

SENATOR WARNER: Mr. President, LB 728 was a bill we introduced the other day. You will recall that this bill would authorize the University to issue additional bonds in relation to LB 410 that was passed, I think, two years ago and which provided funds for the renovation primarily of a number of buildings at both the University and the state colleges. The way that bill was passed, however, it put limits on the construction costs for each of the structures as well as the total bonds. We did not leave room in the bond issuing to provide the necessary one-year reserve that was required for the University. As it worked out the state college portion did not require that one year reserve in the same fashion. So it did not create a problem. But in the University's case it does mean that roughly \$1.7 million, actually less than that but about \$1.7 million in projects could not be completed until the maturity of the bonds which I believe was in 1992. By issuing additional bonds to provide the reserve, the interest of which is self-funding, that construction can be completed. All the projects, primarily it is one at UN-L and one at UN-O, but all of the projects can be completed by 1987, I believe, or '88. Rather than waiting until 1992, obviously, there would be higher costs in waiting in all probability. But in any event we are renovating existing buildings that then can be utilized rather than the construction of new. But this will permit those projects to be completed sooner. There is no cost, no additional cost to the state. As a matter of fact, we had anticipated about \$600,000 being returned to the general fund upon the completion of the bond payment. Going this route it ends up something in excess of \$800,000 that would be returned to the general fund at the time that the bonds are retired. But the bill will facilitate...make it possible for those old buildings to be renovated and completed sooner at no additional cost.

PRESIDENT: Is there discussion on LB 728 that Senator Warner just brought up? Senator Haberman, yes.

SENATOR HABERMAN: Mr. President, question of Senator Warner, please.

PRESIDENT: Senator Warner is available.

SENATOR HABERMAN: Senator Warner, on page 6...you made the statement there would be no additional cost to the state.