

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

April 22, 2003 LB 759

here and what the implications are. As I understand it, you're suggesting that money...revenues received, instead of going to the General Fund, would go to the Cash Reserve. Is that correct?

SENATOR CUDABACK: Senator Chambers.

SENATOR CHAMBERS: As is the case now, I don't want that to stop happening October 1, 2004.

SENATOR RAIKES: Okay. Well...and you, hopefully, can correct me. Our budgeting process that we're about now, we have a 3 percent General Fund reserve requirement. That means that we can budget to spend 97 percent of our expected revenues. The other 3 percent doesn't go anywhere, so to speak. It simply goes to meet the General Fund reserve requirement, which is a statutory requirement. It's one that we have set at 3 percent by statute. I assume that we...I think it's 3 percent to 7 percent, if I'm correct. There is a range. But we could, for example, change that to 2.5 percent, or some other number. But my point is this. If you take money out of the General...well, redirect revenues, let me put it that way, from the General Fund to a Cash Reserve, in effect, you're reducing revenues that would be available to spend by whatever that amount is. So that simple move, without actually changing the revenue stream, would make it possible to support a smaller spending stream than otherwise would be the case. Am I on the right track here?

SENATOR CHAMBERS: You're...

SENATOR CUDABACK: Senator Chambers.

SENATOR CHAMBERS: You're exactly there, Senator Raikes.

SENATOR RAIKES: Okay.

SENATOR CHAMBERS: But nobody has asked me why I would want to do such a thing.

SENATOR RAIKES: Let me proceed to ask you that question, Senator.