

be primarily the general thing that would be covered under special cuts on page 2 and 3. Then on page 4 includes all the suggestions for cash and revolving fund lapses as the Governor submitted and then the Committee has added a number of ones in addition. Including is the cash flow for the Library Building at Kearney which is under construction, under contract, but there was \$300,000 plus that could be rolled into '83-'84 because that would fit their construction program. We did reduce the authorization for the A. O. Thomas Building at Kearney by \$200,000 but it still permits them in this fiscal year, roll it back in '83-'84, but again that will permit them to go ahead and begin construction and virtually in the same time frame that was originally anticipated. We did take some additional cash funds that we felt could be lapsed and put into the General Fund over and above what originally the Governor had but all of those add up to a little more than what was proposed there. If you look at page 5, those included the things that I generally have described as the kind of thing that could be either deferred or reduced this year without creating any problems for the agency or for the contract that was underway. If you will look at the long sheet is aid by agency from the General Fund and then the second portion is the aid by agency of the operations. The first one that deal with aid, again the exclusions column means that they were excluded from the 2% cut and again that was the basis of either a deficiency, the money might have already been spent, so we couldn't take the full 2%, or in some cases that exclusion if the figure is the same in the special reduction and exclusion, it means we took it all. There is a couple of agencies, you will notice that it was zero, that nothing was reduced, and the one that comes to mind is Retirement and that money was transferred in July and obviously couldn't be reduced even if you chose to do so. And finally in operations, that sheet essentially is the same as the other. I don't know how much time that you want to use but I assume responding to questions would be more rapid than if I went through each agency by agency, although I would be perfectly willing to do that if that is the will of any questions.

SENATOR LAMB: The Chair recognizes Senator Wesely.

SENATOR WESELY: Mr. President, members of the Legislature, I do have a question of Senator Warner. I think it is one that we all are concerned about so I will ask it and then ask for a response. The outline of the proposal I think is a fair one and a reasonable one and one that I can support but the question I have is that it requires action both by the Legislature and by the State Board of Equalization. Obviously, this body can take the action required of it under the section that we are dealing with in action required by the Legislature but we are also taking into account the question of the State Board of Equalization and the fact that we need a 1% income tax increase retroactive plus the continuation of that increase into 1983 in order to meet our fiscal problems. Now the scenario that I am sure many of you have thought about and one which I will outline now and ask Senator Warner's reaction to would have the Governor and the Board of Equalization take the action that we will I think assume today and the next couple of days and reduce by \$38 million the budgets that we have approved, thus providing for that reduction. That does not meet