

TRANSCRIPT PREPARED BY THE CLERK OF THE LEGISLATURE
Transcriber's Office

March 8, 1999

LB 149

substantive changes that are a part of this bill and we are being asked to make a decision on a very...on data that we received at the eleventh hour. And I still have some real concerns about that, and I think that we are going to need to focus a little bit on the time line, depending on what Senator Quandahl decides to do with this bracket motion, one way or the other. Because...because I think that the fact that we are just now receiving data on March 8 in a year that I am sure that every resource was put to bear because this bill was pending, indicates to me that we are going to have some concerns for the future in having accurate data in the time line that's set forth in LB 149. Thank you.

PRESIDENT MAURSTAD: Thank you, Senator. For discussion on bracket motion of LB 149, Senator Wickersham.

SENATOR WICKERSHAM: Thank you, Mr. President. I'm sorry. I thought I was probably down the list a little bit. I'm handing out a calculation that I hope is not too complicated, but I wanted to illustrate something, and that is if you have, as the bill calls for and actually as current law provides, if you set the local effort yield rate at a level that is below the maximum levy, what effect does that have on a school district and then, what isn't illustrated here, of course, is what effect does that have on state aid? So what you see in four different examples is the calculation of a yield from the local effort rate and you will note, as you look at your printouts, that that can affect the amount of state aid. The December 1 certification had a local effort rate of \$1.08, and you'll see a calculation on this sheet at \$1.08, so you'll see in that calculation the amount of tax that the aid formula thought a school district could access, that the aid formula thought the school district could access. Now you normally think that's okay. You've got a local effort rate of \$1.08, you know the maximum levy is \$1.10, so everything's okay, right? Wrong. That's not right, because the school district isn't able to access all of the valuation that is in the calculation of the local effort yield. That's at 100 percent of market for everything that isn't ag, and it's 80 percent for everything that is ag. But assessed valuations are typically about 94 percent for "nonag"...or 92 percent for "nonag" and 74 percent for everything that's ag. So you see the result down below when you apply the 74 percent factor to market