Tax Rate Review Committee November 15, 2018

Rough Draft

WATERMEIER: [00:00:12] Go ahead and we'll commence the Tax Rate Review Committee today. I am Senator Watermeier. I'm Chair of the Executive Board. I'll start off with introduction of our board members, starting at my left, Senator Stinner.

STINNER: [00:01:21] John Stinner, District 48, all of Scotts Bluff County.

WATERMEIER: [00:01:21] Okay. Honorary Speaker Scheer, conversing with the Revenue Chair, go ahead.

SCHEER: [00:01:21] Jim Scheer, District 19.

FRIESEN: [00:01:21] Curt Friesen, District 34.

TONY FULTON: [00:01:21] Tony Fulton, Tax Commissioner.

WATERMEIER: [00:01:21] We're assisted today here with Jen-- Jennifer Svehla for-- clerk for today. Thank you, Jennifer. And then, Tom Bergquist, I'll turn it over to you for the report.

TOM BERGQUIST: [00:01:23] All right. I think you all have a copy of the-- of the report that we filed-- sent to you. As senator said, my name's Tom Bergquist, Legislative Fiscal Analyst. I was jokingly saying yesterday I've been here 42 years and have been director for like 42 days, so every day it's something new even after all that time period. I suppose I probably-- the best way to start is I'll just take you to page 4, which is a projected-- projected financial status. We start of a little bit--

your-- on page 5 you'll see a chronology. I'll take you a step back. At sine die of last session, fiscal year '19, '19-20 and FY '20-21 were the-- the out years on our five-year financial status. At that point in time, on sine die of last year, we were showing about $94.5 million positive, that our projected status for the out year would be $94.5 million. It didn't change hardly at all a last meeting in July and the only thing that changed was FY '17-18 became an actual year rather than an estimated appropriation. Revenues exceeded the forecast but those were above certified and ended up going to the Cash Reserve Fund. So we've pretty much stayed at $94 million. Excuse me, that should be a positive there. I-- that parentheses where it says negative 93.8, it should be a positive 93.8. At this point in time, that biennium has now moved from being the two out years now to our upcoming biennial budget. They are now year two and three in our status. Before, they'd been year four and five. What really the process-- when it was the out year, both the revenue numbers and the appropriation numbers were, for planning purposes, pretty much developed using some historical averages both on the appropriation side and on the-- on the revenue side. As we-- moving forward, we're now substituting-- like I say, substituting better numbers as we go on. The first thing that happened was October 26 when the Forecast Board and that, they revised the '18-19 revenue forecast and came up with their first forecast for '19-20 and '20-21. Collectively they raised the '18-19 forecast by $69 million. Their first forecast, official forecast for '19-20 and '20-21 was significantly lower than what we had been using for planning purposes. Our old methodology for planning purposes was plugging in revenue growth in the last two years that, coupled with the previous three years, would give the average of about 4.5 percent historical. Because the first three years were low, those out years were in the-- little over 6 percent growth to meet that methodology. The forecast that the Forecast Board came up with, we're actually the equivalent of a 3.3 percent growth in '19-20 and a 2.8 percent growth in '20-21. That's how we got-- on page 5 at the top of that table, line 4, the minus $267 million. That's what the revenue numbers were, that much less than what we'd been using for planning numbers. That predominantly is why you would have-- probably had heard a number of we're being $232 million short. That was just substituting the forecast for our old methodology. But at that point in time, the appropriations side hadn't been reevaluated yet. Subsequent to that Forecast Board meeting, we now have reevaluated on the appropriations side as agency. budget requests have been submitted in the middle of September. So instead of using some of the historical data to generate things like Medicaid and those things, now we're starting to substitute agency requests for items that are fixed items that we need to-- are probably going to have to fund. We've also had a meeting by statute, a joint meeting between Department of Education, our office, Governor's Budget Office, and Property Tax Administrator to reevaluate our TEEOSA numbers and we have done that. I think the letters that Education have to send out to certain-- the Education Committee Chair and others are-- went out today. But those numbers have been incorporated into this forecast and they were substantially less. Just for information purposes, at the bottom of the page, one of the main reasons we've closed the gap from minus 232 to what we're currently seeing is roughly a $95 million shortfall. That's what our current financial status is showing for the '19, '20, '21 budget. We've saved some money in terms of reducing estimate on TEEOSA based on new data mostly in the second year. We got our first budget-to-budget school spending growth for this current year which will be used in the formula for the second year of state aid was 2.8 percent. Historically it's been about right at 4 percent. So it-- it's a significant difference. And that's what's translated to some savings from what we had initially planned.

