

LB 340 Community College Study

Prepared by
Nebraska's Coordinating Commission for
Postsecondary Education
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Nebraska Community Colleges

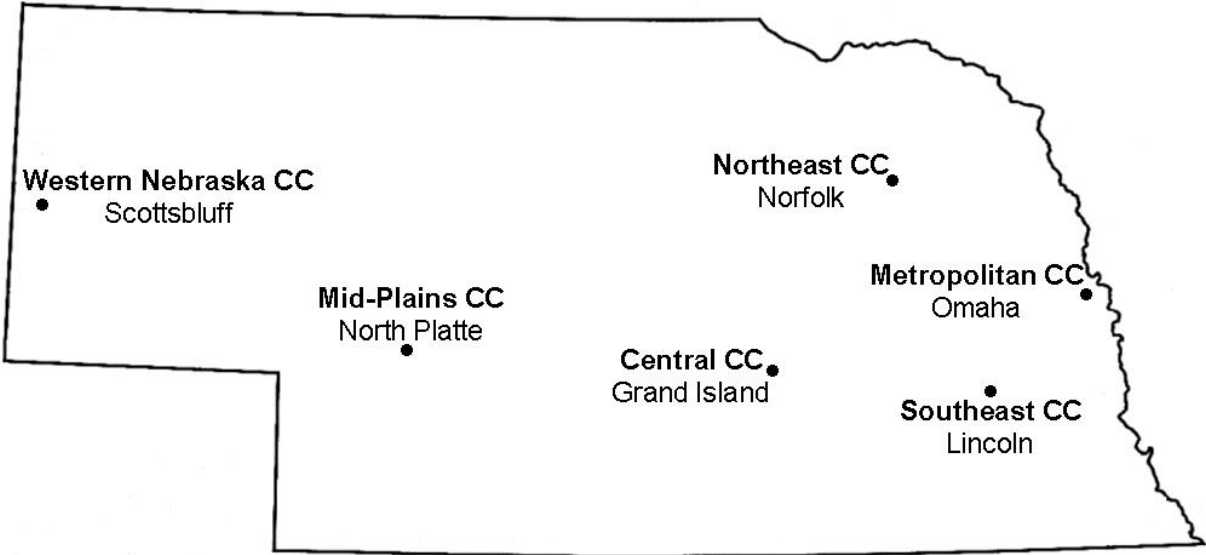


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Executive summary

Background of the study

The 101st Nebraska Legislature, in LB 340, assigned to the Coordinating Commission for Postsecondary Education a study of several aspects of Nebraska's community colleges. Those aspects were:

- 1) the need for changes to the colleges' existing statutory role and mission;
- 2) changes in the weighting of courses that may be necessary for reimbursable educational units to properly reflect the role and mission of Nebraska community colleges and the cost of providing such courses;
- 3) powers, duties and mission of the Nebraska Community College Association or its successor and whether membership in such an organization should be required;
- 4) consequences for failing to satisfy current community college association requirements contained in section 85-1502 of Nebraska Statutes; and
- 5) state coordination of community colleges in the absence of a community college association or membership therein.

Introduction

America's community colleges enroll about seven million students in the fall and 10 million throughout the year, making them the largest sector of American higher education. And, as envisioned by President Harry S. Truman's Commission on Higher Education 62 years ago, they remain institutions of choice (or necessity) for many students. Less-affluent students, in particular, benefit from lower costs. Students (and families) of all income levels see an opportunity to complete two years of a four-year degree at significantly lower cost than at a four-year institution. Underprepared students in particular receive more focused attention than they might in institutions with higher expectations for student preparation. And students who know that they want to be auto mechanics, veterinary assistants, or computer network technicians find a ready, clear and fairly short path to those and other occupations.

Projections vary, but it appears that by 2012, 90 percent of the country's fastest-growing jobs, 60 percent of all new jobs, and 40 percent of manufacturing jobs will require some form of postsecondary education.

Beyond the requirements of the workforce, living well, understanding and contributing to the solution of increasingly complex social and environmental problems, and meeting responsibilities to ourselves, our families, and our nation require as much knowledge capital as we can assemble. If retiring, well-educated Baby Boomers are not replaced by equally well-educated citizens, we face erosion of that capital. At present, we are not meeting that requirement.

There is now national consensus that community colleges must play a major role in ensuring that the United States has a population educated to the extent necessary for success in an increasingly competitive, global, and knowledge-based economy. That consensus has developed among higher education policy leaders, analysts and consultants, and state and national government. It is clear that community colleges must continue to play such a role in Nebraska.

The role and mission of Nebraska's community colleges

The Legislature has asked the Coordinating Commission to recommend whether changes should be made to the statutory role and mission of Nebraska's community colleges. Nebraska has six community college areas, each overseen by a locally elected board of governors. In the fall of 2008, headcount enrollment for the six colleges was 43,146 students, making them the second-largest sector of Nebraska postsecondary education.

Before addressing any need for changes, the Coordinating Commission reviewed role and mission provisions for community colleges in 14 states. Midwestern states, states with recent policy initiatives, and states with particularly mature community college systems were chosen for close investigation.

