JOHN WIGHTMAN

Action blamed on declining state revenue.

John Wightman doesn't mince words when he talks about difficult decisions ahead for Nebraska legislators.

"It's going to be painful," said the state senator from Lexington.

Those hardest hit when legislators gather for a special session Nov. 4 will be K-12 education, the University of Nebraska and the Health and Human Services System.

"K-12 education will be the most sensitive in our area," Wightman said.

Medicaid, which along with the other entities make up 70% of the budget, could be exempted because the state must match federal spending levels, he said.

"That may mean even deeper cuts for everyone else," Wightman noted.

The Medicaid program, funded by federal and state governments, pays for medical care for those who can't afford it.

Wightman doesn't question the need for a special session because "revenues have been going south."

Next Wednesday, legislators must determine how to slash the state budget to make up an estimated $200 million of lost revenue.

That's what economic forecasters say is needed to balance the two-year budget crafted during the 2009 regular session.

During the special session, Wightman said senators will also look at ways to cut smaller expenditures from the budget.

Raising taxes is not on the table, Wightman said, and "a majority of senators feel the same way."

Nonetheless, he said there is discussion about getting rid of a state property tax credit.

The $200 million credit, which counties began receiving in 2007, was designed to offer property tax relief.

"But I don't think that will happen because it's perceived as a tax increase," Wightman said.

Wightman said unpaid furloughs for state employees—an action taken by other states-—has also been suggested.

"But I think that needs to come from the governor's office," he said.

Decisions made during the November session will become effective immediately.

Lower incomes and sales tax receipts are blamed for the revenue drop during the longest continuing recession since World War II, Wightman said.

The governor called a special session when September tax receipts were $40 million below projections.

Nebraska Economic Forecasting Advisory Board members met Tuesday and issued predictions of future tax receipts.

Wightman said the board will meet again in February and April which will be after the 2010 legislation session has ended.

“We won’t know what April receipts are until their next meeting in October and I don’t know if we can legislatively change that,” he said.

Some economists don’t see recovery in Nebraska until the latter part of 2010 or 2011.

“The real problem is that employment is not coming back,” Wightman said.

Wightman said the central part of the state may have been immune to the recession the first year because of high agricultural prices last year.

“This year it doesn’t look as good because of higher input costs,” he said.

However bountiful soybean and corn yields—if farmers can get crops out of soggy fields—may offset costly production prices.

As a member of the legislative appropriations committee, Wightman will travel to Lincoln a couple of days before the start of the special session.

The committee will talk to state fiscal officers about where cuts could be made.

“We’ll review where agencies are with spending and see if specific items maybe are not as important now as when they were funded,” he explained.

Because the economy has deteriorated faster than the forecasting board expected, Wightman said additional cuts may be necessary during the 2010 session.

Although senators used a substantial portion of the state’s cash reserve to bolster the budget—now estimated at $300 million—he said more may be needed.

A 21-day special session is estimated to cost about $195,000, he said. Senators are paid $9 a day plus mileage costs to and from the state capital.

The senator added that the session could be shorter than 21 days.

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