

**ONE HUNDRED SEVENTH LEGISLATURE - FIRST SESSION - 2021**  
**COMMITTEE STATEMENT**  
**LB473**

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**Hearing Date:** Monday February 08, 2021  
**Committee On:** Education  
**Introducer:** DeBoer  
**One Liner:** Adopt the Extraordinary Increase in Special Education Cost Act

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**Roll Call Vote - Final Committee Action:**  
Advanced to General File with amendment(s)

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**Vote Results:**

<b>Aye:</b>	7	Senators Day, McKinney, Morfeld, Murman, Pansing Brooks, Sanders, Walz
<b>Nay:</b>	1	Senator Linehan
<b>Absent:</b>		
<b>Present Not Voting:</b>		

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**Oral Testimony:**

**Proponents:**

Senator Wendy DeBoer  
Daniel Bombeck  
Kami Jessop  
Mary Phillips  
Edison McDonald

**Representing:**

Introducer  
NCSA, NASES  
NCSA / NASES  
NCSA, NSEA, NASB, STANCE, NRCSA & ESUCC  
The Arc of NE

**Opponents:**

**Representing:**

**Neutral:**

**Representing:**

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**Submitted Written Testimony:**

**Proponents:**

Jack Moles  
Ann Hunter-Pirtle  
Camdyn Kavan  
Katie Bevins

**Representing:**

Nebraska Rural Community Schools Association  
Stand for Schools  
Open Sky Policy Inst.  
Nebraska School Psychologists Association

**Opponents:**

**Representing:**

**Neutral:**

**Representing:**

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**Summary of purpose and/or changes:**

Legislative Bill 473 creates the Extraordinary Increase in Special Education Cost Act, which allows each school district to apply to the Nebraska Department of Education (NDE) on or after September 21 of each school fiscal year to cover an

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increase equal to or greater than 7% in its budget of expenditures' special education costs for the current year over the previous year.

Each applicant school district shall receive a payment equal to the increase less 2.5% of the previous year's budgeted costs. If there are not sufficient funds available at the time the payments are calculated, payments shall be proportionally reduced for each school district that has applied and not yet received payment.

LB473 creates the Extraordinary Increase in Special Education Cost Fund for the purposes of this act to be administered by NDE and shall consist of money appropriated by the Legislature. It is the intent of the Legislature to appropriate \$3 million for fiscal year 2021-22 to this Fund. The Legislature may appropriate additional money in future fiscal years as needed.

Each school district that received a payment from the Fund shall have an equal amount subtracted from its "excess cost" reimbursement.

This measure includes an emergency clause.

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**Explanation of amendments:**

The Committee considered and adopted AM520 which substitutes for the bill and revises the introduced language of LB473 as follows:

The term "special education costs" has been changed to "special education expenditures", likewise the "Extraordinary Increase in Special Education Cost Fund" has been changed to the "Extraordinary Increase in Special Education Expenditures Fund".

AM520 changes the application date from "on or after September 21" of each school fiscal year to "on or before January 15", and specifies that the application is to be prescribed by NDE. Such application shall include the special education expenditures of the school district as of December 31 of the current school fiscal year.

The formula for calculating a payment from the Extraordinary Increase in Special Education Expenditures Fund has changed and replaces the original formula in the bill. The new formula to determine an applicant school district's payment consists of the following three steps.

- 1) Special education expenditures for the immediately preceding school fiscal year are divided by two.
- 2) The result is then multiplied by 107%.
- 3) This result is then subtracted from the current special education expenditures reported on the application.

Each applicant school district qualifies for a maximum payment equal to the result of step 3 of the formula, except if the sum of all maximum payments exceed the available funds they shall all be reduced proportionally.

NDE shall make payments to each applicant school district on or before January 31 for the school fiscal year in which the application is submitted.

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Lynne Walz, Chairperson