

April 16, 1971

PRESIDENT: First bill for discussion this morning is LB462.

CLERK: Read title. LB 462

PRESIDENT: Chair recognizes Senator Warner.

SENATOR WARNER: Mr. President, Members of the Legislature, perhaps I can explain it. First I move adoption of the amendment. The advent of special sessions changes the procedure somewhat that we had practiced in the past. With an annual budget rather than a bi-annual, a substantial increase in any program of course, cannot be accomplished within that year because there is not ample time to provide the revenue in the state treasury for dispersement. What the amendment does, that I have passed out, strikes the bill as it was introduced, because it was a bi-annual appropriation and in place of that would insert starting in September 30, 1972, an increase in the funding for state aid to schools. The first section of the amendment is establishing the public school property tax relief fund which would be funds for that would be transferred by the state treasurer on four dates which are set out, Sept. 30, Nov. 30, Feb. 28 and June 30. The reasons for these dates to let our Legislative staff has done considerable work on cash flow as far as the state is concerned and by having four payments such as this the rate necessary can be set lower because we do not have such large payments going out each time from the state treasury. Also, the schools are in concurrence with these dates as meeting their needs for expenses during the course of the school year. The second part of the section, I also should add that the amounts to be spent that would be submitted to the state treasurer by the Department of Education to an application of the state aid form list is purely a mathematical thing. The Legislature still would have the control over the amount by the formula that was used for distribution, so that there is no problem about knowing what the amount of money would be necessary. The second part of the amendment deals with the restriction and on this restriction the effect of it is that for every dollar of additional state aid to schools receiving above the present 35 million a year, there would have to be at least 94 cents reduction in local property tax. The one formula for reduction is by using the amount of increased state aid, you divide that by the state average assessed valuation, times the districts average daily membership and what one comes up with from this formula is a reduction in mill levy in that figure. This type of a restriction is applicable to every school district as opposed to some of the other alternative restrictions which have been discussed which would not work for every school district across the state. I think the important thing to keep in mind with the amendment and the bill is the lead time that is necessary. There isn't going to be any additional property tax for school purposes. I have submitted a study resolution a week or two ago, calling for a review of the formula for state aid distribution as well as the review of financing from within a local school district and I believe that --