



Ninety-Ninth Legislature - Second Session - 2006  
**Introducer's Statement of Intent**  
**LB 1251**

---

**Chairperson:** David Landis  
**Committee:** Revenue  
**Date of Hearing:** February 23, 2006

The following constitutes the reasons for this bill and the purposes which are sought to be accomplished thereby:

LB 1251 establishes an education-based community college funding formula that equitably calculates and distributes appropriations of the Legislature to Nebraska community colleges and strengthens the local taxing authority of the governing body in each community college area.

The act calculates a base state aid amount, which represents full funding of the Legislature's intended commitment to fund Nebraska community colleges, and then allocates monies appropriated to fund this amount based on students served. Students served will be the total of reported aid equivalent students.

Reported aid equivalent students remains as defined in 85-1503, except that LB 1251 amends this statute to only include credit or contact hours for which the student is receiving the delivery of instruction at a location within Nebraska or within a county contiguous to Nebraska. This amendment reduces Nebraska taxpayer support of students that will never reside or work in Nebraska.

The act provides that base state aid shall be determined each year by increasing the preceding year's base state aid by the percentage growth in students served during the preceding year plus the greater of two percent or one-half of the percentage growth in property tax valuations within all community college areas from the preceding year to the year for which the base state aid is being determined.

The preceding year's base state aid for fiscal year 2006-07 will be the amount of state aid that represents full funding of the funding formula that was in effect for fiscal year 2005-06.

This act also returns property tax control to each community college area board of governors by removing state mandated levy limits.

**Principal Introducer:** \_\_\_\_\_  
**Senator John Synowiecki**