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

April 4, 2006 LB 1024

through this transition for the school districts, some of them end up, given the situation they've been in and the spending patterns they've developed, they end up being in a financial pinch for a couple years. So we decided that it was best, probably, to allow that levy lid to go up to a dollar two-and-a-half, to make that transition more feasible for those schools. A second thing we did is we took the special building fund out from the operating levy cap. This is a technical matter that probably none of you have paid much attention to, for good reason--you've got other things to worry about--but I think it's an improvement in the financial structure, the financial policy for the state. We equalize the operating levy up to 95 cents or the minimum levy. The special building fund is not equalized, even though it's under that levy cap. What that means is that a school district that has a lot of valuation per student--"wealthy" would be another term to describe it--can collect a lot of money for each cent it levies. district with very low valuation, not wealthy, could not collect very much money, percent of valuation. So it ends up being disequalizing, in the sense that there's a discrepancy between schools that...districts that have a lot of valuation and those that don't. What we did, then, was allowed for the learning community as a whole to levy money, taking advantage of sort of the average valuation per student over the whole district, or a whole learning community, and then allocate that back to individual districts to supply this special building fund need. So that's the reason for the 5 cents of special building fund levy that's over the top of the dollar two-and-a-half, which is targeted here in the Howard amendment. Finally, we decided that if we're serious...

SENATOR CUDABACK: One minute.

SENATOR RAIKES: ...about school districts or the learning community, in particular, addressing the needs for focus programs, for magnet schools and that sort of thing, it makes sense to provide them some funding so that they can address those issues. The 2.5 cents is, again, a levy that would be applied over the entire learning community. It would be, so to speak, indifferent to the valuation per student available in each district, but those monies could be used, then, to serve