net option funding. For equalized school districts, this is offset by state aid. For nonequalized school districts, this is a distribution that goes to schools. Historical spending adjusted for inflation as a starting point; I think we kind of start there now with the annual financial report, general fund operating expenditures, and taking two-year-old data with the basic allowable growth rate. One challenge is currently in the formula, you still have years that go into that calculation where that number was near zero. So tying that to something that would be like a Consumer Price Index or something that's an economic variable would make sense. Determine the majority of the needs calculation using a single per student figure. Lincoln Public Schools would be happy to look at redefining need, believe in the idea that bringing in an outside expert to conduct analysis would sure make sense. But this flows directly into the second point, which is currently 82 percent of formula need is in basic funding, and 18 percent of formula need is in the adjustments and the allowances. So 82 percent represents a fairly significant majority funding stream going through what is currently considered basic funding. Lottery funds, I think it's exceptional to take a look at the lottery funds. The work that you've done as Chair and as a committee supporting early childhood education, supporting teacher education, and using lottery funds for initiatives that really benefit children makes good sense. Continuing to provide state funds for net gains in students; doing this through the student growth factor of the

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formula also works. So keeping it within the formula definitely makes sense. Moving it to the net option format does move away from equalization. And as a school business official, I would also just add one last comment, which is we sure appreciate modeling, moving into what is now a required negotiation session where we have to commence prior to November. Anything you can do to provide modeling of ideas to give school districts a guide is greatly appreciated. And that really concludes my comments. And I'd be happy to answer any questions you have. [LR182]

SENATOR SULLIVAN: Thank you, Mrs. Standish. Any questions for her? [LR182]

SENATOR DAVIS: I have a couple. I just want to be clear. So you have \$195 million in unused budget authority. [LR182]

LIZ STANDISH: Correct. [LR182]

SENATOR DAVIS: But you can't access that because... [LR182]

LIZ STANDISH: We don't have enough resources. We don't have the revenue to spend it. [LR182]

SENATOR DAVIS: Where would you get the revenue? [LR182]

LIZ STANDISH: We'd have to levy above \$1.05. We're currently at \$1.05. [LR182]

SENATOR DAVIS: And have you ever had a levy override? [LR182]

LIZ STANDISH: My understanding, in Lincoln's history--which I fully disclose is new to me because I'm new to the Lincoln Public Schools--is that there was an attempt in I think the mid to late '90s that did fail. [LR182]

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SENATOR SULLIVAN: But you haven't tried that since. [LR182]

LIZ STANDISH: No. Typically with...underscoring some of the previous testimony on building fund, typically the ask of the voters has been related to facility needs due to the fact that you now have...don't have a funding stream dedicated to building fund. [LR182]

SENATOR DAVIS: Well, I ask the question obviously for a reason. You know, you do have the ability to have a levy override anytime you want to. And I think it's a little bit disingenuous to say we need the averaging adjustment because we can't go over \$1.05 when a lot of other districts in the state have taken that step. Thank you. [LR182]

SENATOR SULLIVAN: Any other questions? [LR182]

SENATOR SEILER: I have... [LR182]

SENATOR SULLIVAN: Senator Seiler. [LR182]

SENATOR SEILER: Ma'am, are you familiar with the assessor's office in Lincoln as to whether or not they're current in bringing up the assessments for the community of Lincoln? [LR182]

LIZ STANDISH: Lincoln has a three-year rotation, which is a little bit new and unique to me. So I would not proclaim to be an expert on it yet having been on the job a few months. [LR182]

SENATOR SEILER: Do you know where you're at in the three years? [LR182]

LIZ STANDISH: There's two years where it's just new permits, and we're in the middle of that. So we'd have one more year of new permits. And then it's an actual 100 percent count. So one more year out would be the actual 100 percent count. [LR182]

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SENATOR SEILER: Okay. Thank you. [LR182]

SENATOR SULLIVAN: Thank you for your testimony. [LR182]

LIZ STANDISH: Thanks. [LR182]

SENATOR SULLIVAN: Welcome. [LR182]

TIP O'NEILL: (Exhibit 7) Thank you. Senator Sullivan, members of the Education Committee, I'm Tip O'Neill; that's T-i-p O-'-N-e-i-l-l. I'm the president of the Association of Independent Colleges and Universities of Nebraska. I'm giving you a little break from the K-12 people. I am testifying specifically with respect to the use of lottery funds for legislative priorities. First, a little background on the Nebraska independent colleges and universities. I represent 14 privately controlled nonprofit colleges and universities located throughout the state from Hastings east basically. And I'm kind of happy to see Crete versus Seward tonight here for the homecoming game because I have a college located here in Crete, Doane College, and a university located in Seward, Concordia University. So I know they're both very important parts of those communities. And interestingly enough, they're both very involved in teacher...and have great teacher education programs. It's always surprising to people that we award about a third of the teacher education programs in this state in Nebraska. So we're pretty important to K-12 education also. In fact, we awarded in 2010-11 about 300 more teacher education degrees than the Nebraska State College System which is historically the state normal school system. So we're pretty important there. We award actually about 41 percent of the bachelor's and above degrees in this state. And we award...we actually enroll more minority students in our schools than in any sector of higher education in the state including the community college system. So we have a very large impact on colleges and universities. Interesting thing though is that we don't receive much money from the state of Nebraska. In fact, the only money that our students receive from the state is

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through the Nebraska Opportunity Grant Program. And I gave you a little sheet on the 2013-14 Nebraska Opportunity Grant allocations, and you will see that almost 60 percent of those Nebraska Opportunity Grant allocations come from lottery money for the current fiscal year; \$9.779 million come from lottery money. And I know you're going to be doing a study in the Education Committee next interim about the lottery allocations and where those are all going to go. But as you discuss lottery funds at least in the context of K-12 this year, I think I'm here only to remind you that the lottery funds that go to higher education for purposes of need-based grants to students are very important to students in all sectors of Nebraska higher education but particularly to students who attend Nebraska independent colleges and universities because that's the only money really that our students receive from the state of Nebraska is through the Nebraska Opportunity Grant Program. So with that, I'd be happy to answer any questions you might have. [LR182]

SENATOR SULLIVAN: Thank you, Mr. O'Neill. Any questions? Senator Cook. [LR182]

SENATOR COOK: Thank you, Madam Chair. To clarify, that pot of money, the Nebraska Opportunity Grant Program, comes out of the lottery money at this time. [LR182]

TIP O'NEILL: Lottery and General Funds. [LR182]

SENATOR COOK: Lottery and General Fund. [LR182]

TIP O'NEILL: Right. And \$9.779 million comes from the lottery funds; state General Funds, \$6.668 million for a total of \$16,448,000. [LR182]

SENATOR COOK: Great. Thank you. [LR182]

TIP O'NEILL: Sure. [LR182]

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SENATOR SULLIVAN: Any other questions? All right, thank you. [LR182]

TIP O'NEILL: Thank you. [LR182]

SENATOR SULLIVAN: Is there any other individuals interested in testifying? If not, this closes the hearing on LR182. Again, I thank you all for participating and attending, and I thank Crete Public Schools. [LR182]