WATERMEIER: [00:06:49] Tom, on-- on that point right there, I was wondering, the FMAP is where we gained $100 million maybe between those two numbers, right?

TOM BERGQUIST: [00:06:49] Right. Right, and that's--

WATERMEIER: [00:06:49] And that's projecting that we're going to get more federal dollars--

TOM BERGQUIST: [00:06:49] Right.

WATERMEIER: [00:06:49] -- in Nebraska's economy on behalf of just [INAUDIBLE] --

TOM BERGQUIST: [00:07:02] Right. On the bottom of the page--

WATERMEIER: [00:07:04] -- compared to the rest of the country.

TOM BERGQUIST: [00:07:04] Right. On the bottom of page 5, that's the second major item you'll see. It was about $88 million over the two-year period. Our previous estimate had been using the same FMAP as what we had for '18-19.

WATERMEIER: [00:07:17] But I guess I was actually adding the two together for $107 million, the S-- SCHIP.

TOM BERGQUIST: [00:07:21] Well--

WATERMEIER: [00:07:21] Maybe that's not accurate [INAUDIBLE].

TOM BERGQUIST: [00:07:21] Well, the $88 million is the two-year total.

WATERMEIER: [00:07:27] But that $20 million is a direct relation to the FMAP as well. Is that correct or not? It's marked 23 percent of the FMAP. I assumed it's kind of the same equation.

TOM BERGQUIST: [00:07:35] Oh, that-- that's a little different issue.

WATERMEIER: [00:07:35] It is, but I mean it's mostly related to the FMAP--

TOM BERGQUIST: [00:07:35] Right.

WATERMEIER: [00:07:35] -- which changes our federal--

TOM BERGQUIST: [00:07:41] Right. Two things. The first one was our FMAP just for Medicaid and other purposes.

WATERMEIER: [00:07:46] Yes.

TOM BERGQUIST: [00:07:48] The other one, the other $20 million one, is back in the Affordable Care Act this is on the CHIP program. We got an additional 23 percent FMAP on top of our normal FMAP for CHIP for a five-year period and then it expired. So our current budgets, our '18-19 baseline had that as being expired. I mean it was a savings. We had assumed it would go all the way back. What really happened is they have that stayed at that 23 percent for one more year at half the rate, at 11.5 percent. That's where we get this savings. So it has to do with the addition of the enhanced FMAP that was part of the CHIP program.

WATERMEIER: [00:08:29] But my point is it's just--

TOM BERGQUIST: [00:08:29] But-- yes.

WATERMEIER: [00:08:29] -- basically we're in less better shape than--

TOM BERGQUIST: [00:08:29] Yes.

WATERMEIER: [00:08:29] -- according to the FMAP calculation, right?

TOM BERGQUIST: [00:08:44] Yes.

WATERMEIER: [00:08:45] [INAUDIBLE] be 0.2 of a point but it could be something less.

TOM BERGQUIST: [00:08:45] Yeah.

WATERMEIER: [00:08:45] Yeah. Okay. That's fine.

TOM BERGQUIST: [00:08:45] And it's kind of a Catch-22 because it's good news that we save General Funds--

WATERMEIER: [00:08:46] Right.

TOM BERGQUIST: [00:08:46] -- because the FMAP went up. The bad news is the FMAP went up because our personal income growth was lower than [INAUDIBLE] relative to other places.

WATERMEIER: [00:08:59] Yes.

