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LB 425

begins: We have reviewed your letter and we respectfully disagree with your conclusions. Neither the current nor the prior Chair of the Appropriations Committee recall any kind of an agreement on restoring state aid level as you assert. And this was signed by Governor Dave Heineman and myself as Chair of the Appropriations Committee. I am in the process of having copies made of a printout showing aid to cities and MIRF funding. At times I wish I had never heard of MIRF. The reason we got into a discussion and a debate about MIRF the last time was because inappropriately the city of Lincoln had used MIRF funds to bond a project. So when we quit MIRF funds, the fear was that the city of Lincoln was going to be called on their bonds, and so we switched things around, and therein lies the confusion. But what I'm anxious for you to see is what is being circulated to you now, and it shows aid to the cities and MIRF funding. And you will see by this that...look at the bottom line, the grant total. There is no reduction. The cities...aid to cities and MIRF funding combined, lead to a constant figure of \$11,777,193. There is no reduction. And I think what happened in this particular case is that, opportunistically, someone conveyed to the city of Omaha that there was really MIRF funding that was going to be in addition to whatever they were doing, it was going to be restored. And that was never the case. What we have tried to do is to show to you that the funding sources for the cities is the same through all of the years into the year 2009, and it's constant, it's not been reduced. And I think Senator Redfield has some additional information. I'd like to ask her if she would present that to you at this time.

SENATOR CUDABACK: Senator Redfield.

SENATOR REDFIELD: Thank you. Thank you, Senator Pederson. Actually, I do. What we're talking about in Senator Mines' discussion is some of the changes that occurred during our budget bill discussion. And one of the other things that was not a part of that budget discussion but actually did occur was the change within the revenue stream. As a result of LB 759, and I hold the fiscal note in my hand, there was an impact on political subdivisions. As the Legislature chose to expand the list of goods and services that we ask them to collect sales tax