

first book to the second book, twelve million dollars rather from the first book to the second book in the first quarter a major jump in expected revenue. The Board of Equalization meeting the Department of Revenue comes in with a new chart, as far as the cash flow, and take all that sales tax, almost all that sales tax out of the first quarter and put it in the last three quarters of the year. Now the Governor is very proud that sales tax up until October has come in on projection. I think they came in on projections because in fact the first three months projections were not changed from the original Department of Revenue figures. It is the last nine months of the year that will be very interesting as far as sales tax revenue. If you look at what happened in the month of October and no single month's revenue collection is a trend. But, if you look at the month of October you can see a major drop in sales tax from projections. Now I believe that that drop in sales tax will continue because that projection was artificially inflated so that the Board of Equalization's numbers would disguise the fact the first week in June it was clear that the appropriations had dropped below the necessary amount of funds for a 3% reserve. Now that is what brings us here today. I guess the conclusions that I have in looking at this is that the research staff at the Department of Revenue, who I have at times perhaps raised questions about, are very accurate and are people of fairly high integrity with regards to the revenues of the State of Nebraska, that the numbers that they developed are probably the best insight as to what is going to happen. The only thing is that unfortunately the numbers of the research staff of the Department of Revenue were not provided to the people of the State of Nebraska and the Legislature in May when we could have addressed this question, when they were developed in June they were altered at Don Stenberg's insistence to reflect an additional 23 million dollars. I doubt any of this will change how anyone will vote today because however we get to this fiscal crisis probably is a reality. What will be interesting to watch, for me, is the next nine months with regards to the sales tax to see whether or not the extra money that was ordered added that the Department of Revenue staff moved to the last three-quarters of the year will ever show up. With that, I will ask to withdraw the motion.

SPEAKER MARVEL: Senator Lamb, your light is on.

SENATOR LAMB: (mike not activated) privilege.

SPEAKER MARVEL: State your point to the Chair please.