TOM BERGQUIST: [00:09:00] So-- but it does have a lag effect. It's too bad it couldn't happen concurrently, but we eventually get the higher FMAP with the lower income. But those, yeah, those are the two main things, with TEEOSA estimate and the FMAP change, where basically how we got back to-- from $230 million to a-- more closer to a $95 million. Two other points I wanted to make, one on the revenue side, and that is-- I don't remember what point-- page. On page 10, on the revenue side, the current forecasts incorporate dollar amounts related to the Wayfair ruling on remote sellers. After the-- after the Wayfair ruling in June, Department of Revenue announced in July that, starting January 1, they would actively collect sales tax on remote sellers. That's been incorporated. It was recognized in the forecast that we gave the Forecast Board and it's recognized in the Forecast Board numbers. That amounts to about $9 million in '18-19, $26 million in '19-20, and $30 million in '20-21. So for the most part, Internet sales, except for some provisions relating to-- oh, what do I-- the marketplace providers, there's still some issues related to marketplace providers. And for the most part, a lot of the Internet sales has already been incorporated. Originally it was incorporated with Amazon voluntarily collecting and now a significant portion of the remaining amount is in there because of the Wayfair ruling.

WATERMEIER: [00:10:58] Yeah. Speaker Scheer.

SCHEER: [00:10:58] More of a question for you, Tony. How did we develop the number? I mean is it just sort of an educated guess that we think that it's the 30 and the whatever or--

TONY FULTON: [00:11:11] Yeah. You mean the $30-40 million?

SCHEER: [00:11:18] Yes, um-hum.

TONY FULTON: [00:11:18] Well, that came from LB44 and that was a fiscal note [INAUDIBLE].

TOM BERGQUIST: [00:11:21] That's how we read it, based off the fiscal note.

__________________: [00:11:21] [INAUDIBLE].

SCHEER: [00:11:21] Okay.

TOM BERGQUIST: [00:11:21] Right, and it was-- well, it might have been at the time. It was a range of $30-40 million. We used that as our basis for our estimate because these are our numbers that we're using here. Revenue incorporated them into the forecast but did not specify any specific dollar amount inside the forecast. So we're using our numbers here. It was based on LB484. And I walk through that on page 10.

SCHEER: [00:11:59] Okay.

TOM BERGQUIST: [00:11:59] That had a $30-40 million range. What we used actually was 30, 35, and 40 as we phased it in, in our three-year numbers. We then assumed of those of those amount, half was related to direct sale and half was related to marketplace providers.

SCHEER: [00:12:13] Okay, fair enough. But how did-- how did you determine the 30, 35, and 40? Where did those numbers come from?

TOM BERGQUIST: [00:12:22] I was just using our fiscal note. I'd have to go back and double check. We pretty much picked it-- grabbed that from what Department of Revenue had [INAUDIBLE] LB44.

TONY FULTON: [00:12:31] Yeah, the fiscal note is-- that's our estimate on LB44 and, you know, where those numbers come from, part of it is-- I mean you can stop me if I'm wrong [INAUDIBLE] but part of this is we know some of these companies are publicly traded so we get some of that data from-- from them. Some of it is economic, or econometric, for different states. There's-- there are a number of studies out there with respect to how much taxes could be received from Internet sales, and so some of it is from that, but ultimately it's an estimate that we put together and that's why we put--

SCHEER: [00:13:04] Plus or-- plus or minus.

TONY FULTON: [00:13:06] Yeah, and that's why we put a range--

SCHEER: [00:13:08] Okay.

TONY FULTON: [00:13:08] -- because there's a lot that's unknown there.

SCHEER: [00:13:12] Okay.

WATERMEIER: [00:13:13] Senator Stinner and then Senator Friesen.

STINNER: [00:13:13] I think the only thing that I would like to ask is, well, is there a difference now with what you're projecting in the forecast that was given to the Forecasting Board and what this note is? Because obviously we're using your work that came through the legislative office and that was done almost a year ago. Is there some differential that you'd--

TONY FULTON: [00:13:36] I-- we wouldn't-- no, uh-uh.

STINNER: [00:13:37] Still the same number?

TONY FULTON: [00:13:39] Yeah, our number Is baked into the-- the data that we provided to the Forecasting Advisory Board, these numbers are baked in.

