

January 10, 1989

with Congress to find solutions which restore the states' control over their own tax systems. This issue, together with the recent Supreme Court decisions regarding ag land values, property tax relief, and state aid to education are all interrelated and inseparable issues that cannot be solved in piecemeal fashion. They must be addressed together, and meaningful solutions sought cooperatively. We must be mindful of the judgments of the Supreme Court in recent decisions and the ones they may render in the future. We must be prepared to act forthrightly on recommendations presented by commissions we have jointly empowered. Even more important, we must listen to the whispers of the prairie...seek out and carefully weigh the wishes and desires of Nebraska citizens who have spoken of these issues in the past and are certain to speak again in the future. I am willing to work with you in fashioning a comprehensive solution to these complex issues. Experience has taught me that working together, in a spirit of accomplishment and cooperation we can do much. So today, I renew my pledge to listen with an open mind to your concerns and suggestions, and, yes, criticism. As I present my budget recommendations for the next two years, I want you to know how grateful I am for the spirit of cooperation that we have experienced over the last two years. I have a great respect for each and every one of you and for great responsibility that you bear. Before I turn to the specifics of the budget, let me say a word about the balance in the state treasury. There is a prudent balance at this time...as, indeed, there should be if we are to maintain fiscal stability. Each of us understands that current balances do not necessarily represent ongoing revenue and should not be used to undertake substantial new programs. We cannot afford to fund new spending programs that cannot be sustained. Nebraska has been down that road before and has learned the tragic consequences of imprudent stewardship. The budget that I am proposing embodies two key concepts: stability and sustainability. It builds and expands on the commitments we made in the last two years to economic development and education. To insure that those commitments are met, I am proposing a budget of one billion, sixty-two million dollars for Fiscal Year 1989-90 and one billion, one hundred twenty-nine million for Fiscal Year 1990-91. This represents an 8.9 percent increase over the current year and a 6.3 percent the second year. It is a budget that allows us to fulfill the needs of our state that have been unmet far too long. It is a forward-looking budget, which is progressive yet prudent; responsive yet restrained. It allows for a 3.54 percent biennial reserve of \$77.7 million, which is within the statutory