Revenue downturn is expected to affect budget

By Russ Pankonin
The Imperial Republican

When Nebraska's Legislature convenes next Wednesday, Jan. 7, the state's anticipated budget woes will face the 49-member body.

Sen. Mark Christensen of Imperial, who represents the 44th District in Lincoln, will begin his third year in the legislative body.

He's already expecting vigorous debate on the state's budget.

Due to projected revenue declines resulting from an economic downturn, he said the state is staring at $377 million shortfall already. That's without adding any new spending this year or next.

The shortfall is for the two-year budget period which begins in July.

By the end of this fiscal year, the state will hold cash reserves projected at $573 million.

Christensen said it's likely senators will vote to tap into that reserve to balance the budget.

With the anticipated shortfall, it won't be easy to fund any new spending, Christensen noted.

He said he and Sen. Tom Carlson of Holdrege want to continue funding for vegetation removal in the Republican Basin and add the Platte Basin.

Christensen said they are looking for about $4 million, which may be hard to come by.

 He said the program in the Republican Basin has proven itself and it needs to continue, as well as expanding into the Platte Basin.

 He said some senators are looking at expanding the budget for Health and Human Services.

 That no doubt will create some floor fights, along with a proposed plan to cut state aid to schools by $60 million.

 Christensen said the school state aid cut would be across the board with each school bearing their proportionate loss of funding.

He doesn't expect any change in the school funding formula, only a reduction in what the state sends to schools.

Christensen to introduce 20+ bills

The bill introduction period runs for the first 10 days of the session. In addition, legislators will elect a speaker and committee chairs for the 101st Legislature.

Christensen said Sen. Mark Flood of Norfolk will likely be elected speaker again. Flood served as speaker during the last biennial session.

Christensen said he plans to introduce 20 or more bills this session.

Some of the subjects include making better utilization of the McCook work ethic camp, requiring a sonogram before an abortion, marriage education, allowing county roadside trapping, creating pre-zoned areas for livestock expansion and fixes to the state's concealed-carry gun law.

In terms of water-related bills, Christensen said he will wait to see how the Nebraska Supreme Court rules on the constitutionality of the property taxes in LB 701.

If changes need to be made on LB 701, he said he'd likely make that his priority bill.

Christensen's LB 701, which was passed in 2007, created a funding method for natural resources districts (NRDs) to pay for leasing surface water and pay for other compact compliance efforts.

It included a clause that forces NRDs to issue bonds for projects that enhance stream flow.

Last year, the state paid surface water irrigators about $9 million on behalf of NRDs for water leased by them in 2007. The NRDs are to repay the state.

Property taxes and occupation taxes were collected to cover the expense but that money has been held in escrow due to the challenge of LB 701.

By removing the bonding clause, NRDs would not be forced to buy bonds to repay the state and instead, could use the funds being held in escrow.

Christensen would like to see the NRDs' $9 million repayment to the state put into a revolving loan fund created to fund water projects in fully- and over-appropriated basins.

Committee assignments

Christensen said its likely he'll move from the Natural Resources Committee to the Judiciary Committee for the next two years.

He can't serve on both because they meet at the same time.

Christensen also expects to be elected to the body's executive committee. This committee decides which bills will be assigned to which committees for hearings.

He will likely continue to serve on the Banking and Insurance Committee.

Serving on the Judiciary Committee will allow Christensen to be involved at the committee level on some keys issues, such as abortion, gun rights and changing the state's method of execution to lethal injection.

Christensen expects a lethal injection bill to make it through committee and on to the floor for debate this year.

In recent years, a lethal injection bill never got past the Judiciary Committee, thanks in large part to the efforts of Sen. Ernie Chambers.

However, Chambers is no longer a member of the Legislature. Term limits brought his legislative career to an end last year.

Sixteen new senators

New faces will be present on floor this year, many as a result of term limits.

Christensen said 16 of the body's 49 senators will be new this session.

Ken Schilz of Ogallala will represent western Nebraska's 47th District. Schilz is the only new senator west of Kearney.

He replaced Phillip Erdman of Bayard, who also left the Legislature due to term limits.