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FLOOR DEBATE

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that we will save at least \$13 million, in the long run, for the state. So the transfer of amount in the year prior to when the...needed for construction ensures financial assets are on hand for the following construction year, the remaining...minimizing any risk of disruption in bidding and contracting for the renovation of services. This transfer-in-advance approach will be in the amount shown in fiscal year '07-08, followed by \$7,359,687 in FY 2008-2009, and FY 2009-2010. Based on the construction schedule submitted to the Appropriations Committee, the fund transfers for 2009-10 will finance the final year of actual construction planned for the Capitol Building. Should actual interest income from the Cash Reserve exceed the amount to be transferred to the Capitol Renovation Fund, the excess will be transferred to the Building Renewal Allocation Fund. Once the fiscal...or final Capitol renovation transfer is back...is made, all of the interest income from the Cash Reserve will go to the Building Renewal Allocation Fund, as per current law. Other changes in connection with this are technical. The thought, primarily in conjunction with the use of the interest income, is Senator Beutler's thought, and I'd like to have him have some time, if he would like to discuss that with you. Senator Beutler.

SENATOR CUDABACK: Senator Beutler.

SENATOR BEUTLER: Senator Cudaback, members of the Legislature, Senator Pederson, thank you for the time. I think the most important thought is not my thought, but the simple acceleration of the masonry project. While we do have the money to do that, it does make sense to accelerate it, get it done faster, and save many millions of dollars in getting it done. I have long been a proponent of a higher Cash Reserve Fund, and you may remember early in the session we circulated a document from Mike Calvert that indicated, oversimplifying somewhat, that we would have had to have a reserve of around \$500 million in order to have survived the last downturn in revenues without increasing taxes or desperately cutting expenditures. Historically, we have not come anywhere close to having a \$500 million Reserve Fund. Now we're starting to build one. We're at \$326 million or right in that area, if I'm remembering right, so it's not where we should be, but it's better than we've done before. The