

April 30, 1979

LB 494

South Sioux, would lose 40% of state aid. Senator Reutzel would lose significantly as well. The senators of Douglas County would lose over \$2,000,000 just for the Omaha public school system. You can go down the line and you will find that the largest school systems are going to be the losers. The only people that would really gain are those who under the present formula that receive very little equalization. But for us to try to change, go from a formula the court should probably uphold as being halfway fair when you consider financial capabilities, to one where you can completely ignore financial capabilities, I believe is not wise. We have LB 486 which attempts to treat the problems of state aid and improve the mechanics and the formula, even dealing with nonresidents in terms of accountable receipts and giving back to class one schools for the first time a certain amount of money they deserve under the formula and of course I sent you a letter last Friday what I would hope we would do and that would be to adopt LB 486 because it is a formula that will handle every dollar this body would ever wish to put in it. Our only decision would be basically to make a determination whether or not we are going to apply the new dollars equally to foundation and assured need section or to foundation only. That would be the only decision because presently the old 448 of which Senator Warner was one of the authors and supporters, that formula is completely filled. In fact, we are going to have a slop over this year of about \$9,000,000 that the formula won't take that will be distributed on a per capita or a head count on last year's A.D.M. That is the reason I offer the motion to indefinitely postpone. There isn't a state in the union today that deals with state aid that does this strictly on a flat count, not one and of course we have avoided court cases. Maybe I should support this. This may immediately initiate a court case that probably would prevail. The fact that we have a formula here that we cannot justify nor would the courts justify simply because we take into consideration no financial capability of a school district. All we are saying is they are all equally wealthy and so we'll apply a formula that treats only the number of children that they educate. So I respectfully request that we would indefinitely postpone LB 494 and if you want to deal with a viable state aid bill that where you can try and treat people fairly both in foundation and insured needs and nonresident students in class one school systems, that 486 is the answer because that has a formula that is buyable and flexible and it could last for a long time without ever touching it, therefore, I request your support to indefinitely postpone 494.