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LB 622

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SENATOR RAIKES: Thank you, Mr. President and members. Thank you for the discussion. I think it's been a helpful discussion. I've had some worry that this came too quickly for people to see it and react before the discussion. It was filed yesterday but I understand everybody is busy and it's hard to keep track of those kind of things. But let me summarize quickly, and I think many good points have been made. Without being disparaging, I'm going to call this windfall money. It's money that results from the fact that the revenue sources for a particular program are more than is needed for that program. And the question is, do you take that extra money, which is unplanned upon by cities, and distribute it back to the cities on a per capita basis, or do you keep that money in the General Fund in these particular times? And I would cite a couple of things there. One of them is our margin is very, very thin at the moment, less than \$2 million. That's \$2 million on a base of \$5,400 million, so percentagewise our reserve or excess over reserve is very, very small. I think that's...and you can come up with your other reasons, but fiscal prudence, to me, absolutely suggests that we use this money in the state General Fund. It has been mentioned that, okay, well, what about cities that don't have sales tax? A fair point, but if you...and Senator Landis I thought made an excellent point. If you have an issue with cities that don't have sales tax, if you think they need more aid, then why would you distribute the aid on a windfall, unexpected basis, on a per capita basis, where most of the money is going to end up in high population areas where there is a sales tax? I think it makes a whole lot more sense to address that issue, if there is one, through the state's regular aid programs to cities. I would just say that all in all I think, at least in my mind, this is a clear case where the appropriate, fiscally prudent thing to do is to adopt this amendment, which is...will, as I mentioned, continue to clearly and fully fund the municipal equalization formula and to use the overage for the General Fund of the state to address all other kind of problems we need to address, aid to cities and others. So again, I appreciate your discussion and I urge your support of the amendmen' Thank you.

SENATOR CUDABACK: Thank you, Senator Raikes. You've heard the