



**Facility Capital Construction Project &
Operating and Maintenance Costs Inflationary Adjustment**
September 2, 2025, through December 31, 2027

Background: The Commission reviews, approves or disapproves, and monitors capital construction projects submitted by public postsecondary education institutions. Included are new capital structures, or any proposed addition, renovation, or acquisition of a capital structure that would be financed with tax funds above a minimum threshold.

Legislation: LB 306, signed by the Governor on June 4, 2025, revised the minimum capital expenditure threshold as follows: 1) a total project cost for construction or acquisition with at least \$5,000,000 in tax funds, or 2) for facility operations and maintenance (O&M) costs, a project that is likely, as determined by the institution, to result in an incremental increase of at least \$200,000 in tax funds in any one fiscal year within a period of ten years from the date of substantial completion or acquisition of the project. Both the total project cost for construction or acquisition threshold and the facility O&M costs threshold require the Commission to review and make adjustments for inflation biennially.

Statutory language: Neb. Rev. Stat. § 85-1402 defines the threshold for capital construction projects as a base amount of five million dollars (\$5,000,000) and for facility operations and maintenance (O&M) costs as a base amount of two hundred thousand dollars (\$200,000) for any one fiscal year. Both base amounts shall be subject to any inflationary or market adjustments made by the commission pursuant to this subdivision. The commission shall adjust the base amounts on a biennial basis beginning January 1, 2026. The adjustments shall be based on percentage changes in a construction cost index and any other published index relevant to operations and utilities costs, both as selected by the commission in cooperation with the public institutions. The index or indices shall reflect inflationary or market trends for the applicable operations and maintenance or construction costs.

LB306 became effective on September 2, 2025, reflecting the new threshold amounts of \$5,000,000 for capital construction projects and \$200,000 for O&M costs. The commission implemented both thresholds through December 31, 2027.