Community college practices are largely common throughout the country. Except for Nebraska's inclusion of applied research, the roles and missions assigned to Nebraska's community colleges are consistent with assignments to community colleges in many other states. Nebraska community colleges' major responsibilities – career/technical education, foundations education (often called developmental or remedial education), courses and two-year programs designed for transfer to four-year institutions, adult basic education, training and support for business and economic development, and personal enrichment courses – are common assignments for community colleges in our region and throughout the country. That commonality likely exists because those responsibilities directly respond to widely acknowledged needs, needs that community colleges are well positioned to fill.

Compared to those of the closely examined states, Nebraska's role and mission statues are remarkably clear in laying out the responsibilities of its community colleges. Nebraska's degree of direction is helpful, especially because it identifies and places foremost the colleges' responsibility for delivering career/technical education, the activity that most differentiates Ne-

braska's community colleges from other sectors of public postsecondary education. The Coordinating Commission agrees with the existing priorities.

Nebraska's community colleges each address their statutorily assigned responsibilities. Because the colleges and their service areas vary by size, environment (rural, urban), student demographics, community size, and other characteristics, one would expect each responsibility to represent varying degrees of each college's total workload. That is indeed the case. Nevertheless, the colleges continue to emphasize their assigned first priority of career and technical education. Although career/technical education makes up a *different percentage* of each college's instructional activity, it is the largest category of instruction offered by each college and for the six colleges as a group.

Summary and recommendations — role and mission

- The Coordinating Commission finds that the existing role and mission statutes for Nebraska's community colleges are centered within national practice, appropriately comprehensive, responsive to the state's needs, and helpful in establishing priorities. Yet it has been 16 years since most of these statutes were last revised, and it is timely to consider a few additions that address changing conditions and needs within the state.
- The Coordinating Commission recommends adding the following points to the community colleges' statutory role and mission provisions:
 - Encourage the community colleges to continue cooperation with the state's elementary and secondary schools to improve student preparation for college and the workforce;
 - Encourage the community colleges to continue offering appropriate dual enrollment/dual credit courses to students in their areas, with special attention to enabling full participation by low-income students;
 - Encourage the community colleges to adopt proven or promising approaches to meeting the remedial and foundations education needs of their students and to develop transparent reporting of outcomes.
- The Coordinating Commission recommends that appropriate instruments be developed to measure the colleges' effectiveness in addressing their role and mission assignments. Particular attention should be given to metrics that directly relate to student success. The Legislature should direct the Coordinating Commission, working with the colleges, to create, adopt, and report such measurements to the Legislature in the Commission's *2011 Higher Education Progress Report* and annually thereafter.

Coordination of Nebraska's community colleges and related topics

In Nebraska, statewide coordination duties for all public sectors of postsecondary education have been assigned by the state constitution and statutes to the Nebraska Coordinating Commission for Postsecondary Education. These coordinating responsibilities apply to all public postsecondary sectors. In addition, state statutes specify that coordination of the community colleges by the Coordinating Commission be conducted through an association of the community college boards, and further, that such association shall provide a variety of coordination services affecting the six community colleges. The Nebraska Community College Association is currently fulfilling that role.

The Coordinating Commission carries out several key duties that affect Nebraska's community colleges, as well as other higher education sectors. Those duties include: creating and maintaining a statewide comprehensive plan for Nebraska higher education; approving or denying the offering of new academic programs and the continuation of existing ones; approving or denying facilities proposals that rely on tax funds; reviewing and modifying budget requests of four-year public institutions; administering Nebraska's need-based financial aid programs; conducting research and publishing reports on postsecondary education; and making recommendations to the Governor and Legislature on institutions' budget requests.

Nebraska statutes acknowledge the benefits of statewide coordination and collaboration, set forth mechanisms (the Coordinating Commission and tasks assigned to an "association"), and distinguish among: 1) statewide coordination, 2) coordination and collaboration among the community colleges, and 3) governance of each community college.

The Commission is not aware of any other state that statutorily assigns any state coordination responsibilities to a non-governmental association comprised of and funded by the colleges themselves. The Board of Directors of the Nebraska Community College Association is comprised of two representatives from each of the six colleges' locally elected boards of governors. That structure naturally tends to reinforce institutional, rather than statewide, interests.

In other states, coordination "services" contained in Nebraska statutes are typically carried out by entities directly established and funded by state government. The limited duties assigned to the "association" by Nebraska Statutes are among the range of tasks commonly assigned to statewide community college coordinating boards, as found in about a dozen states, or statewide community college governing boards, found in eight states, or to statewide higher education boards (11 states).

Summary and recommendations — coordination and related topics

The Coordinating Commission finds that mechanisms for statewide coordination of community colleges vary widely across the country, demonstrate no particular dominance of one approach over another, and change with some frequency. It also finds that Nebraska's approach to state

coordination of community colleges is shared by no other state. Specifically, we are unaware of any other state that assigns any role in state coordination of community colleges to a non-government entity made up of representatives of the colleges themselves.

The Commission supports local governance of the community colleges. But the Commission finds that the state and its citizens would benefit from more effective statewide coordination of certain of the colleges' activities. Achieving those goals appears to be a reasonable expectation and benefit, given the state's provision of significant amounts of state aid to the colleges (\$88.6 million in FY 2008-2009). Issues that would benefit from greater coordination include: legislatively-intended allocation of state aid among the six community colleges; effective remedial and foundations education by the community colleges; and the creation, monitoring, and reporting of appropriate measurements of community college performance and student success.

