

## COMMITTEE STATEMENT

LB 742 HEARING DATE: February 21, 1995 COMMITTEE ON: EDUCATION TITLE:

LB 742 (McKenzie. at the request of the Governor) Change reimbursement provisions for special education programs

### ROLL CALL VOTE, FINAL COMMITTEE ACTION

Advanced to General File

Y Advanced to General File with amendments

Indefinitely Postponed

### Vote results:

6 Yes

Senators Bernard-Stevens, Warner, Beutler, Wickersham, McKenzie, Bohlke

2 No

Senators Stuhr, Janssen

0 Present, not voting

0 Absent

### PROPOSERS

Senator Jan

Kim Robak

Representing

Introducer for the Governor

For the Governor

### OPPOSERS

Kay Cattle

Don Anderson

Richard Schoonover

Martha Fricke

Mike Dulaney

Eileen Harvey

Laveda Mitchell

Roger Breed

Vernita Garriot

Stan Kravig

Representing

NE Interagency Coordinating Council

Department of Education

NCSA

NASB

NCSA

NE Speech, Language and Hearing Assn.

ARC/Parent

Elkhorn Public Schools

Self

NRCSA

### WRITTEN TESTIMONY:

Joycelyn Ritchie

Gene Whitener

Nebraska Advocacy Services

Self

### NEUTRAL

Sue Fulleton

Representing

NSEA

Summary of purpose and/or changes: LB 742 amends S79-3325 by deleting the 90% reimbursement rate for special education grants to programs serving children less than five years old. The 90% rate is applicable when federal funds are inadequate to cover the full costs of such programs. LB 742 provides that the grants shall be as determined by the State Board of education from appropriations approved by the Legislature. The new provision would also only apply when there are inadequate federal funds.

S79-3332 is also amended. Beginning in fiscal year 1994-95, the reimbursement to school districts for allowable excess costs incurred by special education, other than Level I services, would be a pro rata amount equal to an unspecified percentage, rather than the current 90%. The percentage would be determined by the State Board of Education from appropriations approved by the Legislature.

Level I services are provided to students requiring an aggregate of not more than 3 hours of special education services per week. The amount appropriated by the Legislature for Level I services currently is the preceding year 's appropriation plus 50% of the two year average increase in the 90% allowable excess cost for Level I services for the two immediately preceding years. However, the amount reimbursed by the State Department of Education for Level I services can not be below 80% of allowable excess costs. LB 742 would replace the 90% allowable excess cost with an unspecified percentage in both the appropriations calculation and the measurement of allowable excess costs for determining each school district 's proportionate share of the appropriation. However, the 80% minimum for reimbursement to school districts would still apply.

Explanation of Amendments, if any:

The committee amendment provides that beginning with the 1996-97 fiscal year, the total state reimbursements to both programs serving the 0-5 special education population and programs serving the 5-21 special education populations will not exceed the reimbursement from the prior year as adjusted by an increase of between 4% and 6.5%. The differentiation between Level I reimbursement and the reimbursement for other special education services is eliminated.

Chairperson