Community College General & Capital Fund Levies

Current Policy - Expiring Language

**Community Colleges (2015).** Because community colleges increasingly serve students’ educational needs throughout the state, we believe property tax funds for community colleges should be replaced with state general funds. If this is not attainable, the state should fully fund community colleges according to the formula established by current state law. We believe the Legislature should place a constitutional amendment before the Nebraska voters to remove the authority of community colleges to levy a property tax. We support local representation and control on community college boards.

Proposed Additional Language

*NEFB opposes removing the distinction between community college general fund and capital fund levies.*

Background

LB 27, which was introduced in 2019 on behalf of the community colleges, would remove the distinction between community college general fund and capital fund levies.

Under current law, Nebraska Community Colleges have a property tax levy limit of 11.25 cents. Within the 11.25 cents of levy authority, the Community Colleges may levy up to .02 cents for capital projects.

While community college budgets for operations and capital would still have to fall within the confines of the budget lid limits, if LB 27 were to pass, Colleges could simply use as much authority as possibly on capital construction projects because they have been unsuccessful in getting bond issues passed. **Community College growth in property taxes levied from 2007-2017 was around 130%,** compared to counties which grew around 55%, K-12 schools which grew around 58%, and cities which grew around 45%.

Questions

- Should NEFB re-up expiring policy related to Community Colleges?
- Should NEFB oppose efforts to eliminate the distinction between community college general fund and capital fund levies?