

have to have a two-year budget document. In other words, state agencies today have to at least indicate, to the Appropriations Committee, what their two-year plans are. Now that document is an informal working paper, it is an informal working paper. The formal working paper is our appropriation. An annual appropriation assures annual accounting, it is an annual accounting, it is an annual public exercise that people in this state can relate to. Now I passed out, a little earlier, a chart which I think is fairly subtle. But I want you to meditate on this chart. As you know we spend, annually, hours looking at the General Fund side. We look at the General Fund side because that is financed by the general sales tax and the general income tax. In our annual examination on General Funds operations alone, in the last five years, we have permitted a 21.3 percent increase in General Fund appropriations. At the same time there is another side of our budget which, as you know, we in the Legislature do not fully scrutinize because we have always treated the dedicated tax issue separately, that is the cash fund side. Look what happens in the absence of an on-going, aggressive, scrutinization on the floor of this Legislature on that portion of our budget. There's been a 47.8 percent increase in the cash fund side of state operations, the same five years. I submit it is this annual scrutiny, this annual examination of budgets which give the public and us the greatest handle on expenditures and provide for the greatest accounting. And that is part of our function, accounting and public knowledge as to what is going on. If we go on a two-year cycle we simply reduce, by 50 percent, that kind of careful legislative examination and certainly meaningful public scrutiny. We may enhance planning, but planning is currently available through the planning documents submitted by every state agency to the Appropriations Committee. Final point, once we go to a two-year budget cycle we have to set tax rates likely to produce enough revenue to take care of the budget over two years. We know, for experience, that...

SENATOR LAMB: Time has expired.

SENATOR V. JOHNSON: ...revenues are volatile. We will have to set a much higher reserve than we currently set to be able to allow for the two-year time period. I ask that this bill be indefinitely postponed.