CLERK: Mr. President, Legislative Bill 1290 was a bill originally introduced by Senator Warner at the request of the Governor. (Read title.) The bill was introduced on January 18, referred to the Revenue Committee, advanced to General File. And I do have an amendment by Senator Warner. (Warner amendment, FA565, may be found on pages 1385-86 of the Legislative Journal.)

SENATOR WARNER: Mr. President, members of the Legislature, LB 1290 is a bill that was introduced at the request of the Governor, and it changes the method that we currently have by law for transferring funds to the Cash Reserve Fund, which has had some discussion here on the floor. You'll recall, LB 38 was enacted about three years ago, I think, or so, but it was...it provided that for any quarter in which receipts were in excess of projections that that excess amount could then be transferred to the Cash Reserve Fund. If there was a quarter that was short, why, it could go back and forth. It was to accumulate funds in the event that receipts are greater than projections. As you recall from the sheets that were used by the Appropriations Committee, it shows that that balance is zero and it shows that there was some $20 million transferred from the Cash Reserve Fund on June 30th of this year, recognizing that projections had been less by about...actually greater than that, than what had been anticipated. What 1290 does is provides...makes two changes, one of which that provides another method in which funds could be transferred. The one change that would be made that the quarter changes in the event that quarter...quarter receipts are less than projections, under current law the difference is transferred in the Cash Reserve Fund to the General Fund. That portion would be eliminated. However, the provision would remain, as it does in the current law, that if the General Fund balance is insufficient to cover obligations, and originally the Cash Reserve Fund was a cash flow type of thing when it was established when Senator Kerrey was Governor. But if it's insufficient, why, then funds would flow from the Cash Reserve to the General Fund to cover obligations, and then the money would transfer back to the Reserve Fund when it was appropriate or when it could be done. What changes is proposed under LB 1290, would also permit transfer from the General Fund to the Cash Reserve Fund after June 30th for that amount that was in excess of 5 percent of the total obligations, or the amount above the reserve figure, and