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in 1973 would be distributed on that same basis the first year and the second year of the act when it is fully implemented those distribution formulas and procedures would be emerged into act and would have a single program for the support of general education. Although the support for Special Ed under LB 403 would be continued to handle separately. That's an explanation of the bill, Mr. President.

PRESIDENT: Thank you, Senator Warner. Senator Whitney. May we please hold it down a little bit, Senator Whitney is about to start with his dissertation.

SENATOR WHITNEY: Mr. President, and members of the Legislature. I feel it my duty to express to you how this bill would affect many of the schools in my Legislative District. I realize that this is in some respects minority situation. First, I'm opposed to LB 772, and any other bill whereby the state aid going to any school district in the state is greater than 50% of the operational cost. And I've just handed out to you on -your desks, here is a school with 74% of the operational cost that would go to a particular school, compared with about 18% for another school. Now, if the state aid is greater than 50% according to school board members which I have contacted, it will be necessary to have state limitations on expenses, or those school boards will spend money simply to get more state aid. And this bill obviously from this report that I have just given you will give more than 50%. Up to 75%. Now any school board that can get \$3.00 state aid for spending \$1.00 is going to do it. It would be prudent for them to do it. Now when we first had a State Aid Law in Nebraska we had a limitation of 8% on the increase in expenditures of the public schools. Now this limitation was later removed. But there was a good reason for removing it because no single school in the state had more than 50% of its operational costs that were given to them in the form of State Aid. But here you are getting up to 75%. And so you are going to have to have then in my judgement state control if you have this bill on limitations forever and ever. And I do not believe that the people of the State of Nebraska want this state control. Now second point I wish to make is, that I cannot accept the so called equalization formula. Because it does not equalize tax separate. It does not equalize mill levies. After fully funding the State Aid Program using the equalization formula, some school districts those with the greatest tax effort today would still be left with the greatest tax effort and tax effort is defined as the dollars paid per pupil, or the percentage of income required to support the schools. And my own feeling is, that these are the two best measures of the tax effort. So this bill will not equalize tax effort. A third point I wish to name is, that the equalization formula is bad, because the County Assessor can influence the amount of equalization aid paid...equalization aid paid by the schools by keeping the appraised values low. The lower the Assessor appraises property the greater is the state aid. The Sales Assessment Ratio Studies indicate that in relation to market values, some Assessors have been appraising property from 75% on up, higher than other Assessors. Efforts have been made to correct this, but the differences still prevail. Now the reason why the state aid is greatest when the assessed values are lowest, is that approximately 20 to 22 mill levy on the assessed value of property is deducted from the assumed need to educate the children in the public schools.