

factor, can the school district access that? Because the only way a school district can access it is by increasing the levy with the understanding that people have higher incomes, so they have the ability to pay. And we all know how difficult, how much pressure school district are under, so could the school districts actually access it? It was finally determined that probably the quickest and easiest way to have income as a factor would be to put an income tax rebate on the 17 percent income tax increase and tell the public that those dollars, 20 percent of that, which is about \$83 million, or Senator Wehrbein may argue that when it's fully funded it would be about \$102 million, those dollars would then go right back to that district. And that would be a way that the school districts could tap the income as a source. The problem began to develop, and I don't recall yet whether it was anticipated, or we just wanted to wait and see. But in the discussion of 1059 there was a concern that what happens when you continue to have an income growth in the state as a whole, and you receive then...wealthier school districts that have that income growth, continue to receive more and more dollars, as their 20 percent is taken, compared to the districts out there who are poorer or having an economic difficulty, whether it be in agriculture, whatever the case may be, whose incomes are not growing. And so you have districts in the state, once again, receiving more dollars, if they're a wealthier school district, on income versus districts that are poorer, that are receiving fewer dollars or the same dollars. And that disparity between the have's and have-nots continues then to grow, which was the exact thing we were trying to not do by the concept of 1059 and the concept of equalization. The reason we did 1059 was not property tax relief. The reason we did 1059 is because if we would have been sued at that point, the way we distributed state aid, our state aid process would have been ruled unconstitutional, there was no question about that, it was unconstitutional. And the plan that we'd have to come up with would have had to be approved by the courts. And we did not want the courts beginning to decide how we fund our schools. The problem exists now the same as what I was relating before. As incomes continue to grow in...

PRESIDENT ROBAK: One minute.

SENATOR BERNARD-STEVENS: ...fast growing districts, whether it be in Omaha, or whether it be in North Platte, or Scottsbluff, it makes no difference, their income continues to grow and the