

the various agencies. I'm sure there are some good arguments as to why some of these agencies have not spent at a level that is consistent with their entire appropriation for the entire year. But, I want to point out that these are true cuts. These are not a shifting of responsibilities, these are true cuts. I would also like to say that it concerns me somewhat that we have just adopted the committee amendment which in essence is a rubber stamp of the entire Appropriation Committee process with a very few comments, no questions. I hope that everyone understands it much better than I do, I'm sure you do. But I would just like to suggest that it might behoove you to ask a few questions and to find out just what is going on. I think we have to cut expenditures. But I want to point out that when you buy the Appropriation Committee amendment, you must accept the responsibility for shifting back to various subdivisions some of those expenses be it city, county or schools or whatever, in this case not city but at least county and schools. So it is not really and truly a tax cut. Now it will be if, in fact, the local subdivisions carry it out and lower their budgets. Whether or not they can do so depends to a certain extent upon the amount of requirements that we have placed upon them. I guess I would like to ask Senator Warner a question. Senator Warner, is it the opinion of the committee that the reductions that we have just adopted for schools and for other local subdivisions can, in fact, be further reductions by those subdivisions or will it result in an increase in the property tax at the local level?

SENATOR WARNER: Senator, as you well know, I can't...no one can answer that question. Obviously, the local entity can choose to abolish something if they want to or they can choose not to. It would be true that during the current fiscal year that some entities may be borrowing money. Other agencies probably have substantial reserves and it doesn't make any difference. I don't think you can generalize the impact and be exact in every case because I am sure we can find examples where it can be a particular hardship for a county. For example, let me mention a county issue that you are going to hear about if you haven't heard about it, and that is the fact that under the formula that was shown to us at the hearing, the formula for distributing the current state aid that goes to counties, it was the money that was made up for the personal property and the other things way back, under that formula there is a redistribution to counties. And, as I recall, 58 counties lose some funds and the balance would gain some. In some cases that might be significant and in some cases it is not significant with the distribution, but