

the funding mechanism that was presented to you in January and signed off on by a number of you, and the same mechanism that we had on General File and Select File, and that is the bonding mechanism. Bonding is not an unusual mechanism, even for the State of Nebraska. There is nothing eccentric or suspect about it. We have done it for a number of years, paving bonds in cities and towns, school bonds, county bonds, road bonds. I can't tell you how many hundreds of millions, probably up in the billions of dollars of bonds that we have. Sure, there is interest on the bonds. But the theory is that in terms of the cost of money it may be less expensive to issue bonds, depending on what you are doing, than it is to pay it up front. In any event there is nothing unusual about the bonding process. Senator Goodrich, that is the process that we've continued to use. We are going to enter into the sale and lease-back agreement with the State Office Building. It's not the first time that has been done. It's been done before, as you well know, as the Appropriations Committee well knows. Then it would be the City of Lincoln that would actually technically be issuing the bonds, and out of the general fund each year a certain amount of money will be used to pay the principal and interest bond each year up until 15 years, or maybe it will be considerably less now that we are talking about \$12 million instead of \$20 million, until they are paid off, at which time the building then of course will be back in the hands of the State of Nebraska, technically.

SENATOR GOODRICH: Which building?

SENATOR BEUTLER: The State Office Building.

SENATOR GOODRICH: Okay you are going the State Office Building route then, and through the City of Lincoln.

SENATOR BEUTLER: Yes, right.

SENATOR GOODRICH: Yes, I'm familiar with the bond issue situation. I just wanted to know how you were going to do it, in other words through the City of Lincoln, or where.

SENATOR BEUTLER: Right. It's going to be the same mechanism that has been used before and that we suggested earlier.

SENATOR GOODRICH: Thank you.