

## STATE INVESTMENT IN HIGHER EDUCATION

*“States are looking around at ways to reduce the burden on students of getting degrees without increasing the burden on the states. That will continue as a trend for a while. The real challenge, I think, for colleges and universities, is finding a way to reduce the cost of a degree.”*

George Pernsteiner, President

State Higher Education Executive Officers (SHEEO)

”Students Paying Bigger Share of Public College Costs”, Adrienne Lu, Staff Writer,  
The Pew Charitable Trusts, May 15, 2014

On February 17, 2009, President Obama signed into law the American Recovery and Reinvestment Act (ARRA). The Act had three main goals: create new jobs and save existing jobs; spur economic activity and invest in long-term growth; and foster accountability and transparency in government spending by providing more than \$700 billion dollars in federal spending to individuals, states and other localities (Recovery.gov). Of the funds sent to states, \$5.9 billion was used by states to restore the level of state support for public higher education during the 2009-10 and 2010-11 academic years. (Center for the Study of Education Policy, 2014).

From FY09 to FY14, when looking strictly at state funds, 32 states saw a reduction in funding for higher education. When taking into account the states that used stimulus funds to supplement state funding, a total of 36 states saw a decrease in higher education funding. However, funding for higher education is looking positive. From FY13 to FY14, only 10 states decreased their funding for higher education. (Center for the Study of Education Policy, 2014).

This section of the report covers two topics: appropriation comparisons within Nebraska and appropriation comparisons with other states.

## Appropriation Comparisons within the State

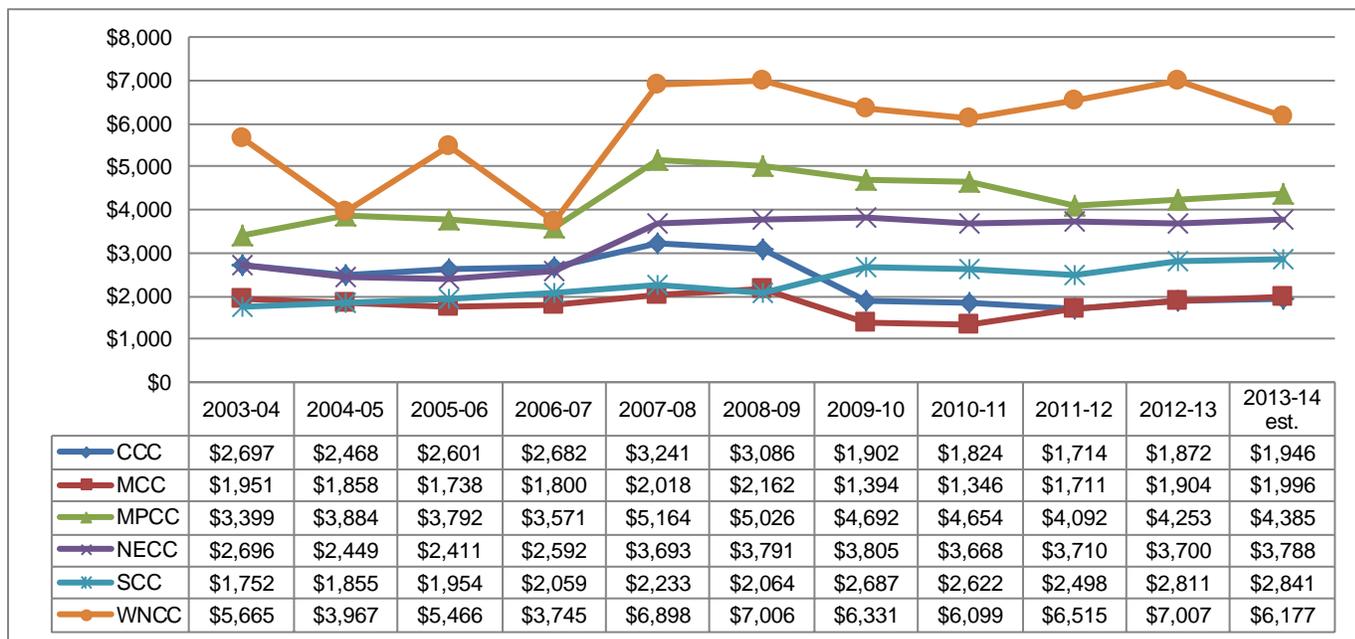
The following information looks at state appropriation per full-time equivalent (FTE) student. The dollar amounts exclude funds appropriated or re-appropriated for tuition and capital appropriations. To arrive at the appropriation per full-time student, the base state appropriation is divided by the number of full-time equivalent students at the institution. (Note: Enrollment decreases can therefore lead to increases in appropriations per full-time equivalent student, and vice versa.)

