

year history in this body of supporting the transfer of local property tax costs to sales-income tax and when I depart from that it is a major shift and I do it reluctantly. Neither am I enthused about a self-imposed responsibility, I guess, of at least wanting to call the Legislature's attention to the impact of '80-'81, not '79-'80 budget, but '80-'81 budget on our actions. As I indicated before if we do not wish to use the 7% limitation what I say is of perhaps not much significance but based on a 7% increase for '80-'81 we currently by law will be picking up 17.6 million of what is generally classified as aid money. We will have roughly a \$30,000,000 availability of funds for all the operations of state government. You add six and a half to that and you are talking about \$24,000,000 of the available \$30,000,000 under a 7% increase going for additional aid. Now it seems to me that at some point it is appropriate for the Legislature to recognize that kind of issue that we are creating for the next session. I get concerned with over 50% of the support of state government is aid. The support for increasing that aid I understand, I have been a part of it, but I am getting increasing concern that those responsibilities that our state, solely state, financial responsibilities are eventually going to be hurt because there is a limit to sales income tax just as there is a limit to property tax and the solution can not always be of just merely adding the financing. Many times we are going to have to look for things just not to do. There is another concern I have beyond '80-'81. In '81-'82 fiscal year it is already pretty well established that a federal state match for Medicaid or for welfare will change. Unless there is federal legislation we will be absorbing another eight or ten million dollars state general fund costs for welfare in that fiscal year which would be over and above the impact of this bill. I guess if the body wishes to support 138 and its future impact, I do think it is exceedingly important that we also understand that in that process it is inevitable but what we will not abide by a 7% increase depending upon the economy and other programs that are expanded. We may well not be able to stay within existing sales and income tax rates. I know it is easy and I have been a part of it, it is easy to allow future costs to be sort of ignored that somehow or another they will be taken care of but as the country is in the area of inflation that we have, I don't feel any longer that we can ignore or hope that they will work out automatically. I think we have to take the position of looking at those costs, future potential costs now and if we want to accept them, fine, but I cannot stand and allow that future cost impact