

PRESIDENT: The Chair recognizes Senator Kahle.

SENATOR KAHLE: Mr. President, members of the Legislature, before the session started we were interviewed by news people locally and also here in Lincoln and Omaha. I made the statement that I thought the responsible thing to do would be to pick up the amount of income tax that Senator Lamb just mentioned, Senator Warner has mentioned, that we have lost through the reduction of the federal income tax. I think that is only responsible because that was not in the plan when we made our budget. We did not know what Washington was going to do. We aren't spending more money than we had agreed to so I think the responsible thing for us to do is to try to keep our state income at least on the same level we started out with at the first of this year. Now if you want to change it next year, that is another issue. The other thing that I want to bring to your attention is that the thrust has been to bring government back to the local people, bring government back to the state, take it out of Washington, bring it back to the counties and the cities. Nothing was said about cutting the income to these entities of government at the same time the federal government cut theirs. Now we may well want to do that. I suppose it will end up that way if the economy goes the way most of us feel it is going to go. But if we start doing that before it actually has happened or is happening, we are only building a wall in front of us. If we defer funds that were appropriated for this year into next year and expect to put them into next year's budget, we are going to have real problems. We have a seven percent increase in spending built into our system right now, voluntarily state and involuntarily city and county. If you think that you are going to provide those services in that seven percent increase and not pay your share, you are being dishonest. That is all there is to it. There is no way you can have manna falling from heaven. So I think the realistic thing to do is to follow Senator Warner's plan, keep our income as constant as we can for this fiscal year, cut where we can and find the funds that we are short. Next year is another situation. We may want to do something entirely different, but if we heap our problems that we have now upon the next year's budget, we are going to be so strapped that we won't be able to wiggle. The last years that we have had since I have been in the Legislature our Governors have always said that or at least came out looking as though they were very frugal and did not raise taxes. That is not exactly true because we were blessed with an increased amount of tax coming in every year and no matter what we did we had money enough at the end and that may not be happening any more. It doesn't look like it is happening.