

FOR IMMEDIATE RELEASE

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Contact Information:

Tim Hruza, Legal Counsel

402.466.3419

Bill Lien, Board Chair

402.580.1711

LIBA Opposes \$369 Million Southeast Community College Bond Issue

Cites Property Tax Crisis As Driving Factor

(LINCOLN, NE) – The Lincoln Independent Business Association (LIBA) today announced its opposition to the Southeast Community College's (SCC) ballot issue that asks for \$369 million in new property taxes to construct a new campus in downtown Lincoln and to complete a multi-facility renovation across its existing campuses. LIBA said that the biggest concern is the simple fact that the request ignores the crisis we have with increasing property taxes that affect Nebraska families, businesses, and farmers.

LIBA pointed out that the Nebraska Legislature has been trying to provide relief from our high property taxes, often referred to as a crisis. According to WalletHub's 2016 research, Nebraska has the 7th highest property taxes in the nation.¹ SCC's proposal will only add to this growing crisis.

Among the specific issues cited by LIBA is the fact that the proposal fails to account for the two-cent levy authority the college has to repair, construct, and maintain its buildings. What this means in the most simple terms is that if voters approve the \$369 million bond issue and accept an increase in their property taxes, the SCC Board could unilaterally decide to impose an additional property tax increase in the future. LIBA members discussed this concern with SCC representatives and suggested that the bond proposal should account for this levy authority so that taxpayers could be assured their taxes would not be raised twice. Representatives of SCC refused to accept this idea.

Aside from the possibility that the proposal as presented could result in multiple tax increases, LIBA also raised the following concerns:

- The \$369 million tax increase is only part of the picture. Taxpayers will also be responsible for millions more in interest.
- There is no definite termination date of the bond issue. SCC representatives have only said that they expect to pay-off the \$369 million in bonds by at least the year 2047.

¹ 2016's Property Taxes by State. John S. Kiernan, WalletHub.com (Mar. 7, 2016), *available online at* <https://wallethub.com/edu/states-with-the-highest-and-lowest-property-taxes/11585/>.

- Last year, SCC increased its property tax levy an astounding 26.6%. Increases in operational costs and staffing requests will likely come with the new construction if the bond issue is passed by voters. This may mean an even higher tax levy.
- The proposal allows SCC the authority to issue a total of \$369 million in bonds for construction purposes. Rather than a single massive bond amount, SCC should ask voters to approve specific projects in smaller amounts over time. Doing this would allow voters to consider each specific project on its merits and some bonds could be paid off as additional bonds for other projects are approved by voters.
- There is no clear plan for how the new construction and renovation would affect existing facilities, and whether any existing facilities – such as the Energy Square building in downtown Lincoln, or the former Gallup building at 68th and N owned by SCC – would be sold to offset some of the bond costs.
- There is no clear articulation about the goals of this proposal and how the school will measure the benefits it provides to students and to the local community. SCC representatives could not explain how this proposal will impact things like graduation rates or grade point averages for students.
- SCC has existing space available that does not appear to be fully utilized, such as the Career Academy in Lincoln that could be shared better with Lincoln Public Schools.

Without tangible metrics to look at as a benchmark to determine the value of this project, and without plans for how existing facilities are being and will be used, it is difficult for taxpayers to be confident that this proposal is a worthy investment.

LIBA said that the local community college is a tremendous resource for our community, and there is no doubt that SCC develops students into productive members of society. But a bond proposal of this magnitude that could add to our crisis of increasing property taxes until the year 2047 cannot be taken lightly.

Visit www.TooMuchBonding.com for more information about why LIBA is urging voters to vote NO on the SCC bond issue in November.