

The total cost of the program is now \$5 million. This bill would eliminate the portion of the program that provides reimbursement for public school districts when children are in family foster care. Payments would continue to be made to institutions providing residential and educational services and to school districts when a child is in a setting other than a foster family home. The original bill, which created the educational assistance program for state wards, LB 43, passed in 1974, was introduced to address the situation where school districts were receiving a large amount of state wards by virtue of a group home or other child-care institutions being located in their communities. This created a hardship, which was certainly understandable at the time, and this bill was introduced and passed to help reimburse those costs. The bill was subsequently amended to require educational costs to be paid in full by the state for all wards in an out-of-district placement, even though, even in the case of families, who live in a district, and who elect to take foster care children, and who pay property taxes would also be...the school districts would be receiving reimbursement for them. The intent of this bill is to treat children living in family foster care the same as children living with natural and adoptive parents for the purposes of providing state reimbursement for educational costs. The public policy issue being presented is that foster care parents pay property tax the same as other citizens of the school district. Since foster children residing in foster family homes are living with tax paying citizens, these children should not be differentiated from other children from natural or adoptive homes. The school districts would be eligible for the state's share of educational costs for the 90 percent of their excess...allowable excess costs for special education and for transportation reimbursement. The bill would continue...this bill would continue payment in full for children living in group homes and institutions, which was the original intent of this bill. Also, another important point I think that needs to be made is the state ward of the court program was initially implemented prior to LB 1059 and the substantial increase in state aid that came about as a result of that bill. In essence, then in conclusion, this bill would save the state approximately \$1.7 million out of the General Fund, and in my view is a cut which is justified under public policy...on public policy grounds for the simple reason that we are reimbursing for children of foster care families who elect voluntarily to take those children into their home and who are paying property taxes. And if we are going to have to take a look at cuts to do