

Legislature. Now, basically in analyzing where they were, or if you look through these calculations there are some projected vetoes and bills to be signed and so on and it looks that and may 11th the Governor's staff indicated that probably they would probably be five million above a 3% reserve. Now additional vetoes then are on this sheet, the Governor vetoed additional amounts of money plus he signed some bills providing more revenue. I have not had a chance to analyze in any depth where the Governor's action would leave us but I think roughly the Governor was a little above or a little below the 3% reserve when the action was done. Now the Governor gives a speech and he comes to us and says, that he has some suspicion perhaps that revenue figures are shaky and if it is shown that we are going to drop below the 3% reserve that it is very possible at that time we were already below the 3% reserve, I'm not sure. But he said that we would take immediate action and call the Legislature into special session. The Department of Revenue then prepares...and we adjourn. The Department of Revenue prepares the June 4th Revenue Book and that Revenue Book shows an even lower beginning balance and even a greater drop in revenue from projection. That first Revenue Book shows that that immediate action that Governor Thone had talked about would have to be taken one week after the Legislature adjourned. But that Revenue Book was not distributed to the public, rather 23 million dollars was added back into that Revenue Book. There is a good deal of argument or discussion as to how the figure of 23 million dollars was arrived at. There are contradictions, I believe, in what the administration is saying now was their understanding of where that figure came from. The only written piece of paper that I can find from that time that indicates the recollections at that time, the notes at that time that indicates where 23 million dollars came from was a statement from Gary Heinicke written on the pages that he was ordered to change, these are materials that Mr. Herrington provided to me, indicates that per Don Steinberg on June 8th 23 million was added and that 23 million was all delinquent taxes. Now, subsequent stories say that it wasn't expected that all was delinquent taxes or whatever, but it is not, those statements of Mr. Heinicke contradict those of Mr. Leugenberger and Mr. Herrington and so we see the administration can't really explain where the 23 million came from. But, the addition of that 23 million made the second revenue book look very good in terms of total revenue. The only problem is that the cash flow, the monthly projects were structured that the sales tax had ten million dollars added from the