

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

March 18, 2004 LB 1089

their work. And they go just hour after hour after hour. So we all owe them a great debt of gratitude for the work that they put in in trying to build our state budget. Senator Beutler spoke very effectively this morning about some of the big ticket issues that are driving the bottom line on our state budget, and the first of those that he mentioned was the proposed revision to the levy limit from \$1.05 to \$1.10. That's a hundred million dollar decision, right there, hundred million dollar decision. And he also mentioned the nuclear waste judgment, \$160 million issue that's hanging over us. I'd ask you, if you would, to turn to page 7 of your blue handout. That's the financial status report and that's the key document. That is the key page of this document as far as I'm concerned, page 7. And as an alumni member of the Appropriations Committee, my eye always gravitates to the lower right-hand corner of that status sheet because there is a very critical number in that lower right-hand corner, and that is the estimated shortfall from minimum reserve in the next biennium, which is just around the corner. That shortfall projected by the Appropriations Committee is something on the order of \$194 million. We're projecting to be short \$194 million in the next biennium. I wish the problem were only that small. In truth, I think the problem is much larger than that, because the third big ticket that's driving that bottom line is the projection that we come up with on future revenue growth. And that \$194 million shortfall presumes that revenue all of a sudden is going to magically rebound to 6.9 percent in the first year of that biennium and 6.8 percent in the second year of that biennium. And if it does rebound to that very, very high level, then we'll only be \$194 million short. I think we're going to get a dose of reality from the Forecasting Board when they show up here in October because I don't think they're come up with a revenue projector...revenue projection that looks anything like that. I can't read that board. I don't know how...what they're going to do but it wouldn't surprise me if they gave us a wake-up call and said you're not going to hit 6.8 and 6.9 percent revenue growth. You might hit 4.8 and 4.9. And if they tell us that, that would be a pretty rosy projection from where they've been the last few years. And if they tell us that, which means we're about 2 points growth below what's projected here, that's another \$100 million we need to find. So instead of looking at a problem, ballpark \$200 million, we're