

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

May 21, 1999

LB 881

If I had a bill today that the body let me fund two years off...first of all, you probably wouldn't let me do that, because we try to make our commitments annually year by year. But if you let me do that, you certainly wouldn't let me do that and then take money out of the Reserve Fund to be sure the money was there for my bill. Would you? So why would we start the precedent of taking money out of the reserve fund to cover possible shortages in the future for one particular program or another? So this change that I'm suggesting to you would obviate, or make not necessary, or take away the precedent, the bad precedent, I feel, that this bill is establishing. I've already talked to you about the bad policy that I think is established by this bill simply by reducing the Reserve Fund by way more than half. I don't know how I can recreate and make real to you...and I suppose I can't. I don't...I don't have the words or the imagination to do that. But in the mid-1980s, let me tell you, it was hell. The special session that we had that cut the budget...

SENATOR COORDSEN: One minute.

SENATOR BEUTLER: ...by two percent, we hurt institutions all over the place badly. And that special session took us one month. One subject took one whole month. And not only did we cut that budget, the torture and agony of that. Senator Warner even asked for a week recess so the Appropriations Committee could remake...and imagine this; asking the floor of the Legislature...a committee asking the floor of the Legislature for a week recess so that they could reformulate the budget. That's what happened. Not only that, but we increased the sales tax to put 4.7 percent of our revenues into this rainy day fund when we created it. It is...it is serious business and it is protective of having to raise sales and income tax rates to keep...to keep a good rainy...a good-sized rainy day fund protects us against inadvertently having to jack up sales or income tax rates to meet problem times. And, finally,...

SENATOR COORDSEN: Time.

SENATOR BEUTLER: Thank you.

SENATOR COORDSEN: Senator Wickersham, please.