In addition to state appropriations, the community colleges receive income from property taxes; therefore, this report provides two additional sets of data, one that shows the amount of property tax income received by each community college and one in which the state appropriation and property taxes are added together to derive a total state-and-local appropriation per full-time equivalent student within the community college sector.

Appropriations to community colleges are based on a set amount of funding with any additional appropriation based on requests submitted by the college. Appropriations for the State Colleges and the University of Nebraska are based on identified needs.

Community Colleges

**State Appropriation per FTE Student at Nebraska's Community Colleges 2003-04 to 2013-14**



From 2003-04 to 2013-14, state appropriations per full-time equivalent student at Nebraska’s community colleges:

- increased 62% at Southeast Community College
- increased 40% at Northeast Community College
- increased 29% at Mid-Plains Community College
- increased 9% at Western Nebraska Community College
- increased 2% at Metropolitan Community College
- **decreased** 28% at Central Community College

From 2008-09 to 2013-14, state appropriations per full-time equivalent student at Nebraska’s community colleges:

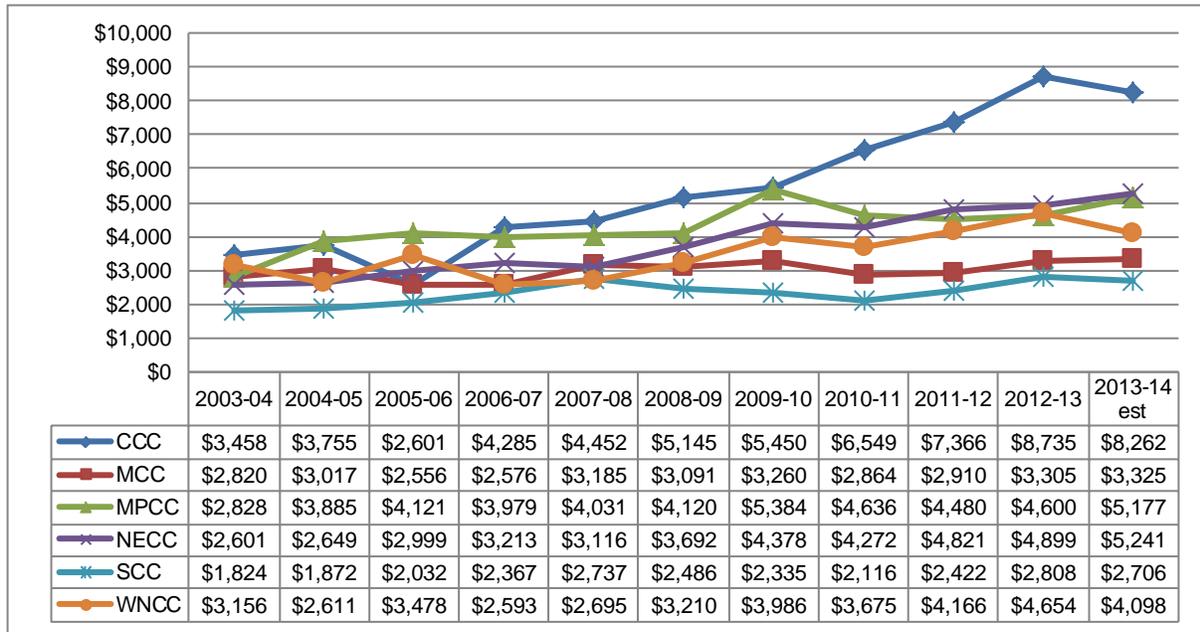
- increased 38% at Southeast Community College
- showed no change at Northeast Community College
- **decreased** 8% at Metropolitan Community College
- **decreased** 12% at Western Nebraska Community College
- **decreased** 13% at Mid-Plains Community College
- **decreased** 37% at Central Community College

