

ONE HUNDRED FIRST LEGISLATURE - FIRST SESSION - 2009
COMMITTEE STATEMENT
LB103

Hearing Date: Tuesday January 27, 2009
Committee On: Education
Introducer: Adams
One Liner: Change provisions relating to postsecondary educational institutions' capital and facility expenditures

Roll Call Vote - Final Committee Action:
Advanced to General File with amendment(s)

Vote Results:

Aye: 8 Senators Adams, Ashford, Avery, Cornett, Giese, Haar, Howard, Sullivan

Nay:

Absent:

Present Not Voting:

Proponents:

Senator Greg Adams
Rebecca Koller
Dennis Baak
Carolyn Murphy

Representing:

Introducer
University of Nebraska
Nebraska Community College Assn.
Nebraska State College System

Opponents:

Marshall Hill
Mike Wemhoff

Representing:

Coordinating Commission for Postsecondary Ed.
Coordinating Commission for Postsecondary Ed.

Neutral:

Representing:

Summary of purpose and/or changes:

Legislative Bill 103 would raise thresholds at which expenditures by postsecondary institutions on capital construction projects are subject to review and approval.

Section 1 would amend Section 85-408 to increase the amount that could be expended from a surplus or replacement fund by the Board of Regents or the Board of Trustees of the Nebraska State Colleges without a review by the Coordinating Commission for Postsecondary Education and approval by the Legislature. This section currently requires Coordinating Commission review and legislative approval of any expenditure from such funds exceeding \$500,000 for the purchase of facilities for student housing, athletics, student and faculty unions, student medical and activity centers, and parking. The bill would raise the threshold to \$1 million.

Section 2 would amend Section 85-1402 to change expenditure thresholds for capital construction projects of postsecondary educational institutions subject to review, monitoring, and approval by the Coordinating Commission for Postsecondary Education. This section currently requires Coordinating Commission review and approval of any capital construction project that is either 1) funded in whole or in part by at least \$500,000 in tax funds designated by the Legislature or 2) expected to incur an annual increase in expenditure of tax funds of at least \$75,000 for operations and maintenance. The bill would increase these thresholds to \$2 million and \$85,000, respectively. Section 2 also limits adjustment of these thresholds due to inflationary or market factors to only the threshold for operations and maintenance

costs. Both thresholds are currently adjusted by the Coordinating Commission on a biennial basis.

Section 3 would repeal the original sections.

Explanation of amendments:

The committee amendment removes section 1 of the bill, which provided an increase in the amount that may be expended by the Board of Regents or the Board of Trustees of the Nebraska State Colleges from a surplus or replacement fund without review by the Coordinating Commission for Postsecondary Education and approval by the Legislature. The committee amendment would maintain the threshold at \$500,000 rather than increase it to \$1 million as proposed in the bill.

The committee amendment also makes technical changes with regard to the change proposed in the original bill to limit inflationary adjustment of the base amounts specified in section 85-1402 to only the base amount for operations and maintenance costs.

Greg Adams, Chairperson