

**ONE HUNDRED THIRD LEGISLATURE - FIRST SESSION - 2013**  
**COMMITTEE STATEMENT (CORRECTED)**  
**LB546**

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**Hearing Date:** Tuesday March 05, 2013  
**Committee On:** Education  
**Introducer:** Kolowski  
**One Liner:** Eliminate review of postsecondary capital construction projects as prescribed

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**Roll Call Vote - Final Committee Action:**  
Advanced to General File with amendment(s)

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**Vote Results:**  
**Aye:** 8 Senators Avery, Cook, Davis, Haar, Kolowski, Scheer, Seiler, Sullivan  
**Nay:**  
**Absent:**  
**Present Not Voting:**

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<b>Proponents:</b>	<b>Representing:</b>
Senator Rick Kolowski	Introducer
David Lechner	University of Nebraska
Stan Carpenter	Nebraska State College System
Lauren Wismer	Gillmore & Bell, P.C.
Scott Keene	Ameritas Investment Corporation

<b>Opponents:</b>	<b>Representing:</b>
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<b>Neutral:</b>	<b>Representing:</b>
Marshall Hill	Coordinating Commission for Postsecondary Education
Carolyn Murphy	Nebraska State College System

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**Summary of purpose and/or changes:**

Legislative Bill 546 would eliminate requirements for the Coordinating Commission for Postsecondary Education to review, and the Legislature or the Executive Board of the Legislature to approve, capital projects of the Board of Regents of the University of Nebraska or the Board of Trustees of the Nebraska State College System that would be financed using revenue from facilities.

Section 1 would amend section 85-404 to eliminate the requirement that the Coordinating Commission for Postsecondary Education review, and the Legislature or Legislature's Executive Board approve, any plans for facilities to be constructed with revenue pledged by the Board of Regents of the University of Nebraska or the Board of Trustees of the Nebraska State Colleges from facilities other than the one to be constructed.

Section 2 would amend section 85-408 to eliminate the requirement that the Coordinating Commission review, and the Legislature or Legislature's Executive Board approve, any expenditure by the Board of Regents or the Board of Trustees from a bond surplus or replacement fund in excess of \$500,000.

Sections 3, 4, and 5 would amend sections 85-1413, 85-1416, and 85-1418, respectively, to eliminate references to the Coordinating Commission's authority under section 85-1415.

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Section 6 would repeal the original sections.

Section 7 would outright repeal section 85-1415, which requires the Coordinating Commission to review, and the Legislature or the Legislature's Executive Board to approve, all capital construction projects proposed by the Board of Regents and the Board of Trustees pursuant to sections 85-404 and 85-408, or by a nonprofit corporation created by either board when certain revenue sources are used to repay the bonds issued by such nonprofit corporation.

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**Explanation of amendments:**

The committee amendment restores the requirement that projects proposed by the Board of Regents or the Board of Trustees pursuant to sections 85-404 and 85-408 be approved by the Legislature, or the Legislature's Executive Board if the Legislature is not in session. Section 3 of the amendment would continue the practice, currently contained in section 85-1415, of requiring legislative approval of capital projects proposed by nonprofit corporations created by the Board of Regents or the Board of Trustees when (1) state general funds, (2) funds received by the University of Nebraska or any state college for the purposes of reimbursing overhead costs and expenses in connection with any federal or other grant or contract, (3) tuition, or (4) the state's operating investment pool investment income constitute all or any part of the funds used for the repayment of all or any part of the bonds of such nonprofit corporation.

In comparison to current practice, the bill, with the committee amendment incorporated, would eliminate the duty of the Coordinating Commission to review the aforementioned capital projects and recommend approval or disapproval of such projects to the Legislature within sixty days following submission of a proposed project.

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Kate Sullivan, Chairperson