

COMMITTEE STATEMENT
LB 542

HEARING DATE: February 27, 1995

COMMITTEE ON: EDUCATION

TITLE: LB 542 (Beutler, Crosby, Hartnett, et al.) Change provisions relating to impact aid and education

ROLL CALL VOTE,- FINAL COMMITTEE ACTION

Advanced to General File

Y Advanced to General File with amendments

Indefinitely Postponed

Vote results:

6 Yes Senators Bohlke, Wickersham, McKenzie, Stuhr, Bernard-Stevens, Beutler

0 No

1 Present, not voting Senator Janssen

1 Absent Senator Warner

PROPONENTS	Representing
Senator Chris Beutler	Introducer
James B. Gessford	LPS, Grand Island Public Schools
Roy Bennett, Supt.	Bellevue Public Schools

OPPONENTS	Representing
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NEUTRAL	Representing
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Summary of purpose and/or changes:

LB 542 addresses payments to school districts who received less state aid for the 1990-91 school year. because federal impact aid was considered as a formula resource. If certain federal legislation is enacted by October 1, 1995, the State Department of Education will make payments to school districts which received less state aid for the 1990-91 school year due to the inclusion of federal impact aid entitlements in the calculation of district formula resources. The payments shall be made on or about October 15, 1995 from funds appropriated for this purpose. Each affected district will receive the difference between the state aid the district received for the 1990-91 school year and the amount the district would have received if impact aid had not been considered. No payment will be made to school districts which receive federal impact aid entitlements under section (3)(d)(2)(B) of Public Law 81-874 or similar provisions of the 1994 re-enactment of the impact aid statutes.

If no funds are separately appropriated, the State Department of Education will set aside the payments out of the amount appropriated to the Tax Equity and Educational Opportunities Fund for the 1995-96 school year. if the federal legislation is enacted, the Department will make the payments from the funds set aside. If the federal legislation is not enacted the funds will be held until it is finally determined whether Nebraska is certified to take impact aid into consideration for the 1990-91 state aid distribution. If Nebraska is certified to consider the entitlements. The funds will be reappropriated to the Tax Equity and Educational

Opportunities Fund. If Nebraska is not certified to consider the entitlements, the Department will make the payments from the funds set aside within 60 days after the final determination.

There are two options for the federal legislation at issue. The first option would provide that payments under section 3(d)(2)(B) of Public Law 81-874 do not need to be refunded for the 1990-91 school year, that funds do not need to be restored or reimbursed to affected school districts by redistributing state aid for the 1990-91 school year, and that Nebraska be deemed not certified for the 1991-92 school year. The second option would provide that payments under section 3(d)(2)(B) of Public Law 81-874 do not need to be refunded for the 1990-91 school year and that Nebraska be deemed certified for school years 1990-91 through 1994-95. The federal Department of Education determines if states are certified for impact aid based on compliance with program rules and regulations.

Payments made pursuant to this bill will not be considered as district formula resources.

This bill contains an emergency clause.

Explanation of Amendments. if any:

The committee amendment clarifies and modifies the requirements for federal legislation. The legislation would provide that payments under section 3(d)(2)(B) of Public Law 81-874 do not need to be refunded for the 1990-91 school year, and either: (i) provide that funds need not be restored or reimbursed to affected local education agencies from state aid distributions for school year 1990-91 and deem Nebraska not certified for school years 1991-92 through 1994-95, or (ii) deem Nebraska to be certified for school year 1990-91 and deem Nebraska not certified for school years 1991-92 through 1994-95. The legislation would need to be enacted with an effective date not later than October 1, 1995, instead of being required to be enacted by that date.

In addition, the amendment adds a new section clarifying that this act does not alter the duties of the Department of Education under §79-1369 to make adjustments, so that districts receive all of the funds they are entitled to. This bill will also not be construed to relieve the Department of obligations to make allocation adjustments following a final determination under the provisions of this act.

Chairperson