

Board of Governors Approves 2023-2024 Preliminary Budget Final Budget to Be Voted on in September

On Tuesday, June 20, Southeast Community College's Board of Governors approved the 2023-2024 preliminary total budget of \$358,565,630 compared to the 2022-2023 total budget of \$348,168,302, which represents a 3% increase.

The 2023-2024 budget is based on the new funding model for the state's community colleges. LB 243, signed into law by Gov. Jim Pillen on May 31, allows the colleges to maintain their 2-cent levy authority for capital expenditures, but it replaces their General Fund levy authority with the Community College Future Fund beginning in 2024-2025. The baseline CCFF amount for 2024-25 will be equal to the amount levied by the Board in 2023-24. **The bill includes a 100% tax credit that taxpayers can receive based on the tax rate set in 2023-24.** Beginning in 2024-2025, community colleges will no longer levy a general fund tax. The community colleges can continue to levy a capital levy tax in 2024-25 and beyond, with the amount levied being eligible for the 100% tax credit.

As part of the transition to the new funding model, the Board took into consideration its current and future needs to ensure the College can continue to effectively pursue its mission and strategic goals and objectives. The College's current levy rate of 9.37 cents is 1.88 cents below its maximum levy rate of 11.25 cents per \$100 of assessed property valuation.

SCC's Board approved the 2023-2024 preliminary budget that includes a General Fund tax levy rate of 9.25 cents and a Capital Fund levy rate of 2 cents. The new total tax levy rate of 11.25 cents includes 1.88 cents of previously unused authority. **Taxpayers can receive 100% tax credit for the amount based on the new rate.** This component of the bill was critical to ensure that the transition to the new funding model did not burden the taxpayer.

The Board's action came during its regular monthly meeting in Lincoln. The Board will vote on the final 2023-2024 fiscal year budget at its September meeting. The College's fiscal year runs July 1 through June 30. The vote was 10-0 in favor of the preliminary budget.

Dr. Paul Illich, SCC president, said LB 243 was the result of a collaborative partnership between the governor's office, state senators and Nebraska's community colleges.

"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," Illich said.

SCC's General Fund levy has been at 7.37 cents per \$100 of assessed valuation for four consecutive years. The Board's action increases the College's General Fund levy by 1.88 cents.

Chairman Neal Stenberg was one of several Board members who spoke in favor of the preliminary budget as presented.

“This will establish a baseline for our future needs,” he said. “Budgeting a lesser amount would require an increase in tuition, possibly significant, and a decrease in a variety of educational programs. We have one chance to get this right.”

Preliminary property valuations indicate SCC’s 15-county service area will increase 15%. Lancaster County property is projected to increase 23%. While the College will collect additional tax revenues through increased valuations and levy, taxpayers can receive a tax credit equal to 100% of community college taxes paid in 2023-24 and beyond, ensuring the transition to the new funding model does not negatively impact taxpayers. The credit will come when taxpayers file their 2023 income taxes.

SCC representatives will be conducting information sessions for the general public and training opportunities related to the transition to the new funding model and the associated 100% tax credit on all campuses and learning centers.