

LEGISLATIVE BILL 605

Approved by the Governor April 11, 2006

Introduced by Thompson, 14; Cudaback, 36; D. Pederson, 42

AN ACT relating to state universities and state colleges; to state intent; to create the University of Nebraska Facilities Program of 2006 and the State Colleges Facilities Program of 2006; to provide powers and duties for the Board of Regents of the University of Nebraska and the Board of Trustees of the Nebraska State Colleges relating to construction and improvement projects; and to declare an emergency.

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

Section 1. (1) The Legislature finds and determines that protecting investments in buildings through the completion of deferred maintenance, repair, renovation, and facility replacement construction projects is of critical importance to the State of Nebraska. The Legislature further recognizes that arresting the continued deterioration of buildings, limiting the effects of inflation on the costs of such deferred maintenance, repair, renovation, and facility replacement construction, and bringing such buildings into compliance with current health and safety requirements at the earliest possible time is necessary for protecting such investment in the buildings of the State of Nebraska. In order to accomplish these goals, it is necessary, desirable, and advisable that the Legislature provide for the receipt of funds for such purposes as soon as practicable with the repayment of such funds to be made over a period of years. The Legislature recognizes the commitment of (a) the Board of Regents of the University of Nebraska to provide matching funds up to eleven million dollars per year for the period beginning with the fiscal year commencing July 1, 2009, and continuing through the fiscal year ending June 30, 2021, for a total of up to one hundred twenty-one million dollars to supplement amounts appropriated from the General Fund pursuant to section 3 of this act and (b) the Board of Trustees of the Nebraska State Colleges to provide matching funds up to one million two hundred thousand dollars per year for the period beginning with the fiscal year commencing July 1, 2006, and continuing through the fiscal year ending June 30, 2020, for a total of up to fourteen million four hundred thousand dollars to supplement amounts appropriated from the General Fund pursuant to section 6 of this act.

(2) Sections 1 to 7 of this act do not modify, reduce, or eliminate any provision of subsection (10) of section 85-1414 requiring the approval of the Coordinating Commission for Postsecondary Education for any deferred maintenance, repair, renovation, facility addition, or facility replacement construction project authorized by section 3 or 6 of this act and undertaken by the Board of Regents of the University of Nebraska or the Board of Trustees of the Nebraska State Colleges.

Sec. 2. The University of Nebraska Facilities Program of 2006 is created. All funds appropriated to the program by the Legislature shall be used exclusively for deferred maintenance, repair, renovation, facility renovation, and facility replacement construction projects authorized pursuant to section 3 of this act.

Sec. 3. (1) The Legislature shall appropriate from the General Fund (a) an amount not less than five million five hundred thousand dollars for each fiscal year for the period beginning with the fiscal year commencing July 1, 2006, and continuing through the fiscal year ending June 30, 2009, and (b) an amount not less than eleven million dollars for each fiscal year for the period beginning with the fiscal year commencing July 1, 2009, and continuing through the fiscal year ending June 30, 2020, to the University of Nebraska Facilities Program of 2006 to be used by the Board of Regents of the University of Nebraska to accomplish projects as provided in this section. Through the allotment process established in section 81-1113, the Department of Administrative Services shall make appropriated funds available. Undisbursed appropriations balances existing in the University of Nebraska Facilities Program of 2006 at the end of each fiscal year until June 30, 2021, shall be and are hereby reappropriated.

(2) The Legislature finds and determines that the projects funded through the University of Nebraska Facilities Program of 2006 are of critical importance to the State of Nebraska. It is the intent of the Legislature that the appropriations to the program shall not be reduced until all contracts and securities relating to the construction and financing of the projects or portions of the projects funded from such funds or accounts of such funds are completed or paid but in no case shall such appropriations extend beyond the fiscal year ending June 30, 2020, nor shall the cumulative total of the

General Fund appropriations for the program exceed one hundred thirty-seven million five hundred thousand dollars.

(3) Subject to the receipt of project approval from the Coordinating Commission for Postsecondary Education as required by subsection (10) of section 85-1414 for each of the following University of Nebraska projects, the Board of Regents of the University of Nebraska is authorized to make expenditures from the University of Nebraska Facilities Program of 2006 for the following projects: (a) Deferred maintenance, repair, and renovation of University of Nebraska at Kearney Bruner Hall; (b) construction of University of Nebraska at Kearney campus-wide central utilities plant and system; (c) construction of facilities to replace University of Nebraska-Lincoln Behlen, Brace, and Ferguson Halls or deferred maintenance, repair, and renovation of University of Nebraska-Lincoln Behlen, Brace, and Ferguson Halls; (d) construction of a facility to replace University of Nebraska-Lincoln Keim Hall or deferred maintenance, repair, and renovation of University of Nebraska-Lincoln Keim Hall; (e) deferred maintenance, repair, and renovation of University of Nebraska-Lincoln Sheldon Memorial Art Gallery; (f) deferred maintenance, repair, and renovation of University of Nebraska-Lincoln Animal Science Complex; (g) deferred maintenance, repair, and renovation of University of Nebraska Medical Center Poynter, Bennet, and Wittson Halls; (h) deferred maintenance, repair, and renovation of University of Nebraska Medical Center Eppley Institute for Research in Cancer and Allied Diseases; (i) deferred maintenance, repair, and renovation of University of Nebraska Medical Center College of Dentistry; (j) deferred maintenance, repair, and renovation of University of Nebraska at Omaha Library; and (k) deferred maintenance, repair, and renovation of University of Nebraska at Omaha utilities infrastructure.