Consequently, the Commission recommends the following:

- *Governance.* The community colleges' boards of governors should continue to carry out their current governance functions.
- *Coordination.* The Coordinating Commission's existing duties and responsibilities in regard to the community colleges and their statewide coordination should be retained. Responsibility for state coordination of the following three limited tasks relating to community colleges should be assigned to a state entity or entities.
 - Legislatively-intended allocation of state aid among the six colleges
 - In addition to clarifying terms and processes in the current allocation methodology, the Legislature should assign certain on-going responsibilities to a state entity to support the integrity of the formula. These include the authority to ensure that academic courses receive the appropriate "weighting" (if that methodology is continued) and that periodic reviews of the appropriateness of those weightings are carried out. If the state moves from a course-weighting system to a program-weighting system, as the Commission recommends, that approach will require similar oversight and review. If courses remain the unit of weighting, a state entity should be given explicit authority to oversee and approve the assigning and periodic review of course weights.
 - Authority to resolve disputes and to ensure accurate reporting of data should be provided to some state entity, perhaps the Department of Revenue, which currently has responsibility for administering formula calculations.
 - Effective remedial and foundations education
 - Estimates of national remediation rates at public two-year institutions

range from 42% to 61%. Nebraska's community colleges have acknowledged similar percentages for their entering students. A state entity should be given authority to coordinate approaches to this work to ensure the application of proven or promising practices to the problem and the reporting of foundations instructional effectiveness.

- Creation, monitoring, and reporting of appropriate measurements of community college performance and student success
 - The Commission recommends that appropriate instruments to measure the community colleges' performance in response to their role and mission assignments be developed and periodically reported to the Legislature and Governor. Measurements should be comprehensive (though limited in number), developed with the full participation of all community colleges, and collected and reported for each of the community colleges. A state entity should be provided the explicit authority and additional resources needed to carry out these tasks.

Who should carry out these additional coordinating tasks?

Additional responsibilities for state coordination of community colleges should be assigned to a state entity. We urge that the state give serious consideration to creating a statewide community college council to carry out that limited but important purpose. Such a council would provide an organizational parallel to the boards that currently govern the University of Nebraska and the Nebraska State College System, but it would have fewer responsibilities and less authority over the community colleges than those boards do over the institutions they govern. The locally controlled boards would continue to have the authority to set tuition and fees, set local property tax levies, hire presidents, and carry out other specific, locally controlled governing functions.

A statewide community college council should have a statewide perspective, reinforced through having its membership include responsible individuals appointed by the Governor and confirmed by the Legislature. Such a council could be funded through the annual re-allocation of less than one percent of the state's annual provision of state aid to the community colleges. This council approach would maintain primacy of the Coordinating Commission's charge to ensure statewide coordination across postsecondary sectors and avoid what could be perceived as conflicts of interest between responsibilities affecting *all* public sectors and special responsibilities and relationships affecting only the community colleges. If the Legislature chooses this approach, the Coordinating Commission would be pleased to provide assistance to that new entity.

If the Legislature does not favor that approach at the present time, the Commission recommends that the Commission be provided additional, specified authority (and sufficient additional resources) to at least *temporarily* carry out, while working closely with

the colleges, the additional statewide coordination tasks identified in this report: aspects of the provision of state aid to community colleges; expectations for college readiness and the provision of foundations education; and appropriate measurements of community college performance and student success. *The Commission strongly emphasizes that it would need additional resources to add that work to its current responsibilities.* Regardless of the choice the Legislature makes on this question of what entity should carry out additional coordinating duties, the Commission recommends that the effectiveness and workability of the chosen approach be evaluated after a reasonable period of time, perhaps three years.

- *Nebraska Community College Association.* At the determination of the colleges themselves, the NCCA, or any similar successor association, should continue to promote cooperation among the colleges, find meaningful ways for the colleges to share information and work together in the best interests of the state and its citizens, and perform other tasks the association's members find useful. The colleges should choose for themselves whether they wish to be members.

Potential changes to the 'weighting' of courses in the community college funding formula

Funding sources for Nebraska's community colleges

State funding is one of several funding sources available to Nebraska's community colleges. Each institution's tuition, fees, and property tax revenue are direct funding sources; funds raised locally stay with the institution.

Each institution also receives state aid, allocated through a formula. *One aspect* of the formula attempts to reconcile the available resources of an institution (its tuition, fee and property tax revenue) with the resources necessary to provide a reasonable range of services to the population served by each college. Nebraska's community colleges vary widely in size (and, therefore, in tuition and fee revenue) and in their ability to raise property tax revenues. The current approach, overall, is to allow each college to retain all revenues it raises locally through tuition, fees, and property taxes. Those retained funds do, however, figure into the calculation of state aid each college receives.

Formulas are used in 40 states to allocate among individual colleges the funding that legislatures provide to support their state's community colleges. Generally, formulas do not determine the total funding amount that a legislature chooses to provide; rather, once that total amount is set by a legislature, formulas are often used to determine how much of that total amount each institution is to receive.

A common element of formula funding involves determining how much it costs colleges to offer the instruction and other services they provide. The state then uses that information, often

along with other data, to build formulas that will determine how much state funding to provide each individual college.

