

STATE INVESTMENT

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, 2016).

From FY11 to FY15, when looking strictly at state funds, only 12 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 21 states saw a decrease in higher education funding. However, funding for higher education is looking positive. From FY14 to FY15, only eight states decreased their funding for higher education. (Center for the Study of Education Policy, 2016).

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

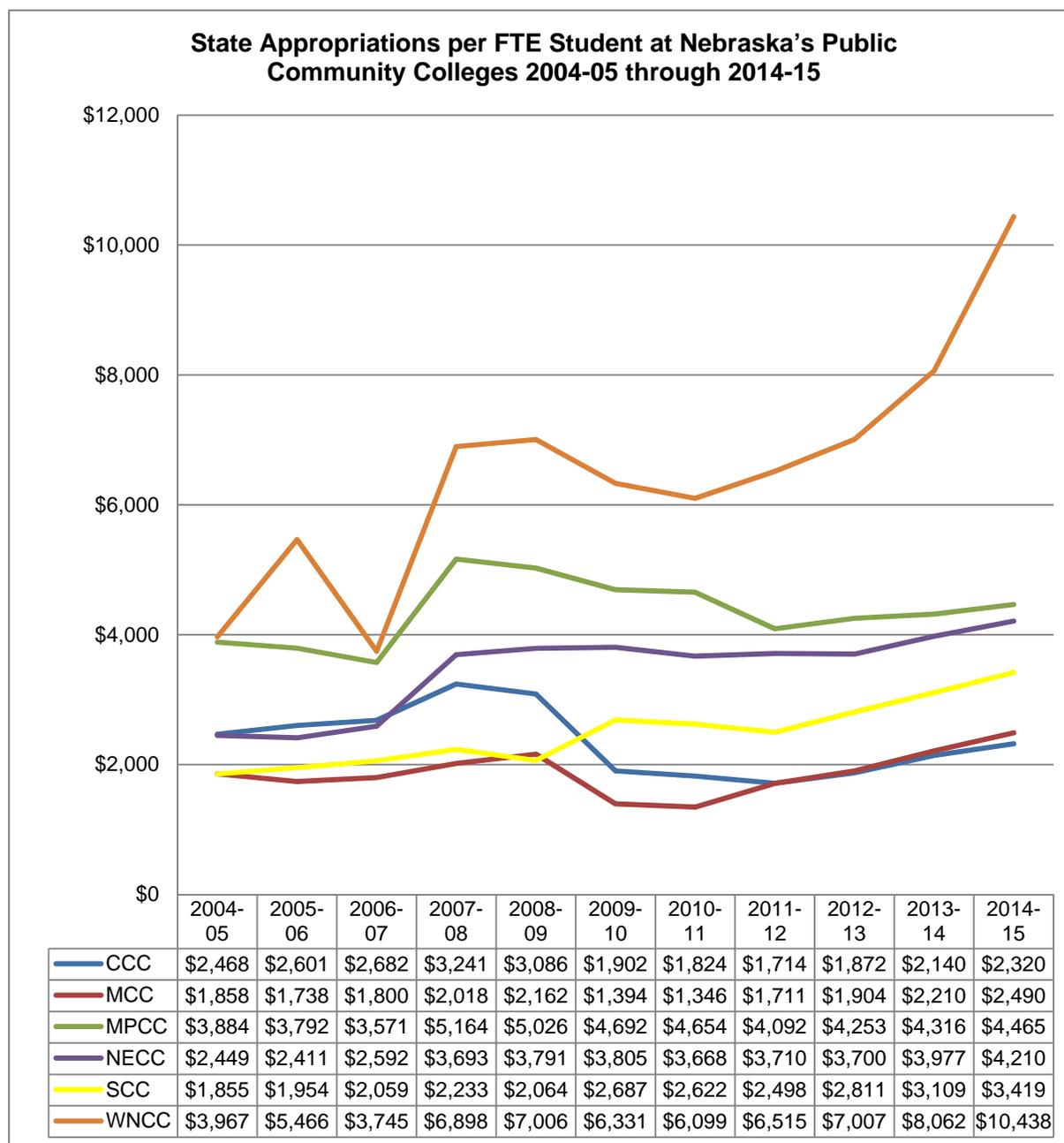
Appropriations Comparisons within the State

The following information looks at state appropriations per full-time equivalent (FTE) student. The dollar amounts exclude funds appropriated or re-appropriated for tuition and capital appropriations. To arrive at the appropriations per full-time student, the base state appropriations 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 appropriations and property taxes are added together to derive a total state-and-local appropriations per full-time equivalent student within the community college sector.

