

delighted to have you visiting with us this morning. Additional discussion on the Schellpeper amendment. Senator Schmit, followed by Senator Withem.

SENATOR SCHMIT: I don't know how many of you followed Senator Warner's comments. I just want to let you know that all of us are aware, painfully aware of the growth and expenditures, not just for schools but for all sources of government in the past two years. I want to point out also that if we do pass LB 1059 and we provide a major increase in funding for schools, some of it, hopefully, will go for salaries. That is where we would hope most of it would go. Let me just tell you what you can expect next then in relative to your own local community, be it your city or your county. Do you really believe that the city employees or the county employees are not going to come back and expect adjustments in their salaries? Do you realize that having channeled 1 percent of sales tax and a substantial amount of income tax to schools that we have then cut out the counties and the cities from state aid from either of those sources? They are going to have to go somewhere which leaves it with property. There are going to be needs out there. We do not today sufficient funds in most county budgets to maintain roads and to maintain the bridges that were built 80, 90 years ago. And so in the country you drive around because you do not have facilities to service those roads, you do not have the ability to build those bridges. Those counties and cities are going to have to find some source of revenue also. It's an amazing thing to me that we can pick on one entity, schools, which is very important because they consume a substantial amount of money, and we think if we do this, we have resolved the problem. Ladies and gentlemen, I know, as I have said on this floor before, I know why many of us are nervous on this floor. With the passage of LB 361 last year in any legislative district with a Class I or Class II city is going to see a major increase in rural land taxes, due to the valuation and because of other factors. So there is an attempt being made here to try to reduce that impact by a one-shot system. Ladies and gentlemen, a few of you were here, not very many of you were here, when we passed LB 518 and I led the fight on that and we were successful and everyone supported it. Two years later the court said the distribution formula is inequitable. Originally, we were going to return to those subdivisions of government the exact amount of the money they lost as a result of the passage of LB 518. And so what happened? We had to come up with a new formula. Several of us rural area legislators drafted a new bill which we