

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

February 28, 2000 LB 1107

property taxes as a result of an increase in valuations but it wouldn't be the \$32 million decrease that we saw in this year. We would have committed to a much more stable funding for the schools. Now to achieve, to achieve the objective that is set in the bill, that is a specific target for property taxes as a component of support for K-12 education, greater stability in state appropriations and reduced reliance on property taxes over time to fund K-12 education, the process is relatively straightforward and simple. As I said, you take statewide needs, multiply by 45 percent, divide by the adjusted valuation and you get the local effort yield rate that is necessary to produce that result. Now to make the rest of the system work, you also have to float the maximum levy. That is set at 10 cents above the local effort yield rate. So if the local effort yield rate goes down to 85 cents, for example, in the calculation I've described, the maximum levy for schools would become 95 cents. This is not a windfall. This is not a windfall for any school district. It is not intended to be a windfall. It is tended...it is intended to be consistent with the policies that we've currently adopted with the levy limitations and their relationship to the local effort yield rate in the current state aid formula. Now there is one change that is a trifle more substantive, and that is that it changes the way in which the minimum levy is calculated for schools. Remember, the minimum levy is the levy at which if they are below it they can lose state aid. The minimum levy is currently stated at 90 percent of the maximum levy. The bill changes that so that the minimum levy is 5 cents below the maximum levy. So that is a different...that is a different relationship and...but given the fact that we would float the maximum levy, I think it is a necessary change. With that, Mr. President, there is an amendment to the bill, and I'd like to go to the amendment.

SENATOR CUDABACK: Thank you, Senator Wickersham. Mr. Clerk, there is an amendment.

CLERK: Mr. President, Senator Wickersham would move to amend with AM2463. (Legislative Journal page 747.)

SENATOR CUDABACK: Senator Wickersham, to open on your AM2463 to LB 1107.