

CLERK: Mr. President, the next amendment is offered by Senators Wesely, Beutler and Landis.

PRESIDENT: Is Senator Wesely going to speak for the trio here or is Senator Beutler? Senator Beutler.

SENATOR BEUTLER: Mr. Speaker and members of the Legislature, the proposal that we would like to make to you now is a variation of the Governor's proposal which addresses one major problem that we had with the Governor's version. It is like the Governor's proposal a proposal that does not anticipate a tax increase. The total reduction that we would propose is in the neighborhood of \$24 million which would leave us with the required minimum reserve and which would again not require a tax increase. If you would, I would like to just basically explain what we are doing so you have that firmly in your mind and it would be helpful in doing that if you would pick up off your desk the handout with the initials...with some initials at the top that says "Amendment to LB 8" and turn to the second page of that which is entitled "Comparison" on the second page and that is a comparison of LB 8, the Governor's bill, with the amendment that we are proposing and following along on that page let's go through it A through H, and I think then you will have a very good grasp of what the difference is between the Governor's bill and this proposal. A is Reductions to Operations. The Governor, as you recall, had an almost across the board reduction of \$8.6 million. Our proposal, and this is one of the two basic changes, our proposal would reduce that to a one percent reduction. It basically reflects our feeling that under the Governor's proposal state operations are suffering...or bearing an inordinate proportion of the burden of these reductions and that our Appropriations Committee has not had an adequate chance to appropriately review all of the state agencies to make individual determinations as to the appropriateness of those reductions. So we are reducing that as much as we can while at the same time not having a tax increase. That is the major change. Item B, 3% Reduction to AID, that is the same in both proposals. Item C, Reduction in excess of 3%, that is the same in both proposals. Item D, Capital Construction, that is the same in both proposals. Veto Overrides is the same but we did make a couple of small changes there. Moneywise that is not a major item as you can see. Item F is the difference. We picked up and added to our proposal a million dollar reduction in excess, excess homestead exemption aid, this is the same money that Senator Warner has identified and had in his proposal. Item G is the new item and will be the controversial item and that is that we are proposing a five percent reduction