

you asked.

SENATOR LUNDY: I asked whether or not this is...the amendment is germane to LB 35e.

SPEAKER NICHOL: Okay, thank you. I would say that the amendment is germane to the bill. Okay. The amendment is germane to the bill. Okay, but you didn't ask whether it was within the call. Okay, thank you. Senator Vard Johnson. Senator Vard Johnson.

SENATOR V. JOHNSON: (Response inaudible.)

SPEAKER NICHOL: I ruled that the amendment was germane to the bill.

SENATOR V. JOHNSON: Okay, then I'm going to speak to the amendment. I just wasn't sure...I just didn't hear your ruling.

SPEAKER NICHOL: He didn't...okay.

SENATOR V. JOHNSON: No problem. The amendment offered by Senator Abboud is an amendment that would say we will not increase the state tax rate retroactively but rather we'll simply draw down our \$22.5 million that we set up as a Cash Reserve Fund. A number of us have talked that the...spoken about the Cash Reserve Fund as a rainy day fund. By that I know that a number of us have intended to say that in the most difficult of times that Cash Reserve Fund is available to supplant revenues that are declining, and then as times get better that rainy day fund can be replaced through new appropriations. In truth when the Cash Reserve Fund was originally established by Governor Kerrey, back in 1983, as you may recall we increased our sales tax rate one-half of one percent. We increased it from 3.5 percent to 4 percent. We increased it for a period of about nine months. With that increase we generated approximately \$35 million. The purpose of that increase was to establish for ourselves a Cash Fund that could be drawn upon during the course of any regular fiscal year to meet cash flow problems. That was the real purpose. We had been concluding, over the last several years, that during the course of any given fiscal year we were having cash flow difficulties. One reason why we've had cash flow difficulties is because we, as a Legislature, have tended to set our reserve figures at a