

Ninety-Fourth Legislature - First Session - 1995
Introducer's Statement of Intent

LB 840

CHAIRPERSON COMMITTEE
Senator Bohlke Education

The following constitutes the reasons for this bill and the purposes which are sought to be accomplished thereby:

LB 840 provides a hold harmless provision for reorganized school districts. School districts considering reorganization often cite a dramatic reduction in state aid as a disincentive for reorganizing. To lessen the impact, LB 840 phases in any reductions in state aid resulting from a reorganization.

To qualify for the provisions of this bill, two or more districts must consolidate into one or more reorganized districts. Consolidate means to voluntarily reduce the number of school districts providing education to a grade group. Reorganized districts are any districts currently educating students following a consolidation.

In the base year, the reorganized district will receive the greater of 100% of the state aid (or portion thereof) calculated for the individual districts involved in the reorganization in the year prior to the base year or the amount the reorganized district would receive under normal state aid calculations. The base year is the first year in which a reorganized district is viewed as a single district for the calculation of state aid.

In the second year, the same provisions apply, except that the amount available based on preconsolidation aid will be 66% of the amount calculated for individual district involved in the reorganization in the year prior to the base year. In the third year, the percentage is reduced to 33%.

In the fourth year after reorganization, and in each year thereafter, the reorganized district will receive state aid in the amount calculated under the normal provisions of the Tax Equity and Educational Opportunities Support Act.

If the total amount of incentive payments to school districts for a school year exceeds the total amount appropriated as hold harmless payments for fiscal year 1994-95, the incentive payments will be reduced proportionately so that the total amount of aid does not exceed that amount.

DATE OF HEARING
March 7, 1995

Senator Ardyce Bohlke
Principal Introducer