

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

March 21, 2000 LB 1217

was a 30 million dollar transfer to property tax relief in the first year, namely, last year through the community college mechanism, and the advertisement was that that was going to be dollar for dollar property tax relief. The second year, which would be the year upcoming, the...there would be \$35 million that would be transferred to property taxpayers through county treasurers. The third year another \$35 million was set aside to help with funding TEEOSA requirements when the school levy dropped from \$1.10 down to \$1.00. Okay, what has happened since then is that the Appropriations Committee, at the request of the Governor, the Governor requested that the \$30 million that last year went to the community colleges and was, at that time, planned to be simply a one year deal be extended to a second year. The Appropriations Committee left that in the budget. It's in LB 1217. The Appropriations Committee also reduced the...what was to be \$35 million through the county treasurers this year to \$25 million, so that the total last year was intended to be \$35 million, with the Governor's proposal jumped to \$65 million for this year, and then now with the Appropriations Committee recommendation is \$55 million. All right, using that as a starting point, what this amendment does is eliminate the second year transfer to the community colleges of \$30 million. That, if this amendment is adopted, would not happen. What happens to the \$30 million? Ten million would be used to restore the Property Tax Relief Fund from it's current \$25 million to \$35 million, as was the plan last year. The final \$20 million would be used to restore the Cash Reserve Fund. And if you look on your agenda, you'll notice that in the current year the Cash Reserve Fund has a 142 million dollar balance. It's down to \$115 million in the 2000-2001 fiscal year, and then it drops to \$80 million after that. This amendment, if adopted, would restore those out years to \$100 million in the Cash Reserve Fund. Okay, well, what is the reason for this amendment? What's the push here? Well, first off, as I mentioned, the transfer to community colleges was not last year...or, not a part of the plan put in place last year. That was an addition made this year because apparently the money seemed to be available. I would point out to you, and we'll have some discussion later, hopefully, that this did not work, at least as I had expected. I was counting on \$30 million property tax relief and my appraisal of it is that it actually turned out to be about a \$25 million, that the \$30 million