SENATOR HEFNER: Mr. President and members of the body, Senator Baack, I think that this is a good concept, but I do have a few problems with it. As I understand it now we're on AM501? Is that correct?

SPEAKER BARRETT: That's correct.

SENATOR HEFNER: Okay. I would like to ask Senator Baack a question. This is on page 1, subsection b.

SENATOR BAACK: Yes.

SENATOR HEFNER: "For each option student who is handicapped the resident school district shall submit to the option district the difference between the total cost of the education of the handicapped student and the option district's per pupil cost." And then it goes on to say when it's paid. Okay, I guess my question is, who pays that then? Does...

SENATOR BAACK: Well, what happens now, this was a negotiation between the department and myself yesterday, between the special ed specialists over at the department. And what it does is it leaves in place the formula we have now for distribution of state aid to special education is what it does.

SENATOR HEFNER: Okay.

SENATOR BAACK: That's what this does.

SENATOR HEFNER: Okay.

SENATOR BAACK: So that the resident district gets the state aid from the state, and then they send that to the receiving district.

SENATOR HEFNER: Okay, and then who pays the difference? I understand that that isn't...that program isn't fully funded.

SENATOR BAACK: They would pay what they receive from the state, and then they also...they also put their per pupil cost in. The school district that is sending their child puts their per pupil cost in, and then they would also funnel the monies that come for the 9C percent of allowable excess cost would be funneled to the new district.