

November 11, 1982

LB 1

CLERK: Mr. President, there are E & R amendments to LB 1.

SENATOR LAMB: Senator Kilgarin.

SENATOR KILGARIN: I move we adopt the E & R amendment to LB 1.

SENATOR LAMB: Those in favor of adopting the E & R amendments to LB 1 signify by saying aye, those opposed no. The amendments are adopted.

CLERK: Mr. President, the next amendment I have to the bill is offered by Senator Koch and Senator Koch's amendment is on page 49 of the Legislative Journal.

SENATOR LAMB: Senator Koch.

SENATOR KOCH: Thank you, Mr. Chairman. What I propose to do in amending Section 86 of this present bill is that the State of Nebraska is obligating subdivisions of government for certain kinds of money that are returned to them due to certain legislative actions. A most recent one would be LB 518, most of us remember where we took a considerable sum of property from the schools and counties and cities. We then said we would return to them \$70 million dollars in lieu of the supposedly loss of tax revenue. Now then through this Special Session we are going to say to those people you are all going to be losing certain amount of that dollar, yet their budgets have been planned and made just like the state tries to do theirs. Same thing with the state aid to the schools, \$95 million dollars we have said that we will give them to help to carry on the operation of the institution. Again we are saying to them, sorry, we made a mistake and now you are going to have to change your budget in the middle of the stream, and we all know that local governments don't have that flexibility. We also know they operate under a 7% lid. Again this Legislature said that was appropriate. Many of us don't like lids under any conditions. What I propose to do in this amendment is the Legislature will say, all right, we will defer the payments. We will defer your payments in the various aid that you get, but before the fiscal year is over of the school or the city or the county, the state will meet its obligation in terms of that what we promised them. So that is what the amendment does. We are saying that we will give the money sometime during their current fiscal year. In the case of schools, their fiscal year ends August 31. It would mean we could defer their payments to a certain time but that by August 31 the schools receive the aid they are entitled to as we originally told them we would provide it to them. By the same token, the cities would be the same way, the counties would be the same way. So what we are saying, right now because of the cash flow problem and the shortfall of dollars we will defer your payments but we will commit ourselves to you that before your fiscal year is ended you will receive those dollars that you originally were going to receive and that money which you budgeted for when you built your budget for this present fiscal year. That is the amendment.

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