

LB 1050, in situations where there is a reorganization of school districts in which a retirement incentive plan would be used to make payments to the teachers who elect to use the fund, since a reduction in force is necessary due to reorganization. Beside the fact that early retirement incentive payments may be required, they are also...it is also a necessary tool to give to the district. They allow a teacher who is ready to stop teaching to take these early retirement benefits, and it would allow the school to hire a younger teacher at a lesser cost to that district. This would allow the school to reduce their costs. This is especially necessary since for many of the school districts salaries are the biggest portion of their budget, as we all know, from 70 to, in some cases, 90 percent. The next portion of it is the special building funds and sinking funds. These funds can be used for the construction, expansion, or alteration of school buildings. The sinking funds are regulated by the existing statutes and must be used for the purposes set out in those statutes and only those purposes, and the levy cannot exceed the amount listed in the statute, which I think the limit is 14 cents: acquiring sites for school buildings; purchasing existing buildings; and the erection, alteration of equipment and furnishings in school buildings and additions to those buildings. Yes, that's right. Under Section 79-547.04 the amount levied for this fund cannot exceed 14 cents on each 100 dollars of valuation. The July 19, 1996, date is used since that will be when the other bills which are passed in this section will become effective. The school district could not use the funds for projects which commence after this date. Many districts have already committed a certain amount of these funds, and if the district isn't allowed to continue to contribute to these funds then they could be placed behind on planned improvements or obligations which they have already entered into in these funds. All political subdivisions, it would remove the amount levied for the purpose of paying judgments obtained against a political subdivision. This takes into account a situation which is beyond the control of the political subdivision. A county, city, school district, so forth could, or any political subdivision could find itself placed in a bad position if it is already up against the levy limit and the court passes a judgment which would require the political subdivision to pay immediately. I think these are some of the things that we are going to find could happen to school districts, already has happened to them. I know that judgments can be worked out through the State Treasurer, in some