

September 30, 1992 LB 9

type of expansion that goes, but we see a 2 percent factor built into that. We also look at the time value of money in terms of the inflation of the money, not the construction project itself, but the time value of money, it invariably has a 3 to 4 percent factor built into that. I would submit to you that if through proper analysis what we are looking for, as Senator Moore mentioned several days ago when we first embarked on this process, that some of these things are adjustments. These are ways to be able to lapse seven and some odd million dollars into the General Funds to get us through this crisis, but we are not backing off from the investments that we believe are important to move the state forward. It's ways of adjusting, ways of trying to handle, and the bonding technique is one of those, that, yes, there will be interest expense. But you have to then subtract out the time value of the money, the escalated costs that go with it, other costs that are going to be incurred in some cases by these institutions operating less efficiently with some of the capital properties that they are using at this point. I suspect, in knowing the facilities at Wayne State College, to delay this project, they are going to have to spend some money on some of the facilities they have now to patch them up and get them by and get them into the next period because those facilities are being used. And to look at the new replacement facility, all those costs have to be brought in and I don't think a eleventh hour amendment relative to a concern over the interest rates, which we've paid in the past, can really be properly analyzed until you put it in the perspective of all of these factors. Like I say, I happen to know that the Business College at Wayne, a building that I used to teach in, is in miserable shape, but I know very well that they have delayed doing much with that building at this point with the anticipation and the planning that went in to knowing this new facility was on line, and I suspect that through fire and safety codes,...

SPEAKER BAACK: One minute.

SENATOR CONWAY: ...and other kinds of things, that they are actually going to have to turn around and take some kind of monies and dedicate to that building just to get by for another year, or two years, whatever it takes as we go into this delay. So I don't think there is any savings. I don't think Senator Beutler has brought us any evidence that one can really believe through any true financial analysis that there is any real savings in simply doing this delay, and then kicking the thing