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so, instead of designing a procedure that more or less locks you in to these sorts of choices, these are explicit numbers in the bill. For each sparsity group we have a minimum efficient school size and we have a share factor. Quickly, what this would involve is if you're smaller than the minimum efficient size school we would calculate what your costs are likely to be at that size and then we would say that, compared to the minimum efficient size cost, the state would share 20 percent, 50 percent, 70 percent or whatever of that additional cost. So, again, the main point is it is an explicit way to, number one, recognize that costs are going to vary with size of school and to explicitly recognize how much of that cost you're going to recognize in calculating needs. A third concept that is involved here involves spending history. Let me begin on this by talking about the fact I mentioned earlier that our...the state's relationship with local school systems in the state is a partnership. Currently, we, it could be argued, treat state aid to a school system as somewhat of an entitlement. Based on the needs calculation, you are allocated a certain amount of spending or a certain amount of state aid. We never really go back and check to make sure that you actually spent that amount of money. So, for example, if you are a system that our needs show needs \$5,000 per student, your actual history shows that you've been spending \$4,000 or \$4,500 per student, there is really no impact until you eventually get to a cliff effect, which is called the "lop off". There's also another effect that gets involved, namely the minimum levy penalty. So, for example, if you were...if you were a system that needs were calculated to \$5,000 per student, you actually spent \$4,000, you used the money to lower the property tax, then there is a minimum levy, so once you lower it below that minimum levy you...you become penalized.

SPEAKER KRISTENSEN: One minute.

SENATOR RAIKES: But both...both factors are a cliff effect. What the spending history index does is the following. It is a two-edged sword. It says that if you have elected, as a locally controlled school system, to spend less than what the state has calculated your needs to be, then two things will happen. The first is the state will partner with you. If you want to spend low, we will spend low, too. I'm speaking of the collective