

**COLLABORATION MEMBERS**

Nebraska Council of School Administrators (NCSA)

Nebraska Association of School Boards (NASB)

Nebraska State Education Association (NSEA)

Schools Taking Action for Children's Education (STANCE)

Greater Nebraska Schools Association (GNSA)

Nebraska Rural Community Schools Association (NRCSA)

Educational Service Units Coordinating Council (ESU CC)

Stand for Schools

Collaboration Opposition to Concepts presented in LB 289 AM 1572

1. The Local Formula Contribution will drive down district levy limits in a way that is disconnected from reality. Districts will not have access to growth in valuation. The element of “new construction growth” in the Local Formula Contribution formula does not necessarily tie to enrollment growth. The Local Formula Contribution method proposed will substantially drive up the need for equalization aid paid by the state in future years. We do not believe the state will be able to meet this obligation. Some equalized districts are okay in year one of this plan under Local Formula Contribution methodology, but levy limits are likely to spiral downward in future years in a way that is not sustainable.
2. Local Formula Contribution does not have a “release valve” to allow districts to increase levies in years where state funding is less. Levies can only go down or stay the same. They can never go back up.
3. We are being asked to limit our cost growth to 0-2.5% when current law provides for 2.5%. Our cost growth does not align with the CPI. Our cost growth is driven by staff costs such as health insurance increases.
4. The current bill eliminates the averaging adjustment. Basic funding is lower in districts that have high student needs with limited access to revenue. This is an important mathematical component of the formula.
5. The new concept in this bill of foundation aid does not account for children living in poverty, with special needs, or English Language Learners.