STINNER: [00:13:47] Okay.

TONY FULTON: [00:13:47] And the only difference is Tom's broken his out, so.

STINNER: [00:13:50] Okay. And those-- those haven't changed. That's stayed at--

TONY FULTON: [00:13:53] No, uh-uh.

STINNER: [00:13:53] Okay.

WATERMEIER: [00:13:55] Senator Friesen.

FRIESEN: [00:13:55] So when we're-- you keep looking ahead. As-- as shopping habits continue to change and more and more revenue comes in, do you expect these numbers to change as time goes on just because of the change in shopping habits?

TOM BERGQUIST: [00:14:15] Well, they'd be incorporated into just the regular sales tax collection models and whatever would be applicable to all that. It'll be in the baseline forecast whether it's Internet sales, whether it's-- but more than sales, it's sales tax. It's not in the sales tax model based on income, based on other areas.

FRIESEN: [00:14:34] [INAUDIBLE] statutes that say we're supposed to self-report. Was there any revenue attributed to-- to that in their forecast ever in the past?

TOM BERGQUIST: [00:14:45] There would be some from our self-reporting but I don't know how much. Are you talking about on the income tax return?

FRIESEN: [00:14:51] Yeah.

TOM BERGQUIST: [00:14:51] I honestly don't know much that shows in--

HOA PHU TRAN: [00:14:56] [INAUDIBLE].

TONY FULTON: [00:15:03] And to answer your question, that is baked into these forecasts also.

TOM BERGQUIST: [00:15:20] Just-- just to take a step back, I am taking a look at-- when Amazon had decided they'd voluntarily collect it, our '18-19 number would be in the range of $35 million relating to Amazon. If you take $30 million here, when it's fully implemented, that's up to $65 million and there's roughly $10 million, using the calculation here, that's still yet to be talked about with the re-- the marketplace providers. If you add those three together, you're at about a $75 million a year collection from Internet remote sellers. Just as a quick and dirty guide, the Government Accounting Office had, about a year ago, had done a pretty detailed study of states and potential revenues and their range for Nebraska was 65 to 90 in that report. So I kind of looked at that as just to say, does this look like it's being inside of that? This would be about right and not quite in the middle but pretty close to the middle of that potential range, so.

WATERMEIER: [00:16:21] Tom, I have a question for you if-- I don't know if-- Senator Friesen, you're done?

FRIESEN: [00:16:22] Um-hum.

WATERMEIER: [00:16:22] Okay. I remember the Governor adding $11 million to his budget which would have accounted-- after Amazon decided they were going to voluntarily do it, and that $11 million was for five months of that next fiscal. So we only sloughed off on Amazon like $20 million, $22 million for a year, or 23 or 4, so--

TOM BERGQUIST: [00:16:32] It-- it is [INAUDIBLE].

WATERMEIER: [00:16:32] [INAUDIBLE] 30?

TOM BERGQUIST: [00:16:42] It-- but not-- there was a three-year number at that time because that was where we-- we had to make that as an adjustment to the forecast back in February of two years ago.

WATERMEIER: [00:16:49] Okay.

TOM BERGQUIST: [00:16:51] But, yeah, if-- if you do that and just inflate it with sales tax for one more year, which would get us to the '18-19.

WATERMEIER: [00:16:57] Right.

TOM BERGQUIST: [00:16:58] The '19-20 number, that gets to the 35 so it-- it-- it sloped up even at that time.

WATERMEIER: [00:17:04] Yeah. And then the other side of it was we thought Amazon was 20-25 percent of the market and they were going to collect $25 million and $100 million for the state, roughly. That's on the high side of it, but 80 to 90 probably.

TOM BERGQUIST: [00:17:16] And there's no question these are all-- I mean they're estimates.

WATERMEIER: [00:17:16] Yeah.

TOM BERGQUIST: [00:17:17] We'll be finding out more as we go along. That's--

WATERMEIER: [00:17:18] Yeah.

TOM BERGQUIST: [00:17:22] That's what makes this kind of difficult.

