

April 9, 1981

LB 284

SENATOR KOCH: Mr. Speaker, thanks for the opportunity to speak on this issue. I was wondering whether my light was functioning. I wanted to speak to the other issues, but I will take this opportunity. I stated the issue the other day on the money we think we ought to return because of losses due to borrowing. I have here a figure sent to me by one school system. They were expecting \$848,000 which they did not receive, so, therefore, they went to the bank and borrowed at 9.05 percent and are presently paying an interest rate for the total amount, hopefully we will something done here and get the money back to them before they have to make their last payment in July. The total amount of interest that they would have paid for this money over this period of time from January to the present, or July, \$27,289. That is for the large school system, and if you want to know who it is, it's Millard. That is the only school that said anything to me on the issue of what interest they have had to pay. But as I told you before, schools are generally borrowing money at certain times of the year. Even though we know that some of them had to borrow because we promised them a replacement tax dollar which they had never received, I don't think it is appropriate for us to try to estimate how much interest they paid, all subdivisions of government, in looking forward to what they are going to get under 882 which did not meet the constitutional test. For us to return a million and a half dollars or whatever figure you want to put in there as interest lost that the state might have gained is not going to go back to subdivisions in any form of equity in terms of what they borrowed, or what they might have invested and gained by investing the money in certain kinds of investments. There is no way. This state has other obligations and I think that the million and a half could be used for other kinds of services that we probably will ignore, and I am sorry that Senator Warner isn't here today to talk to us about some of the budget problems. So I can't support this even though I respect Senator Kahle and what I am sure is a very honorable effort to try to maintain some integrity. We did make a mistake, but I think what is most important to us is to come to a decision and release the money which has been impounded and get it back to the subdivisions as soon as possible so that this does not have to continue beyond a certain point. If we act with integrity, we can have the money back to them by the end of May. That at least would help them resolve two payments for June or July depending on how long they borrowed the money for. Senator Kahle, respectfully, I cannot support or Senator Carsten, if that's your wish,

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