

LEGISLATURE OF NEBRASKA  
ONE HUNDRED FOURTH LEGISLATURE  
SECOND SESSION

**LEGISLATIVE BILL 858**

Introduced by Hadley, 37.

Read first time January 11, 2016

Committee: Appropriations

1 A BILL FOR AN ACT relating to state universities; to amend section  
2 85-421, Reissue Revised Statutes of Nebraska; to create the  
3 University of Nebraska Facilities Program of 2016; to provide powers  
4 and duties for the Board of Regents of the University of Nebraska  
5 relating to construction and improvement projects; to repeal the  
6 original section; and to declare an emergency.

7 Be it enacted by the people of the State of Nebraska,

1           Section 1. (1) The Legislature finds and determines that preserving  
2 the investments in buildings through the completion of deferred  
3 maintenance, repair, renovation, and facility replacement construction  
4 projects is of critical importance to the State of Nebraska;

5           (2) The Legislature acknowledges that higher education is key to the  
6 long-term economic well-being of the State of Nebraska and that  
7 competitive facilities are critical to attracting students and faculty;

8           (3) The Legislature recognizes that addressing the continued  
9 deterioration of buildings, limiting the effects of inflation on the  
10 costs of such deferred maintenance construction, and bringing such  
11 buildings into compliance with current health and safety requirements at  
12 the earliest possible time is necessary for protecting such investments  
13 in the buildings of the State of Nebraska;

14           (4) The Legislature recognizes that, in order to accomplish these  
15 goals, it is necessary, desirable, and advisable that the Legislature  
16 provide for the receipt of funds for such purposes as soon as practicable  
17 with the repayment of such funds to be made over a period of years;

18           (5) The Legislature recognizes the commitment of the Board of  
19 Regents of the University of Nebraska to provide matching funds on a one-  
20 to-one basis up to twenty-two million dollars per year for the period  
21 beginning with the fiscal year commencing on July 1, 2016, and continuing  
22 through the fiscal year ending on June 30, 2029, for a total of up to two  
23 hundred forty-two million dollars to supplement amounts appropriated from  
24 the General Fund pursuant to section 3 of this act.

25           Sec. 2. The University of Nebraska Facilities Program of 2016 is  
26 created. All funds appropriated to the program by the Legislature shall  
27 be used exclusively for deferred maintenance, repair, renovation,  
28 facility addition, and facility replacement construction projects  
29 authorized pursuant to section 3 of this act.

30           Sec. 3. (1) The Legislature shall appropriate from the General Fund  
31 (a) an amount not less than eleven million dollars for each fiscal year

1 for the period beginning with the fiscal year commencing July 1, 2016,  
2 and continuing through the fiscal year ending June 30, 2018, and (b) an  
3 amount not less than twenty-two million dollars for each fiscal year for  
4 the period beginning with the fiscal year commencing July 1, 2018, and  
5 continuing through the fiscal year ending June 30, 2028, to the  
6 University of Nebraska Facilities Program of 2016 created pursuant to  
7 section 2 of this act to be used by the Board of Regents of the  
8 University of Nebraska to accomplish projects as provided in this  
9 section. Through the allotment process established in section 81-1113,  
10 the Department of Administrative Services shall make appropriated funds  
11 available. Undisbursed appropriation balances existing in the University  
12 of Nebraska Facilities Program of 2016 at the end of each fiscal year  
13 until June 30, 2029, shall be and are hereby reappropriated.

14 (2) The Legislature finds and determines that the projects funded  
15 through the University of Nebraska Facilities Program of 2016 are of  
16 critical importance to the State of Nebraska. It is the intent of the  
17 Legislature that the appropriations to the program shall not be reduced  
18 until all contracts and securities relating to the construction and  
19 financing of the projects or portions of the projects funded from such  
20 funds or accounts of such funds are completed or paid but in no case  
21 shall such appropriations extend beyond the fiscal year ending June 30,  
22 2029, nor shall the cumulative total of the General Fund appropriations  
23 for the program exceed two hundred forty-two million dollars.

24 (3) Subject to the receipt of project approval from the Coordinating  
25 Commission for Postsecondary Education as required by subsection (10) of  
26 section 85-1414 for each of the following University of Nebraska  
27 projects, the Board of Regents of the University of Nebraska is  
28 authorized to make expenditures from the University of Nebraska  
29 Facilities Program of 2016 for the deferred maintenance, repair,  
30 renovation, facility addition, or facility replacement construction of  
31 the following facility projects: (a) University of Nebraska-Lincoln

