

additional \$21 million, if you judge it to be wise to do that, and thereby allegedly preventing any tax increase, then I think this is the only really effective way to do it. Now do I think it will be done? No. Do I think it's wise and responsible? I'm "iffy" on the subject. I guess I don't know whether you really can impact the state aid and the other programs that much. The point is, if you are going to make that additional \$20 million, this is the only way it is going to happen. You are going to have to use some kind of an across the board system. Should you do it? That's a judgment question on your part. If you are determined, however, to cut an additional \$20 million so that you've got a \$30 million package, this is about the only way. And I repeat, those things that the Governor and I had originally discussed in cutting nobody wants to do. Nobody is offering. Nobody is supporting, just as I originally felt might happen, state employees' salaries and these kind of things. Under my proposal state employees are not cut out of their 3 percent increase. What does occur is a 3 percent cut would occur in the total amount of money available and that means then you'd have to reduce some personnel in order for the others to get their 3 percent increase. I'm not sure that's all bad. I think that's almost good and fair if you're going to make the cuts. So I would ask you to do whatever you believe is right on this amendment, but remember this. This is probably, whether it's 3 percent or 2.5 percent or 2 percent or 3.5 percent, this is probably ultimately the only way you are going to make any additional cuts to prevent a tax increase and if that's your goal, this is probably the only method. I might point out that the second sheet I handed out gives you numbers as to what it applies to the total budget, it applies to about a \$700 million budget. It also shows you how much you're going to save with a 1 percent cut, 2 percent, 3 percent, 3.5. If you'll look, you'll see 3 percent is \$21 million. The difference between \$21,093,000 and \$21,059,000 on there is simply based upon the ADC amendment there or the other \$500,000 thing, depending on what happens on those, but basically it is a \$21 million cut, so use your own judgment.

PRESIDENT: Senator Beutler.

SENATOR BEUTLER: (Response inaudible.)

PRESIDENT: Senator Warner.