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of the K-12 schools needs on a statewide basis. Property taxes will not constitute more than 45 percent of the resources needed to meet needs for K-12 schools across the state. Now the idea has a little bit of a history behind it. When LB 1059 was passed in 1990 and ratified by the voters, we had an objective that state support through the equalization formula would constitute 45 percent of support for schools. I want to change that over so that property taxes would be no more than 45 percent of the needs of the schools. Now we were never able to meet our objective set for us in LB 1045 or in LB 1059, I am sorry. We were never able to do that, never did that, but it is within our means to meet the objectives that would be set for us in LB 1107. We will be very close to that proportion next year with the amount of state aid that we're currently planning for schools that would be distributed in the 2001-2002 school year. This is not an impossible objective. It is one that we can reach. We might have to stretch a little bit but I'll talk about that when we come to the amendment but it isn't much of a stretch and it's something that we can easily do. Now why would I suggest that we should set a policy that property taxes do not constitute more than 45 percent for the funding of school needs across the state of Nebraska? First of all, I'm concerned that we keep our commitment to find General Fund dollars, sales and income tax dollars as a proportion of school spending. I do not want to go back to having an overreliance on property taxes for the funding of K-12 education. The proposal will make it somewhat easier to determine the level of support that we will need for K-12 schools within our budgeting process because the pro...the calculation is very simple; determine statewide needs, multiply by 45 percent, divide by the adjusted valuation and you have the local effort yield ra...local effort yield rate that is necessary to be implemented in the bill. That's an easy calculation for our fiscal office to do and it should result in stability in the amount of aid that we produce. Now what will be the practical effect for schools? The practical effect for schools will be that if they have valuation increases, this is on a statewide basis, that if they have valuation increases that exceed the rate at which school spending increases, that we will not see increased property taxes as a result. That is code for you won't see a \$32 million reduction in state aid to schools simply because valuation incre...valuations increase. We would have set a different base. Now there might be some increase in