

ONE HUNDRED FIFTH LEGISLATURE - FIRST SESSION - 2017
COMMITTEE STATEMENT
LB409

Hearing Date: Monday March 06, 2017
Committee On: Education
Introducer: Groene
One Liner: Change the base limitation and local effort rate for school districts

Roll Call Vote - Final Committee Action:
Advanced to General File with amendment(s)

Vote Results:
Aye: 8 Senators Ebke, Groene, Erdman, Linehan, Kolowski, Pansing Brooks, Morfeld, Walz
Nay:
Absent:
Present Not Voting:

Verbal Testimony:

Proponents:
Senator Mike Groene

Representing:
Introducer

Opponents:
Larry Scherer
Jeff Schneider
Sandy Wolfe
Jami Jo Thompson
Connie Duncan
Liz Standish
Jon Habben

Representing:
Nebraska State Education Association
Hastings Public Schools
Norfolk Public Schools
Norfolk Public Schools
Lincoln Public Schools
Lincoln Public Schools
Nebraska Rural Community Schools Association

Neutral:
Bryce Wilson

Representing:
Nebraska Department of Education

Summary of purpose and/or changes:

LB 409 would revise the Tax Equity and Educational Opportunities Support Act (TEEOSA), by reducing the base limitation rate for school districts found under section 77-3446 (Base limitation, defined.) to 0% for school fiscal year 2017-18 and 2018-19. The effect of this change would be to reduce the amount of increase in TEEOSA Aid provided by the state to school districts for 2017-18 and 2018-19. The budget growth for 2017-18 would be 2.5%.

- The 2017-18 budget growth of 2.5% is arrived at when you take the 2.5% budget limitation for 2016-17 and add it to the 0% for 2017-18. The 2018-19 budget growth would be 0% as both 2017-18 and 2018-19 have 0% budget growth under LB 409.

[The base limitation rate would return to 2.5% in 2019-20, which is the level of increase all other political subdivisions currently have.]

LB 409 also amends section 79-1015.01(Local system formula resources; local effort rate yield; determination) to

change the local effort rate from \$1.00 to \$1.01 for the purposes of increasing the level of resources available to school districts for school fiscal years 2017-18 and 2018-19.

LB 409 contains an emergency clause which requires passage with at least 33 votes on Final Reading.

Explanation of amendments:

AM955 makes the following changes to LB 409:

- Changes the base limitation rate under the bill from '0 to '1.5' (the current rate is set at 2.5%);
- Changes the Local Effort Rate from '1.01' to '1.02030' (the current rate is at '1.00');
- Reduces Net Option Funding by 4.5%, and finally;
- Would clarify that Community Achievement Aid is to be considered as a resource when determining Transition Aid.

Mike Groene, Chairperson