

above their budget limitation for special education based on their last two years' growth in special education. So you can have some special ed growth beyond the lid and this is done to add some flexibility to the lid because special education costs are totally unique in the fact that they are a year in arrears which causes problems for school districts when you have a lid. They are also unique because it is a mandated program, they have to provide these...they have to provide these services and the money comes a year in arrears, so you can make a good case for this being an exception to the rule. There is still a lid on this. It isn't that they can have as much special ed growth as they wanted. There is a lid saying that their last two years of special ed growth can be their lid for special ed. It also says that if you can demonstrate to the Department of Education that you are going to have a very high growth in special ed students, there can be some exceptions made for you as far as your growth goes for the next year because in a small school district if you'd have a couple of multiply-handicapped students come into your school one year, it could take all of your budget growth just to fulfill those needs. This adds some flexibility for those school districts that do have a lot of special ed growth. Those are the three things that we do. With that, I would be glad to answer any questions if I can.

PRESIDENT: Thank you. Senator Withem, please, followed by Senator Kristensen, Senator Moore, Senator Abboud and Senator Haberman. Senator Withem, please.

SENATOR WITHEM: Yes, Mr. President, members of the body, I support the Kristensen-Baack amendment, or the...probably support more fully the Baack-Kristensen amendment, but do, in fact support this. Let me give a little background on it. This is a package of things that we had discussed that are being offered together that probably a little more substantive sort of changes in the bill than may have been there with the earlier package that we did put together. All three of them though do make good sense. First of all, the hold harmless, the districts that are penalized by the bill, I don't like the word penalized, that's their language, districts that get less state aid under this proposal than they would be before, had asked for a hold harmless in perpetuity. The bill currently calls for a phased out hold harmless. What we did in a meeting, visiting with a number of those superintendents was, we talked about doing a hold harmless at 100 percent for three years and also do a directive to the ongoing Finance Review Committee that is