

fund it at a 70 percent level or an 80 percent level or a 90 percent level, where does the other money come from? Are the teachers going to take a cut or will a local school board have to take that out of the property taxes that they raise? And I think this is only a fair question to ask. Senator Lynch, maybe you'd like to answer that right now.

SENATOR LYNCH: Thank you, Senator. Mr. President, members, thank you for that comment. Just in case we did forget, Senator Hefner, the first amendment that was adopted was an amendment I offered which clarified that issue and what it says, it clarifies that no money is available in, say FY '91-92 or after '91-92, the state monies that had previously been spent for Phase II will not, will not, will not be the responsibility of the local school districts...

PRESIDENT: One minute.

SENATOR LYNCH: ...to obtain that funding, so, no, school districts, if no funds were developed for Phase II at the state level through the General Fund, the school districts would not have to make up that difference.

SENATOR HEFNER: Okay, thank you, Senator Lynch. That means then that the teachers would have a reduction in their salary if we didn't appropriate that money.

SENATOR LYNCH: Yes, in relative terms, that's exactly right, right.

SENATOR HEFNER: Okay, and one more question before my time runs out, how about the social security and retirement, who takes care of that.

SENATOR LYNCH: Well, no state law that we can develop will provide for how that happens, just like those who work for you and people work for me and work for the state, social security issues are federal issues, I assume school districts will continue to have to be responsible for that, just like all other subdivisions of government, independent companies are responsible for that federal.

SENATOR HEFNER: Okay, but that will come out of the \$40 million that we appropriate, won't it?