Some states do these cost studies every few years. Other states rely heavily on work done in other states. Stated as simply as possible, these approaches identify what it costs a college to offer various types of instruction, assign “weights” (in Nebraska terminology) to those courses, and multiply that cost by the number of students served over a specified time period.

Nebraska currently establishes in statutes three weighting categories for the various courses offered by its community colleges. These weighting categories have been in place for many years and were developed through assumptions about and general estimates of the differential costs of providing the three categories of instruction. Until prompted by LB 340, no cost study had been done in Nebraska to verify that the weighting categories are the appropriate ones to use and that the funding ratios/weights are backed up by an examination of actual costs.

To respond to the Legislature’s directive regarding course weightings, the Commission developed a cost study, with data compiled by each community college and submitted to the Commission. Prior to designing the data-gathering methods for the cost study, the Commission closely examined cost studies and other documentation supporting formula-driven allocations to community colleges in 16 states; the Commission looked less closely at the approaches of several additional states. The Commission’s cost study design utilizes what we believe are the best aspects of several states’ studies. As do other states, we have taken a program-based approach, rather than an approach based on courses. That has allowed some degree of comparison with other states’ results.

The Commission’s analysis focused on determining, as nearly as possible, the actual costs of providing reimbursable instructional programs (not all instructional activities of the community colleges qualify for state support), based on data provided by the colleges.

Cost study findings

The state’s three weighting categories are not fully supported by an examination of actual costs incurred by programs (as reported by the institutions).

Although analysis on a program level will, of course, differ to some degree from analysis done at a course level from the program data submitted by the colleges, it is clear that some programs (and, therefore, many of the courses that comprise them) are weighted inappropriately by the three-category system. Some programs have costs that are higher than the relative weights currently assigned to the courses that comprise them; some have costs that are lower. Nevertheless, the Commission believes the state is correct in including in the state aid formula a mechanism to account for the varying costs of various types of instruction.

At a more fundamental level, the weights currently assigned to some courses in the *Combined Course List* maintained by NCCA are inconsistent with the statutory descriptions that accompany those weights. While the current three weighting categories are admirably simple and based on reasonable assumptions, the cost data supplied by the institutions indicate that the three weightings do not capture the full, relative range of institutional costs.

Summary and recommendations — weighting

To respond to the Legislature's questions about possible modifications to the course weightings used in the current calculations of state aid to Nebraska's community colleges, the Coordinating Commission, working with the colleges, carried out a study to determine the instructional and administrative overhead costs of providing the reimbursable instructional programs offered by the institutions.

This was a first-time exercise for the colleges and presented numerous challenges in the collection and analysis of data. Nevertheless, the Commission finds that the available data, and the Commission's other research on these issues, provide a sufficient basis from which to make the following recommendations.

- The Legislature should continue to include in the state aid formula a mechanism to take into account the varying costs of offering different types of instruction.
- The Legislature should consider replacing its current weighting system with a system based on *programs* rather than *courses*. The federal government's CIP codes should be used to categorize those programs.
- Programs should be assigned to one of six "bands," each associated with a weight applicable to all programs within the "band." Recommended "bands" and the programs that comprise them are listed on the next page.
- The Legislature should direct that an updating of the cost study be done every four years; updating should be done prior to every other biennial budget consideration of the Legislature. The Commission recommends that the Legislature at some point fund a comprehensive cost study that would be done by an external entity with broad experience in doing such work for states and postsecondary systems. That more comprehensive approach could provide greater assurance that comparable data were collected from each college and therefore yield better data on which analyses, recommendations, and funding decisions could be based.
- If the Legislature moves to a program-based weighting system, as recommended in this report, the issue of inaccurate course weightings in the *Combined Course List* becomes irrelevant. However, if the Legislature does *not* move to a program-based weighting system, the Legislature should direct that the Coordinating Commission, or some other

