

May 29, 1981

LB 321

John F. Kennedy College. That closed. So if you want to sit here and listen to the Supreme Court Justices of the State of Nebraska and if you want to eventually close the private colleges so that we can have bigger and better state colleges, go ahead. Don't advance the bill but that is the way I see it. Thank you, Senators.

PRESIDENT: The Chair recognizes Senator Koch.

SENATOR KOCH: Well I want to thank Senator Beutler. He was in on this bill from the very beginning and had had its origin several months ago or more. In fact one of his friends in a law office is the author of it and I have known Mr. Johnson for quite some time and I have always admired his integrity in law. I would remind you that this bill is modeled after bills in about eight other states including the neighboring states of Iowa, Indiana, New York and several others and I give a speech once in a while on the art of legislative diplomacy and how you can place a bill in limbo. One of the first things you do is you get an Attorney General's opinion which says it may be or by analogy it could be or by some other degree it could be. Senator Beutler brings up students. We are not talking about students. We are talking about brick and mortar and buildings. Now if the authority is lending its credit, the state's credit, to the private sector that is difficult for me to be able to stretch my imagination that far. The authority of five individuals selected by the Governor who when the private colleges approached them and said that they wished to sell revenue bonds for construction of a facility and those bonds have been approved by a bond agent and counsel which means that that individual university or college, his credit has been checked, their ratings is good, that then the bonds can be sold. In no way does the state, are they held responsible for those bonds. The private institution itself is held responsible. If those bonds go into default that institution is responsible. Its endowment funds or whatever sources they have and those who buy the bonds will be left holding the bag. But again by this late moment, and I am sorry Senator Beutler, knowing his concerns about this bill from the very beginning, did not seek a question at that time rather than waiting to this last moment. I am terribly disappointed and Senator Beutler will tell you this. He had some concerns a long time ago but, no, one more time, the last day, the last moment, you cloud the issue with an opinion written by a man I have watched write numbers of opinions. A few years ago we had one on transportation of private students by public buses and immediately that same proposal came down constitutionally suspect. Recently Lincoln schools challenged it and what did Lincoln schools find out? Yes, you will transport those children to a point which is normally on a bus route and

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