(4) Expenditures of matching funds provided for the projects listed in this section by the Board of Regents of the University of Nebraska as provided for in section 1 of this act shall be accounted for in the Nebraska State Accounting System through the University of Nebraska Facilities Program of 2006 or according to some other reporting process mutually agreed upon by the University of Nebraska and the Department of Administrative Services.

(5) The Board of Regents of the University of Nebraska shall record and report, on the Nebraska State Accounting System, expenditure of amounts from the University of Nebraska Facilities Program of 2006 and expenditure of proceeds arising from any contract entered into pursuant to this section and section 4 of this act in such manner and format as prescribed by the Department of Administrative Services or according to some other reporting process mutually agreed upon by the University of Nebraska and the Department of Administrative Services.

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

Sec. 4. (1) In order to accomplish any projects authorized by section 3 of this act, the Board of Regents of the University of Nebraska may enter into contracts with any person, firm, or corporation providing for the implementation of any such project of the University of Nebraska and providing for the long-term payment of the cost of such project from the University of Nebraska Facilities Program of 2006. In no case shall any such contract extend for a period beyond December 31, 2021, nor shall any such contract exceed the repayment capabilities implicit in the funding streams authorized in sections 1 and 3 of this act.

(2) The Board of 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, except that there may be pledged for the payment of any such contract any appropriation specifically made by the Legislature for such purpose, together with such funds of the Board of Regents of the University of Nebraska as the board determines. No contract shall be entered into pursuant to this section without prior approval by resolution by the Board of Regents. The Board of Regents may also convey, lease, or lease back all or any part of the projects authorized by section 3 of this act and the land on which such projects are situated to such person, firm, or corporation as the Board of Regents may contract with pursuant to this section to facilitate the long-term payment of the cost of such projects. Any such conveyance or lease shall provide that when the cost of such projects has been paid, together with interest and other costs thereon, such projects and the land on which such projects are located shall become the property of the Board of Regents.

(3) The Board of Regents of the University of Nebraska is authorized to make expenditures for the purposes stated in this section and section 3 of this act from investment income balances in any fund created under

the authority provided for in any contract or contracts authorized by this section. Any appropriated amounts and amounts designated or matched by the Board of Regents under section 1 of this act in excess of amounts required to meet debt service and any interest earnings derived from reserve funds or any other funds created under the authority provided for in any contract or contracts authorized by this section shall be accumulated and applied toward early retirement of debt as authorized under any resolution, indenture, or other contract entered into by the Board of Regents as authorized by this section. The Board of Regents and the Department of Administrative Services shall, on or before January 1, 2007, enter into an agreement providing for the allocation and distribution of any balances existing in the University of Nebraska Facilities Program of 2006 or any other funds created as part of a long-term contract entered into by the Board of Regents pursuant to this section to the General Fund and any other funds designated by the Board of Regents as a source of funds for the match specified in section 1 of this act either on December 31, 2021, or when all financial obligations incurred in the contracts entered into by the Board of Regents pursuant to this section are discharged, whichever occurs first.

Sec. 5. The State College Facilities Program of 2006 is created. All funds appropriated to the program by the Legislature shall be used exclusively for deferred maintenance, repair, and renovation projects authorized pursuant to section 6 of this act.

Sec. 6. (1) Beginning with the fiscal year commencing July 1, 2006, and continuing through the fiscal year ending June 30, 2020, the Legislature shall appropriate each fiscal year from the General Fund an amount not less than one million one hundred twenty-five thousand dollars to the State College Facilities Program of 2006 to be used by the Board of Trustees of the Nebraska State Colleges to accomplish projects as provided in this section. Through the allotment process established in section 81-1113, at a minimum, the Department of Administrative Services shall make appropriated funds available. Undisbursed appropriations balances existing in the State College Facilities Program of 2006 at the end of each fiscal year until June 30, 2021, shall be and are hereby reappropriated.

