

SPEAKER MARVEL: Senator Dworak.

SENATOR DWORAK: Mr. Speaker and colleagues, I am not taking any issue with the formula portion of this bill but I do want to make a couple comments concerning the two and half million dollar additional expenditure. I can't argue with Senator Kahle's position and his fundamental point that the local subdivisions of government should have received this money prior to this time. He is absolutely right and I also can't argue that they have been hindered by not receiving the money. He is absolutely right there but the argument that I am going to make and the thing that was misleading and the thing that was stated erroneously is that the state had a two and a half million dollar or some amount windfall. Now if we would have earmarked and escrowed this \$70,000,000 that, in fact, would be true but you have to remember that we are dealing out of the total general fund, sales and income tax, and this money has not been earmarked and this money has not been escrowed. And several things have happened that precluded the state from receiving this money and, number one was that we did spend \$40,000,000 more last session than we had anticipated spending in the form of state aid. That is number one. Number two, because the Constitution states that the State of Nebraska shall not have surplus, a group of people forced or at least brought to public attention or the attention of the Board of Equalization the fact that we did have some surplus and that is what forced a tax reduction. Now to say conclusively and to pinpoint just exactly what dollars were not received by the state as a result of the tax reduction, what dollars were not received or were spent in the area of state aid is an impossibility. But I think it is a safe statement to say that we were not able to keep this \$70,000,000 in the bank some place to draw interest and that interest is what we are spending. The only way we can make that up is through future income and future appropriations. Now, I suppose if you are going to be absolutely fair about this, what triggered the tax decrease last year to balance that out, we may have to have a tax increase this year. Now I am not sure that is politically palatable to members in this body. So, I think the point of the matter is, I am not going to oppose LB 284 but on Select File, and I would like you all to think about it just a little bit, I would hope there would be another attempt to take that two and a half million dollar additional expenditure out of this particular measure.

SPEAKER MARVEL: There are amendments on the desk.

CLERK: Mr. President, the first amendment I have is offered