For state appropriation per full-time equivalent student in 2013-14, when compared to their peers:

- Central Community College ranks 10<sup>th</sup> out of 11
- Metropolitan Community College ranks 8<sup>th</sup> out of 11
- Mid-Plains Community College ranks 4<sup>th</sup> out of 11
- Northeast Community College ranks 4<sup>th</sup> out of 11
- Southeast Community College ranks 5<sup>th</sup> out of 11
- Western Nebraska Community College ranks 3<sup>rd</sup> out of 11

More detailed information can be found in the appendix beginning on page 48.

### Property Tax Income per FTE Student at Nebraska's Community Colleges 2003-04 to 2013-14



From 2003-04 to 2013-14, property tax income per full-time equivalent student at Nebraska's community colleges increased:

- 139% at Central Community College
- 101% at Northeast Community College
- 83% at Mid-Plains Community College
- 48% at Southeast Community College
- 30% at Western Nebraska Community College
- 18% at Metropolitan Community College

From 2008-09 to 2013-14, property tax income per full-time equivalent student at Nebraska's community colleges:

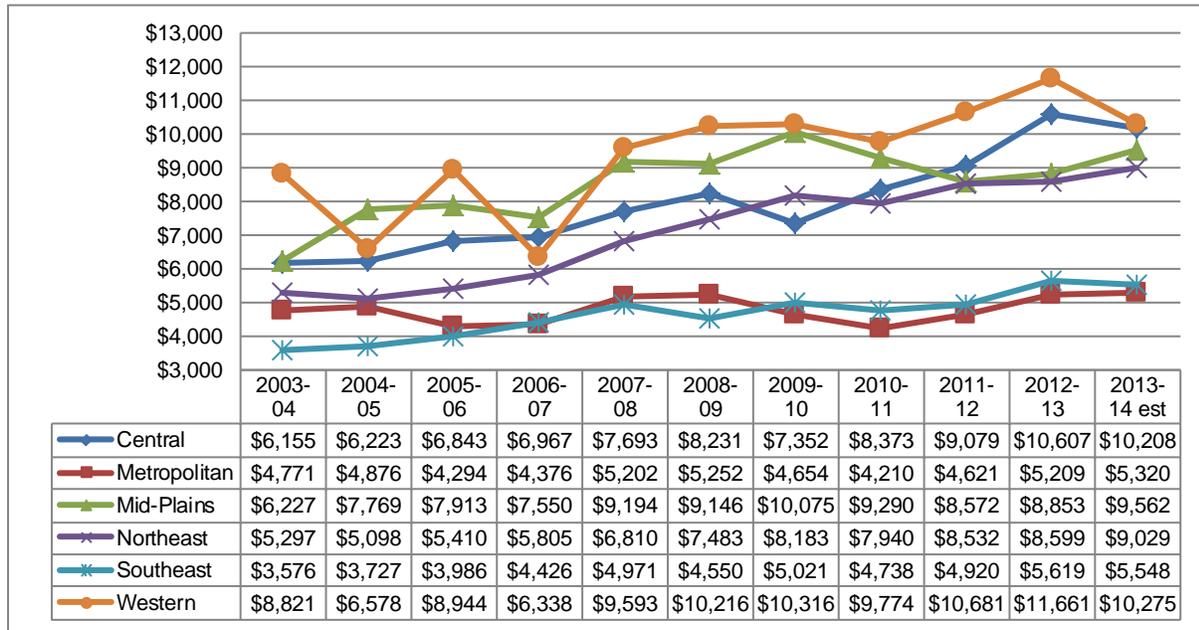
- increased 61% at Central Community College
- increased 42% at Northeast Community College
- increased 28% at Western Nebraska Community College
- increased 26% at Mid-Plains Community College
- increased 9% at Southeast Community College
- increased 8% at Metropolitan Community College

