

I'm having Request 970 placed on your desk by a Page. It should be there in just a matter of a couple of minutes. I made reference to Request 970 earlier today when we discussed LB 662. This particular request takes the Schmit amendment which currently is in the bill, which as you may remember, says that by September 1, 1989, only one-third of a school's budget can come from property taxes. It strips that out and it substitutes the following language. "After fiscal year 1989 no more than 45 percent of the total operational costs of the public school system shall be derived from taxes levied on real property." Now I am going to just be totally up front and totally honest with you about what it does. I am not going to pull any punches, mince any words, or what have you. The Schmit amendment that was offered and adopted by this body, if it ultimately was in place, would devastate public education in Nebraska. And I know that not one person in this body wants to do that knowingly. I know that when we put the Schmit amendment on our Select File we didn't have a copy in front of us. It hadn't been printed in the Journal and we weren't able to know exactly what it does. Well, I'm going to tell you precisely what it does. Senator Schmit's language says that no more than one-third of each school district budget can come from property taxes. Now what that would mean is this. If one had a school system with a total budget of \$100 million in 1979 and if one-third of that budget was from property taxes, or 33 1/3 million, if that school district, exercising its own local control, went to increase its budget from 100 million to 110 million, no more than one-third of that increase could come from an increase to the local property tax. That would then mean that before it could affect the increase they would have to come to Lincoln, beg, borrow and steal from the Legislature of 1989 to get the other two-thirds of the increase. I hope I have made the point real clear. That is exactly the way it would work. Local school districts would literally and absolutely have lost any tax autonomy or independence by virtue of the Schmit amendment. But we all know what Senator Schmit really meant. He really meant to say that he wanted to make certain that no more than one-third of the cost of...I'm sorry, no more than one-third of the budgets of school systems in Nebraska should come from the property tax. He didn't want to talk about individual schools. He wanted to talk about the system as a whole or if he did want to talk about individual schools, I don't think this was a factor that he really considered, how hamstrung a school district