

of March 29th of this year indicates those funds are no longer available. Secondly, according to the Tax Commissioner's letter of April 18th of this year which was distributed to you this morning, the one addressed to me was distributed by Senator Keyes but it also is included again in this packet. As of the end of March, we were running a little over another 8 million dollars below projections. Third, when the State Board of Equalization and Assessment met in November, they were unaware that personal property tax relief estimates which had been made by the State Department of Revenue were underestimated and the cost of those reimbursements was another 7.5 million dollars. Since we have met this year, what is customarily referred to as acts of God have also created additional expenditure for the 77-78 year. These include FTV tower, the flood situation and a hail storm at Grand Island. LB 945 effective this year appropriated approximately \$900,000 to reconstruct the tower and LB 965 still on Final Reading has an approximate appropriation of 2.6 million or a total of \$3.5 million for this purpose. From these figures, it can be quickly seen that the unanticipated loss of revenue or the increase in cost is approximately \$27.8 million or approximately \$1 million greater than the June 30th, 1978 general fund balance which was projected at the November 15th, 1977 meeting of the State Board of Equalization and Assessment. Therefore, had the Legislature done nothing this session other than to take care of those things that can be called acts of God, correct the appropriations for personal property tax, if that is all we would have done, had we met for seven days in January and only addressed those issues this year, it would still have been necessary for the State Board of Equalization and Assessment to raise taxes following the session. What is quite clear from the figures above is that the 27.8 million cost consists of two components. Approximately \$24 million is the responsibility of the revenue and expenditure estimates provided by the Department of Revenue, three different items, and the remaining \$3.5 million is attributable to those things I referred to as acts of God, not irresponsible actions of the Legislature as some officials might lead you to believe. Now I want to call your attention to the balance of the attachments. If you will look on the first sheet, attachment #1, the columns to your left hand side shows the figures that were presented to the Board of Equalization in November. The columns on the right hand side show the actual receipts as through March with the projections that the Department of Revenue and the Board of Equalization used for April, May and June. Without taking the time to detail that, you will see by including the items that I have indicated just this year that the June 30th balance would have a deficit of 4.2 million dollars, necessitating a tax rate increase irregardless of what level of appropriation is adopted for 78-79. Added on to the sheet below that is the maximum projected lapsed funds that might occur on June 30th. We used during the appropriations (interruption).

PRESIDENT: Could we have more order on the floor, please? All right. Senator Warner, excuse me, I am trying to get some order here so that...it is difficult to hear on the floor. Could we have it quieter for Senator Warner's presentation. Proceed, Senator Warner.