

contracts may be made to the University of Nebraska while it is stated that any other postsecondary educational institution having colleges of medicine located in the State of Nebraska may receive only contracts. This distinction is very critical to the issue presented here. Grants are prohibited other than to the University of Nebraska. The argument might be raised that there is no fundamental difference between a contract and a grant. However, this is not the case. Grants are often made to foster some public purpose but a direct benefit from the grantor to the grantee does not necessarily flow. Often the benefit received is received only by the grantee. Under established concepts of contract law, there must be consideration in order for there to be a valid contract. To have a valid contract, something of value must be exchanged by both parties. The Attorney General's opinion apparently uses the term 'contract' and 'grant' interchangeably. However, there is a legal distinction." The point I would like to make very clearly for the record is that the State of Nebraska, if we do contract with a private institution, is purchasing services, services for the people of the State of Nebraska in the public interest, not trying to assist any private institution. With that I think I have clarified the record as far as the constitutional arguments are concerned and I would urge you to support LB 506.

SPEAKER MARVEL: Senator Kahle, speaking to the Cullan motion to return.

SENATOR KAHLE: Mr. Speaker, I speak in favor of the bill and Senator Cullan's amendment. I think this is one time when we are going to use cigarette tax money for some related, at least, project to what most claim causes cancer. So rather than to take up a lot of time, I would hate to see this bill killed and I would support Senator Cullan in his efforts to get the funding. I know it is difficult to determine how these funds are going to be distributed and who is going to get them and there is some question, evidently, in the Attorney General's mind but rather than scuttle the whole bill I sure hope we can work this out. Thank you.

SPEAKER MARVEL: Senator Maresh and then Senator Marsh.

SENATOR MARESH: Mr. Speaker, a question of Senator Cullan. Are you, Senator Cullan, telling us that this opinion isn't on the final bill, is that correct?

SENATOR CULLAN: Yes, that is correct. The opinion was written before the bill was amended to correct the alleged constitutional defects.