

SENATOR MCKENZIE: Thank you, Madam President and members of the body, I want to address Senator Bernard-Stevens' statements about that this decision to lower the spending lid 1 percent is arbitrary and just out of the blue and if it's really meant just to deal with property tax relief. It is not. It is based on that statutory requirement that we look at, I'll get it right this time, CPI, and let me give you the percentages of CPI and those changes since 1989 when the lid was put into place, all the lids. In 1989 the CPI was 4.8 percent so it makes sense that we looked at 4 to 6.5 and 5 for political subdivisions. In 1990 it was 5.4 percent. In 1991 it was, let me see if I've got my numbers right, 1991 it was 4.2 percent, in '92 it dropped to 3 percent, in '94 3 percent and in 1995 the CPI was 2.6 percent. The reason for the suggested reduction in the budgetary lids in LB 613 in the committee amendment is based on the Consumer Price Index and the fact that it has dropped significantly, half, since we implemented these budgetary lids. That is, in fact, the reason for the reduction of not 2 percent, but 1 percent realizing that that alone would be a significant reduction for school districts and counties and cities. Nineteen ninety-five numbers are even higher which indicates that 1995 CPI may be even lower than 2.6 percent. I disagree with Senator Bernard-Stevens that this is arbitrary and all about property tax relief. Yes, it is to the extent that it's about spending in relation to economic growth and to the fact that if we do not address spending while we address revenue issues, then we are only dealing with one side of the problem. Thank you.

SENATOR CROSBY: Thank you, Senator McKenzie. Any further discussion on the Vrtiska amendment? Seeing none, Senator Vrtiska, you may close.

SENATOR VRTISKA: Thank you, Senator Crosby, I won't take very long because I think everybody understands the issue here. As I said earlier, I'm certainly not one who believes that we need to spend more money than necessary in order to conduct our business in schools, in counties and villages and cities, but I do think there are instances where we are handicapping and in fact we're making it very difficult in some instances for the local entities of government to operate. And I think more importantly and the most importantly in my mind is the fact that I have faith in the majority of the elected officials to not spend the dollars unless they're actually needed. As I said earlier, I think those who tend to overspend pay the price of being removed