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SENATOR WARNER: Yes, Senator Carsten, thank you for the question. I should have indicated that in the first place. The summary sheet you show is the agencies, like particularly in that 2% area is the agency's total reduction but there could be two, three, a half a dozen different programs, and to the extent that agencies indicated that they could absorb the reduction more easily, the total cut or major portion maybe was in one program and leaving another program that just didn't have the room for any reduction intact. One other point I want to make to our knowledge as best as we can determine that of the special cuts and the across-the-board 2% cut, I cannot say this relative to higher education because we don't have that kind of detail there, but other than that we are only aware of the potential of a half of one position that would be vacated. I only point that out that the possibility or the probability, and some concern has been expressed, of a number of people being laid off, at least to the best of our knowledge, would not be required at the level that we are proposing here. But again I cannot say that specifically about higher ed because we don't have the same level of detail or at least we didn't have the time to go through the same level of detail that we did with other institutions.

SENATOR CARSTEN: The other question, Senator Warner, this does include the reserve addition of 1% to a 3% reserve, correct?

SENATOR WARNER: Pardon?

SENATOR CARSTEN: It does include 1% additional reserve. As opposed to the 2 that we had before, it will now be 3, right?

SENATOR WARNER: Again that will be determined by the State Board of Equalization because as you recall we authorized them by law to go from 2 to a 7 percent range but we did in this the same...we are proposing to do the same thing we did in the regular session, that even though the legal limit was reduced to 2 that we should never consider less than 3 and hopefully higher particularly in these uncertain times.

SENATOR CARSTEN: Very good. Thank you very much. I appreciate it.

SENATOR LAMB: The Chair recognizes Senator Howard Peterson.

SENATOR HOWARD PETERSON: Mr. Chairman, members of the Legislature, I would like to ask Senator Warner a question, please, if he would yield. Senator Warner, how much consideration did your Committee give to the reduction figure? In other words, did you actually take a vote on whether it ought to be 2%, 3%, 4%, 3 1/2%? My own feeling is I think you have done a good job except that I would feel much more comfortable if we stuck with the 3 1/2% figure.

SENATOR WARNER: The process that we used, Senator Peterson, is that we first went through and tried to identify on a priority basis as many special or selective type of cuts which was total elimination of that kind of a program or

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