

SCC's CCFF Implementation Strategy

- *The intent of LB 243 is to strengthen the community colleges and to address the skilled workforce gap in Nebraska by enhancing funding of the community colleges while reducing property taxation via the replacement of general fund tax levy funds with state funds.*
- *LB 243 transitions the Nebraska community college general fund budget from property taxation to state funding beginning 2024-25.*
- *LB 243 was the result of a collaborative partnership among the state senators, the community colleges, and the Governor's Office. SCC believes this historic legislation represents a powerful beginning to a proactive approach to investing in Nebraska community colleges to ensure they fulfill their missions to provide a skilled workforce and affordable access to higher education within their service areas.*
- *One of the challenges of the current funding model was that the largest revenue stream came from property tax. This required the Board to balance fulfilling its mission of providing a skilled workforce while not overburdening the taxpayer. The new funding model alleviates this tension by replacing general-fund tax dollars with state funds and by creating a 100% tax credit for the transition year to encourage the utilization of unused funds based on current and future needs.*
- *Beginning 2024-25, the new funding model replaces general-fund tax dollars with the Community College Future Fund (CCFF), which will be set based on the amount the community colleges levy in 2023-24 or 7.5%, whichever amount is higher. The model ensures community colleges continue to have local control by allowing them to determine their CCFF baseline amount based on the future needs within their service areas.*
- *SCC set its 2023-24 levy rate based on a detailed study of its current and future needs, including operating maintenance, cost of living, and staffing expenditures. The new general fund levy rate of 9.25 cents includes 1.88 cents of unused authority. Beginning 2024-2025 SCC will no longer be able to levy a general fund tax. Although 2024-25 CCFF for SCC falls well short of addressing the College's estimated unmet needs, the College will continue to explore other funding opportunities with its private, government, and education partners.*
- *Setting the 2024-25 CCFF based on the College's needs is essential to ensuring SCC is in compliance with its national accreditor, the Higher Learning Commission.*
- *Taxpayers can receive a tax credit equal to 100% of community college taxes paid in 2023-24 and beyond, facilitating the transition to the new funding model.*
- *Over the past several years the College has been expanding its capacity to produce a skilled workforce by investing in its operations by increasing student tuition and fees, tax levy rates, and private giving. Although the College had the need to fully utilize its unused taxing authority, the Board was gradually increasing the use of its full authority to lessen the impact to taxpayers. The new model facilitates full utilization of the College's unused authority by providing a 100% tax credit for the 2023-24 CCFF transition year.*
- *SCC appreciates the support of the Governor and the state senators involved in establishing this new funding model to ensure Nebraska community colleges meet the needs of their employers, students, and communities.*