

you are making this year that is going to affect our '83-'84 appropriations. And while I know that is speculative, it nevertheless is going to be affected by what we do today or what we do this session. I said that the thing that's different this time, if you look at the resolution or the material with the resolution, it indicates the number of revenue sources that must occur that have not as yet been acted upon, although some of them have. For example, \$1.8 million has been turned down to be funded from some other source than general fund already by the Legislature. We do not yet know what may happen with the cigarette, the corporate tax. Certainly the attempt that the Appropriations Committee did in looking for other alternatives for revenue sources such as fees adjustment has met with general resistance in a number of areas. We also have put in legislation as many of you know, all of you know, that would provide the opportunity to review existing programs required by law and almost without exception any proposals to repeal the programs to be repealed have met with a great deal of resistance. When we look at the overall picture, we will go through this year with no capital construction, virtually none. There will be virtually no capital construction next year in all probability. And if you looked on page 26 you will see listed a number of programs that in the past at least there has been a lot of interest in amongst the members of the Legislature which will not be funded at the level unless the amendment to the resolution is adopted, even then only a portion of those items can be funded. If you look at the '83-'84 projections, in both the resolution as well as the amendment to the resolution, we used the 7 percent growth figure and in those cases in either event you see a substantial need for increased receipts in the calendar year '83, whether that be in part from a recovered economy or in part from adjustment in tax rates, in either event substantial increase in dollars at least are going to occur. We also are looking at a budget which proposes dropping the reserve from 3 to 2 percent. I would only remind you that last year we...a year ago now we started out at 5, we ended at 3. We have another 2 percent drop. We are down to 1. The only other time that the state was operating that close we had serious cash flow problems, some of you will recall, and that too creates problems in the future which I think could be in part avoided by adoption of the resolution...amendment to the resolution which in essence would require or permit \$15 million of general fund appropriation in excess of what was recommended in the Governor's figure. It would raise 18.6 net assuming all of the increases that the Governor has proposed are