Recommended weight ranges

6-Digit CIP Code	Name of Program	Assigned Weight
51.1004	Medical Laboratory Tech.	2.16
52.1907	Vehicle & Vehicle Parts & Accessories Marketing Operations	
51.0802	Dental Hygienist	
12.0401	Cosmetic Serv., Gen.	
41.0101	Biological Technol./Tech.	
51.1601	Nursing (R.N. Training)	
10.0202	Radio & Television Broadcasting Technology/ Technician	1.90
47.0809	Avionics Maintenance Technology/Technician	
51.0908	Respiratory Therapy Tech.	
51.0806	Physical Therapy Assistant	
51.1613	Practical Nurse (L.P.N. Training)	
47.0804	Auto/Automotive Mechanic/Tech.	1.68
47.0803	Auto/Automotive Body Repairer	
51.0901	Dental Assistant	
09.0702	Digital Communication and Media/Multimedia	
48.0303	Lineworker	
15.0201	Civil Engrn. Civil Technol./Tech.	
48.0501	Machinist/Machine Technologist	
51.1699	Nursing Oth.	
47.0605	Diesel Engine Mechanic & Repairer	
51.0909	Surgical/Operating Room Tech.	1.48
49.0205	Truck, Bus & Oth. Commercial Vehicle Operator	
15.1301	Drafting and Design Technology/Technician, General	
48.0499	Construction & Building Finishers & Mgrs., Oth.	
15.0303	Electrical, Electronic & Comm. Engrn. Technol./Tech.	
51.0808	Veterinarian Assistant/Animal Health Technician	
47.0201	Heating Air Conditioning & Refrigeration Mechanic & Repairer	
48.0508	Welder/Welding Technologist	
15.0701	Occupational Safety & Health Technol./Tech.	
19.0101	Home Economics, Gen.	
51.0805	Pharmacy Tech./Assistant	
51.0907	Medical Radiologic Technol./Tech.	
49.9999	Transportation & Materials Moving Workers, Oth.	
01.0901	Horticulture Serv. Op. & Mgmt., Gen.	
48.0303	Upholsterer	
01.0101	Agricultural Business & Mgmt., Gen.	
15.1303	Architectural Drafting and Architectural CAD/CADD	
15.0813	Manufacturing Technology/ Technician	
50.0406	Commercial Photography	
48.0302	Electrician	1.22
38.0101	Leisure and Recreational, General	
50.0502	Technical Theater/Theater Design & Stagecraft	
16.0103	Language Interpretation and Translation	
11.0101	Computer & Information Sciences, Gen.	
24.0101	Liberal Arts & Sciences/Liberal Studies	
52.0401	Administrative Assistant/Secretarial Science, Gen.	
12.0504	Food & Beverage/Restaurant Op. Mgr.	
50.0408	Interior Design	
47.0303	Industrial Machinery Main. & Repairer	
50.0402	Graphic Design, Commercial Art & Illustration	
15.0702	Quality Control Technol./Tech.	
51.1503	Clinical & Medical Social Work	
51.0904	Emergency Medical Technol./Tech.	
22.0302	Legal Assistant/Paralegal	
51.0707	Medical Records Technol./Tech.	
25.0301	Library Assistant	1.00
47.0606	Small Engine Mechanic & Repairer	
48.0401	Building/Property Main. & Mgr.	
19.0708	Child Care and Support Services Management	
51.9999	Health Professions & Related Sciences, Oth.	
32.0101	Basic Skills	
51.0801	Medical Assistant	
80.0001	Academic Transfer (subtotal 801001...802001)	
52.0201	Business Administration & Mgmt., Gen.	
43.0104	Criminal Justice Studies	
43.0203	Fire Science/Firefighting	
75.0001	Remedial Education (subtotal 751001...753001)	
16.0101	Foreign Languages & Literatures Gen.	
16.1603	Sign Language Interpretation and Translation	

agency assigned coordinating authority by the Legislature, working closely with the community colleges, review and approve the weights assigned to courses in the *Combined Course List*. That review and approval should be completed as soon as possible. CIP designations in the *List* should be corrected regardless of any modifications the Legislature does or does not make to the formula.

- The Legislature also asked if course weightings should be changed to properly reflect the role and mission of Nebraska community colleges. The Commission does not recommend modifying the cost-derived weightings of either courses or programs to “properly reflect” any particular aspects of the colleges’ roles and missions. Rather, it recommends that, if the Legislature wants to provide financial incentives for certain roles, missions, or activities, it adopt a more focused, flexible approach. That would involve establishing separate funds that would be distributed to the institutions upon their reaching certain policy goals – the graduation of additional nurses, for example, or significant improvement in getting students through remedial/foundations work and having them successfully complete credit-bearing courses.

Additional issues arising during the course of this study

From two public hearings and from the many letters and communications received during the study, it is clear that the community colleges have broad-based support for the work they do. Several individuals spoke of the importance of retaining “local control” of the community colleges. Several others spoke of the ways in which a community college very positively changed their lives.

Although some individuals expressed general support for the present means of funding the colleges, other individuals conveyed with great passion their dissatisfaction. That dissatisfaction related to: 1) recent disagreements over data submitted by the colleges for the calculation of the current year’s aid, in particular the matter of reported tuition and fees, and 2) broader concerns about the current formula — its philosophical underpinnings, and its underlying policies and statutory provisions. Most of these concerns were expressed by individuals associated with Metro Community College.

The Commission was not directed to study any aspects of the formula beyond the use of weightings. Nevertheless, the Commission cannot avoid observing that Metro Community College’s claims represent serious disagreements with the current formula — disagreements about underlying principles, fundamental policies as set forth in statutes, and definitional and procedural matters affecting the allocation of funds.

Disagreements over higher education funding are frequent and recurrent. Metro’s claims — and the points of view of all of the colleges — deserve appropriate consideration. This disagreement between the community colleges has formed a rift that must be healed.



I. Introduction: Community Colleges and the Priority of Educational Attainment

The time has come to make education through the fourteenth grade available in the same way that high school education is now available.

This means that tuition-free education should be available in public institutions to all youth for the traditional freshman and sophomore years or for the traditional 2-year junior college course.

To achieve this, it will be necessary to develop much more extensively than at present such opportunities as are now provided in local communities by the 2-year junior college, community institute, community college, or institute of arts and sciences. The name used does not matter, though community college seems to describe these schools best; the important thing is that the services they perform be recognized and vastly extended.

Such institutions make post-high-school education available to a much larger percentage of young people than otherwise could afford it. Indeed, . . . such community colleges probably will have to carry a large part of the responsibility for expanding opportunities in higher education.

- Higher Education for Democracy: A Report of the President's Commission on Higher Education. Vol. 1, Establishing the Goals (New York, 1947)

Background and context

Such was the view of the Truman Commission, formed shortly after the Second World War to identify the country's (and, in particular, returning veterans') postsecondary education needs and recommend how those needs could best be met.