(2) The Legislature finds and determines that the projects funded through the program are of critical importance to the State of Nebraska. It is the intent of the Legislature that the appropriations to the program shall not be reduced until all contracts and securities relating to the construction and financing of the projects or portions of the projects funded from such funds or accounts of such funds are completed or paid but in no case shall such appropriations extend beyond the fiscal year ending June 30, 2020, nor shall the cumulative total of the General Fund appropriations for the program exceed fifteen million seven hundred fifty thousand dollars.

(3) Subject to the receipt of project approval from the Coordinating Commission for Postsecondary Education as required by subsection (10) of section 85-1414 for each of the following state college projects, the Board of Trustees of the Nebraska State Colleges is authorized to make expenditures from the State College Facilities Program of 2006 for the following state college projects: (a) Deferred maintenance, repair, and renovation of Chadron State College Academic/Administration Building; (b) design and placement of a new Peru State College emergency power generator; (c) replacement of existing Peru State College Al Wheeler Activity Center bleachers; (d) addition to and deferred maintenance, repair, and renovation of Peru State College Al Wheeler Activity Center; (e) addition to and deferred maintenance, repair, and renovation of Wayne State College Campus Services Building; (f) deferred maintenance, repair, and renovation of Wayne State College Rice Auditorium; (g) deferred maintenance, repair, and renovation of Wayne State College Memorial Stadium; and (h) systemwide miscellaneous fire and life safety, energy conservation, deferred repair, federal Americans with Disabilities Act of 1990, and asbestos removal projects.

(4) Expenditures of matching funds provided for the projects listed in this section by the Board of Trustees of the Nebraska State Colleges as provided for in section 1 of this act shall be accounted for in the Nebraska State Accounting System through the State College Facilities Program of 2006 or according to some other reporting process mutually agreed upon by the state colleges and the Department of Administrative Services.

(5) The Board of Trustees of the Nebraska State Colleges shall record and report, on the Nebraska State Accounting System, expenditure of amounts from the State College Facilities Program of 2006 and expenditure of proceeds arising from any contract entered into pursuant to this section and section 7 of this act in such manner and format as prescribed by the Department of Administrative Services or according to some other reporting process mutually agreed upon by the state colleges and the Department of

Administrative Services.

(6) The Board of Trustees of the Nebraska State Colleges shall provide to the Task Force for Building Renewal semiannual reports concerning the status of each project authorized by this section.

Sec. 7. (1) In order to accomplish any projects authorized by section 6 of this act, the Board of Trustees of the Nebraska State Colleges may enter into contracts with any person, firm, or corporation providing for the implementation of any such project of the Nebraska state colleges and providing for the long-term payment of the cost of such project from the State College Facilities Program of 2006. In no case shall any such contract extend for a period beyond December 31, 2020, nor shall any such contract exceed the repayment capabilities implicit in the funding streams authorized in sections 1 and 6 of this act.

(2) The Board of Trustees of the Nebraska State Colleges shall not pledge the credit of the State of Nebraska for the payment of any sum owing on account of such contract, except that there may be pledged for the payment of any such contract any appropriation specifically made by the Legislature for such purpose, together with such funds of the Board of Trustees as the board determines. No contract shall be entered into pursuant to this section without prior approval by resolution by the Board of Trustees. The Board of Trustees may also convey, lease, or lease back all or any part of the projects authorized by section 6 of this act and the land on which such projects are situated to such person, firm, or corporation as the Board of Trustees may contract with pursuant to this section to facilitate the long-term payment of the cost of such projects. Any such conveyance or lease shall provide that when the cost of such projects has been paid, together with interest and other costs thereon, such projects and the land on which such projects are located shall become the property of the Board of Trustees.

(3) The Board of Trustees of the Nebraska State Colleges is authorized to make expenditures for the purposes stated in this section and section 6 of this act from interest income balances in any fund created under the authority provided for in any contract or contracts authorized by this section. Any appropriated amounts and amounts designated or matched by the Board of Trustees under section 1 of this act in excess of amounts required to meet debt service and any interest earnings derived from reserve funds or any other funds created under the authority provided for in any contract or contracts authorized by this section shall be accumulated and applied toward early retirement of debt as authorized under any resolution, indenture, or other contract entered into by the Board of Trustees as authorized by this section. The Board of Trustees and the Department of Administrative Services shall, on or before January 1, 2007, enter into an agreement providing for the allocation and distribution of any balances existing in the State College Facilities Program of 2006 or any other funds created as part of a long-term contract entered into by the Board of Trustees pursuant to this section to the General Fund and any other funds designated by the Board of Trustees as a source of funds for the match specified in section 1 of this act either on December 31, 2020, or when all financial obligations incurred in the contracts entered into by the Board of Trustees pursuant to this section are discharged, whichever occurs first.

Sec. 8. Since an emergency exists, this act takes effect when passed and approved according to law.