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LB 149

value and the 92 percent factor to market value, and then multiply that times \$1.10. The differences you get illustrate what happens, because of the interaction between the local rate, local effort rate, and adjusted valuations. An important component of 149 is a clarification of existing law concerning the point at which we set and how we set the amount of state aid that's necessary to produce a local effort yield rate of a dollar. Using the local effort yield rate of a dollar, in general, makes it possible for school districts to access the amount of dollars that we say they'll be able to access in the formula. Now, what does it mean in terms of state aid? And I just flipped through here and Senator Bohlke referenced the first school district that is in your white sheets that show a school district that's impacted. Down at the bottom there's a negative number of \$370,211.49. Did the school district really lose that? No, they didn't really lose those dollars. That's simply the difference in the calculation of a local effort rate at \$1.08 as opposed to a dollar. You can see that calculation on the little sheet that I've handed out for you. That's the effect there. But, again, does it mean the school district lost money? No, it just means the aid...

PRESIDENT MAURSTAD: One minute.

SENATOR WICKERSHAM: ...formula recognized they weren't going to be able to access all of those dollars, so the difference comes back to them as state aid if they're an equalization district. If they're an equalization district, the state aid formula will fill that negative number. All other things being equal, and Senator Bohlke cautioned you that everything else isn't equal, but all other things being equal, the state aid formula would fill that number. And the only reason the local effort rate was \$1.08 in the last certification was because of the respin, and that was a \$22 million issue that is also addressed in LB 149. The number that went over from the Fiscal Analyst to the Department of Education was slightly in excess of the number that you now see as the amount of state aid, because it didn't take into account that \$22 million worth of respin. It's an important point, an important consideration in the debate, I think,...

PRESIDENT MAURSTAD: Time.