

adds that for their convenience. The hold harmless provision, I would indicate to you, is more troubling. It is probably the more substantive provision of this amendment. If you recall, when we passed LB 1059, as a transition phase, we said for three years no school district can receive less state aid under 1059 than they received under the previous formula and, at that time, I think we estimated about \$2.5 million of impact that would go out to those school districts in hold harmless aid that would then not be available for distribution to the other schools, fairly minimal impact. But we did say that that needs to phase itself out, and I'd be real concern if we had it in perpetuity because it is one of those antiequalization provisions that are contained in legislation. Senator Lamb's original bill that he introduced would have gotten rid of the sunset and would have kept the hold harmless in perpetuity. I would not have supported that. But Senator Lamb came to me and asked what about the provision of extending this for a couple of years, that did make some sense. The reason is we have a lot of fluctuation in valuations occurring in all parts of the State of Nebraska at the moment. We are...because 1059 is funded on a two-year-old basis, based on two-year old data, we are now just beginning to see the impacts of the increase in ag land valuation for those two or three years where the previous ag land valuation amendment had been declared unconstitutional, and the new one had not taken effect. As a result of that, a number of school districts, primarily in rural areas, had their valuations spiked upward. I think it was a temporary spike upward, but they spiked upwards, and, therefore, there were more school districts that under the formula would not have received any state aid at all. It is my firm belief that, once the new ag land valuation methodology passed last year goes into effect, there will be fewer hold harmless districts and we will find that it is not that big a deal anymore. But I think because of the situation we are in right now with not knowing what the ag land valuation will do, what the 1063 will do, what happens if the CA is voted down and all property goes back onto the tax rolls, will stand corrected, Senator Moore, I hope you didn't hear that. I should not have said all property, the property that is contained within the MAPCO decision, those particular categories, I will try to do better in the future. I think we ought to extend the hold harmless a couple of more years and so I am supportive of that provision.

SPEAKER BAACK: Thank you, Senator Withem. Senator Bohlke.