

April 7, 1982

LB 928

SENATOR WARNER: Mr. President and members of the Legislature, this is the interfund transfer amendment that was passed out to you...passed out on your desks I guess late yesterday afternoon...yes, late yesterday afternoon, or evening. What it does is three or four things. It does authorize as I have indicated many times the same action that was necessary in '76 but obviously to a greater level in terms of dollars of the interfund transfer to cover shortfall in the general fund. The process that the amendment would require is that as there is a need for some interfund transfer that the Director of Administrative Services would indicate to the State Treasurer the requirement for the transfer who in turn must give at least two days' notice to the particular agency involved so that they are alerted to the possibility of the transfer. Also that the State Treasurer would notify the legislative fiscal office and through them members of the Legislature of any transfer that was proposed to take place as well as any transfer that was reversing the action when that occurred. In addition it would require that the transfer of any funds for a period of time in excess of 30 days that the fund from which the money was transferred would be reimbursed with interest at the rate that is presently calculated by the State Investment Officer on a daily basis for the investment. It also limits the funds to which transfers can be made from the temporary invested funds. The principal importance of that is it very specifically excludes such things as the school funds or the retirement funds that the state invests. The state retirement system, of course, is not invested by the state, would not be involved one way or the other. But it excludes all those long-time invested funds and retains the authority only for the short term. As you all know, or at least have had an opportunity, I assume, to notice that the cash flow problems probably for the balance of the year is going to very tight. There will be times probably that at least within the course of a month that there will be some need to make these transfers along with the action of this morning of increasing the sales tax commencing May 1 and these fund transfers, those two actions together with the amendment that was offered on 933 that spread out some of the aid payments it would appear that the state will be able to get through this period in a fashion without further problems barring, of course, that the economy doesn't even have further decline, and if that should occur, I assume later in the summer some other action would be required. I would move adoption of the amendment. The other point I should make is that it is written so the entire authority would be repealed as of June 30th, 1983. And there is one other condition in the amendment that when the Board of

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