

April 23, 1981

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SENATOR WARNER: With the additional explanation that you can come up with any percentage you want based upon the base, you know...depending on what you use for a base on which to calculate it from.

SENATOR V. JOHNSON: Let me just get to the point that is troubling me about the appropriational this year, Senator Warner, and that is this. We are not increasing state aid to schools at all nor are we increasing the personal property tax relief fund at all nor are we increasing the governmental subdivision fund at all. That is about \$170 million for which there is not ten cents worth of increase and yet the overall budget represents about a seven percent increase so I have to assume that where that seven percent could be found is through an even greater percentage increase in state governmental operations, an even greater percentage increase in university budgets and the like. Now that may be an okay thing to do but what is bothering me is the fact that we have put a seven percent lid on local subdivisions and it is an honest seven percent lid but it doesn't seem like we are going to put that same kind of lid on state governmental operations. Could you respond to that?

SENATOR WARNER: Two things, first, the seven percent we are talking here is in budget and the seven percent local government has is in receipts and that can be a significant difference. Secondly, local government has a percentage increase of both local and state funds combined. We are talking about a seven percent of state funds only. If we threw in federal funds as a part of our base, for example, you could double the dollar increase and still call it a seven percent so I don't think they are as compatible as usually it is portrayed in most articles. The other thing is I don't know how you want to calculate the revenue sharing that we picked up because a portion of that percentage increase as you describe it would have gone to replace the lost federal revenue sharing money which I always think of as just another general fund source, historically, that it was like a tax being eliminated or repealed and, you know, you could, depending again if you want to show the revenue sharing money not in last year's general fund appropriation, all of which went to welfare, you could say, "Boy!, there is really a tremendous increase in the general fund percentage", using raw data but to be fair I think you have to show the revenue sharing in this like fashion when you make both years' comparisons and then you are talking about \$16.9 million which as a percentage becomes fairly significant. Even seven percent of your \$170 million would be, what, 11.9,

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