

each year. The legislature however would not have to appropriate any more than what they felt was necessary, but the revenue would be available for the legislature to appropriate up to 5% increase if on a state wide basis if they so chose. Subsection 4 is one just for information since the legislature is on a continuous basis is notified of any changes in the average per pupil cost. Of all the public schools for that year. Section fifteen, is a change in the wording but no change in the concept from the original bill. Study committee felt that if sales and income tax were to be adjusted for increase state support that by whatever adjustment was made in those rates those funds should be set aside for the school purposes and not used for some purpose outside of that. So in order to insure that this is done, section 15 on a percentage basis will set aside each month from sales and income tax the actual percentage that was....used.... the actual percentage of the state board to schools in relation to the total general fund raised from the revenue act of 1967. It will place that percentage in the school trust fund. This means that if there is growth in sales and income tax revenues greater than anticipated such as we have experienced this year that full dollar amount of growth is also accredited to the school trust fund rather than the general fund. As a result if there would be a reserve left the following year because of that growth, then we would be in a position to actually reduce the rates for that purpose, for the school so....a.... school purposes for the following year and the money would not be used for some other purpose and this is an important part that any change in rates, sales-income tax rates for school purposes are only for school purposes, and do not result in being used for some other things at a later date. Section 16 then is only the siting of the name of the act and section 17 is the repeal section which is not effective until the second year of the act. The reason is as I pointed out initially is that the present law would stay intact until this act was fully implemented after that two year period. Now substantially this is an explanation of what the bill does. I should have up here in a very few minutes, I thought it would be here now, but the staff has using projections on revenues from the department of revenue and have laid out a cash flow chart which will show that if the act is amended to be implemented in January of 74 rather than 75 and I will offer that amendment after these are adopted. That we would be able to fund the act as is provided with the limitations that are provided by an increase of 1% in sales tax and a 5% increase in the income tax. Now this is substantially lower than not substantially lower but a half a percent lower than we had predicted some time back. Two reasons for it, and one is the lead time that you initially experience these rates incidentally on based on our staff projections would be valid at least through 1976. As long as the limitations are contained in the bill are retained. 1977 there may be some adjustments. I think that it is also important to know that the way the bill is drafted that when adjustments are made that in effect that it will not be full 1/2% jumps. It can be and would result in fractional jumps as far as the support for the public schools are concerned. Now Mr. President, that is a general explanation. I would move the adoption of the amendments as I have described them, and then if there are other amendments to be offered they could be offered to the bill after these amendments are adopted and I think that would I be in compliance with the rules and probably easier to keep track of.

PRESIDENT: Alright, now we have the Warner amendments under discussion and he has moved for those that that amendment be adopted. First to speak is Senator Whitney, Senator Duis and Senator Maresh. We are speaking on the Warner amendments on 472.