1 Nebraska Hall; (b) University of Nebraska-Lincoln Scott Engineering  
2 Center; (c) University of Nebraska-Lincoln Mabel Lee Hall/Henzlik Hall;  
3 (d) University of Nebraska-Lincoln Food Industry Complex; (e) University  
4 of Nebraska-Lincoln College of Business Administration; (f) University of  
5 Nebraska-Lincoln Manter/Hamilton Hall; (g) University of Nebraska Medical  
6 Center Wittson Hall; (h) University of Nebraska Medical Center College of  
7 Nursing; (i) University of Nebraska Medical Center Joseph D. & Millie E.  
8 Williams Science Hall (College of Pharmacy); (j) University of Nebraska  
9 Medical Center Eppley Science Hall; (k) University of Nebraska Medical  
10 Center Administration Center; (l) an expansion of an existing building or  
11 construction of a new building at the University of Nebraska at Omaha;  
12 (m) University of Nebraska at Omaha Durham Science Center; (n) University  
13 of Nebraska at Omaha Arts and Sciences Hall; (o) University of Nebraska  
14 at Omaha Strauss Performing Arts Center; (p) University of Nebraska at  
15 Kearney Otto C. Olsen Building; and (q) University of Nebraska at Kearney  
16 Fine Arts Building.

17 (4) Expenditures of matching funds provided for the projects listed  
18 in this section by the Board of Regents of the University of Nebraska as  
19 provided for in section 1 of this act shall be accounted for in the  
20 Nebraska State Accounting System through the University of Nebraska  
21 Facilities Program of 2016 or according to some other reporting process  
22 mutually agreed upon by the University of Nebraska and the Department of  
23 Administrative Services.

24 (5) The Board of Regents of the University of Nebraska shall record  
25 and report, on the Nebraska State Accounting System, expenditure of  
26 amounts from the University of Nebraska Facilities Program of 2016 and  
27 expenditure of proceeds arising from any contract entered into pursuant  
28 to this section and section 4 of this act in such manner and format as  
29 prescribed by the Department of Administrative Services or according to  
30 some other reporting process mutually agreed upon by the University of  
31 Nebraska and the Department of Administrative Services.

1           Sec. 4. (1) In order to accomplish any projects authorized by  
2 section 3 of this act, the Board of Regents of the University of Nebraska  
3 may enter into contracts with any person, firm, or corporation providing  
4 for the implementation of any such project of the University of Nebraska  
5 and providing for the long-term financing of the cost of such project  
6 from the University of Nebraska Facilities Program of 2016. In no case  
7 shall any such contract extend for a period beyond December 31, 2029, nor  
8 shall any such contract exceed the repayment capabilities implicit in the  
9 funding streams as described and authorized in sections 1 to 4 of this  
10 act.

11           (2) The Board of Regents of the University of Nebraska shall not  
12 pledge the credit of the State of Nebraska for the payment of any sum  
13 owing on account of such contract, except that there may be pledged for  
14 the payment of any such contract any appropriation specifically made by  
15 the Legislature for such purpose, together with such funds of the Board  
16 of Regents of the University of Nebraska as the Board of Regents  
17 determines. No contract shall be entered into pursuant to this section  
18 without prior approval by resolution of the Board of Regents. The Board  
19 of Regents may also convey, lease, or lease back all or any part of the  
20 projects authorized by section 3 of this act and the land on which such  
21 projects are situated to such person, firm, or corporation as the Board  
22 of Regents may contract with pursuant to this section to facilitate the  
23 long-term payment of the cost of such projects. Any such conveyance or  
24 lease shall provide that when the cost of such projects has been paid,  
25 together with interest and other costs thereon, such projects and the  
26 land on which such projects are located shall become the property of the  
27 Board of Regents.

28           (3) The Board of Regents of the University of Nebraska is authorized  
29 to make expenditures for the purposes stated in this section and section  
30 3 of this act from investment income earned on balances in any fund  
31 created under the authority provided for in any contract or contracts

1 authorized by this section. Any appropriated amounts and amounts  
2 designated or matched by the Board of Regents as described under section  
3 1 of this act for payment of debt service in excess of amounts required  
4 to meet debt service and any interest earnings derived from reserve funds  
5 or any other funds created under the authority provided for in any  
6 contract or contracts authorized by this section may be applied toward  
7 early retirement of debt as authorized under any resolution, indenture,  
8 or other contract entered into by the Board of Regents as authorized by  
9 this section. The Board of Regents and the Department of Administrative  
10 Services shall, prior to such time that the Board enters into any long-  
11 term contract to finance the projects described in section 3 of this act,  
12 enter into a disposition agreement providing for the allocation and  
13 distribution of any balances existing in the University of Nebraska  
14 Facilities Program of 2016 or any other funds created as part of a long-  
15 term contract entered into by the Board of Regents pursuant to this  
16 section. The distribution of any such balances to the General Fund or the  
17 Board of Regents as provided in such disposition agreement shall occur  
18 either on December 31, 2030, or when all financial obligations incurred  
19 in the contracts entered into by the Board of Regents pursuant to this  
20 section are discharged, whichever occurs first.

