



**Ninety-Ninth Legislature - First Session - 2005**  
**Committee Statement**  
**LB 577**

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**Hearing Date:** February 1, 2005  
**Committee On:** Education

**Introducer(s):** (Raikes, Brown, Kruse)

**Title:** Include early childhood education programs within the state aid formula as prescribed

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**Roll Call Vote – Final Committee Action:**

- Advanced to General File
  - X Advanced to General File with Amendments
  - Indefinitely Postponed
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**Vote Results:**

7	Yes	Senators Bourne, Howard, Kopplin, McDonald, Raikes, Schrock, and Stuhr
0	No	
0	Present, not voting	
1	Absent	Senator Byars

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**Proponents:**

Senator Ron Raikes  
Kathy Bigsby Moore  
Julia Torquati  
Helen Raikes  
Carolyn Pope Edwards  
Joe Higgins  
Marcia Corr  
Doug Christensen  
John R. Fero  
Richard D. Eisenhauer  
Linda Zinke

Al Inzerello  
Dennis L. Pool  
Jeanne McClemens  
Virgil Horne  
Herb Schimek  
Kerri Nazareus

Katie Mathews

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**Representing:**

Introducer  
Voices For Children in Nebraska  
University of Nebraska  
Self / University of Nebraska-Lincoln / Gallup  
University of Nebraska-Lincoln  
State Board of Education  
Nebraska Department of Education  
Nebraska Department of Education  
Crete Public Schools  
Lexington Public Schools  
Nebraska Association for the Education of Young Children, Inc.  
Westside Community Schools  
Omaha Public Schools  
Kearney Public Schools  
Lincoln Public Schools  
Nebraska State Education Association  
Grand Island Public Schools  
Kearney Public Schools / Nebraska Association of Elementary Principals

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**Opponents:**

None

**Representing:****Neutral:**

None

**Representing:**

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**Summary of purpose and/or changes:**

Legislative Bill 577 would shift funding for early childhood education students who will be eligible to attend kindergarten the following school year from the Early Childhood Education Grant Program to the Tax Equity and Educational Opportunities Support Act after 3 years. The measure would also express an intent to make sufficient appropriations to serve all at-risk children who will be eligible for kindergarten the following school year by 2007-08 with an additional 1/3 of such children being served each year beginning in 2005-06.

Section 79-1003 would be amended by defining qualified early childhood education average daily membership and qualified early childhood education fall membership and by adding the newly defined terms to the to the definition of formula students.

Qualified early childhood education fall membership would mean the product of the membership of qualified students on the last Friday in September multiplied by the ratio of actual instructional hours divided by 1032. Qualified students would be:

1. Eligible to attend kindergarten the following school year; and
2. Enrolled in either:
  - a. An early childhood education program receiving a grant from the Early Childhood Education Grant Program for the 3rd year; or
  - b. An approved program that has already received grants for 3 years.

The definition for qualified early childhood education average daily membership would be the same except that the average daily membership would replace the fall membership count and planned instructional hours would replace actual instructional hours.

Section 79-1007.01 would be amended by adding a grade weighting factor for early childhood education programs of 0.6.

Section 79-1007.02 would be amended by subtracting adjusted formula students attributed to early childhood education programs for the first 2 school fiscal years for which such students are being included in adjusted formula students for the local system from the adjusted formula students used to determine the average formula cost per student in each cost grouping. The early childhood education students would be included in the adjusted formula students that are multiplied by the average formula costs per student to determine formula needs for individual local systems. This change would have the effect of preventing funding that would have gone to districts based on K-12 students from going to school districts based on early childhood education students until the expenditures of the state aid for the early childhood education students are included in the state aid calculation.

Section 79-1103 would be amended by limiting early childhood education grant funding to 3 years for the portion of programs that serve students who will be eligible to attend kindergarten

the following school year. A preference for funding programs serving at-risk children is also added. Programs would be approved for purposes of the Tax Equity and Educational Opportunities Support Act upon submission of a continuation plan demonstrating that the program will continue to meet the requirements.

A new section provides an intent to appropriate funds each fiscal year for 2005-06, 2006-07, and 2007-08 to extend the Early Childhood Education Grant Program to serve an additional 1/3 each year of the unserved at-risk children who will be eligible to attend kindergarten the following school year, with the goal of serving 100% by 2007-08.

**Explanation of amendments, if any:**

The Committee Amendments would eliminate appropriations intent language, provide additional budget authority to school districts as funding moves from the grant program to state aid, distinguish different types of programs and grants, prioritize the awarding of grants, and require continuity between the early childhood education programs and kindergarten instructional hours.

The section containing appropriations intent language would be deleted.

Section 79-1028 would be amended by adding a new exception to the applicable allowable growth rate for Class II, III, IV, V, and VI districts. Districts would qualify if the state aid calculation includes early childhood education students that were in a program in the 3<sup>rd</sup> year of grant funding or receiving an expansion grant. The amount of the exception would equal the adjusted formula students attributed to the early childhood education program multiplied by the cost grouping cost per student if the program was receiving a grant for the 3<sup>rd</sup> year. If the qualification is based on an expansion grant, the amount of the exception would equal the increase in the adjusted formula students attributed to the early childhood education program over the prior school fiscal year multiplied by the cost grouping cost per student.

The definitions in § 79-1003 are modified by clarifying that the early childhood education membership would be measured for the first time in 2005-06 for the calculation of 2006-07 state aid. Clarification is also that students being served pursuant to expansion grants are to be included in the membership numbers. The instructional hours ratio for the calculation of the qualified early childhood education fall membership would be corrected to use planned instructional hours. The instructional hours ratio for the calculation of the qualified early childhood education average daily membership would be corrected to use actual instructional hours.

Section 79-1007.02 would be further amended by recognizing the students added to the formula due to expansion grants in the calculations to prevent funding that would have gone to districts based on K-12 students from going to school districts based on early childhood education students until the expenditures of the state aid for the early childhood education students are included in the state aid calculation.

Section 79-1103 would again be modified by requiring early childhood grant proposals to be submitted by school districts, while continuing to allow school districts to cooperate with other school districts and E.S.U.'s and by prioritizing the awarding of grants.

The first priority would be for continuation grants for programs that received grants in school fiscal year 2005-06 in an amount equal to the amount of such grant minus the amount of state aid calculated for early childhood education students. The second priority would be for new grants and expansion grants for programs that will serve at-risk children who will be eligible to attend kindergarten the following school year. The third priority would be for new grants, expansion grants, and continuation grants for programs serving younger children. New grants would be for 3 years, expansion grants would be for 1 year, and continuation grants would be given on an annual basis. All grants would be limited to one-half of the total budget of the program per year. Programs for children who will be eligible to attend kindergarten the following school year would be accounted for separately for grant purposes from programs serving younger children, but the two types of programs could be combined within the same classroom to serve multi-age children.

A new requirement would be added for the program to provide continuity with the instructional hours in kindergarten. The new preference for programs serving at-risk children would be eliminated due to the priorities added by the amendment. Recognition is added that expansion grants and continuation grants will be required to continue to meet the grant requirements.

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**Senator Ron Raikes, Chairperson**