

INTRODUCER'S STATEMENT OF INTENT
LB 542

Senator Ardyce Bohlke
Education Committee

LB 542 addresses the fact that impact aid was counted as a school district's resource in the calculation of state aid for the year 1990-91. Although the Nebraska Department of Education felt that counting impact aid was a reflection of federal law the U.S. Department of Education later ruled such aid should not have been counted as a district's resource. That decision is currently pending on appeal before the U.S. Department of Education.

Under LB 542 if federal legislation is passed by 10/01/95 providing that: 1) (3)(d)(2)(B) funds need not be given back to the federal government; and 2) that Nebraska is certified to count impact aid as a resource for 1990-91; the State Department of Education shall make payments to the affected school districts to reimburse their loss in state aid for 1990-91, unless they are a district which receives (3)(d)(2)(B) funds (Bellevue). Bellevue will not receive a reimbursement since federal law would require them to pay it directly back to the federal government.

If funds are not appropriated by the Legislature for the payment to schools districts, the money will be set aside in the 1995-96 state aid appropriation. If the federal legislation referred to above is passed deeming that the (3)(d)(2)(B) funds do not need to be paid back to the federal government and that Nebraska is certified for 1990-91 then the State Department of Education will pay from the funds set aside in the 1995-96 state aid appropriation to the school districts, except (3)(d)(2)(B) districts (Bellevue), who received less state aid in 1990-91 because impact aid was counted as a resource in the state aid calculation.

If such federal legislation is not enacted the funds set aside shall be held by the State Department of Education until it is determined, by appeal or otherwise, whether Nebraska is certified to take into account impact aid payments for the year 1990-91. If certified, the funds will be reappropriated to the state aid formula distribution formula. Under this scenario the school districts are not reimbursed for their loss in state aid in 1990-91 since the money is given to the state aid distribution formula.

If Nebraska is not certified, by appeal or otherwise, then the funds held by the State Department of Education, with other funds which may need to be appropriated, will be used to pay back all the districts, including Bellevue, the state aid they should have received in 1990-91. This is the only scenario in which Bellevue would be reimbursed for their loss in 1990-91 state aid, although under present federal law they would have to turn'-around and give it directly back to the federal government.

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Senator Chris Beutler
Principal Introducer