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

May 17, 2005 LB 312

give up your property tax relief. But you're still sitting there with somewhere in the neighborhood of \$112 million. And where are we going to get that? We have no present provision for where we're going to get that. If all our revenue projections stayed exactly as they are, if everything happened in accordance with how we thought it would flow, then we would have to do some serious cutting. And one of the areas where we would be doing cutting is in the area of Medicaid. It's all being set up for that. I don't mean that it's intentionally set up for that, but that's what's going to happen. You're creating a fiscal crisis four years out that will certainly be there unless revenue forecasts suddenly increase again. And then you're going to have to cut. You're going to have to cut...you're going to have to load on property taxes, and you're going to have to cut. And you're going to be cutting medical care as one area. You have to. And so it would seem to me to make sense, if we ever have any intention of getting a handle on the medical care problem, that at least we start in this area where businesses are being given taxpayer incentives, and require that they not be a part of the problem, and try in some small way -- I mean it's almost ridiculously small, actually -- but in some small way to mitigate the cutting to Medicaid that is going to be seen as almost a necessity four years from now, or two years from now, three years from now, when you do the next budget, anyway. So, you know, what do you want? Is that where you want to get to? Revenue projections...you know, our revenue averages around 5 percent. Revenue increase average from year to year is around 5 percent. The last two years, it's been 8 percent and, like, 7.5 percent. It's been way above average. We've been in an above-average part of the cycle. So our revenues are probably, given the historic way that those things go, our revenues are probably going to decrease. For next year, the projection is...

SENATOR CUDABACK: One minute.

SENATOR BEUTLER: ...4.2 percent, slightly below average. If that would increase by 1 percent, part of our problem, a substantial part of our problem, would be taken care of. If it decreases by 1 percent, that \$235 million hole you have becomes \$335 million or \$350 million. What has happened here is that we