



One Hundred First Legislature - First Special Session - 2009
Introducer's Statement of Intent
LB 5

Chairperson: Greg Adams
Committee: Education
Date of Hearing: November 9, 2009

The following constitutes the reasons for this bill and the purposes which are sought to be accomplished thereby:

Legislative Bill 5 would reduce state aid to school districts pursuant to the Tax Equity and Educational Opportunities Support Act by reducing the base limitation rate for 2010-11 from 1.5% to 0.5%. The base limitation rate is used in the calculation of budget authority for school districts and in the cost growth factor which is an inflationary component used to bring 2 year old spending data to a more current level. The measure would also reduce aid by reducing allocated income tax funds by \$20 million for 2010-11 and by replacing the teacher education adjustment with a teacher education allowance. Adjustments in the state aid formula add new money for specified costs, where allowances align expenditures that are already included in the formula with the districts that made the payments. The instructional time allowance would be phased out and qualifications for the elementary site allowance would be clarified. Despite the reduction in the base limitation rate to 0.5%, the minimum allowed increase in budget authority would be 1%.

Principal Introducer:

Greg Adams, Chairperson
Committee on Education