

flexibility to act. I don't have any problem with giving the State Board of Equalization and Assessment flexibility. Secondly, the reserve itself in no way assures that we are not going to have a cash flow or a cash fund problem or that we are going to have any surplus at the end of the year. It is merely a statutory formula used to fix the tax rates in November of each year and that is the basic function of the reserve. We have got a cash flow problem today, don't we? I keep reading about it in the newspaper. I hear about it in the rotunda. We have a cash flow problem today and we got that with a 3% reserve. Now if the 3% reserve were the magic, then we shouldn't have a cash flow problem but it is not the magic. The truth of the matter is all we have is a simple statutory target figure that the State Board of Equalization and Assessment can look at and apply its best judgment and its best judgment may be a 2% reserve, it may be a 5% reserve. I don't know what it is going to be. It applies its best judgment and the rate is based on that, and then how the state fares in subsequent months does depend on the state of the economy, the state of the revenue receipts, and a variety of other conditions, and if necessary the State Board of Equalization and Assessment can meet again and readjust the rate. But I think that this is a discussion that is far more symbolic than it is of substance and it strikes me that it doesn't make substantially a lot of difference to go from a 3% to a 2% reserve. I think it is good policy to give the State Board of Equalization and Assessment a little greater flexibility in establishing the reserve. Now finally, let me tell you what it does mean to taxpayers to have a high reserve. You know most taxes are paid through a withholding system and the higher the reserve that we have in our state operations, it means the more monies we are taking out of the pockets of taxpayers to put in our own savings accounts to meet our own needs as opposed to allowing those taxpayers to have their money to spend or to save as they see fit. And the real question is, to what extent should we affect enforced savings for state purposes from our taxpayers? And it strikes me that we should be very careful, we should be very careful in affecting enforced savings and we should give the State Board of Equalization the flexibility it needs. If it makes a mistake, if it truly makes a mistake, the State Board of Equalization and Assessment consists of elected people...

SENATOR CLARK: You have one minute left.

SENATOR VARD JOHNSON: ...from the Governor on down and they can be roasted and lambasted and they can be, you know, harpooned and every other thing and they can be