

May 1, 1991

SENATOR LAMB: Then my next question is, why are we not biting the bullet now instead of pushing trouble on farther down the road?

SENATOR MOORE: Well my answer to that, Senator Lamb, would be that the 4 percent cuts that we initially spoke of, the committee is of the opinion that a 4 percent cut in one year is somewhat, shall we say painful, and some drastic measures have to occur. A 2 percent cut, if...by backing those cuts down to a 2 percent cut in '91-92 fiscal year, it was the committee's opinion that those could be managed better by the agency. And one of the fund sources that allowed us to back that cut down to 2 percent in '91-92 fiscal year, and 3 percent in the '92-93 fiscal year, one of the fund sources would allow us to do that...would arguably be this, also the committee is of the opinion that instead of cutting aid to local governments, and this delicate period of time, because of some of the uncertainty with the personal property tax issue, it would be more prudent to use this fund source as opposed to cutting aid to local governments. Finally, I think Senator Landis said it, what do you have a rainy day fund for if you don't use it when it's raining, and I guess some people are of the opinion that it, indeed, is raining, and now would be a prudent time to tap into this fund.

SENATOR LAMB: Another follow-up question would be, is there any realistic reason to believe that our finances will be in better shape another year or so that we will be able to make up that deficit?

SENATOR MOORE: Well, I'm not in any...I'm thankful I'm not an economist. You know, some will argue that, for a variety of reasons, yes, it will. If you look at historical averages of revenue growth, over a ten year period, we are certainly at a very low ebb in the upcoming fiscal year. And it would...you know, if historical averages mean anything, which in my opinion they do, in the next biennium our revenue growth in this state should be better than it is right now, one of the reasons being that the 775 pay outs may start to go down in the second biennium.

SENATOR LAMB: Thank you, I guess.

SPEAKER BAACK: We will now proceed to vote on the motion for bill introduction. All those in favor vote aye, opposed vote