

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

February 28, 2000 LB 1107

SENATOR WICKERSHAM: Yes.

SENATOR RAIKES: And this would drop...

SENATOR WICKERSHAM: Yeah, it's set at 90 percent of the local effort yield rate and that's now frozen in the statutes.

SENATOR RAIKES: So the way it works out, with the percentages, it amounts to being about a 1 percent below the local effort rate. Now it's not clear to me, explain why you decided to drop the minimum levy penalty, the initiation point, if you will, for the minimum levy penalty to 5 cents below that local effort rate?

SENATOR WICKERSHAM: Well, I think that having it as a percentage increases instability because if you are calculating a percentage you get a different result than you do if you just have a straight number, and because the projected levies are going to be much lower, it's also the estimation that, this is after the dollar, this is after the dime drop, I suppose that's one other important point is that this goes into effect when we do the dime drop. So there may not be much effect for the minimum levy penalty. And as the levies go down, when you state it as a percentage, the differential between the minimum levy and the local effort yield rate would decrease. For example, 10 percent of 90 cents is only 9 cents. So if you state it as a fixed number, you're not going to be having what is in effect a decreasing relationship between the...between the two concepts, just because the one number is getting smaller.

SENATOR RAIKES: Okay, on the other hand, the idea of the minimum...

SENATOR CUDABACK: One minute.

SENATOR RAIKES: ...levy penalty was to insure that...that local systems would participate, if you will. If they elected not to...not to make the decision locally to fund schools, then that would be reflected in their state aid requirement. And this would, as I take it, be good news for a school system that decided that state aid was an entitlement and that, if they didn't decide to use that money for educating their kids, they