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LB 424

Decisions are going to be taken by the Board of Regents. Is that true?

SENATOR D. PEDERSON: Yes.

SENATOR CHAMBERS: And I see on page 24, in line 19, it talks about, the Board of the Regents of the University of Nebraska shall not pledge the credit of the state of Nebraska for the payment of any sum owing on account of such contract, and so forth. Suppose the Regents would disregard that, and pledge the state...the credit of the state, and based on that pledge, a contract was entered into by a party to provide whatever the contract would provide. Would that contract be invalid on its face?

SENATOR D. PEDERSON: Probably...

SENATOR CHAMBERS: Would it be void?

SENATOR D. PEDERSON: Probably not. It probably would be in the area of voidable, rather than void.

SENATOR CHAMBERS: Would the person or entity which relied on that representation and had entered into performing the contract be compensated for the work that had already been done? Or would they just be out in the cold, and the university would thereby be unjustly enriched? If you know the answer.

SENATOR D. PEDERSON: Well, my conclusion as a lawyer would be that their claim would be against the Board of Regents for having entered into such a contract, and that they could recover from the university itself.

SENATOR CHAMBERS: They could recover from the university, or the Board of Regents?

SENATOR D. PEDERSON: Yes.

SENATOR CHAMBERS: If there's a rascalion on the board who got there by cheating and breaking the law, there could be an attempt to get the board to do things that violate the law in