During the appropriation process, the six community college areas request increases to the base appropriation. The Legislature takes these requests as well as economic and financial factors into consideration when determining an overall amount to appropriate to the six community college areas. This overall appropriation is then allocated to each area based on a statutory formula. Individual community colleges do not receive specific appropriations from the Legislature. The state college system and the University system also request increases to their respective base appropriations based on specific needs. Much like the community college process, the Legislature takes these requests as well as economic and financial factors into consideration when determining an amount to appropriate for the state college system and an amount to appropriate for the University system. The respective governing boards then allocate a portion of the appropriation to individual campuses. The Legislature has, on occasion, set aside funding for specific purposes that can only be used for that purpose.

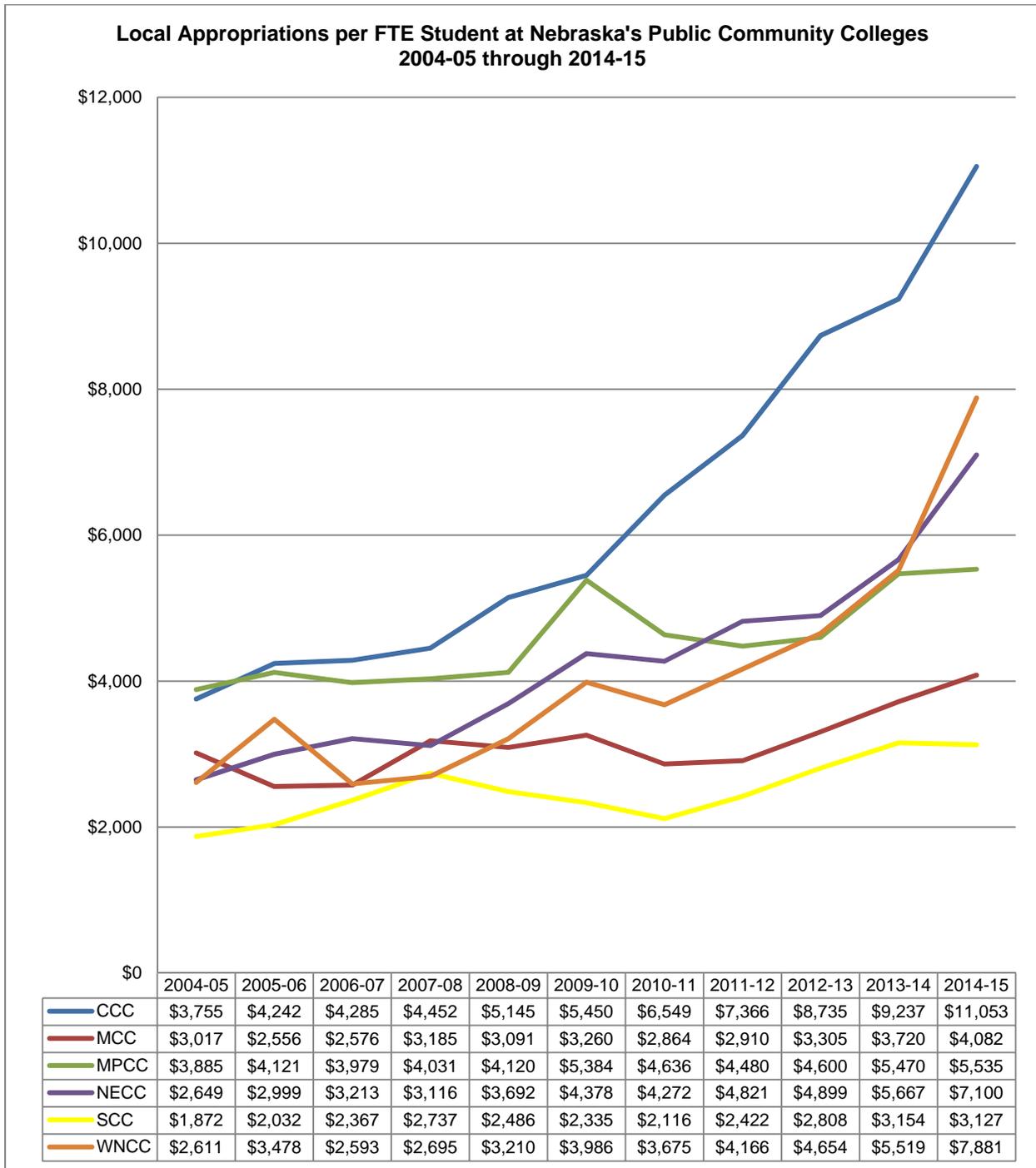
Community Colleges



From 2004-05 to 2014-15, state appropriations per full-time equivalent student at Nebraska's community colleges:

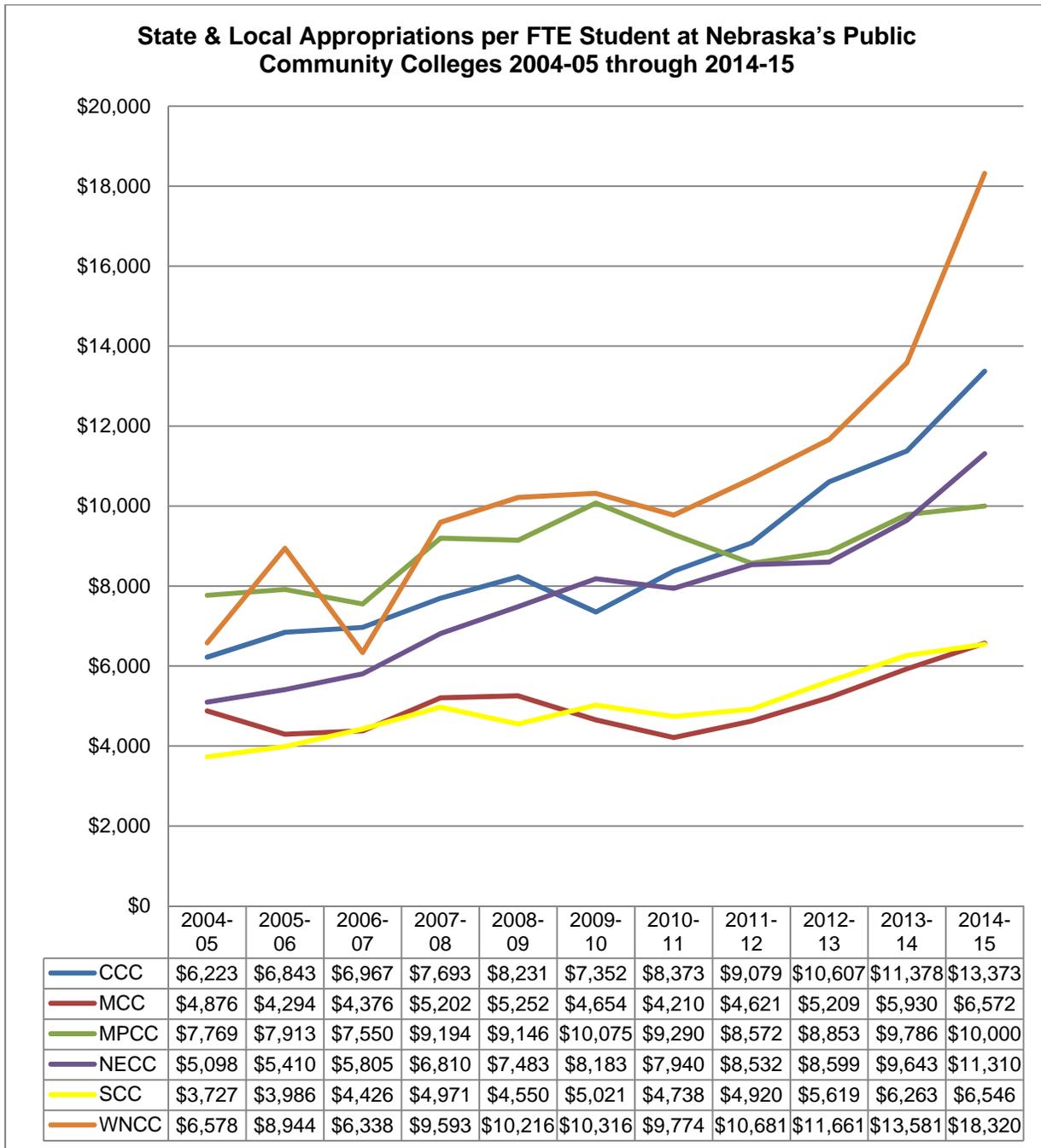
- increased 163% at Western Nebraska Community College¹
- increased 84% at Southeast Community College
- increased 72% at Northeast Community College
- increased 34% at Metropolitan Community College
- increased 15% at Mid-Plains Community College
- *decreased* 6% at Central Community College

