

One Hundred Second Legislature - Second Session - 2012

Introducer's Statement of Intent

LB946

Chairperson: Senator Greg Adams

Committee: Education

Date of Hearing: January 24, 2012

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

Legislative Bill 946 would create the Community College Aid Act, which would provide for the distribution of state aid to community college areas beginning in fiscal year 2013-14. Aid appropriated for distribution pursuant to the act would be allocated to community college areas as follows:

1. The initial amount, up to \$87,870,147, would be allocated to community college areas based on the proportionate share of aid received by each community college area for fiscal year 2012-13.
2. If the amount appropriated for a fiscal year exceeds \$87,870,147, the next amount, up to \$500,000, would be transferred to the Nebraska Community College Student Performance and Occupational Education Grant Fund. This fund constitutes a revised version of the currently dormant Community College Aid Cash Fund provided for in section 85-1540. Changes to section 85-1540 and section 85-1539, which provides for a committee to determine the distribution of money appropriated to the fund, are described in further detail below.
3. Any amount remaining after the allocations described above would be allocated among the community college areas on the following basis:
 - (a) Twenty-five percent of such amount would be divided equally based on the number of community college areas;
 - (b) Forty-five percent of such amount would be allocated based on each community college area's proportionate share of three-year average full- time equivalent student enrollment; and
 - (c) Thirty percent of such amount would be divided based on each community college area's proportionate share of three-year average reimbursable educational units.

The Coordinating Commission for Postsecondary Education would be provided with authority to promulgate rules and regulations to carry out the act. The Commission would be required to certify the amount of aid provided to each community college area prior to September 1 of the fiscal year for which aid is being provided. Community college areas would be required to annually provide the Commission with the data necessary to carry out the act.

The previous funding formula, the Community College Foundation and Equalization Aid Act, would be outright repealed. State aid to community college areas for fiscal year 2012-13 will be distributed pursuant to section 90-517.

The bill would amend provisions related to the Nebraska Community College Aid, Grant, and Contract Review Committee and the Nebraska Community College Aid Cash Fund provided for in sections 85-1539 and 85-1540, respectively. In addition to providing for the flow of additional dollars to the fund via the Community College Aid Act, the bill would rename the committee, revise its membership, rename the fund, and expand the purposes for which grants can be awarded.

The bill would change the name of the Nebraska Community College Aid, Grant, and Contract Review Committee to the Nebraska Community College Student Performance and Occupational Education Grant Committee. In its modified form, the committee would consist of a representative of: (i) the Coordinating Commission for Postsecondary Education; (ii) the Department of Labor; (iii) the Department of Economic Development; (iv) the State Department of Education; (v) one of the two community college areas with the smallest FTE enrollment for the prior fiscal year; (vi) one of the two community college areas with the largest FTE enrollment for the prior fiscal year; and (vii) one of the two remaining community college areas not accounted for in the aforementioned enrollment-size categories. The representatives of the various community college enrollment-size groupings would serve terms of two years and would be succeeded by a representative affiliated with the community college area not represented for the preceding term. The committee currently consists of the representatives specified in (ii) through (iv), a representative of the University of Nebraska with expertise in research and development, and a single representative of the community colleges.

The bill would change the name of the Nebraska Community College Aid Cash Fund to the Nebraska Community College Student Performance and Occupational Education Grant Fund and expand the purposes for which the fund would be used. Per current statute, the fund is used to provide aid, grants, or contracts to community colleges for applied technology and occupational faculty training, instructional equipment upgrades, employee assessment, preemployment training, employment training, and dislocated worker programs benefiting the state. In addition to maintaining the award of aid or grants for these purposes, the bill would also allow aid or grants to be awarded for programs or activities to enhance (i) student performance in the areas of degree, certificate, or diploma completion, retention, or foundations education as defined in section 85-932.01 or (ii) the collection, reporting, analysis, and utilization of student data. Applications for such aid or grants could be submitted by community college areas individually or in collaboration with other community college areas.

Beginning in fiscal year 2013-14, community college areas would be provided aggregate levy authority of 11.25 cents per \$100 of taxable valuation, inclusive of levies for general fund operations, establishing a capital improvement and bond sinking fund, and projects to address

accessibility barriers and environmental hazards. The levy for establishing a capital improvement and bond sinking fund could not exceed two cents per \$100 of taxable valuation. Community college areas would continue to be able to exceed the levy limit by the amount necessary to finance general obligation bonds and projects authorized pursuant to section 85-1535.

The bill would provide community college boards of governors with authority to establish fees to support the operating expenditures of the community college area, provided that such fees are accounted for separately from fees authorized for capital improvement purposes and are identified as operating fees at the time they are assessed. Existing authority to establish fees and charges for facilities would be expanded to require such fees and charges to be identified as facility fees at the time they are assessed. The revenue from fees and charges for facilities, other than revenue pledged to retire bonds issued pursuant to sections 85-1515 and 85-1520 to 85-1527 and deposited in a separate bond sinking fund, would be required to be deposited in the capital improvement and bond sinking fund provided for in section 85-1515.

The bill would provide community college boards with authority to utilize proceeds from the capital improvement levy for the purpose of paying off revenue bonds issued pursuant to sections 85-1520 to 85-1527.

The bill contains the emergency clause.

Principal Introducer: _____

Senator Greg Adams