

LEGISLATIVE BILL 904

Approved by the Governor February 19, 1998

Introduced by Executive Board: Coordsen, 32, Chairperson

AN ACT relating to schools; to amend section 79-1187, Revised Statutes Supplement, 1997; to eliminate statutory references to the Special Education Accountability Commission which terminated September 1, 1996; to repeal the original section; and to outright repeal sections 79-1112, 79-1179, 79-1180, and 79-1183, Reissue Revised Statutes of Nebraska, and sections 79-1181 and 79-1182, Revised Statutes Supplement, 1997.

Be it enacted by the people of the State of Nebraska,

Section 1. Section 79-1187, Revised Statutes Supplement, 1997, is amended to read:

79-1187. (1) The Legislature finds that the funding system for special education programs and support services should be neutral as to identification and programming of programs and support services for children with disabilities and students needing support services. Further, the Legislature finds that the funding system for special education programs for children with disabilities and support services for students needing support services should encourage programs and services that are consistent with sound education practice, preventive, and, when appropriate, integrated with regular education services. Educational services for children with disabilities and students needing support services should be driven by educational needs rather than state funding formulas.

(2) It is the intent of the Legislature that, beginning with school year 1998-99, there shall be implemented a new funding system to replace the existing excess cost reimbursement provisions for the funding of special education programs and support services offered by school districts, educational service units, and approved cooperatives. The new funding system shall be identification and program neutral, assure that adequate resources are available to meet the needs of children with disabilities and students needing support services, and provide for equity in special education programs and support services to such children and students regardless of the district in which such children and students reside. Further, the new funding system should be designed so that average annual special education costs increase at a rate no greater than the average annual growth rate of general education. State funding should be made available to meet the needs of children with disabilities and students needing support services without the requirement that such students be identified and verified as children with disabilities as defined in the Special Education Act and the federal Individuals with Disabilities Education Act and rules and regulations adopted and promulgated pursuant to such acts.

(3) The Legislature recognizes that the shift from an excess cost reimbursement funding formula to a new funding system which meets the intent stated in subsections (1) and (2) of this section for special education programs and support services raises several issues which demand further examination and public discussion prior to implementation, including (a) how to establish the basis for distribution of state funding, (b) how to provide for the financial support of children with disabilities who have extremely disabling conditions and extraordinary needs which result in high costs to school districts beyond the districts' ability to reasonably provide for special education programs and support services utilizing block grant support and local resources, (c) how to establish the state funding level, (d) how to assure that funding for special education programs and support services is maintained at the same levels of growth or decline as funding levels of general education, (e) how to establish educational practices for delivery of quality special education programs and support services, (f) how the new funding system should be integrated with general state aid to be consistent with the principles of student and taxpayer equity underlying the state's equalization aid program, (g) how to phase in the new funding system to minimize financial impacts on school districts, (h) how accountability for appropriate educational needs shall be established for school districts, educational service units, or approved cooperatives to qualify for the new funding system, and (i) how the State Department of Education can integrate the administration of the new funding system to eliminate duplication in aid payments, accounting, and reporting of expenditures. It is the intent of the Legislature that these issues shall be addressed by the Special Education

Accountability Commission in consultation with the School Finance Review Committee, the State Department of Education, and the Education Committee of the Legislature. The Education Committee of the Legislature and the Special Education Accountability Commission shall receive written proposals for alternative funding systems for special education services which meet the goals stated in subsections (1) and (2) of this section from any individual, agency, or group until January 15, 1996.

Sec. 2. Original section 79-1187, Revised Statutes Supplement, 1997, is repealed.

Sec. 3. The following sections are outright repealed: Sections 79-1112, 79-1179, 79-1180, and 79-1183, Reissue Revised Statutes of Nebraska, and sections 79-1181 and 79-1182, Revised Statutes Supplement, 1997.