

avoided and it is recognition that some additional help was appropriate for these kind of schools. You will recall that Senator Maresh acquired an opinion for the Attorney General suggesting that we did not have sufficient guidelines in the section and so this bill brings in these guidelines under which schools should apply. The provisions which would have to be met to qualify include these, that the school budgets would have less than 35% of the support from state aid for those items which are reimburseable under a state aid program where the local mil levy would exceed 25% of the qualifying levy I would estimate the qualifying levy in this bill to be around 20-21 mils for equalization aid and a 25% increase you are talking probably about at least a 25 mil levy to qualify. Secondly the operating cost would have to be at least 10% greater than the average of the state and this would cover most if not all of the schools in question. Another item would be that the pupil teacher ratio could not be less than 12 to 1. Now it seems somewhat low but unless a number of these schools are to be recognized as having a particular problem we had to get down to that low of a figure. Also it was recognized or suggests that the grade level should be from K-12 and that the average daily membership of the entire system would have to be at least 50. Section 15 is the boiler plate which authorizes the department to issue whatever rules and regulations are required under the act, it does not have additional authority above that. The next series of sections deal with the setting of rates, and as the bill is designed the change in rates that would...in sales and income tax rates that would be caused by the passage of the bill, would be the revenue collected as a result of that rate change for this purpose would be placed in the separate fund to be appropriated by the legislature. The essential reason for the provision is that if rates are changed for state aid to schools, sales and income tax rates, then the money raised by that change in rates should be deposited and go for school purposes. I would not want to see rates change for supposedly for state aid to schools and then finding a portion of that money being distributed to the general fund and going for other purposes than the support of education. The bill also includes along with the provision of the general...

PRESIDENT: Senator Warner, would you please hold it down just a little bit, I don't know how it sound down there but it is almost impossible to hear Senator Warner.

SENATOR WARNER: Section seventeen, includes provisions for setting aside money in the rate making process for adequate funding of LB403 during this 2 or 3 years of initial impact and again this is part of the problem that many of us are acquainted with in connection of the setting of rates in LBL0 that was enacted in the past session. The bill does point out that this is an expressed obligation in other words, there were those having problems determining what an expressed obligation was and the legislation passed last time so there is no question, this would be identified for rate setting purposes. Section 22, puts a formula in the law which would be implemented the second year of the act for setting non-resident high school tuition there has been concern as many of us know in some areas as non-resident tuition was excessive however with the adequate state aid program it is not a problem for the receiving districts to use this kind of a rate for non-resident tuition. Twenty-four merely requires