

April 30, 1993

Senator Moore, would you like a point of personal privilege to talk about the budget booklet that you handed out?

SENATOR MOORE: Yes, thank you very much, Mr. Speaker. This morning on your desk the Pages have distributed what is the culmination of about four months of work by the Appropriations Committee, our budget recommendation. We've also included with that is the plethora of bills and amendments to the Clerk that constitute our package that have now been reported. And if you would, this book, this gray book, particularly for the 14 new members that have not been through these debates before, this is kind of the book we will be referring to in the next month as we debate the budget. Just a couple brief comments if I may, if you turn to that book on the first five pages, I think it talks just briefly an overview of where we've been and where we're going and asks some questions that all of us as legislators are going to have to find own answers to between now and June 8. You know obviously we've had some ongoing budget problems in the State of Nebraska for the last two bienniums. You remember two years ago we were in the situation where the Legislature approved reductions in the base of 2 percent, then an additional 1 percent for a total of a 3 percent base reduction in our biennial budget two years ago. Then last October we came back and did some additional, did an additional 1.5 percent across-the-board reductions including a variety of other things to get our financial picture, try and get it in better order but we certainly still have some problems. But one of the major reasons we have problems, well, there's three reasons for the problem. One is the Medicaid match rate that changed. Two is passage of 829 and how we've had to deal with that has caused us problems in the last 16 months and, third, is the tremendous growth in Medicaid eligibility as well as Medicaid cost and also the Medicaid lawsuit. And if you look at page 2 of the budget document, I think something that is very telling, and some ways almost chilling. If you look at our structural General Fund imbalance with and without Medicaid, one will see that had we not had specifically those Medicaid problems instead of the reductions we've been talking about, we'd actually each year of the next biennium we'd have over \$20 million in revenue that could be expended within the allowable reserve. So instead of talking about reductions, we would be talking about adding on to the budget if Medicaid would have grown at the rate that we thought it was going to. And so I mean actually over the five-year period shown there we're \$175 million in the hole, when you include the Medicaid changes that have occurred. Had