

the bill as it was passed last session had budgets compared to expenditure. There are two or three of these that have the relationship or the comparison is being made to expenditures, to expenditure which obviously is necessary. Then there are these exceptions...to limitations. One is the expenditure for utilities including telephone expense. Excluded from the limitation would be the school district's share of social security tax and retirement. Fourth is excluded is that part of programs or activities which are funded in whole or in part by the federal government and are not funded in whole or part by the State of Nebraska or any of those political sub-divisions. Then the next exclusion would be all cost that a local school district has incurred by virtue of passage of LB403 of the last session. And then you'll notice on down a ways it has to reference to this June 31 date which was amended to March 31 according to the amendment that was just adopted. Then the other amendment deals with certain capital outlay items. A possibility or example rather could be a school buses. A number of districts may buy a bus in one year...or buy two or three buses in one year...and write it off as a operating expense for that year. When in actuality they probably have built up funds for that over a two or three year period. And this amendment allows them to in effect advertise these kind of purchases over a five year period when in fact they are made in one year but they're hard goods that have a longer life and it's a reasonable way to handle these kinds of expenditures. Then, there is a provision which is a new section 9 that if a school went above their limitation prior to any reduction in future state aid programs that they would notified by the Department of Education in writing as to what dollar penalty they were paying for virtue of going over the limitation as provided. And then there is the normal requirement for a department to make rules and regulations to carry out the provisions of the act. That in effect would be the limitation as proposed. I will have one additional amendment. I'm not sure I've turned it in, Mr. Clerk, which is an operative date for the act of September 1, 1974 which is necessary in order to separate this year's limitation from next years.

PRESIDENT: Senator Frank Lewis, do you want to be heard on the amendments? Well, is there any further discussion of the Warner amendments? These are the amendments by found on page 622, right? All right. Any further discussion then? The question is then shall the amendments be adopted. All those in favor please say aye. Opposed say no. So ordered, the amendments are adopted. Are there other amendments to the bill?

CLERK: Mr. President, we have some amendments from Senator Frank Lewis that are printed in the Journal on page 675.

PRESIDENT: All right, Senator Frank Lewis.

SENATOR FRANK LEWIS: Mr. Chairman, I think this goes right to the heart of the issue. It's a very simple amendment. It simply says that because of the lack of confidence of the Governor and the members of the Legislature that obviously we need a spending limit, in public schools. And I think that maybe this declaration is necessary. Visiting from time to time with most members of the Legislature I fail to find very many that are adamantly wanting a limit but many have said you have to have one to simply get the bill passed. So this would be a declaration once and for all to those officials