21       Sec. 5. Section 85-421, Reissue Revised Statutes of Nebraska, is  
22 amended to read:

23       85-421 (1) The Legislature shall appropriate from the General Fund  
24 (a) an amount not less than five million five hundred thousand dollars  
25 for each fiscal year for the period beginning with the fiscal year  
26 commencing July 1, 2006, and continuing through the fiscal year ending  
27 June 30, 2009, and (b) an amount not less than eleven million dollars for  
28 each fiscal year for the period beginning with the fiscal year commencing  
29 July 1, 2009, and continuing through the fiscal year ending June 30, 2018  
30 ~~2020~~, to the University of Nebraska Facilities Program of 2006 to be used  
31 by the Board of Regents of the University of Nebraska to accomplish

1 projects as provided in this section. Through the allotment process  
2 established in section 81-1113, the Department of Administrative Services  
3 shall make appropriated funds available. Undisbursed appropriations  
4 balances existing in the University of Nebraska Facilities Program of  
5 2006 at the end of each fiscal year until June 30, 2019 ~~2021~~, shall be  
6 and are hereby reappropriated.

7 (2) The Legislature finds and determines that the projects funded  
8 through the University of Nebraska Facilities Program of 2006 are of  
9 critical importance to the State of Nebraska. It is the intent of the  
10 Legislature that the appropriations to the program shall not be reduced  
11 until all contracts and securities relating to the construction and  
12 financing of the projects or portions of the projects funded from such  
13 funds or accounts of such funds are completed or paid but in no case  
14 shall such appropriations extend beyond the fiscal year ending June 30,  
15 2018 ~~2020~~, nor shall the cumulative total of the General Fund  
16 appropriations for the program exceed one hundred thirty-seven million  
17 five hundred thousand dollars.

18 (3) Subject to the receipt of project approval from the Coordinating  
19 Commission for Postsecondary Education as required by subsection (10) of  
20 section 85-1414 for each of the following University of Nebraska  
21 projects, the Board of Regents of the University of Nebraska is  
22 authorized to make expenditures from the University of Nebraska  
23 Facilities Program of 2006 for the following projects: (a) Deferred  
24 maintenance, repair, and renovation of University of Nebraska at Kearney  
25 Bruner Hall; (b) construction of University of Nebraska at Kearney  
26 campus-wide central utilities plant and system; (c) construction of  
27 facilities to replace University of Nebraska-Lincoln Behlen, Brace, and  
28 Ferguson Halls or deferred maintenance, repair, and renovation of  
29 University of Nebraska-Lincoln Behlen, Brace, and Ferguson Halls; (d)  
30 construction of a facility to replace University of Nebraska-Lincoln Keim  
31 Hall or deferred maintenance, repair, and renovation of University of

1 Nebraska-Lincoln Keim Hall; (e) deferred maintenance, repair, and  
2 renovation of University of Nebraska-Lincoln Sheldon Memorial Art  
3 Gallery; (f) deferred maintenance, repair, and renovation of University  
4 of Nebraska-Lincoln Animal Science Complex; (g) deferred maintenance,  
5 repair, and renovation of University of Nebraska Medical Center Poynter,  
6 Bennet, and Wittson Halls; (h) deferred maintenance, repair, and  
7 renovation of University of Nebraska Medical Center Eppley Institute for  
8 Research in Cancer and Allied Diseases or replacement if additional  
9 federal or private funds are received; (i) deferred maintenance, repair,  
10 and renovation of University of Nebraska Medical Center College of  
11 Dentistry; (j) deferred maintenance, repair, and renovation of University  
12 of Nebraska at Omaha Library; and (k) deferred maintenance, repair, and  
13 renovation of University of Nebraska at Omaha utilities infrastructure.

14 (4) Expenditures of matching funds provided for the projects listed  
15 in this section by the Board of Regents of the University of Nebraska as  
16 provided for in section 85-419 shall be accounted for in the Nebraska  
17 State Accounting System through the University of Nebraska Facilities  
18 Program of 2006 or according to some other reporting process mutually  
19 agreed upon by the University of Nebraska and the Department of  
20 Administrative Services.

21 (5) The Board of Regents of the University of Nebraska shall record  
22 and report, on the Nebraska State Accounting System, expenditure of  
23 amounts from the University of Nebraska Facilities Program of 2006 and  
24 expenditure of proceeds arising from any contract entered into pursuant  
25 to this section and section 85-422 in such manner and format as  
26 prescribed by the Department of Administrative Services or according to  
27 some other reporting process mutually agreed upon by the University of  
28 Nebraska and the Department of Administrative Services.

29 (6) The Board of Regents of the University of Nebraska shall provide  
30 to the Task Force for Building Renewal semiannual reports concerning the  
31 status of each project authorized by this section.

1           Sec. 6.    Original section 85-421, Reissue Revised Statutes of  
2 Nebraska, is repealed.

3           Sec. 7.    Since an emergency exists, this act takes effect when  
4 passed and approved according to law.