

committee amendments which were, frankly, going to be my last major attempt at seeking some sort of compromise on the reorganization issue. The problems that remain, as far as school district reorganization, if you look at the Class I situation you will see that there is a tremendous tax equity problem; that the lowest tax levies in the state, to support education, continue to be in Class I's. We still have concerns about quality education in Class I's, because Class I's continue to not be accredited, by and large. A large number of them are becoming accredited and are proving that they do have the educational experience to warrant their continued existence. We have efficiency concerns. On the other hand, we still have the concerns of a large number of people in our state who would very much like to preserve that system of education. They genuinely feel that keeping a Class I school open, where they get individualized attention, lower pupil-teacher ratios, and a system of education where it is across-the-board and not segregated into specific subject matter areas, is by far the best method of educating kids, and they want to preserve that. What you have with LB 259 and the committee amendments to 259 is a system that will do that. It will deal with the tax equity issue, deal with the quality education issue, and will preserve the local control issue. Very quickly, because I'm running out of time, I wanted to go through that background with you, but I'm running out of time. Let me follow the time table here on LB 259, the one-sheet handout that you have, to explain to you what the committee amendments will do. And I turned my light on so I can give more explanation of the committee amendments when it comes my turn again. What we've done with the committee amendments is we've basically dropped things down into three different phases. Phase one is basically just a continuation of the status quo, and we're almost out of phase one. Phase two and phase two...by 1991...

PRESIDENT: One minute.

SENATOR WITHEM: ...all Class I school districts will have to affiliate their property with an existing II or III school district. They will basically do this affiliation through the same procedures that are currently in statutes, and they will pay a levy to the high...support the high school district. It's very much modeled after our current nonresident tuition formula. In phase three, 1994 and thereafter, we adopt what we call a tax equity approach where everybody in an affiliated group will pay the same tax rate to support K through 12 education. It's