

April 1, 1982

LB 761

approximately \$41 million and what we did was the same thing that we did wherever we made some adjustment in aid programs and all were not adjusted, but if we did, we used the 3.75 figure which 3.75 times the \$41 million was approximately \$2½ million and so that portion of the aid program was increased by \$2½ million and the other million and a half would be retained for state purposes, and would help to avoid further tax increase, either sales or income tax, and it had already been decided or at least recommended that those miscellaneous governments could get along without it, and I agree with that. So that's the basis on which it was done. I still think that that was a reasonable and a sound basis to do it. Finally, let me explain the mechanics. 761, if it is not amended today, will carry that \$68.5 million. 816 that you have raised the question about, 816A would restore it if that is passed as it is written, or whatever happens to 816 in terms of being passed, that A bill could restore the million and a half. We can either reduce that a million and a half or if 761 gets to the Governor's desk and he could reduce it that million and a half, I don't know what form 816 is going to be in, if any, but there is not a need to make this adjustment today because you can do it in 816 when you know what it is. But the amendment was done in good faith. I think it was a reasonable approach. It has already...the decision already has been made that that \$4 million shouldn't...did not need to go back to the miscellaneous governmental subdivisions and I think that the committee's approach should be supported and I would urge you not to adopt Senator Newell's amendment because we are not taking aid away. By the way, there are a whole host of states, as all of us well know, that are having as many receipt problems in their taxes as Nebraska, many far worse. Minnesota's shortfall exceeds our total budget in the general fund, for example. A whole host of states have reduced aid programs because they had no choice. We haven't proposed to reduce an aid program that was not already otherwise proposed to be....

SENATOR CLARK: You have one minute left.

SENATOR WARNER: ...eliminated. All we are saying is that this one area, don't increase it as much, split the savings between the local governments and the state to help ease the state's problem. It is a reasonable approach. I hope you will not support Senator Newell's amendment.

SENATOR CLARK: Senator Schmit.

SENATOR SCHMIT: Mr. President and members of the Legislature, if I understand it correctly the million and a half