

BOARD OF TRUSTEES OF THE NEBRASKA STATE COLLEGES
ITEMS FOR DISCUSSION AND ACTION\FISCAL, FACILITIES AND AUDIT

ACTION: **First and Final Round Approval of Revisions to Board Policy 9004; Revenue Bonds; Fees; Charges, Use**

Board policy 9004 is being updated, reformatted, renumbered and renamed - 9200 - Auxiliary System Rates. The numbering change puts the policy with other policies related to rate setting.

The proposed policy lays out the various obligations of the Auxiliary System which must be considered when setting rates, including: bond debt satisfaction, reserve funds, operating costs, and surplus funds used for maintenance or replacement. Language related to legislative approval already found in policy 9000 is being removed as is language related to surplus funds which is addressed in policy 9100.

This policy was reviewed by legal counsel and the appropriate councils.

The System Office recommends approval of the Revisions to Board Policy 9004; Revenue Bonds; Fees; Charges, Use.

ATTACHMENTS:

- Revisions to Board Policy 9004 (PDF)

Board of Trustees of the Nebraska State Colleges

Auxiliary System

POLICY NAME: ~~Revenue Bond—Auxiliary Operations, Nebraska State College System~~ Auxiliary System Rates

POLICY NUMBER: ~~90049200~~

A. PURPOSE

To establish an appropriate revenue stream to support the Auxiliary System.

B. DEFINITIONS

1. **Auxiliary System** – Facilities comprised of housing facilities, buildings and structures used for athletic and wellness purposes, student centers, medical centers and parking facilities that are pledged under a bond resolution.

~~1.2.~~ **Master Resolution** – The Board adopted a Master Resolution on June 11, 2002, that created a combined system of housing and auxiliary facilities for the three Colleges. The Master Resolution contains the bond covenants.

C. POLICY

1. **Board to Establish Rates and Fees**

The Board will regularly set the room and board rates and any fees establish and maintain such schedule or rates, fees and/or charges for the use of the Auxiliary System facilities, controlled by the Board. The amounts of such funds shall be expended for purposes in connection with the facilities as the Board determines and be sufficient to cover all the following:-

1.1. **Bond Support**

The revenues collected in whole or in part are pledged to the holder of the bonds and shall be in an amount at least sufficient to pay the principal and interest amortization plan representing the indebtedness against the facilities;

1.2. **Reserve Funds**

Funds generated must be sufficient to provide for any bond reserves required by the bond covenants and sufficient to meet required coverage ratios., operating maintenance charges, principal and interest

~~representing the indebtedness against the income and revenue of the facilities;~~

1.3. Operating Costs

Revenues must be sufficient to support the daily operations and maintenance of the facilities.

1.4. Replacement and Surplus Funds

Revenues must be sufficient to generate any replacement or surplus funds as the bond indentures required by the Master Resolution.

2. Board to Control Rates and Fees

Even if ~~When~~ the Board contracts for the ~~that the~~ operation of any building or facility or part thereof ~~shall be performed other than by the Board itself, it must still the Board shall at all times~~ maintain supervision and control over the fees and charges of the facility. ~~imposed for the use thereof.~~

The following language is already contained in 9000:

~~Before any single expenditure in excess of five hundred thousand dollars (\$500,000) is made from any of the surplus or replacement funds, the Board shall first secure approval of the Legislature and, if the Legislature is not in session, the Executive Board of the Legislative Council.~~

The following language is already found in policy 9100:

~~Any amount in surplus or replacement funds and amounts received through sale, condemnation or destruction of facilities may be used to construct, repair or replace any of the types of facilities described by law. Any amounts in such funds are specifically appropriated to the purposes of such funds and shall at all times be subject to the orders of the Board accordingly.~~

FORMS/APPENDICES:

None

SOURCE:

Legal Reference: Neb. Rev. Stat. ~~RRS-815~~-318 State colleges; dormitory funds; use.

Policy ~~90049200~~: Revenue Bond—Auxiliary Operations, Nebraska State College System Auxiliary System Rates

Neb. Rev. Stat. ~~RRS~~ 85-408

Dormitories; housing facilities; other facilities; rates, fees, or charges; pledge for payment of bonds; surplus; ~~expend~~; approval of by ~~the~~ legislature. ~~exceptions~~

Policy Adopted: January 1977

Policy Revised: March 1988, February 1989, March 1994, September 2002, April 2007, June 2014, June 2023