

consumer of the property tax dollar, we are going to cut you more deeply, we are going to cut you more deeply than we are going to cut the state, and our local subdivisions are going to say, don't do that to us, please. Our schools will say you are simply hurting children. Our counties will say, well, you are hurting mandated programs. Our cities will say you are hurting essential services. But I want to try to deal with some truths. Now Senator DeCamp pointed out Senator Cal Carsten two years ago asked Ron Bowmaster for a study, and we dug that study up this morning from the old archives as to how much money local subdivisions always kept in their pocket as a reserve. Now you know here in the state government we are kind of accustomed to dealing with a 3 to 7 percent reserve. Most of the time it is 3 percent, then periodically it slips to 2, and every now and then it slips to about nothing. And what the study showed is that local subdivisions tend to run reserves at around 20, 25 percent and I passed out the chart work that we could find fairly quickly this morning and you will see where some of our local subdivisions are running things like a 100 percent reserve to take care of cash flow problems. The truth of the matter is that local subdivisions for years and years and years have been very adroit, very adroit at maintaining quite high reserves under the supposed notion that they might have a cash flow shortage. At the same time we have been maintaining extraordinarily low reserves and having cash flow shortages and it is those kind of shortages that have brought us back into this special session. Secondly, local subdivisions have within their power the ability to deal with our small reductions. They can deal with those reductions by program and staff reductions if they so choose. They can deal with those reductions by declining reserves if they so choose. And, finally, next year they can deal with those reductions by an increase, heaven forbid if they choose to do it, but they could choose to do it, in property taxes, or with our cities, in the sales tax. They have other revenue sources. Now, ladies and gentlemen, we really are here, we are called upon to make choices, and when we, in effect, just do across-the-board cuts, 3 percent, 2 percent, or what have you, we avoid choices. But for my money and our taxpayer money, I think the right choice is for us to be very careful with the government for which we have absolutely direct responsibility, state government, and at the same time say to our local governments we are going to affect this small reduction in your overall budgets because we need to do