

how you save the money. These proposals we are looking at here this morning do not do that. I recommend at this time that we continue this discussion and that we try to find out if we are going to have to face the fact again next spring. We are going to have to face the facts that the revenues are going to be substantially reduced and that we may well have to not only curtail services but curtail personnel. If that happens, ladies and gentlemen, you are going to be looking at a substantially greater reduction than three percent and it is not going to be a deferral. It is going to be an actual cut.

PRESIDENT: The Chair recognizes Senator Goodrich.

SENATOR GOODRICH: Mr. President, and members of the body, I just want to get up and tell you that you have got one thing to face. In the Warner amendment, you are going to have to go back home and explain to the citizens of your district how the state has \$6 million in cash funds and we did not use that to avoid a tax increase. In fact, we went one step further and we refused to defer roughly \$4 million worth of capital construction. Put the \$6 million with the failure to defer the capital construction, adds up to \$10 million. You are then turning around and asking the citizens to cough up one percent more in income tax, \$10 million. How are you going to explain to the citizens of your district that we have got the ability to avoid the tax increase now and yet we are asking them to cough it up? We have got \$6 million worth of cash funds we could use to avoid it now. We could defer the capital construction until next year and avoid the tax increase but yet we ask them to go ahead and do it now based on the fact that next year the economy may not have bounced back and, therefore, we may have to ask for the tax increase next year. That is not a positive that Senator Warner can guarantee nor can I guarantee it won't happen. All I am saying is this, we do have the ability to avoid the tax increase now and that is how I voted in committee. We all agree on the \$15 million worth of cuts and maybe as it was told to us in the committee, maybe the eagle can't soar but at least he can still walk. We are not arguing about the \$15 million in cuts that we are making right now. The discussion all centers on the fact that we are asking the citizens of Nebraska to pick up one more percentage of income tax now based on the fact that we don't think the economy is going to bounce back and produce those revenues that were anticipated earlier and we would thereby be able to avoid even a tax increase next year. It is possible. We are gambling on what the economy is going to do in the next three to six months and we are saying, let's hit you with a tax increase now so we would be better prepared in