

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

May 25, 2005

LB 312

\$203 million. But secondly, and more importantly, it will give you the next two legislative sessions to decide whether you really want to go ahead with the permanent and total repeal of this particular tax. It may be that the unlikely will occur, that after a seven-point-something and an eight-point-something percent increase in our budget for the last two years, that we will have something good again. More likely, though, the average will settle down to closer to the projections that we have. And under our current projections, even with this amendment, you will be \$203 million short, four years from now. But with this amendment, you will have the opportunity next session and the session after that to think about that next budget. Two years from now, you'll have that next budget before you, and you can think about whether you want to continue with that manufacturing with the law going into effect to exempt manufacturing equipment, or whether you need to draw back on that in order to provide stability in government and financing to those other aspects of economic development, such as the university and the education system, that will be hurt in the future if you cannot otherwise come up with funding. It is also true, in my opinion, that the deficit that's four years out is not just \$235 million, under what we've currently done, because \$7.5 million a year for the next two years, you fund it out of the Cash Reserve Fund job training. The Governor and the Department of Economic Development has indicated they intend to use all that money, and they intend that it is an ongoing program. And we had the debate, and decided, whether or not it was a good idea, to fund an ongoing investment out of the Cash Reserve Fund. And I would continue to argue that that is a misrepresentation of what is intended. But the fact of the matter is, if you think that the \$7.5 million a year you put in the budget for job training is going to be a continuing expense beyond the next two years, then you need to add another \$15 million to that \$235 million out there in the future, which is the deficit that we face. And the true deficit in that circumstance would be more like \$250 million. Understand, to whack down that \$250 million, you can whack it down by \$100 million, or thereabouts, if you take out of the law the current provision in the law that drops the property tax from \$1.05 to \$1.00 in school districts. But you can see part of the price you're paying. You're saying that in order to get a