

April 4, 1979

LB 285

SENATOR KREMER: Thank you. I will offer that amendment later on. Thank you, sir.

PRESIDENT: All right. Senator Murphy, do you wish to speak to the amendment to the committee amendments? Senator Schmit?

SENATOR SCHMIT: Mr. President, I would like to ask a question, I suppose of Senator Carsten if he would yield please?

PRESIDENT: Senator Carsten, would you respond to a question?

SENATOR CARSTEN: Yes.

SENATOR SCHMIT: Senator Carsten, I am not just sure what the provision is in the bill that would allow for those increased costs that are not necessarily of an emergency nature but which certainly can be emergency status in so far as the local government is concerned. For example, the rapidly escalating cost of energy which will affect schools and our courthouses and many other institutions. It will also affect the school buses. It will affect the county equipment. Is there a provision made and I believe we have had about a 15 to 20% increase in energy cost in just the last several months. Is there a provision made for that kind of an increased cost?

SENATOR CARSTEN: Yes, Senator Schmit, there is and it is just this, that a small increase I am sure would be, and it is provided for, that a hearing has to be held to that local subdivision for the explanation of the reasoning for it and if it is substantial enough then it has to go to a vote of the people. It is our belief, Senator Schmit, that if it is that critical and the local subdivision has that authority to put it to a vote of the people, then it is their decision to decide whether those costs, whether it should be increased more than 7% or not.

SENATOR SCHMIT: Well I guess the thing I am concerned about is that we have been promised increased costs of energy of another 20 or 30% in the next year and when you recognize the fact that many of the costs of local government are directly connected with energy, the 7% limitation becomes almost a decrease in other costs and I guess what I am asking here is whether or not the hearing process will satisfy any particular need or is it just a formality?

SENATOR CARSTEN: No, I think it definitely provides the