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FLOOR DEBATE

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that proposal in place. The provisions of LB 540, the committee amendment, would not affect that. That amounted to about a 22- to 25-million-dollar reduction in state funding to schools, and that remains a part of our funding mechanism that we're proposing here. The second main provision, we're moving the levy limit from \$1.00 to \$1.04, the second main provision is that we're reducing allowable spending growth, the basic allowable growth rate, from 2.5 percent to 0 percent for, again, both years of the upcoming biennium. A sort of a subsidiary provision of that, if you will, is that we are also expanding an allowable growth range from the 0 to 2 percent...from a 0 to 2 percent range, rather, to a 0 to 3 percent range. Let me just explain quickly, that if you're looking at the allowable spending growth for a school district, you begin with the basic allowable growth rate, currently 2.5 percent. Again, we're proposing that be reduced to 0. There is an option which we are leaving that a school board with a supermajority vote can increase that spending authority by 1 percent. Again, we're leaving that in place. There is an additional increment of spending authority that is allowed low-spending schools, schools that spend less per student, or actually I think the way it's defined is that they're spending is less than calculated needs. If, depending...if a school system is in that category, depending on how low a spending school they are, they get an additional, currently, 0 to 2 percent additional budget authority because of that circumstance. So if we're adding them up, we have the 2.5 percent basic allowable growth rate, we have an optional 1 percent, and then we may have an additional up to 2 percent that would be allowed for low-spending school systems. While I'm at it, I'll just add some other things. There are certain spending allowances schools have which are not within the budget lid. For example, special ed expenditures are outside the budget lid. Student growth is within the budget lid, but there is an additional budget allowance made for student growth. The other thing I'll mention is that if there are interlocal agreements then the spending under an interlocal agreement is outside the budget lid. The changes we are making in this, or we are proposing with LB 540 in this mechanism are these. We're going to drop the basic allowable growth rate from 2.5 percent to 0, and then the increment that would provide extra spending authority for a low-spending district would be