

March 18, 1980

LB 486

SENATOR KOCH: I have the information here, Senator Dworak, for a hundred and fourteen school systems that are all losing money and I will grant you there are a few that are going to gain under the present system and I will get that information to you as soon as I can.

SENATOR DWORAK: Thank you, Senator Koch, thank you. I think this is the kind of information we are going to need and I think we also need to talk and understand very clearly how much state aid is going to be required to give effective property tax relief. I think we all have to understand exactly what the ramifications of the 7% lid plus the utilities, social security payments and other exceptions we have made are. I would like to ask Senator Warner a question if he would yield.

SPEAKER MARVEL: Senator Warner.

SENATOR DWORAK: Senator Warner, if the schools would all increase their budgets by 7% or that permissible amount under the lid, how many dollars would that constitute? Is that information available?

SENATOR WARNER: My understanding, Senator Dworak, is that the LB 285 as it currently stands in law would permit approximately a \$32,000,000 increase in property taxes next year. Now that is based on the fact that I believe operating cost currently is about \$400,000,000. That is exclusive of bond debt service schools might have and 7% times \$400,000,000 is twenty-eight plus the some exclusions such as utilities that are permitted plus the fact that the base includes state aid and if that stays stable, I believe the quoted figure is approximately a \$32,000,000 increase.

SENATOR DWORAK: Thank you, Senator Warner. So then, Senator Warner, if we would increase state aid to the amount of \$32,000,000 depending on the distribution, then we would be assured that next year the schools by statute could not increase their property tax because the \$32,000,000 would take in the allowable 7% growth with the exceptions, so that I understand exactly what we are talking about when we are talking about property tax relief?

SENATOR WARNER: That is using the collective figure, as I understand it for the state as a whole. Now a given school district could be different because there is exceptions for growth...

SENATOR DWORAK: I understand.

SENATOR WARNER: ...and so forth but I believe that is the