WATERMEIER: [00:17:29] Okay.

TOM BERGQUIST: [00:17:29] The other-- the other part that I'd like to say has been incorporated into this report, it's on page 19, is on the Medicaid expansion on the expenditure side. The incorporation side, we've incorporated an estimate on the Medicaid expansion. And I'll take you to page-- on page 20 we have what's called "Gross Expansion Costs, " "General Fund Offsets and Savings," and "Net Expansion Costs." The next expansion costs are $14.8 million the first year, $33.2 million the second year. The Department of Health and Human Services had also done an estimate at the end of September. We're actually using their-- their numbers for the gross total. That's the cost of number of people, the impact in the Medicaid. So we-- we agree with HHS on the gross cost. We actually were using their numbers that they had estimated. We have some differences on the General Fund offset savings. Our numbers, especially on behavioral health, there's a significant savings there. That's where we end up differing from what HHS estimate is. And again, those are estimates and that's probably going to be-- it's going to take-- we'll have January and February, March and April, where there will be lots of discussion about whether we do or don't have those types of savings and-- but our initial assessment was that there would be some in behavioral health.

WATERMEIER: [00:19:03] But I mean we still have the waiver application to go through for a year as well. That's going to delay all of this for some time.

TOM BERGQUIST: [00:19:16] Right. Yeah, and that assumes a January 1 start.

WATERMEIER: [00:19:16] [INAUDIBLE].

TOM BERGQUIST: [00:19:16] Right, and this assumes, and that's why the first year is $14 million and the second year is 33, because it assumes a January 1 of 2020 start, but, yeah, if they would apply the waiver in April and then that process would take place. But we kind of had to incorporate this relatively quick from the time-- the time the vote occurred until having to get this report out was a matter of a few days, so--

WATERMEIER: [00:19:35] Senator Stinner.

TOM BERGQUIST: [00:19:36] -- it'll still go out in May.

STINNER: [00:19:38] I do want to take people back to page 4. And that $95 million negative number in your minimum reserve, that does-- this does not include $80-90 million of transfers we normally take in as normal transfers from security and insurance. So that gets you closer to that 3 percent required. Also, we're going from a 2.5 to a 3 percent. That's about $45 million that's incorporated in here. So we're within shouting distance of getting to 3 percent before we start to take a look at-- at cost, so.

TOM BERGQUIST: [00:20:19] Right, and you can see that on page 12 where we show the General Fund transfers in. Actually in '18-19 we had a total of $98 million, but that's extra--extraordinarily high. We had--

STINNER: [00:20:30] That was-- that was our Easter egg hunt.

TOM BERGQUIST: [00:20:33] Yeah, we had gone through the cash fund, or Senator Stinner had gone through the cash fund [INAUDIBLE] and got most of it but--

WATERMEIER: [00:20:36] Speaker Scheer.

SCHEER: [00:20:40] Tom, you-- the-- you specified that the big difference in those offsetting savings is the behavioral health and I'm not-- the question is or isn't, but if Health and Human Services is saying the savings are $10 but you have said they're going to be $20, how-- I mean that's a big difference. There's a big dollar difference there and I-- not that they know everything, but, you know, they're running the program so I'm wondering how--

TOM BERGQUIST: [00:21:10] That's-- that's one where we have not had a chance to sit down and go through with them. I'd have to talk to Liz on our behavioral health. I know the idea is that behavioral health regions, a part-- a big part of the money that we appropriate to them is to help for nonpaying customers, put it that way. They provide services to people that don't have insurance. The concept in this case is that a large portion of those now would qualify. Under Medicaid expansion we would use our 90/10 match would-- they now become, technically, paying customers through the Medicaid expansion, negating the, necessarily, amounts of that. I have not gone through, we have not gone and sat down with Revenue to make a-- to go through-- or, excuse me, not Revenue, but HHS is the-- the significant arguments. That's one of the issues as we'll be going forward.

SCHEER: [00:22:03] Yeah, well, I guess I'm just-- I'm assuming they don't know those numbers as well, so why-- why both of you would be that far apart, I guess, is confusing.

