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LB 38

schools and its role in funding community colleges. In both cases there's an aid formula. The formulas are quite a lot different, but they are formulas in the sense that they account for a total obligation on the part of the state and a distribution of that funding to the, in the K-12 instance, individual K-12 systems; in the community college areas, the six community college areas. You will recall that in the recent 2003 time frame when we were facing serious budget difficulties in terms of the state funding for K-12, that we made what we called a temporary aid adjustment. Roughly, the way that works is as follows. We...again, I...you may have heard this before, needs minus resources equals aid. What we did is we reduced needs arbitrarily by a certain amount of money, and that translates to a reduction in state aid and a reduction, of course, then in the obligation of the state to support K-12 schools. What we did in association with that is provided local K-12 school boards the opportunity to levy enough money to recover that reduction that we made at the state level. It was, in effect, a transfer of the obligation at the state level to an obligation at the local level, and particularly with property taxes. We did require a three-quarter majority vote of the local governing board, in the case of K-12 schools, a school board, in order that that would happen. This, in fact, is...was in place, I think, I may be wrong, but I think beginning in 2003; is currently in place. It will be part of the...the fact that there is a temporary aid adjustment will reduce the obligation for TEEOSA funding in the current budget and, in fact, this continues through, I believe, the 2007-2008 fiscal year. We did a similar thing for community colleges. That is to the...again, the formula is somewhat different, but there is state funding involved in community colleges and we have in place now a provision which will expire at the end, I believe, of this current biennium, which LB 38 proposes to extend, the green copy did, and that is that, to the extent the state underfunds its obligation to community colleges, the community college board, with a three-quarter majority vote, could go to property taxpayers and levy the additional amount needed to make up the shortfall in state funding. The essence of LB 38 is to extend that provision to 2007-2008 so that it is comparable with what we now have in place for K-12 schools. So that is the first major part of this proposal and I think I'll stop there,