

General File, Mr. President.

SPEAKER BAACK: Senator Moore.

SENATOR MOORE: Well, Mr. Speaker and members, this is LB 857, the bill that would transfer monies out of the Cash Reserve Fund to transfer \$5 million each year of this biennium and then contains the statutory provisions to repay \$5 million in each of the next biennium. Those, obviously, senators who have been in the body for a number of years are very familiar with this fund. It was created in the early eighties. Probably Senator Warner can give the best dissertation as to why it was created. It was basically created not so much to serve as a...it was basically created, there are times in a year when the state's revenues and expenditures may not match up. The major purpose of this fund is to when at the end of a given month, if monies may happen to be short that year, this is the fund that DAS can trip into to pay all the bills of the State of Nebraska. At the present, well, the balance of this fund projected in June 30, 1991 would be \$31.9 million. If you care to refer to the fiscal note on this bill, probably the best way to explain it, you can see the projected balance would be...go down to 26.9, June 30, 1992 and down to 21.9 in June 30, 1993. And obviously with the statutory provisions in the bill it will be repaid and eventually climb back up to roughly a \$32 million figure at the end of the next biennium. This is a practice, though I know Senator Lamb questioned some concerns when the bill was introduced, not that it certainly makes it right in any way, shape or form, but it is a practice that has happened in the past and as a matter of fact, if you would care to look at the General Fund financial status in page 3 of the budget book, you will notice that when it comes to estimated receipts the Cash Reserve Fund transfers that \$8.1 million is money that is presently being repaid back to replenish that fund from tougher times in '87 session when there was a ten...a total of \$18 million was paid back, \$10 million the first year of the biennium, \$8 million this year. The argument...I know the Governor had I believe referred to this in his letter. Obviously if you do not choose this method of balancing the books, you simply have to find \$5 million in cuts in both years of the biennium to make things work. And so given that, I think Senator Landis at some time in earlier, at least in the newspaper print, had mentioned this has commonly been referred to as the "Rainy Day Fund" and if it's not raining now in the State of Nebraska, when is it? We should prudently tap into it. That is what the committee decided to