

one other item on that front page I would like to have you look at is the additional obligations that we took on in that \$811 million budget. You can see there are about four items. There are several items, actually, but I took four of the bigger ones and you can see those are items that we didn't have in last year's budget. Remember last year's budget was \$823 million. This year's budget is \$811 million now. But there are items there, totalling \$26 million, that are obligations that we did not have in last year's budget. So I took the liberty of subtracting that out and came down with that bottom line on the front page, and it shows that if we had not taken on those additional obligations, our budget today would be \$785 million. Now that is a \$37 million reduction from last year's budget. That is actual reduction. Now the point I am trying to make is we have worked pretty hard on our budget and we have shown an awful lot of financial restraint, responsibility and prudence. We have looked at that very, very hard. Included in that brochure there that you have, that handout also shows how the budgets came down as far as state aid and state operations and I think you will find that we were quite evenhanded when we started looking at the cuts between state aid and state operations, but I will leave that for your perusal if you have time. The other handout that I gave you kind of gives you a scenario as to where we stand right now and that is the long page, the single page, legal size paper, and it is showing you what we have done with regard to our budget and it is showing what we have done so far with regard to the other revenue pictures, meaning that we are not taking into consideration any cigarette tax increase or any income tax increase at this point. If you would, for just a moment, look at that, that one-page piece that says "Actions Excluding Revenue Increases", you will notice the column there starting with our original ending balance of \$21 million in the hole and showing our revenue projections right now of \$833 million and working down to the bottom line on that first heading there you will see our balance at point six million dollars at the end of this fiscal year. Now that means that right now with our budget cuts, right now we can end up with a point six million dollar ending balance. That doesn't include, if you look at the top of the right-hand column, \$8 million worth of deficits that we will have. We have verified 6 million of that already, probably closer to 7, but we will have deficits to look at this year of \$8 million. So actually our ending balance will be \$8 million in the hole without