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manner and, in so doing, avoided the crisis other states have faced and continue to face. We may have disagreed on some parts of the solution to our fiscal problems, but we have never disagreed on the need to reach our common goal of fiscal stability. Our collective hope has been that the national and the state's economy would improve by now. That has not been the case. A Nebraska business owner described it to me as a saw-toothed economic recovery--plenty of ups and downs and, I might add, with very sharp edges. It is in this economic climate that we continue our work with the fiscal stability of our state as our overriding goal. I have agonized more in developing this budget than any other in my 18 years of public service. I have every reason to believe that you will do the same. One way to put our fiscal problem in context is to consider that even if state spending were frozen at current year levels for the next two years, a \$115 million shortfall would exist between available revenue and expenditures. That's not factoring in deficit requests or the Boyd County litigation. From another perspective, the Legislative Fiscal Office defines our dilemma as a \$673 million difference in projected spending and projected revenue over the next two years. I would respectfully suggest that that number is conservative. Deficit requests and potential liability arising out of the Boyd County low-level radioactive waste litigation balloons this number to a staggering \$850 million. I expect these very large numbers will cause you to reach the same conclusion that I did. Very difficult choices cannot be avoided. To help understand some of these choices, let's divide the current year budget, Fiscal Year 2003, into four categories: first, operations; second, aid to individuals; third, aid to local governments; and finally, higher education. Operations would include everything from the Governor's Office, the Legislature, to the State Patrol and Corrections. Altogether, operations include state agencies at a price tag of \$539 million this year, or 20 percent of the total General Fund budget. Half of those costs, or about \$267 million, can be found in just two agencies--Health and Human Services within the Health and Human Services System, and the Department of Corrections. The complete and total elimination of all funding for operations for one year, at best a very foolish concept, would not even provide enough savings to balance this budget. Aid to individuals includes Medicaid,