TOM BERGQUIST: [00:22:12] I-- I don't know what their assumptions were. I mean that's-- and that's going to be the key discussion on them.

SCHEER: [00:22:19] Okay.

TOM BERGQUIST: [00:22:19] It's not that we haven't disagreed with them before on a lot of things but--

SCHEER: [00:22:20] Yeah, fair enough.

TOM BERGQUIST: [00:22:23] Yeah, I [INAUDIBLE].

SCHEER: [00:22:23] [INAUDIBLE] sizable number that-- yeah.

TOM BERGQUIST: [00:22:25] Absolutely. Absolutely. And I-- and that's [INAUDIBLE] this is at such an early stage. That's what's so difficult with this Issue here in the middle of November is there's going to be a time in December and then when we really start going through it in January, February, March, April, that-- that number can be revised significantly by the time we get to that point when it gets all vetted through the process. So I apol-- I wish I could respond a little bit closer, but--

SCHEER: [00:22:51] Fair enough, yeah.

TOM BERGQUIST: [00:22:53] But it's definitely an issue with-- I have some concerns about that it might be too high.

SCHEER: [00:22:58] Okay. Thank you, Tom.

TOM BERGQUIST: [00:22:58] Yep.

WATERMEIER: [00:22:58] Which specific number were you talking about, Speaker?

SCHEER: [00:22:58] Well, down below you have the offset savings and the Health and Human Services, for example, in '19-20 is showing about a $3 million offset savings. But if you go up to Tom's projections, they're about 6.5.

WATERMEIER: [00:23:16] Okay.

SCHEER: [00:23:16] And that spread continues--this would be March--as they go up.

WATERMEIER: [00:23:23] Yeah.

SCHEER: [00:23:23] So, yeah, in-- in the last year the difference is $18 million between the two and that's a pretty good chunk of change.

TOM BERGQUIST: [00:23:34] We wanted to show this that-- we wanted to show you the fact in terms of the gross cost, in terms of how many people are eligible and the per-person, per-month cost. The gross cost of Medicaid expansion, we're identical with HHS, no real disagreement on that number. The disagreement at this point is on the savings. So we wanted to make that distinction that--

SCHEER: [00:23:59] Sure.

TOM BERGQUIST: [00:24:00] -- in terms of the-- the-- the gross cost, because there's a lot of questions on that as to how many people and how high it is, and everybody has been underestimating it in the past and-- but, yeah, HHS--

SCHEER: [00:24:02] Yeah, and [INAUDIBLE] and we don't, so.

TOM BERGQUIST: [00:24:08] Yeah, HHS and their consultant, they indicated that they had looked at other states' experiences and things like that coming up with their gross number.

SCHEER: [00:24:13] Okay. .

TOM BERGQUIST: [00:24:13] So that-- that's not necessarily the disagreement will be--

SCHEER: [00:24:14] Right. No, I [INAUDIBLE].

TOM BERGQUIST: [00:24:14] And we may find out that there isn't that much of a disagreement once we get into the room together and start going through now why are you assuming this or why are you not doing this one.

SCHEER: [00:24:22] Fair enough. Thank you.

WATERMEIER: [00:24:27] And also the Medicaid clawback number really hasn't gotten any bigger than what I thought-- I thought it might be bigger than this.

TOM BERGQUIST: [00:24:34] Well, and that was out of their request document, yeah.

WATERMEIER: [00:24:34] Okay. We'll see a new one.

TOM BERGQUIST: [00:24:34] Yeah.

WATERMEIER: [00:24:34] All right.