Although it's doubtful that many returning veterans read the Truman Commission's report, it's clear that they agreed with its principal conclusion: more Americans should go to college. Taking advantage of benefits

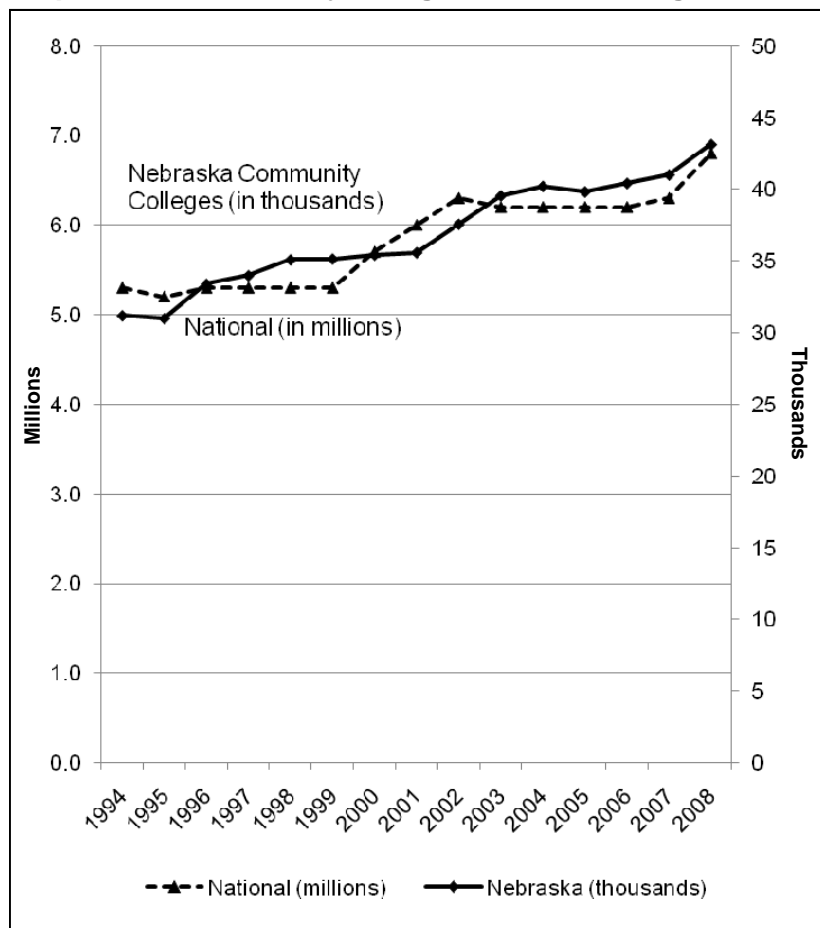
offered through the Veterans' Rehabilitation Act and the G.I. Bill of Rights, the veterans went in record numbers, fueling unprecedented enrollment growth in postsecondary institutions of all kinds.

Because of community colleges' emphasis on accessibility (open admissions, lower costs, ready proximity to where people live), their focus on teaching (rather than research), and their concentration on providing practical, job-targeted skills through shorter-term certificate and degree programs, the rapidly developing community college sector captured a large part of that postwar college enrollment growth. More than 60 years later, and for many of the same reasons, community colleges continue to grow. (see Graphic 1.1)

Modern American community colleges are complex organizations, fulfilling multiple functions and rising in importance within our nation's broad array of postsecondary education institutions. Together, they enroll about seven million students in the fall, and 10 million throughout the year, making them the largest sector of American higher education (see Graphic 1.2, opposite page). And, as envisioned by the Truman Commission, they remain institutions of choice (or necessity) for many students.

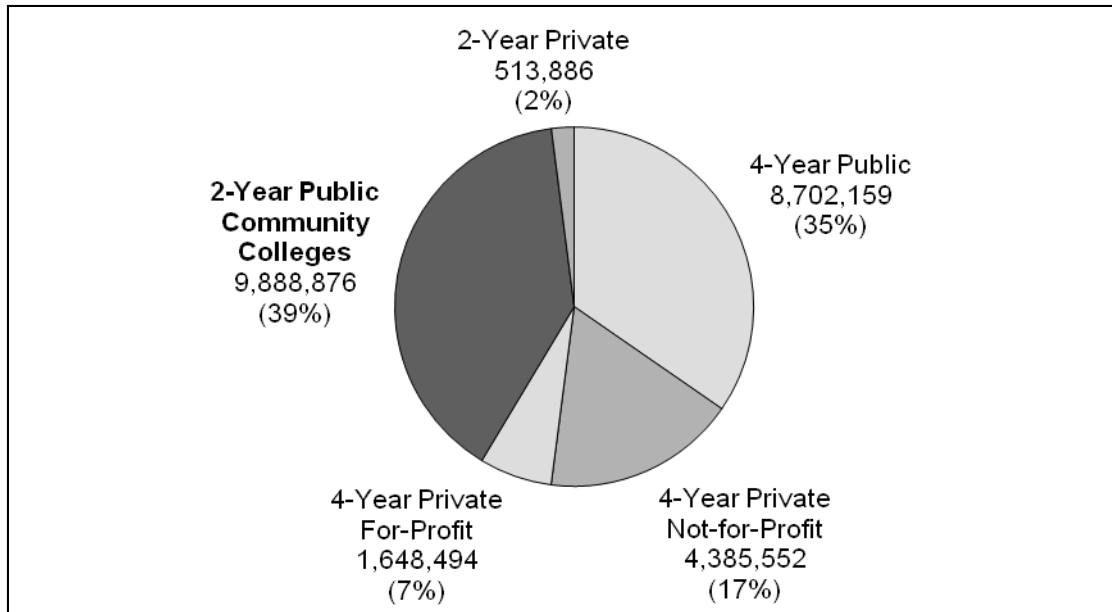
Less-affluent students, in particular, benefit from lower costs. Students (and families) of all income levels see an opportunity to complete two years of a four-year degree at significantly lower cost than at a four-year institution. (See Graphic 1.3, opposite page) Underprepared students (especially) receive more focused attention than they might in institutions with higher expectations for student preparation. And students who know that they want to be auto mechanics, veterinary assistants, or computer network technicians find a ready, clear, and fairly short path to those and other occupations.