For property tax income per full-time equivalent student in 2013-14, when compared to their peers:

- Central Community College ranks 1<sup>st</sup> out of 11
- Metropolitan Community College ranks 4<sup>th</sup> out of 11
- Mid-Plains Community College ranks 2<sup>nd</sup> out of 11
- Northeast Community College ranks 2<sup>nd</sup> out of 11
- Southeast Community College ranks 5<sup>th</sup> out of 11
- Western Nebraska Community College ranks 5<sup>th</sup> out of 11

More detailed information can be found in the appendix beginning on page 48.

### State Appropriation and Property Tax Income per FTE Student at Nebraska's Community Colleges 2003-04 to 2013-14



From 2003-04 to 2013-14, state appropriations and property tax income per full-time equivalent student at Nebraska's community colleges:

- increased 70% at Northeast Community College
- increased 66% at Central Community College
- increased 55% at Southeast Community College
- increased 54% at Mid-Plains Community College
- increased 16% at Western Nebraska Community College
- increased 12% at Metropolitan Community College

From 2008-09 to 2013-14, state appropriations and property tax income per full-time equivalent student at Nebraska's community colleges:

- increased 24% at Central Community College
- increased 22% at Southeast Community College
- increased 21% at Northeast Community College
- increased 5% at Mid-Plains Community College
- increased 1% at Metropolitan Community College
- increased 1% at Western Nebraska Community College

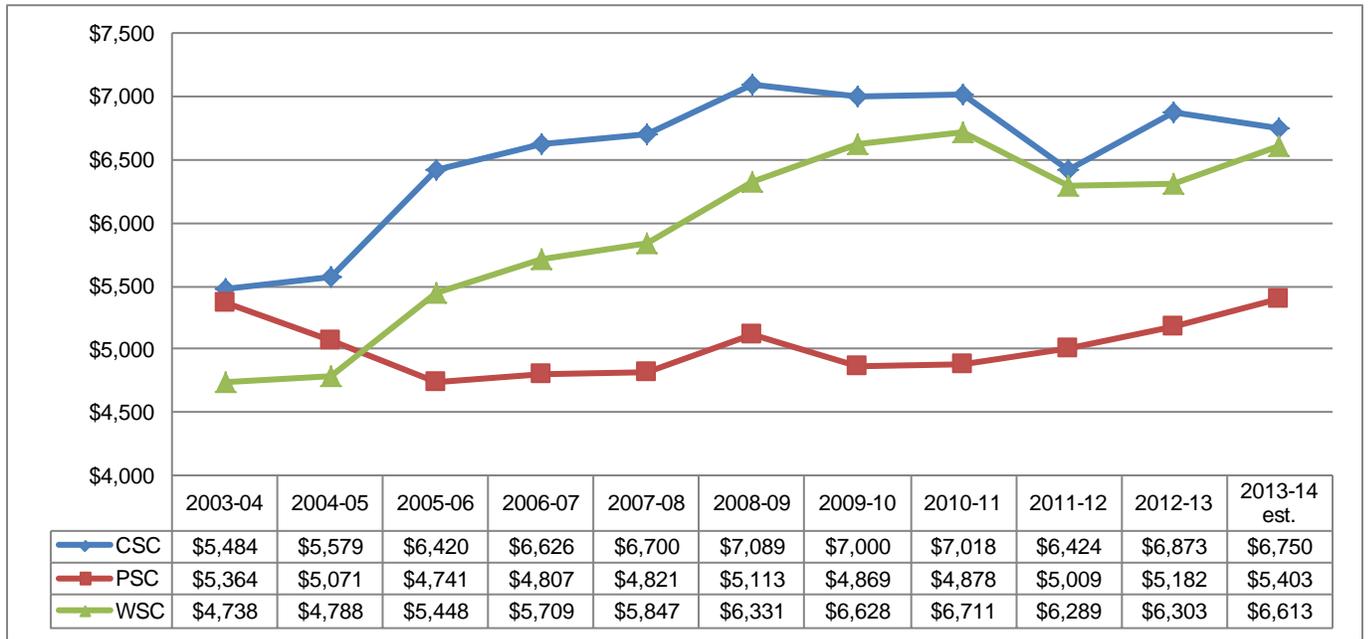
For state and local appropriation per full-time equivalent student in 2013-14, when compared to their peers:

