

TRANSCRIPT PREPARED BY THE CLERK OF THE LEGISLATURE
Transcriber's Office

March 2, 1999

LR 3

amendments pending to the resolution. In addition, I have other amendments as well, Mr. President.

PRESIDENT MAURSTAD: Thank you, Mr. Clerk. Senator Brown, you're recognized to open on LR 3.

SENATOR BROWN: Thank you, Mr. President and members. LR 3 is a resolution. It is not a lid. It is an opportunity to have a serious discussion on the floor about our spending. It is not a substantive bill in the sense that it does not change statute, although there are amendments filed which will talk about some substantive changes that are actually bills. It also does not control future Legislatures. LR 3 is a commitment by all of us to a discussion about restraining spending. One of my colleagues has called it a "toothless tiger", but I believe that a pact amongst us, as elected representatives, whose most important role is appropriating, is really a lot of teeth. And I believe that it's also a pact with the public about what we're going to do in terms of spending. LR 3 is based on Nebraska personal income and you will be receiving some information about our rate of taxation as a percent of personal income. Nebraska personal income, I believe, bears a relationship to our state's economic situation. Nineteen ninety-seven was the last full year that we had available information, and that growth was 3.85 percent. The resolution calls for allowable growth of spending of 3 percent per year in General Fund appropriations, holding ourselves to almost 1 percent below the rate of growth of personal income. By holding spending growth under the rate of growth of personal income, it allows us some flexibility to make some choices in either adjusting taxation levels or in putting more money aside to be able to weather periods where the economy would be less healthy than it is right now. The overall level of state and local taxation has remained somewhat constant at 11 percent of personal income, but you will see by the chart that's being passed out that...that that constancy is when you take the...take the median line through it, and there have been peaks and valleys. The valleys have tended to come as a result of external pressure that has happened when there are peaks, and that's something that I think that we need to be aware of and I will talk about more later. LR 3 establishes a strategic goal for the Appropriations Committee and for this Legislature as to spending. It helps us to make choices and establish priorities.