

May 4, 1981

LB 561

CLERK: Mr. President, Senator Koch moves to amend the bill: (Read Koch amendment found on pages 1721 and 1722, Legislative Journal.)

SENATOR KOCH: Thank you, Mr. Clerk. On your desk was placed after the lunch hour the proposed amendment. This amendment is very similar to one that we enacted last year. What it calls for is a total of \$20,000,000 to general aid to the public schools. It allows the Governor flexibility to accept either the total \$20 million or to accept ten or naturally as we all know to accept zero. I remind you that under a 7% lid of today the public schools, if you look at their budgets of last year, are able to increase that by 7% which they no doubt will have to do because of factors that usually are not under their control. It really means that if they go 7% according to the auditor, they probably will under last year's figures, that means that that budget they presently have of \$551 million as they used last year would be an increase of \$37,639,000 and that as you know comes off of state...out of local funds. Now the only way they get local funds, as you know, is property tax. Now if this body wants to forget what we did last year, then all we do is we just plain say "Good luck, and go to the property tax and get that money which you need to carry on the role and mission of the public schools." I suggest to you that that is not the proper way to treat, if we in this state are concerned about trying to minimize the increase upon property taxes, then we at least have to treat it in some degree of fairness. We have to at least try to keep up with the cost of inflation and the fact that we say you can go 7%. As you all know, I am not totally in favor of 7% lids. But if we do this, at least we can do is we can minimize the call upon property taxes. That is what I am interested in because if you checked most of your schools in here today would receive a considerable sum of money that does not satisfy the total need but at least there would not be a significant impact upon the local property tax in most of the public schools of the State of Nebraska. I have sat here and I have watched since the other day we were dealing with budget bills. It is rather fascinating to sit in the back and watch certain kinds of things occur. First of all we curse the darkness from the Potomac because of certain kinds of burdens it is going to place upon us. We say we are going to bite the bullet and we are not going to allow any increases but I have seen us do two things. We have allowed certain increases to certain agencies of government because obviously they carry out a proper role. I have also observed us today to appropriate certain money out of the general fund, and we have been warned time and again by Senator Warner and others, that we should not tinker with the general funds because we have a severe