Graphic 1.1: Community college fall enrollment growth



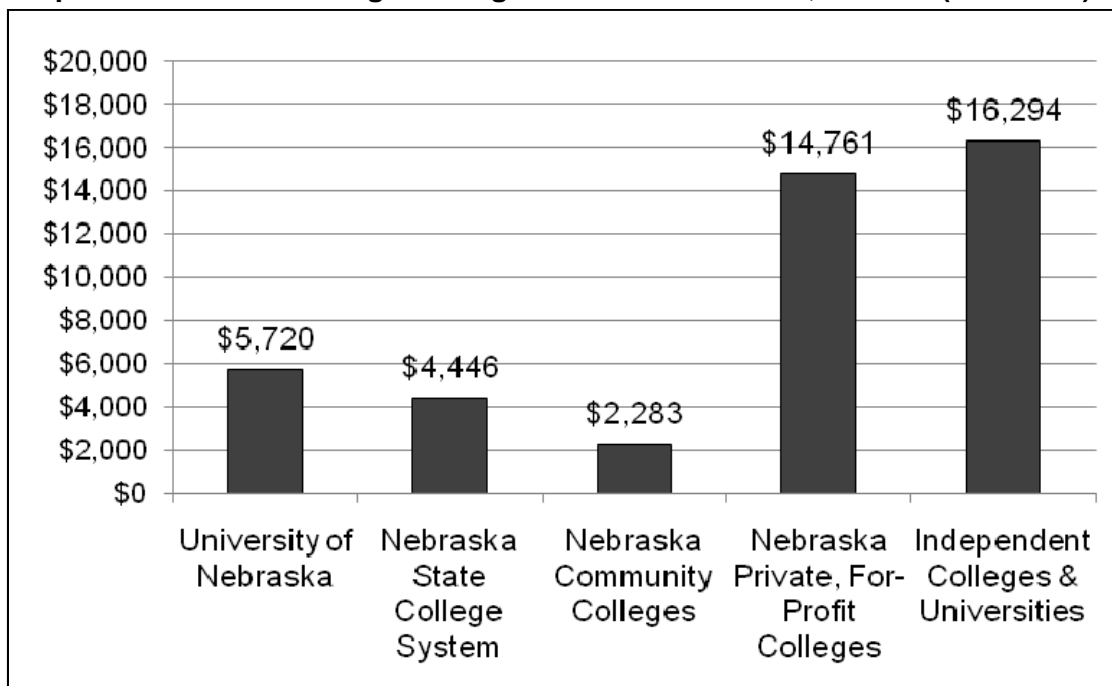
Source: National Center for Education Statistics, Integrated Postsecondary Education Data System (IPEDS). National data summarized by National Center for Higher Education Management Systems (NCHEMS).

Graphic 1.2: 2007-08 community college enrollment (national)



