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FLOOR DEBATE

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all the caps off and let the locals fund it with property taxes and we'll be back to where we were in the 1960s and 1970s. The out years don't look good, but if you solve the in years with permanent solutions, the out years don't even look half as bad. Revenues are rebounding. They're starting to rebound. Hopefully, we've hit the trough. That will help with the out years. It's difficult, though, and I don't think you can ignore the basic question: it's whether you want to keep us up at the level of 15th, 16th, or 17th state in the spectrum of states with regard to how heavily we rely upon the property tax, or whether you want to sink back down and be one of those states that relies most heavily upon the property taxes. That's the basic question and, for myself, I don't want to go back. I would rather make the income tax, that we reduced when we thought things were so good in 1997, I'd rather put that back up to where it was in 1996. As between encouraging more property taxes and doing that, I'd rather do that. That's \$92 million a year. That would make the out biennium look a lot better. So that's the fundamental choice, and I don't think Senator Brashear can characterize it in any other way. Now there are some things we could do in the future if we want to change some of our basic structures that would help. We can put ourselves in the position...

SENATOR CUDABACK: One minute.

SENATOR BEUTLER: ...in the future where we don't have to accept what's negotiated for state salary...state employees' increases and that sort of thing, but that's not what's driving this situation. We have salary increases of 1.5 percent in the first year and 2 percent in the second year for state employees. There are going to be hundreds of state employees laid off with the \$400 million in cuts that we have in this budget, hundreds, believe me. They got a benefit package, but it wasn't as much as their medical costs increased. But if you want to, next time around you can pass statutory laws that would allow that to be a flat-out zero or cut their pay further. And there are things in Judiciary Committee that would have restructured things that could have cut costs, and there are things in Education Committee that could have restructured delivery systems that would have cut costs. A lot of us, for a lot of these things,