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LB 407

about that he has been supporting all the time, is trying to get away from property tax, and then to go back. I felt like I took a big breath and compromised when we voted for LB 1040, and I did support it. I thought it was going to be a big burden for the schools too to take 0 percent growth, but I was willing to go to \$1.04. I'm not sure I can go much further than that. Senator Raikes, I'd like to maybe just have a little dialogue with you to try to clarify some of this.

SENATOR CUDABACK: Senator Raikes, would you respond?

SENATOR RAIKES: Yes.

SENATOR KREMER: Okay. When we cut state aid by 1.25 percent one year ago, that was for two years or three years, and that still has a year left in that portion of the cuts that we made? Is that correct?

SENATOR RAIKES: Senator, you're correct. We, in the state aid calculation, we reduced needs by 1.25 percent and that was a three-year program. So that's in effect for the current school year, current fiscal year, and would remain in effect throughout the upcoming budget biennium.

SENATOR KREMER: So that would be...this would be on top of that. And we allowed the schools at that time to override their levy by the amount that they were cut. Now we're talking about another 4 cents that they can increase their levy. And I think the dialogue you had with Senator Cunningham was very appropriate. If a school overrode their levy, and say they overrode it to \$1.20 and they were using that total amount of \$1.20, we would come along and cut them, would really be a hardship on them without them maybe being able to go 4 or 5 cents over that. Is that...would that be correct or...

SENATOR RAIKES: I think you've accurately described the situation for that school, and if the levy override election was around the issue that would you agree to increasing the maximum school levy to \$1.20, and that was the issue, then my guess is that the...if it passed the election, that the school district would be bound by that \$1.20. If, on the other hand, the issue