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the levy limit from \$1.10 to \$1.00 was at least presumptively shifted to the state. To put it in technical terms, the reduction in the levy limit reduced school system resources for purposes of the state aid formula by approximately 10 percent. Since the state makes up the difference between the formula need and formula resources, the reduction in resources resulting from the reduction in the levy limit cost the state \$100 million. I repeat that. The difference between the \$1.00 levy limit and the \$1.10 levy limit cost us \$100 million in additional state aid. This is because the state is committed to make up that money. Therefore, without changing the amount that can be spent by schools, neither increasing nor decreasing the amount, the levy limit cost the state \$100 million per year by producing a pure tax shift of \$100 million from local property tax resources to state General Fund resources. While I'm not certain we always keep it in focus, this is not about...this \$100 million is one of the largest single items that we appropriate. And this really isn't about what schools can spend. The particular issue is not how much schools spend. That issue is not in the plan anymore. I previously had that in the plan, but that's not there. It is about how much school spending will be absorbed by state General Funds, and how much will be funded by local property tax resources. It's purely a question of who pays. To get to the gist of this issue, we need to go back to the late 1990s. At the time, we had sufficient surplus revenues that it appeared we could take on several forms of tax relief at one time. First, we reduced the income tax rate. We talked about that yesterday. Secondly, for one year we reduced the sales tax rate. Third...and we decided to fully fund the gap in formula resources resulting from the drop from \$1.10 to \$1.00 in the levy limit. As it happened, the impact of the \$1.00 limit occurred exactly at the time that our revenue stream stopped growing. Since it is built into the budget through the state aid calculation, we tend to miss the impact of the \$1.00 levy...the \$1.00...the impact that the \$1.00 levy limit has on our budget. But it's a fact that it's \$100 million. During this year's budget process, it is essential to consider the \$100 million. It is essential to determine whether the \$100 million is well spent, and whether we can spend it more wisely. AM1445 is an effort to put the question on the table. I believe the answer is that we can spend that \$100 million more