

SPEAKER MARVEL: Senator Warner, do you wish to speak on...?

SENATOR WARNER: Mr. President, members of the Legislature, I rise to support Senator Lewis' motion but also for the purpose of discussing what I think is the broader issue that may be involved. Number one, I would agree...first, if you will accept, first, if you accept the state is going to abide by some kind of a limitation on an increase in budget and if 7% is the figure, then the issue involved here is one that I think ought to be discussed now. If on the other hand, you do not believe that the state should be concerned with having a 7% limitation, that puts a different perspective on the discussion but not a whole lot of difference because based upon projections for receipts as of now as far as sales, income tax at existing rates, '80-'81 receipts will probably not be significantly different than a 7% increase in the budget for next year, perhaps slightly. So you may well be as has been suggested, talking about increase in either sales or income tax rates, not because of this issue alone, not because of any one of other things alone but if they are all done, if all the new programs that are proposed or if the continuation of existing programs are continued, the probability, in my opinion at least, is very real and for that reason I would suggest that it is a much cleaner way if rates are going to need to be adjusted anyway, then let's do it straight up, do it for a reason that the reason it's right that the state picks up the cost of the Medicaid cost and welfare cost that counties now have or a major portion of it and clearly identify that cost and clearly identify the reduction if any in property tax so it will be easily identified to the citizens across the state. When I look at the '80-'81 budget right now, assuming at 7%, next year we are going to be talking about a \$630,000,000 budget compared to the \$601,000,000 that we are looking at today. The reason is real simple. 7% of this year's appropriation which the committee has religiously stayed in would mean a budget of \$616,000,000 compared to the \$575, almost \$576,000,000 for this year. We can, I think, anticipate a reduction and a phase out of federal revenue sharing. This year we are assuming 15.6. Next year it drops to 7.3 and the following, the balance of that year, nothing. We know there will be a reduction in the capital construction fund from cigarette tax of \$900,000 because of the full impact of the NORDA money that was enacted last session and when I add up what is now statutorily required in state aid, the part from LB 138, when you add up a continuation for the rest of the operations of state government and other state aid programs at the