TOM BERGQUIST: [00:24:34] The one thing I do want to add and I should mention at this point in time is on page-- excuse me. Page 2 is what I would call the significant increase and reduction list. Health and Human Services did not include, except three instances-- two instances, one in Developmental Disability and one in Behavioral Health, where it was factoring in increases for a cost model. Their request did not include anything for provider rates, in Medicaid provider rates or Child Welfare, things like that. This projection here includes the equivalent of a 2.5 percent provider rate. Now that will be decided as we go through the budget process and the Appropriations Committee goes through. But this is-- all of these numbers are preliminary numbers which now when we get into January and February, these will be replaced by the Appropriations Committee's preliminary budget. So it's just a process of taking the initial rough numbers, [INAUDIBLE]-- trying to do better numbers, then they'll be starting to get into actual numbers as the committee starts going through the budget. That would be one of the big issues. At this point, the dollar amount is so significant on that, $110 million over a two-year period, that I didn't-- it's hard to know what to put in there, but it's probably going to be closer to 110 than it is to zero. And frankly, sometimes, to me, if you put in zero for the provider rates, you might be kind of giving a false-- a false status of what reality might be come May when we're done with the whole thing. So it was not in the request but we left it in there as a-- as a 2.5 percent rate change. The interesting part to me is that the 2.5 percent provider rate now is actually exceeding the cost of state employee salary and health insurance costs. It's gotten that large. It's a--

WATERMEIER: [00:26:42] Wow.

TOM BERGQUIST: [00:26:42] So as you can see in here, a 2.5 percent provider rate is the second highest increase item in the entire budget right behind TEEOSA. So it's a very significant item and it's still yet to be determined. But for planning purposes at this point we left the 2.5 percent in there. Finally, as Senator Stinner said, it's-- it's-- it shows minus 95. We know there will be some cash fund transfers in that we can do and I'm sure there will be some modifications up and down but it's not a-- a real dire situation. It's a-- it's a very manageable situation. It appears to be.

WATERMEIER: [00:27:33] Further questions? No? All right. Thank you, Director Bergquist. Appreciate that and we appreciate your 42 days of service so far as Chairman-Director.

TOM BERGQUIST: [00:27:35] I'm up to 60 now.

WATERMEIER: [00:27:35] Oh, I thought you said 42 years and 42 days.

TOM BERGQUIST: [00:27:35] Well, it felt like it.

WATERMEIER: [00:27:35] Oh, it felt like 42 days.

TOM BERGQUIST: [00:27:47] It's felt like 42 years but--

WATERMEIER: [00:27:47] You're not supposed to say that yet. Further questions on the report? All right. Is there a motion specifically related to the revenue situation for Nebraska? Seeing none, I'll move on to-- I guess I'm-- I don't need a motion on this, do I, Director? I can just give you direction to file the report.

TOM BERGQUIST: [00:28:10] Right. I-- I--

WATERMEIER: [00:28:10] You [INAUDIBLE].

TOM BERGQUIST: [00:28:10] I honestly don't know if you vote on that or not.

WATERMEIER: [00:28:10] I don't think we do [INAUDIBLE] in the past, but if you want me to we could, but I'll just take--

TOM BERGQUIST: [00:28:14] Well, if-- yeah, go ahead.

WATERMEIER: [00:28:14] As far as this committee, we need to direct the fiscal analyst to file an electronic copy of an annual report consisting of the July and November reports, and as required by statute, with the Clerk of the Legislature. Such reports include incorporation by reference in the tax report-- tax expenditure report as published by the Department of Revenue and to-- and the volatility report as well.

SCHEER: [00:28:35] I'd just as soon move, then we've done it in case we [INAUDIBLE].

WATERMEIER: [00:28:39] All right, we'll do it that way. Do I have a motion? I'm not even sure Senator-- Commissioner [INAUDIBLE] so. I have a motion and a second by Senator Stinner. Any further discussion on the motion? Jennifer, are you prepared to call roll?

JENNIFER SVEHLA: [00:28:42] Sure.

WATERMEIER: [00:28:42] All right. Call roll.

JENNIFER SVEHLA: [00:28:42] Senator Scheer.

SCHEER: [00:28:42] Yes.

JENNIFER SVEHLA: [00:28:42] Senator Friesen.

FRIESEN: [00:28:42] Yes.

JENNIFER SVEHLA: [00:28:42] Senator Stinner.

STINNER: [00:28:42] Yes.

JENNIFER SVEHLA: [00:28:42] Senator Watermeier.

WATERMEIER: [00:28:42] Yes. That concludes our meeting. We are adjourned.