

February 6, 1973

SENATOR CARSTENS: Mr. President, if we can adopt the emergency clause, and add that to it, then the bill is ready for discussion.

SPEAKER: Yes sir, go ahead.

SENATOR CARSTENS: I move the emergency clause be adopted.

SPEAKER: Is there any further discussion? Senator Carstens do you have any further remarks?

SENATOR CARSTENS: No.

SPEAKER: The question is the, shall the emergency clause be added to this bill? The question is shall the emergency clause be added to LB 247, all those in favor of the motion say aye, those opposed say no. So ordered the emergency clause is added, are there other motions, amendments to the bill on the desk?

CLERK: None Mr. President.

SPEAKER: Alright we are back to Senator Goodrich.

SENATOR GOODRICH: Mr. President and members of the body, I'll attempt to answer for Senator Carpenter and the rest of the body just what I've got in mind with this particular bill. As you read the bill you will notice that when a school district has funds that they deposit in local banks, they must pro-rate those funds among the banks so that no particular bank gets special treatment or anything like that. Now that's all well and good except as to the deposit in certificates of deposit, where they are going to invest, say funds that they have got from a bond issue or from a borrowing or from the mill levy for capital improvements that they don't have a need for right immediately, they have a need for them but they don't have to commit them and pay them out today. If they may have to pay them out say 90 days from now, we want to get those funds invested in CD's so that they can earn as much interest as possible for the benefit of the school district which ultimately the benefit of the tax payer. Now, when you do something like this you don't want to have to say alright I'll invest so much at this bank, so much at this bank, so much at this bank, and pro-rate it out evenly among the banks. If you do you don't get the benefit of a large quantity, for example some banks if you have a larger amount of money, will give you a higher interest rate, so if you will leave it all in one sum, you can get a better interest rate from one bank as opposed to dividing it among two or three banks, and that's the sole purpose of the bill. Does that answer your question Senator Carpenter?

SENATOR CARPENTER: No.

SENATOR GOODRICH: Alright, what don't you understand about it?

SENATOR CARPENTER: Well now at what point do you separate the amount of money you're going to put up for bid and maybe, and I say maybe circumscribe the statute which require the investment board to invest this money. You mentioned proceeds from bonds, I presume you're talking about the proceeds of a four mill levy which is mandatory to build up a fund in order to build buildings and land, and circumscribe the bill to the people to vote on it. What, where is the division of what you are going to put in CD's and what you're going to send to the investment board?

SPEAKER: Senator Goodrich.

SENATOR GOODRICH: That is left, let me see if I can get the exact words right in the bill there, that instead pro-rate the deposits in the manner required of county treasurers as provided in section so and so, provide that the provisions of this act shall not apply to the investment of school funds as