

TRANSCRIPT PREPARED BY THE CLERK OF THE LEGISLATURE  
Transcriber's Office  
FLOOR DEBATE

May 15, 2003

LB 540

just increasing the property tax at the local level to replace the state aid shortfall. So I...maybe it's...maybe I'm repetitious. But can you explain to me what...the difference between what we have now without this bill, and for...as far as as school boards are concerned, as far as their budgetary process, the amount percent of increase over the one mill, and what we would have with this if this was passed? Could you explain that to me a little bit?

SENATOR RAIKES: I'll try, Senator. And I think, again, the quickest way is that the allowable spending increase for schools, from this current year to next current year, would be reduced by 2.5 percent. So that it's not simply a case where we're...things are...the spending increases are going on normally, if you will. And we're simply going to transfer the support for that spending from state aid to locals. We are reducing the amount of spending allowed. And then of that reduced amount, in addition, we're saying that more of it is going to be provided, potentially, by property taxes, and less by state aid.

SENATOR STUTHMAN: But it...Senator Raikes, if a school had spent \$1 million a year, or \$1 million...\$1,250,000, this coming year then, if this bill was passed, they could only budget for \$1 million? Would that be correct? They would not be able to spend as many dollars in the coming year as they did in the past?

SENATOR RAIKES: No, Senator, that isn't correct. There wouldn't be an instance that the spending authority would actually be reduced. The amount of the increase in spending as compared to normal times would be reduced. So if...I've forgotten the numbers. But say, \$1 million was the General Fund budget in the previous year. Then the allowable budget in the upcoming year would be increased by zero...it wouldn't be reduced any...increased by zero, but by the basic allowable growth rate. But...

SENATOR CUDABACK: One minute.

SENATOR RAIKES: ...the school board still has the option of the