

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

March 18, 2004 LB 1089

general that if we can get ourselves through this next year that with an improving economy in the state that we will be able to make up those...some of that in the out years without a lot of problems. Now the only other things I want to call your attention to at this point, because it's part of the big picture, is on page 11, which shows the projected budget increases that we're planning on in the out years. And you might say, well, we're talking about this year, but what about...why are we talking in the out years? But if we work this budget over three years, I want you to show the fact...I wanted you to see the factors that we're using that are on page 11 to show how the out years can and do grow. And if we are to make an impact, those are the areas that have to be adjusted. And you will have to decide for yourself how possible that really is. Special Ed, for example, is in law, of going up 5 percent a year and, in fact, that's probably not adequate to cover the cost. TEEOSA, if it stays at \$1.00 and we do not change it, if we don't go to \$1.10 from \$1.00, the state aid to schools goes up \$129 million in 2005-06, and another \$56 million in 2006-07; aid to ESUs, Developmental Disability transition and pay equity, Health, Public Assistance going up at 8 percent for planning purposes, Children's Health Insurance 10 percent, Medicaid 10 percent. Actually, most of these figures are probably fairly conservative. And on down the line, one of the critical ones is salaries which is a big part of state government's cost, this is programmed in here at 1 percent. If you recall, this fall we'll be in labor negotiations where the administration will be negotiating from probably September till December. We are programming in at this point only a 1 percent increase. And that is fairly conservative probably. No one really knows what it is but the point is that it's fairly conservative, but for planning purposes, looking out, it shows why our budget continues to grow. The critical thing here, the budget grows in some areas much more than other parts, but the health care issue, Medicaid, aid to the needy, even state aid to schools formula goes up quite rapidly, and we have to acknowledge that those could be in the out years as such. So with that, I think I'm going to quit. I've probably talked long enough on the general and I would be...try to answer questions that you might have but, remember, this LB 1089 is for this next year, July 1 of 2004 to June 30, 2005. But a lot of the things