

substantially under. Now you're kidding yourself if you think that \$14 million is going to avoid a problem. It will not happen. Now I hope I'm wrong because that means things were a lot healthier. The problem with the tax receipts was on the income tax side. Almost everybody admits that that is inherently in some of the federal income tax provisions, in fact it's bugged us for five years in a variety of ways. So what you're talking about is a change in revenue to offset what in part is apparently inherent in the tax law itself at the federal level. Well let's talk a little more about next year with your two percent across the board cut. Automatically in five programs you are going to be adding \$3.6 million to the deficit on top of what Senator Goll mentioned about next year's obligation. You not only have the \$36 million that you have to replace and then you turn around and you analyze it and it's higher. Everybody in here has talked about property tax relief all session. Since 1980-81, '81-82 rather, if you do this two percent you will have reduced accumulative over that period of time state aid and the replacement of the personal property tax exemption and state aid to schools, the basic state aid. You will have taken \$12.4 million out of those. You know much of the problem that you find yourself in is because we have repeatedly enacted legislation with future commitment...

PRESIDENT: One minute.

SENATOR WARNER: ...you're sitting that way next year again and I have no problem of sound management of public affairs. I have no problem with making the tax adjustment because if you don't do it now you're going to do it later. It's better that you do it now. We're below last year's budget now. You take out the commitments that we had to absorb, meaning the state, because of prior commitments and this year's budget as it came out of committee is less than last year's. You take the three percent salary adjustment, it's substantially less. You know some of the cuts, we talk about the University a lot, do the two percent cut, operating, and assuming the salaries are paid, Chadron takes an one percent cut in their operations, Kearney 6.4 percent, I'm talking about cut over last year. Peru 7.5 percent, Wayne 9.3 percent.

PRESIDENT: Your time is beginning to expire.