

SENATOR H. PETERSON: While you are looking, let me just put before this Legislature the figure of \$350 million and if that is wrong, why then we can correct it. But if we took 3% at that time, that would be \$1,050,000 in reserve. If we have 742 this year and we go to 2%, that is \$1,484,000. In other words we are going to have better than 400 and some thousand more reserve this year with 2% than we had in '74 during the last recession. It just appears to me that we ought to be talking about what the dollars are not what the percentage is. I firmly believe that we can get along with a 2% reserve on the basis of our present budget as well as we could back in the '74 period when our budget was about half of what it is now and it just seems to me that as you listen to the debate this morning you need to recognize that this has been purely a debate on the part of the Democrats in this body to try to embarrass the Governor of this state. I think the Governor carefully looked at this matter and decided on the basis of the dollars that he was talking about when he came to this Legislature that a 2% reserve was enough. I say rather than being conservative, as Senator Dworak is saying, we are being conservative if we cut down on the reserve and then face the situation that we have got to cut down on the amount of money we spend. I just think we are talking out of both sides of our mouths when we say we are being conservative by increasing reserve. That is not real management and I, for that reason, would oppose the Beutler amendment.

SENATOR CLARK: Senator Vard Johnson.

SENATOR V. JOHNSON: Mr. Speaker, and members of the body, as a member of the Revenue Committee, I voted to advance LB 757 to the floor of the Legislature and I did not vote to advance the bill solely to allow legislative discussion. I voted to advance the bill because I felt it was a fair and just bill and I didn't have the same kind of misgivings about LB 757 that a number of the other Senators have voiced today and I will tell you why. At least two reasons for it, the first reason is that the statute that directs the State Board of Equalization and Assessment to set the income and sales tax rates merely says that in setting the rates the State Board of Equalization and Assessment shall provide a reserve not less than 3% and not more than 7%. So that means the State Board of Equalization and Assessment can provide a reserve at 4%, at 5%, at 6%, or even 7%. It has flexibility. Now we reduce that statutory figure from 3% to 2%. That just means the State Board of Equalization and Assessment has flexibility. It is going to reserve at 2%, 3%, 4%, 5%, 6%, or 7%. They are given