

SENATOR HALL: The committee amendments are not adopted. Senator Bohlke, would you care to open on the bill?

SENATOR BOHLKE: Yes, sorry, Mr. Speaker, members, if you think this is confusing now you should have seen it since the time it's come out of committee till we get to this point. But LB 840 is something that actually has been discussed for a number of years and is coming to a fruition this year. The problem arose when we began to realize that there were those schools who wanted to come together to merge and consolidate but when they would do that then, in effect, that year would lose a great amount of state aid. We've had examples such as Morrill, Nebraska who said, you know after they went through the trauma actually to the community of going ahead and deciding to merge or consolidate and then in the end they said, oh, by the way, because through the eyes of the formula we will look wealthier, we will lose about \$300,000 in state aid. That, in fact, has been a barrier to a number of schools who may look to come together and make that merger or that consolidation. So in trying to solve that, there have been people who have worked on it over the years and actually more Senator Wickersham and Senator Withem and coming up with solutions to address that problem. This, in fact, does that. It does it by recognizing that when those school districts come together we look at the amount of state aid that they would normally get and for the first year they would get 100 percent of that, the new school district, the second year, 66 percent, and the third year 33 percent, the idea of that being that it would bridge that, over those three years, that amount of time as they were bringing more property into their school district and they would not take that hit that they would initially take. Now when you do that, that money that would...normally that you would be sending back out to those districts would go, if you did not do that, would go to the School Finance Equalization Fund. And so as our meeting we had with area superintendents yesterday from school districts the size of Hastings and Grand Island and Scottsbluff all said they recognize that that will be money out of the Equalization Fund but they also realize in the long term it will return more money to that fund. And so as you see, we have senators on the bill from three different areas of the state representing three different size school districts in an attempt to come together and say that we would like to try this this session, we would like to try what some people have termed the carrot rather than the stick in order to encourage school