

Three years ago we started the Medicaid takeover program relieving counties of approximately \$7 million each year in then existing obligations. We still have one more year of it to go. This year we increased our sales tax base. We expanded the sales tax base for the state government, LB 715. That expansion will probably raise about \$18 million. But for the City of Omaha that was a windfall expansion because its sales tax base is tied to the state sales tax base. And for the City of Lincoln that was a windfall expansion because its sales tax base is tied to the state sales tax base. And for Norfolk, and Ogallala, and North Platte, and right on down the line, they got a new revenue. They got a new revenue source by virtue of those actions. Now Senator Hannibal suggests that what we are doing is we are simply cutting the other guy as though the other guy somehow is not us, as though us is the state and the other guy is cities and counties. Well, the truth of the matter is the county government in particular is simply a localized form of state responsibilities. We chose historically to carry out state responsibilities through county government. And schools again represent a localized form of the state responsibility for the education of children. I think cities probably come the closest to being the other guy because we have always given cities a true independent authority for their establishment and their acting. We have always been solicitous of county government and schools and cities. In fact, we have been so solicitous in our state that our state is one of the few states that is totally skewed toward the carrying out of government through local government as opposed to having it carried out through state government and that is one reason why our state has so many local employees in relationship to the number of local employees in other states. It is because of our concern for local government. Local government is a part of us. What we are saying this time around is that as the burden of our state economic downturn arises, that burden has to be shared and it has got to be shared proportionately, proportionately, and it turned out, and Senator DeCamp did the work on this, that a 1 percent or a 2 percent cut...

SENATOR MARSH: One minute, Senator.

SENATOR V. JOHNSON: ...to our local governments, given the proportion of state monies in their budget, represented a negligible cut to them. But a 1 percent or a 2 percent to the state government, given the large share of General Funds