

what we do in Nebraska? First of all, the first dollars they have to finance schools are a local property tax. The second dollars they have are a share of the state income tax. Now it is important, Senator Warner, I believe that we not only count income, taxable income, as a measurement of wealth, but if you are going to count it as wealth, you should only count it to the extent that the school districts can use it, because if they can't use the income in a local district and they have a lot of income, all that does is fall back more heavily then on the local property owners, and the property owners may or may not be those individuals who possess the taxable wealth. So in Kansas they do that. They tap into the local income tax with a 20 percent rebate of the dollars that are collected at the state level. Next, they measure the wealth of the district based on the income produced in the area and the valuation of the property, and they use their state dollars to bring their students up, all students in the state up to a relatively equal per pupil expenditure. In Nebraska, we have within a probably 25 mile radius, we have school districts that are spending \$4,400 to educate kids and school districts that are spending \$2,700 to educate kids. It is just a...practically an immoral variance in the amount of the expenditures. In Kansas, they are moving a power equalization concept so that all students will have a relatively equal amount of revenue spent on their education, plus we are looking, and this is a tough pill to swallow, particularly by the school people that are on this commission, but we are looking at saying, if you are going to put more dollars into the system,...

SPEAKER BARRETT: One minute.

SENATOR WITHEM: ...you have to have some guarantee that they go for property tax relief. So the school people who are on this swallowed a very bitter pill and indicated that they will have to go along with some type of budgetary limitation. Notice, Senator Dierks, I didn't say a cap, I said budgetary limitation. We are not calling it a cap anymore after the trouble we got in the other day on that. It is a proposal that has an excellent amount of promise for our future and one which I think is one that you are going to be comfortable with, if we can get off the status quo. I support sunseting current equalization and foundation aid. It is something if we don't like the fact that we have sunsetted it, if we don't have anything better to take its place, we can reenact, reenact it, but what it does is it sets into place the process of bringing about an ultimate