

SENATOR CARSTEN: As I understand, and correct me if I am wrong, we are adopting amendment #2 which includes all this new language. Now am I incorrect? I am asking the Chair that for an answer.

SPEAKER LUEDTKE: I will have to ask, Senator Koch, because only he knows.

SENATOR KOCH: Okay, I know what you are talking about now.

SPEAKER LUEDTKE: I will have Senator Koch respond, Senator Carsten.

SENATOR KOCH: You are talking about the nonresident factor as it applies to accountable receipts as they are computed for aid, right? All right. So before, as you know, Senator Carsten, every dollar of nonresident tuition was an accountable receipt. Now the agreement among the various superintendents who worked with me on this piece of legislation was they felt that that was rather severe in terms of accountable receipts so what we did we took the assumed need which is \$960 under the new formula and we said to those schools who receive a large number of nonresident students that the only thing that you will account for is the \$960. You will count that as an accountable receipt and you subtract that before you get to the equalization section. That is the part in there, right. And that is spelled into the formula, you are right. Thank you.

SPEAKER LUEDTKE: Senator Carsten.

SENATOR CARSTEN: Mr. President, that was my point and I beg your pardon if I intruded incorrectly but I think that it is a point that we need to think about on this amendment because as I understand, then, the difference between what school districts are charging for nonresident tuition now and the \$960 will not be in the accountability, taken into account, is that correct, then?

SENATOR KOCH: Yes, Senator Carsten, if you use an analogy would be that if a school system were charging \$2000 for a nonresident student, at one time they had to subtract, before they had to subtract all \$2000. Now they would subtract only \$960. The remaining amount would not be accounted towards the figuring of their state aid.

SENATOR CARSTEN: Then, if I may, Mr. President, one more question. Then if I may, Senator Koch, that difference then will have to be made up from that district that is sending that student on a nonresident basis, is that correct?

SENATOR KOCH: If there is agreement between the sender and the receiver and there always is between a Class I and a K-12 or whatever the district is, they agree to a certain nonresident fee and by law we say and the State of Nebraska says that we shall charge no less than the cost of the receiving school district. What we are doing here in many cases in my experience in state aid, we have some high nonresident student tuition rates particularly out in Hay Springs and others or Plattsmouth. I will use that as it is close to us. When you figure state aid, there was...it was more to their advantage really to have a lot of nonresident students than it was to state aid because they didn't show very well in state aid.