- Central Community College ranks 2<sup>nd</sup> out of 11
- Metropolitan Community College ranks 4<sup>th</sup> out of 11
- Mid-Plains Community College ranks 2<sup>nd</sup> out of 11
- Northeast Community College ranks 3<sup>rd</sup> out of 11
- Southeast Community College ranks 4<sup>th</sup> out of 11
- Western Nebraska Community College ranks 2<sup>nd</sup> out of 11

More detailed information can be found in the appendix beginning on page 48.

**State Colleges**

**State Appropriation per FTE Student at Nebraska's State Colleges  
2003-04 to 2013-14**



From 2003-04 to 2013-14, state appropriations per full-time equivalent student at Nebraska's state colleges:

- increased 40% at Wayne State College
- increased 23% at Chadron State College
- increased 1% at Peru State College

From 2008-09 to 2013-14, state appropriations per full-time equivalent student at Nebraska's state colleges:

- increased 6% at Peru State College
- increased 4% at Wayne State College
- **decreased** 5% at Chadron State College

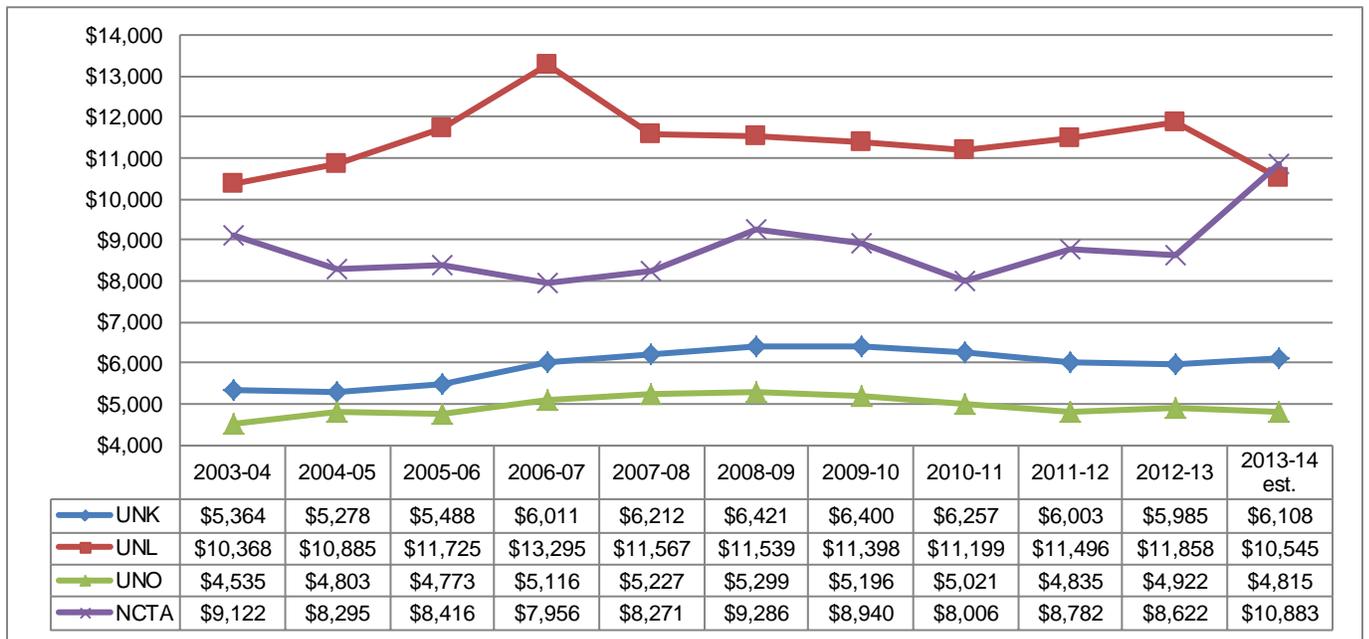
For state appropriation per full-time equivalent student in 2013-14, when compared to their peers:

