

April 5, 1982

LB 757

SENATOR WARNER: Mr. President, what page is it on?

CLERK: 1500.

SENATOR WARNER: Mr. President, members of the Legislature, the purpose of this amendment, if you will read it, it very simply says that neither the Governor nor the Legislature in preparing a budget would presume a reserved requirement of less than 3%. The effect of that is that the Board of Equalization, when they were meeting in November could conceivably, if the times required or dictated, at least for the purposes of submitting budgets and acting on budgets we would not be appropriating money based upon less than a 3% reserve equivalent of a 3% reserve in dollars. I think that at least is somewhat of a compromise between going to two and using the money which I think almost everyone is opposed to, to at least given the flexibility to go lower, the times dictate it, but most certainly not spending or approving appropriations at a level that would force the rate down to 2%. I'd hope the body would approve it.

SENATOR CLARK: Senator Kahle.

SENATOR KAHLE: Mr. President, Senator Warner, would you go over that again? You have got me confused.

SENATOR WARNER: All the amendment does Senator Kahle, it says neither the Legislature or the Governor, when we approve budgets would use less than a 3% reserve. For example if you look on the back of the green sheet where the tables are, you see that we show a 3% reserve and that would be what would be required of both us and the Governor at the time these budgets are being approved. Now that does not preclude the Board of Equalization going to 2% next November if the subsequently the economy would dictate that that might be necessary, but at least we wouldn't be forcing it by a higher level of appropriations.

SENATOR KAHLE: So what you are doing is you are saying that we budget for 3% reserve but the Board of Equalization can decide that 2% is enough.

SENATOR WARNER: It leaves that flexibility that...the obvious purpose of the amendment is to ensure that we do not appropriate nor does the Governor recommend a level of funding that would force a 2% reserve.

SENATOR KAHLE: That does make some changes in our thinking,