

TRANSCRIPT PREPARED BY THE CLERK OF THE LEGISLATURE
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effective for the next school year, might not have been...might not have occurred in December, since reorganizations don't have to be effective until the next June the 1st. The other part of the problem is the amount of reorganization incentives are determined by comparing the number of students that the district had in each of the grade ranges prior to the reorganization, and how many students they would have...would have been in those grade ranges, if the reorganization had occurred the previous year. The number of students that move into the different range sizes is determined by using the average daily membership numbers. The problem is that these average daily membership numbers are not available until July 1st the following school year, essentially two months before the reorganized district should receive their first payment, and seven months after the state aid has been certified. In order to handle these problems and allow payments to be received by the reorganized district the first year, LB 1134 separates the determination of the amount of reorganize incentives from the certification of state aid. Under the bill, state aid continues to be certified in December of the school year prior to the reorganization and the determination of the incentives is moved to August 2nd, immediately preceding the first year they are operating as a reorganized district. In addition, the definition of the base fiscal year is changed by 1134 for reorganized districts during the 1997-98 school year and after. The base fiscal year is the first year of the three years that the installments of reorganization incentives are paid. The bill changes the definition to make it clear that the first payment must be paid in the first year that the district would operate as a reorganized district. Therefore, these changes will allow the school districts, which reorganized during the fall of 1997 or the spring of 1998, and offers educational services as a school district during the 1998-99 school year, to receive the first third of their incentive payments during the 1998 and '99 school year. As a result of determining incentives separately from the state aid, we need to make sure that the 1 percent allocated from state aid incentives was separated out of the pot of money divided in December and was available in August when the incentives are determined. Therefore, LB 1134, before being amended, created the Reorganized School Assistance Fund to hold this 1 percent and make incentive payments. Since the 1 percent had already been certified to the schools for the upcoming