

April 6, 1982

LB 933

SENATOR DeCAMP: Mr. President, I applaud the concept of holding harmless but I want to understand how it works. Where does the money come from?

PRESIDENT: Senator Koch, will you respond?

SENATOR KOCH: It comes from the \$95 million we distribute under the foundation equalization section of the law, Senator DeCamp.

SENATOR DeCAMP: Well, then I want to understand how it functions. If they are going to get so much under \$95 million and one is going to lose 15 percent and another is going to gain 30 percent, what do you do then? What are the mechanics? How does it function? For example....

SENATOR KOCH: All right, if you...first of all you count the number of children that you have based on the preceding year's ADM. That is foundation. Presently the law says that 60 percent of the money in our foundation program goes back to the schools based on that, on the student count ADM, then when you go through the rest of the formula, the money that you have not received from your mill levy you are then entitled to insured need sections. That is what we are dealing with right now. In that case it says it shall be no more than 100 percent in terms of increase or 100 percent in case of decline under the insured need section of equalization. It doesn't affect the foundation at all.

SENATOR DeCAMP: Do you run into any constitutional problems? Every time we have tried to hold somebody harmless under a formula we seem to get an Attorney General's Opinion saying, well, you can't do that. Have you checked that aspect?

SENATOR KOCH: The only....there was an Attorney General's Opinion I think earlier, Senator DeCamp, where someone asked that the Attorney General look at the school formula and he said that he finds nothing in there that indicated an unconstitutional point, and this is not new with Nebraska. This kind of a hold harmless has been placed in Iowa state aid laws and other state aid laws as well. So it is not unique to us.

SENATOR DeCAMP: Okay, I am going to ask for an Attorney General's Opinion.

SENATOR CLARK PRESIDING

SENATOR CLARK: The motion is to return the bill. All those