

January 13, 1993

Innovation Fund and program administration, lottery legislation should be reenacted in the same form as the original bill. The Education Innovation Fund is an important step in directing resources toward new ideas in education. But it is not intended, nor can it be, an ongoing source of program funding. The most important step toward enhanced state funding for basic education has been taken through LB 1059. The 1059 state aid formula has unquestionably moved Nebraska toward greater equity in educational opportunity. Adjustments may be warranted, and I will carefully review proposals to do so. Teacher salary enhancement should be made part of the state aid package. I have high regard for Nebraska's teachers, and they deserve to see the state's contribution to salaries continued. State aid to education will increase by \$44.2 million over the next biennium. There is ample room to include the salary enhancement package for teachers as part of that increase. Our income tax system needs to be fixed. I'm proposing a tax cut for 400,000 Nebraska families, about 80 percent of our taxpayers. Middle income Nebraskans deserve this change and I urge your support for LB 240. Another tax equity question is posed by Nebraska's Business Tax Incentive Program. The Employment Investment and Growth Act has had a positive impact on Nebraska's economy. There is, however, an element of this program that continues to leave a sour taste in the mouth of many Nebraskans, the corporate jet exemption. I remain convinced that this element of our tax incentive program must be changed. I have proposed legislation that empowers communities to implement this exemption at their own choice. Other communities will not be saddled with this approach by a statewide mandate. Adjustments in tax policy are important to the bottom line for Nebraska's families and businesses. But there is another issue which, if not properly addressed in the next few years, will more than offset the benefits of tax changes. Health care continues to be a major concern across the country. Costs are escalating beyond the rate of inflation, access to services is difficult for many, both for geographic and financial reasons. The business community, as well as government sees a growing drain on resources caused by health insurance and workers' compensation costs. Last year I formed a Blue Ribbon Coalition and an Interagency Task Force to assess health care options for Nebraska. I've just received preliminary reports from both groups, and we have a strong beginning from which to build. I've asked these two groups to work together through '93, analyzing these proposals in detail while keeping a sharp eye on national developments. One bright spot in Nebraska health care