

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

March 10, 1999 LB 149

property taxes, there is stability. And when you go through tough times, property taxes are there and it was a burden on those that owned land or owned property. And then now we've switched and, to my agreement, we've gone from sales...or property tax to sales/income tax. Now we're in the stage where we've gotten so we're almost 50 percent support of state...of schools with sales and income tax, and we've been through some good times and it's been fairly easy, in my mind, to make this decision. And if I may back up, I think it was under LB 89, but at least it was back ten years ago we had a goal of 45 percent funding by the state for education, schools, and guess what. We didn't keep that commitment very well. We dropped from 45 percent, I'm not even sure we ever did hit 45 percent, but we dropped to 44, 43, 42, 41, 40. Roughly, before 806, we were at about 40 percent of state support for local school districts, based on the goal of 45 percent, and guess what. We did balance our budgets in some of those tight years on the backs of schools. And so 806 came along, as I recall it, and we said we were going to make a stronger commitment than ever for our state funding of local school districts. And now we're in this dilemma here today. Do we become an entitlement? Has it become an entitlement just like Medicaid has? And Senator Kristensen's right, we have a high degree of entitlements built into our budget, a big chunk of it mandated by the federal government. We have no control. And so, as I've been saying as we've gone along here, we...we don't have many places to change...to balance our budget today. We balance it on the backs of higher education, by and large, or state operations. Twenty percent of our budget's state operations. A lot of that's constitutional. We can't abolish the State Treasurer or the State...Secretary of State or others because those are constitutional and so we must fund them. The courts are constitutional and we must fund them. In fact, the courts almost are an entitlement today. I think if we ever went to a constitutional question, it'd be my understanding the courts can have about whatever they need to run the courts successfully. In fact, we're in those throes and we're seeing some of those coming forward in bills, and we have an issue in this...in the Appropriations Committee right now which is going to take another big increase in the cost of courts, potentially. And so, as I see it today, and in spite of the fact that I feel strongly about keeping the commitment to schools, and I said we wouldn't have had probably the demand for