

focusing in on Senator Johnson's amendment because I think he is very sincere in seeking the additional money and I have no quarrel with putting in the additional money for this particular program because I think it is probably as worthy as any of the programs we have reinstated back into the budget. But unless you are willing to vote for a tax increase, I wouldn't be supporting these amendments. Thank you.

PRESIDENT: Senator Warner.

SENATOR WARNER: Well, Mr. President, members of the Legislature, again most certainly this is one of the worthy programs. As you recall, it was currently funded with \$1 million of federal funds. The majority of the committee decided not to pick the program up even though we recognize its merit as we do many other requests that are not included. But there is no question, whether you add this or do not add it, there is no question but what we are going to have a tax rate adjustment. If you look at the sheets, that is very evident, that was passed out this morning. This morning there was another \$1,750,000 moved from the cash reserve. We have got \$4 million now from the cash reserve into the General Fund, the purpose for which that fund is to serve. Fortunately we have it. With the further reductions in anticipated receipts, there will obviously be substantial draws on that cash reserve for the next couple of months in all probability. It is going to be very ill-advised I would think to not maintain that cash reserve. In fact, it would probably be wiser to build it back up in part. With the actions of the Economic Advisory Committee yesterday, and incidentally by statute, really if you read the statute, they really have a responsibility to review the economic assumptions that go in the model, and not necessarily set the dollar figure of collections that we are going to have. That by the statute, at least, is the responsibility of the Governor and the Legislature to determine in their judgment and, obviously, the judgment that is evident by the split vote on that forecasting board, further reduction in receipts next year certainly would be logical to anticipate, but because of, in part at least because of the data, because of the unclear reasons for the substantial reduction in corporate tax, which I understand that they have a special committee which will be viewing that specifically, but with all those factors, higher reserves are going to be necessary, a higher rate is going to be necessary on the sales or the income tax to avoid the kind of problems that we have been incurring the last several years and the most devastating kinds of cuts are mid-session. So I would