¹ WNCC reclassification of some credit-bearing courses to non-credit in 2014-15 affects this measure.



From 2004-05 to 2014-15, local appropriations per full-time equivalent student at Nebraska's community colleges increased:

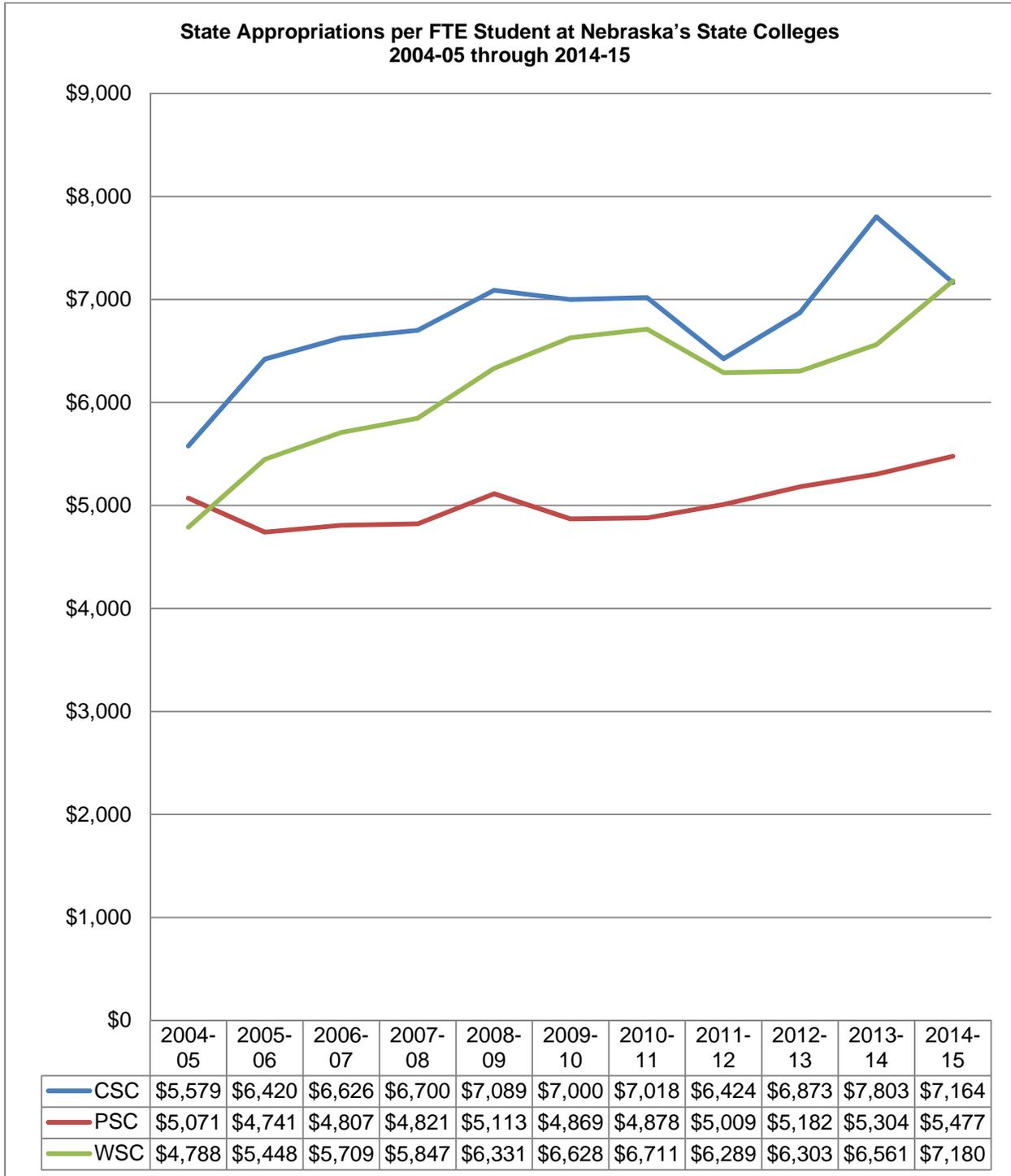
- 202% at Western Nebraska Community College
- 194% at Central Community College
- 168% at Northeast Community College
- 67% at Southeast Community College
- 42% at Mid-Plains Community College
- 35% at Metropolitan Community College



