

TRANSCRIPT PREPARED BY THE CLERK OF THE LEGISLATURE  
Transcriber's Office

March 16, 2000 LB 715

(AM7210, Legislative Journal page 851.)

PRESIDENT MAURSTAD: Senator Smith.

SENATOR SMITH: Mr. President, I move the adoption of the E & R amendments to LB 715.

PRESIDENT MAURSTAD: Thank you, Senator. The question is the adoption of the E & R amendments to LB 715. Those in favor say aye. Those opposed nay. The amendments are agreed to.

CLERK: Senator Raikes would move to amend with AM2801, Mr. President. (Legislative Journal page 1069.)

PRESIDENT MAURSTAD: Senator Raikes, you're recognized to open.

SENATOR RAIKES: Thank you, Mr. President, members of the Legislature. This amendment to LB 715 changes it from...or actually represents a different model formulation from what we discussed on General File. And let me back up a little bit and remind you again what...this is state aid again. This deals with the needs side of the state aid formula, and in particular deals with revising how those needs are calculated. Now the...well, let me...let me just mention first off that the revision that I...I've made, and some of you, or I think most of you now maybe have picked up information about that revision. What the effort was with this amendment was to try to moderate, if you will, the impacts on some of the school systems that were strongly impacted by the version of LB 715 that we discussed in...in...on General File. I will remind you that these are the problems that I see that are part of the state...the needs calculation of the state aid formula that I think need to be addressed: one of them is sparsity cost group differentials. Dating from two years ago, when LB 806 was passed, the sparse or...excuse me, the standard to very sparse cost group has increased from \$589 a student to over \$1,400. I've mentioned that the minimum levy penalty impacts more and more systems each year, particularly this past year. The formula, the way it is structured has a, what I think, negative impact on reorganization incentives. In effect, financial pressure is put on small schools, but the escape provided for small schools, rather than what might be an efficient reorganization, is to