

be able to use 311 and have no state appropriations against the General Fund. However, if the Appropriations Committee wishes to, they can certainly put in a General Fund state appropriation into the state revolving fund. Whatever amount of money we can leverage from the federal government in these waning days of their program, will get put into the state revolving fund. If there are other special fees or sources, those would go to the state revolving fund. And in the last box on your cycle here, the capital markets, the bond proceeds that would be authorized by 311, they can be put into the revolving fund. There's the pot of money to pay for waste water treatment in the State of Nebraska. What will happen, according to the federal plan, this state revolving fund will give money to local communities who are in need of capital to build a facility, over time they will repay their loans back into the state revolving fund. How will the bonds be paid off? The bonds will be paid off by the debt service payments that the state revolving fund will make to the bond holders to pay off the bonds. Now, this mechanism that you see before you is quite commonly adopted in other states. As a matter of fact Nebraska is the only state in our region seven, of the EPA, that is unable to use bonds as a mechanism to fund some portion of the 20 percent match. The other states in our region include Kansas, Iowa and Missouri, all of whom have this kind of power. Additionally, 30 states have revolving funds up and running. And from these a number have on paper the power to use bonds. Thirteen states have, in fact, already issued bonds for this purpose. There are, as you can see, a developing trend of states that use this bonding mechanism to front-load their state revolving fund. The mechanism is an issuance of bond, either by NIFA or by the Conservation Construction Act, to fund the state revolving fund for the waste water treatment, one of two things will happen, either the state will be able to continue with its state appropriations to the General Fund, and in so doing we will be able to leverage more federal money and build more waste water treatment. In the alternative the state is free to cut back on its General Fund appropriations, move that money into other programs and continue to meet its obligations for building waste water treatment facilities through the operation of 311. I urge the advancement of LB 311 to the next stage of debate. I'll be happy to answer any questions.

PRESIDENT: Thank you. The question is the advancement of the bill. All those in favor vote aye, opposed nay. Senator Landis.