From 2004-05 to 2014-15, state and local appropriations per full-time equivalent student at Nebraska's community colleges increased:

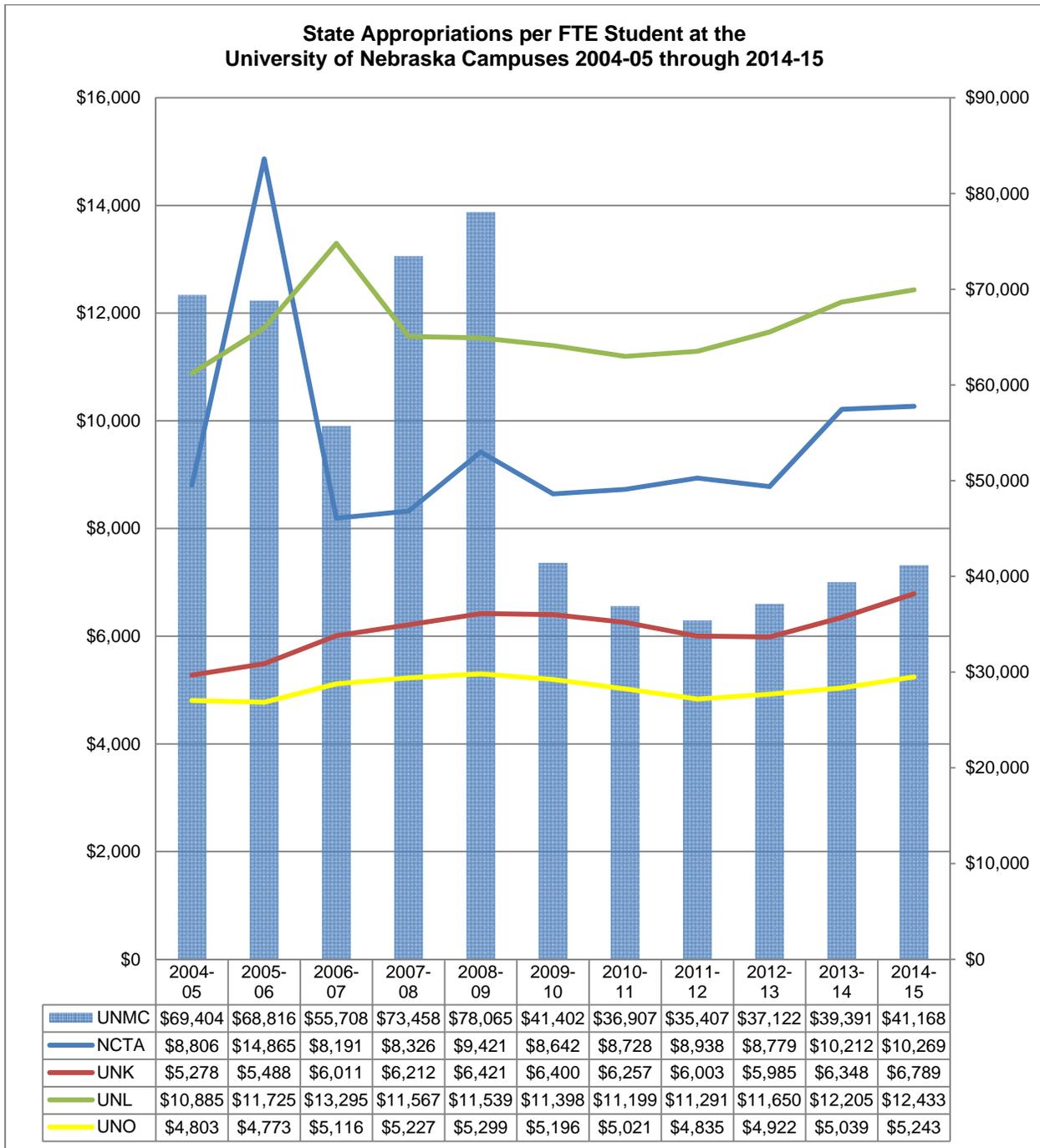
- 178% at Western Nebraska Community College
- 122% at Northeast Community College
- 115% at Central Community College
- 76% at Southeast Community College
- 35% at Metropolitan Community College
- 29% at Mid-Plains Community College

