

year...excuse me, no district receives any fewer dollars the first year. They can't receive less than 80 percent of their state aid the second year, and then a 60 percent level the third year, and then it would phase out altogether. My guess is by the time the receipts and such have grown as a result of the increase of our tax base that there will be very few districts at the end of that year receiving less state aid than they currently do. But that is the major policy change that we have made in the committee amendments. Most of the rest of them are clarification types of things. There are corrections of misdrafting, the bill originally had a 1990 effective date on income tax increase. It really should be based on the 1991 date, those types of things. If you have any questions about the committee amendments, I would attempt to answer them.

SPEAKER BARRETT: Thank you, Chairman Withem. For discussion of the committee amendments, the Chair recognizes Senator Baack, followed by Senator Schmit.

SENATOR BAACK: Yes, Mr. Speaker, and colleagues, I think that Senator Withem has done an excellent job of setting the stage for this bill. I think we all need to acknowledge the amount of work that Senator Withem has done in the last couple of years on this issue, and he has put in countless hours in trying to deal with this issue, and to deal with it in a very straightforward manner, and I think that they have come up with something in 1059 that we all need to be looking at very, very carefully. I think that my support for this bill is based on the philosophy that the system that we have now is not fair and it is not correct, and I am willing to change that system, and I want that system to be changed so that we go away from such a heavy reliance on the property tax to begin to rely on other sources of income for the financing of schools, and I think that 1059 does that. I come from a district that has a number of school districts, probably over half of my school districts are losing school districts under 1059. They are not going to be gaining monies through 1059. I am still going to support the bill. I think it is important to make this first step change in the way that we finance schools. I was the proposer of the hold harmless amendment. I think we need to do that for the schools that do lose. It will allow them some time to make the adjustments in their budgets, to be ready for the time when they will have the full loss that they can anticipate under LB 1059. But I think that in the people that I visit with, my constituents, those people want to see a change from the