

SPEAKER WITHEM: Senator Bromm.

SENATOR BROMM: Thank you, Mr. Speaker. Senator Janssen, I think, explained the intent of the amendment very well. There are some things that I think school districts are quite apprehensive about, primarily obligations that they cannot control, obligations that they may have committed to prior to the effective date of this act. And then thirdly, items that they'd like to do to become more efficient perhaps, which falls into the category of providing encouragement or incentive for a long-term teacher to retire, which is normally replaced by a teacher at a substantially lower salary level as well. So to echo a little bit what Senator Janssen has said, you may have all read or remember a few years ago about the Oakland-Craig school district, which had a bus accident and which had a horrible judgement rendered against them, which resulted in the entire school board resigning and a receiver taking over the administration of the school until they could get the lawsuit worked out because of the possible personal liability of the board members and that kind of thing. And they had an awful time working out the payment of the judgement. And it took a number of years. And that actually could happen. In that case it was compounded by the failure of an insurance company that had some insurance coverage for the school bus. So this is an effort to try to provide for that unusual situation where there is a judgement obtained against the school district. Then, I think along with encouraging schools to restructure, if you will, to economize comes the second provision which would allow them to pay a certificate employee early retirement pension and have that be outside of the levy limit. The third item is as Senator Janssen mentioned, if they have already established a sinking fund for a project that has been commenced or a contract that has been entered into prior to July 19 of '96, which would be the effective date of this bill, for construction, expansion, or alteration of school district buildings, this would allow them to continue to levy that sinking fund to meet that commitment. I could...I certainly could argue both sides of that, but I think as a practical matter I don't think schools are going to abuse that and I think if they have the commitment, just like a bond situation, which is outside of the limitation already, bonded indebtedness, I think if they have utilized this sinking fund, made a commitment for a project or entered into a contract, which some of them are lease/purchase contracts on