

money is placed in the Cash Reserve Fund, but the reverse is also true and money flows out. Consequently, what we've done is we've depleted the Cash Reserve Fund. What this bill does is it provides for...1290 provides for, on a quarterly basis, examining where we were in terms of our actual revenues versus forecasted revenues and anything above forecasts would be pulled off and put into the Cash Reserve Fund. And then, at the end of the year, there's a calculation which, quite frankly, I don't understand all that well, that would compare what we have to a 5 percent reserve and anything above that 5 percent reserve would go into the Cash Reserve Fund also. My concern, although that is a very worthy purpose, one in which I support and I think will add a greater degree of stability to the financial picture for the state in future years and will probably serve to prevent quite as many spending binges when we have excess money on the table because it takes that off the table, despite the fact that I believe and support all of that I think that doing this every quarter could end up causing us some untold difficulties. We have a situation, and I hope it's being copied and distributed at this point, that would show a cash flow situation over a year period where we might be \$10 million above one quarter, \$10 million below the next, 10 above the next, 10 below the next, where we'd actually end up breaking even for the year, actually meeting projections, but our cash flow, we would have taken \$20 million off of the table and that could cause us to actually go below our 3 percent. What I'm proposing we do, the main thrust of AM4379, is to change the concept which is currently in statute now where we do this on a quarterly basis and have us do it on an annual basis; that we would preserve this requirement that any money at the end of the year would be taken off the table and put into a cash reserve so that it won't be there for the next Legislature to spend on whatever worthy project those individuals would see, but we would not be...not be messed up by the ups and downs within, from quarter to quarter. So what this amendment does, very simply then, back to the specifics of the amendment, it switches the gleaning of the excess out of the cash fund over into the cash reserve fund. It switches that from happening every three months to happening once a year. I'd urge your support of the amendment.

SENATOR CROSBY PRESIDING

SENATOR CROSBY: Thank you, Senator Withem. On the Withem amendment, Senator Warner.