State Colleges and University of Nebraska Campuses



From 2004-05 to 2014-15, state appropriations per full-time equivalent student at Nebraska's state colleges increased:

- 50% at Wayne State College
- 28% at Chadron State College
- 8% at Peru State College



From 2004-05 to 2014-15, state appropriations per full-time equivalent student at the University of Nebraska campuses¹:

- increased 29% at the University of Nebraska at Kearney
- increased 17% at the Nebraska College of Technical Agriculture
- increased 14% at the University of Nebraska – Lincoln
- increased 9% at the University of Nebraska at Omaha
- *decreased* 41% at the University of Nebraska Medical Center

¹ The decrease in 2009-10 was likely due to the change in how FTE was calculated for students formerly classified as first-professionals.

Appropriations Comparisons with Other States

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, 2016).

The State of Nebraska has been strongly supportive of higher education. In direct financial terms, in FY15 Nebraska's appropriation of state tax dollars for higher education operating expenses was \$717,198,058. This represents a 4.2 percent increase over FY14. The nation averaged a 5.2 percent increase from FY14 to FY15.

Additionally, the \$717,198,058 represents an 11.8 percent increase over five years (FY10 to FY15). When stimulus funds are taken into account Nebraska ranks 10th in the nation for that period. Nationally, states increased their appropriations by an average of 3.4 percent during that same period. When stimulus funds are not taken into account, the nation saw a 9.6% increase in funding for higher education; Nebraska ranked 16th 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, 2016).

Other ways to measure a state's investment in higher education include appropriations per \$1,000 in personal income and appropriations per capita. For FY15, Nebraska's appropriation per \$1,000 of personal income was \$8.05, which is an increase over FY14's funding per \$1,000 of personal income from \$7.83. The \$8.05 ranked Nebraska 10th in the nation and was significantly higher than the national average of \$5.55. (Center for the Study of Education Policy, 2016)

Additionally, for FY15, Nebraska's appropriation per capita was \$381.18, an increase over FY14's amount of \$368.21. The FY15 amount was significantly higher than the national average of \$254.48 and ranked Nebraska 7th in the nation. (Center for the Study of Education Policy, 2016).