

**REVENUE BOND - AUXILIARY OPERATIONS, NEBRASKA STATE COLLEGE SYSTEM**

**POLICY: 9005 Revenue Bonds; Debt Service Coverage; Payment of Utilities**

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**BOARD POLICY**

The Board will adopt and revise from time to time, when necessary, such rentals, rates, fees and charges with respect to the revenue bond facilities as may be necessary so that the revenues from the facilities, after deducting the costs of operating and maintaining them shall be equal at least to the coverage ratio required by the indenture for the principal and interest due on the bonds for that fiscal year. While the individual indentures require a 110% coverage for all three Colleges, it is the Board's policy that Chadron State College and Wayne State College maintain a minimum 125% debt service coverage and Peru State College a 135% debt service coverage ratio each fiscal year. The President shall notify the Chancellor, and the Chancellor shall notify the Board, as soon as it is known, if unexpected and/or unplanned circumstances have occurred which will cause the debt service coverage factor to temporarily dip below the above-referenced ratios.

The Board may, at its discretion, furnish heat, light, power and other similar utilities for the revenue bond facilities without charging the same against the revenues thereof.

Legal Reference: RRS 85-409

Campus buildings and facilities; heat, light, power; board furnish

Policy Adopted: 3/11/94

Policy Revised: 8/29/97

Policy Revised: 9/15/06

Policy Revised: 11/15/13