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would get an additional 3 percent.

SENATOR VRTISKA: Now one other question I had that I listened as you were giving your presentation. You talk about spending authority for those schools that have a reserve. Now I understand there are some schools that have a reserve, but if they have no reserve then obviously they don't have any authority. What happens in those cases? Have you looked at that?

SENATOR RAIKES: Okay.

SENATOR VRTISKA: Let me just continue just a minute. The reason I say that is because in viewing some of the schools that I've visited and superintendents I've talked to, some of them have tried to be maybe two conservative and haven't, in fact, built up a reserve or tried to raise the taxes as much as they could to get some reserve, and basically what I'm hearing, and I'm sure you are, that now they're being penalized.

SENATOR RAIKES: Okay. Let me answer that as best I can, Senator. I think that's a very good question. First off, if I said reserves, I meant to say unused budget authority, but both concepts are actually relevant. The reserve would, in effect, be the ending cash balance. Unused budget authority would be budget authority collected over time but not yet used. It has been a longstanding part of our state policy to try...through the equalization part of it, is to try to at least provide the opportunity for those lower spending school systems to catch up. The policy is not intended necessarily to penalize high-spending school systems, except that the underlying policy is that, well, you know, spending above a certain level is really a local responsibility. The state will only participate up to a certain level. But for low-spending school systems, it has been the state policy...

SENATOR CUDABACK: One minute.

SENATOR RAIKES: ...to provide...to try to provide the opportunity for them to catch up. You're certainly right if you suggest that not all school systems have handled their finances