changes in LB 587 such notes can be issued for two years. A two-year issuance period will permit the issuer to take maximum advantage of arbitrage in the marketplace. Existing federal treasury regulations restrict the issuance of such notes for more than 30 months. By permitting a two-year issue, notes can be issued at the tax exempt rate, for example, 8 percent, and the proceeds reinvested at a market rate of 13 percent. The rate differential is what is known as arbitrage. That is interest on interest. This differential pays for the cost of the issue and thus will permit the participating school districts to draw down from the aggregated pool fund sufficient enough to meet their short-term obligations. This means that school districts will pay little or no interest on all of their short-term operating obligation notes. It is important to remember that this bill does nothing more than extend the issuance period from one year to two years. This permits maximum utilization of the marketplace. Everything else can be done under existing law. The bill was reported out of the Revenue Committee with only Senator Eret dissenting.

PRESIDENT: Chair recognizes Senator Vickers.

SENATOR VICKERS: Mr. President, members, I would just like to rise to lend my support to LB 587 and to indicate one important thing that the members of the Education Committee questioned when the bill was presented to us and that is that it does not allow the school districts to do anything different than what they are doing right now. It does not allow them to borrow more money than what they are borrowing right now. It doesn't allow them to go into debt any deeper than what they can go in right now. It simply allows them to take advantage, as Senator DeCamp has explained to you, of a mechanism by spreading it over a period of two years, then the interest, the arbitrage, that they can then take advantage of that, and as a result wind up with paying less interest on that money that they have to get in order to meet their obligations. With that, I would like to ask the body to pass LB 587.

PRESIDENT: Is there further discussion on LB 587? If not, the motion is to advance the bill. All those in favor vote aye, opposed vote no. We are voting on the advancement of LB 587 from General File to Enrollment and Review for review. Please record your vote. Have you all voted? Have you all voted? Clerk will record.