- Chadron State College ranks 3<sup>rd</sup> out of 10
- Peru State College ranks 4<sup>th</sup> out of 11
- Wayne State College ranks 3<sup>rd</sup> out of 10

More detailed information can be found in the appendix beginning on page 223.

University of Nebraska

**State Appropriation per FTE Student at the University of Nebraska Campuses  
(excluding UNMC) 2003-04 to 2013-14**



From 2003-04 to 2013-14, state appropriations per full-time equivalent student at the University of Nebraska campuses:

- increased 19% at the Nebraska College of Technical Agriculture
- increased 14% at the University of Nebraska at Kearney
- increased 6% at the University of Nebraska at Omaha
- increased 2% at the University of Nebraska-Lincoln<sup>1</sup>

From 2008-09 to 2013-14, state appropriations per full-time equivalent student at the University of Nebraska campuses:

- increased 17% at the Nebraska College of Technical Agriculture
- **decreased** 5% at the University of Nebraska at Kearney
- **decreased** 9% at the University of Nebraska-Lincoln
- **decreased** 9% at the University of Nebraska at Omaha

<sup>1</sup> Note: UNL has a far higher percentage of graduate students than the Kearney and Omaha campuses.

For state appropriation per full-time equivalent student in 2013-14, when compared to their peers:

- the University of Nebraska at Kearney ranks 3<sup>rd</sup> out of 10
- the University of Nebraska-Lincoln ranks 3<sup>rd</sup> out of 13
- the University of Nebraska at Omaha ranks 5<sup>th</sup> out of 10

More detailed information can be found in the appendix beginning on page 262.

One of the major statewide goals in Nebraska's *Comprehensive Plan* states that:

Nebraska will value higher education and support its investment in public higher education through fair and reliable funding policies that provide appropriate levels of support to enable institutions to excel and meet the educational needs of the State and its students (Coordinating Commission for Postsecondary Education, 2000).

The State of Nebraska has been strongly supportive of higher education. In direct financial terms, in FY14 Nebraska's appropriation of state tax dollars for higher education operating expenses was \$688,173,035. This represents a 4 percent increase over FY13. The nation averaged a 6 percent increase from FY13 to FY14.

Additionally, the \$688,173,035 represents a 6 percent increase over five years (FY09 to FY14) when stimulus funds are taken into account, which places Nebraska 6<sup>th</sup> in the nation for that period. Nationally, states decreased their appropriations by an average of 4 percent during that same period. When stimulus funds are not taken into account, the nation saw a total 1 percent decrease in funding for higher education; Nebraska ranked 7<sup>th</sup> in the nation (note: Nebraska did not apply any of its federal stimulus funds directly to postsecondary education) (Center for the Study of Education Policy, 2014).

Other ways to measure a state's investment in higher education include appropriations per \$1,000 in personal income, and appropriations per capita. For FY14, Nebraska's appropriation per \$1,000 of personal income was \$8.07, which is an increase over FY13's funding per \$1,000 of personal income from \$7.92. The \$8.07 ranked Nebraska 9<sup>th</sup> in the nation and was significantly higher than the national average of \$5.45. (Center for the Study of Education Policy, 2014)

Additionally, for FY14, Nebraska's appropriation per capita was \$368.30, an increase over FY13's amount of \$355.50. The FY14 amount was significantly higher than the national average of \$241.66 and ranked Nebraska 7<sup>th</sup> in the nation. (Center for the Study of Education Policy, 2014).