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

March 15, 2006 LB 1060

millions of dollars, \$26,500,000, we are essentially committing the state to spending that much money if the projects are approved in that amount. We felt that it was more prudent to do it at the initial proposal of \$18,500,000. If you get too many dollars committed, you get vying among the various entities. There are three of them, basically, that are trying to get monies out of this. And the concern of the Appropriations Committee, certainly my concern, is that if we adopt this proposal by Senator Langemeier, that we are committing the state, committing future Legislatures to spending this money. By raising the cap, doesn't necessarily mean that you're going to spend the money. But if the federal government approves the project, then you have committed to go ahead with the money. And so I just think that it's not necessary to raise that much money at this time. I, frankly, hate to see that kind of a commitment made at this point. So with that, I propose that you reject the proposal of Senator Langemeier. Thank you.

SENATOR CUDABACK: Thank you, Senator Pederson. Senator Beutler.

SENATOR BEUTLER: Senator Cudaback, just quickly. You know, we've had a long history with these projects, and the problem with increasing the cap, from my perspective...and maybe I'm just saying it in a different way, saying the same thing as Senator Pederson is saying in a different way. We only fund these projects at a \$3 million a year level. If you increase the cap, then our commitment becomes huge. Then the pressure will increase to fund these projects at a significantly higher level than \$3 million a year. And so I think the better policy has always been, and was our policy, to be cognizant of the amount of money a year we're putting into water development funds, and being sure we're not creating commitments to projects that will be hard to meet when construction schedules come in for all these projects and they're all clamoring for money. It's very different from the ethanol plants, but still kind of the same thing. You shouldn't make a commitment to a pie that maybe will be larger than what you want to fund if, three or four years from now, the times aren't so good and revenues aren't so good, and yet, you have all these pending projects that have been approved. So I think it's the better part of