

March 25, 1986

LB 841, 842

CLERK: 27 ayes, 0 nays, Madam President, on the advancement of LB 841.

SENATOR MARSH: 841 is advanced. We are ready for LB 842.

CLERK: Madam President, 842 was a bill introduced by the Speaker at the request of the Governor. (Read title.) Introduced on January 9, referred to Appropriations, advanced to General File. There are committee amendments pending by the Appropriations Committee, Madam President. (AM2451 found on page 1317 of the Legislative Journal.)

SENATOR MARSH: Senator Warner.

SENATOR WARNER: Mr. President and members of the Legislature, LB 842, it should be, is the bill that was introduced by the Governor which authorized the utilization of some bonds to complete buildings currently under construction. Based upon the cash flow requirements of these facilities and the two prime...or the two facilities are the Animal Science Building at the Institute of Agriculture and the Life Science Building at UN-O, would have required \$13.9 million of appropriations for this year, both being major buildings, both in their second year, which is the major funding requirement for any building but particularly those of this size. The proposal was to rather than have \$13.9 million appropriated this year, was the utilization of a bonding concept for a four-year...for a five-year period in which four cents of the cigarette tax would be dedicated as the source of funds for those bonds which actually transfers in excess of \$6 million per year into the fund. However, the actual debt service would be about \$4.4 million with the balance of those dedicated funds then being transferred back to the General Fund on June 30th of each fiscal year. The purpose of the proposal as put forth by the Governor then was to reduce by \$9.5 million the impact on the General Fund for the current year for these two facilities by spreading that cost out on an even basis over a five-year period and it would be about 3.5 million in total interest payments based upon the calculations for interest rates that were used earlier in the year that may be somewhat less than that now with interest rates having declined some since that time. But that is the purpose of the bill. The committee amendment, which is essentially technical in nature, but there is some clarification