

May 2, 1973

SENATOR F. LEWIS: Well, we are going to have available during FY 74, \$30,000,000 approximately; \$20,000,000 of that will be used for State Aid to Education.

SENATOR CARSTENS: Okay, now, let's say we use this State Aid to Education. School account--school expenses are going up. School operating costs are going up. Teachers' salaries and some contracts have been negotiated, some haven't and now these increased expenses will be absorbed out of this additional money that we're providing, is that correct?

SENATOR F. LEWIS: The chart that I placed on, or had placed on each of your desks shows the increase in State Aid that you will get, shows what 6% increase in costs would be. The figures to the far right indicate the net mill levy reduction after taking 6% increase in current operating expenses so in answer to your question, right, part of the money will be used for the increased costs, cost of government is going up everywhere, cost of everything is going up. I think our budget that we passed this time for State government operations was about 8.7% increase.

SENATOR CARSTENS: Well now we have if we use \$20,000,000 that is approximately 40% of the total that we'll receive in revenue sharing funds over a 5 year period I believe. Now when this revenue sharing money runs out then where do we get--where does the money come from to, are we going to provide it then for, additionally out of general fund or where?

SENATOR F. LEWIS: First of all, I would say to you that there are a number of State aid bills that will bring Nebraska into the Twentieth Century as far as school funding by state sources is concerned. I think it's only a matter of time until we're talking seriously about this State getting out of the position of being Number 49th as far as State support to public schools are concerned and I'm sure that there's going to be bills to bring it up to the level that most states provide, somewhere in the neighborhood of 35 to \$45,000,000. This is a stop gap measure. We've got some real problems this year. We're going to have to do something about property this year, certainly this isn't the end all and I would be less than candid and less than honest with you if I suggested to you that we're going to be able to travel with \$20,000,000 the rest of our lives. We're going to have to--we're going to start putting the money out there for State assistance. This didn't appear to be the year so this--certainly we're going to have to get general fund monies to help replace the \$20,000,000 after this year or \$40,000,000 or whatever we go with the next time.

SENATOR CARSTENS: Well the point I'm trying to make here, Senator Lewis, I, I go along, I, I want to provide for State Aid to Education, but I think we're walking into a trap here if we assume that something will be done in the future. We'll, we'll giddily go along with providing revenue sharing funds now and if we don't provide anything later, there's going to be an increase in property taxes that's going to be awful and it seems to me that we're running a little--treading some dangerous ground here if we rely on this State--this revenue sharing trust fund for temporary relief rather than taking the thing right now and settling it once and for all and providing proper relief.

SENATOR F. LEWIS: Mr. Chairman, may I respond to that? I, I'll assume that that was a question.

SENATOR CARSTENS: That was a question.