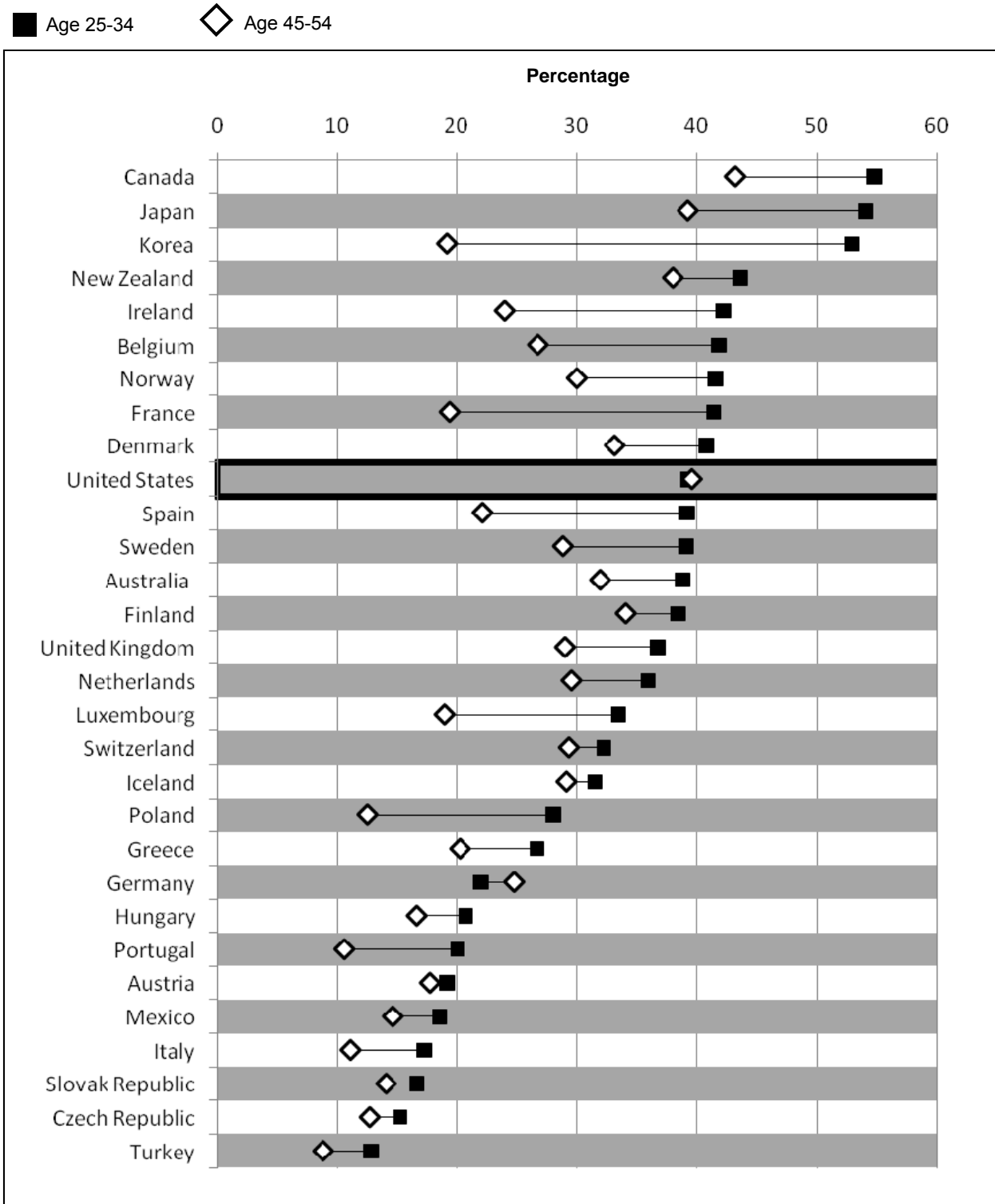
Source: National Center for Education Statistics, Integrated Postsecondary Education Data System (IPEDS) **Note:** The above figures represent 12-month unduplicated headcount.

Graphic 1.3: Annual average undergraduate tuition & fees, 2008-09 (Nebraska)



Source: Nebraska's Coordinating Commission for Postsecondary Education, *2008 Tuition, Fees and Financial Aid Report*, 2008.

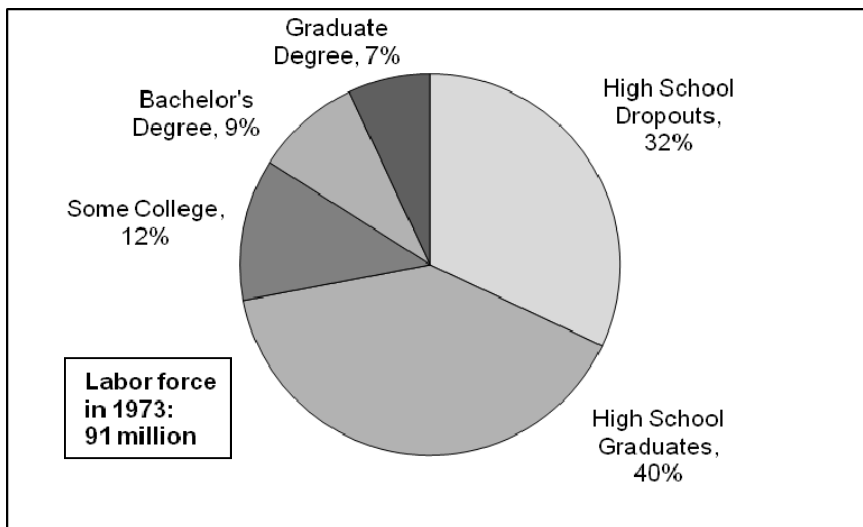
Graphic 1.4: Differences in the percentage of college attainment (associate's degree or higher) by country, age



Source: National Center for Higher Education Management Systems, using Organisation of Economic Co-operation and Development (OECD) data.

More than 60 years after the Truman Commission, the United States faces challenges similar to ones apparent then. Accustomed for many years to having the world's best-educated population, the United States now finds itself trailing many nations in degree attainment. Of the 30 countries that are members of the Organisation for Economic Co-operation and Development (OECD), in 2006 the United States ranked 10th in the percentage of its 25-34 age population that holds a postsecondary credential. Of even greater concern, the United States and Germany are the only two developed countries in which younger people are less well educated than the older population. That's partly because we have failed to add much to the percentage of the American population that holds postsecondary credentials, but it's mostly because many nations have made rapid gains. (See Graphic 1.4, opposite page)

An analysis of our nation's workforce shows an unrelenting increase in educational attainment. Compare the two graphs (Graphics 1.5 and 1.6, below) of the educational status of the American workforce, compiled by Anthony Carnevale of Georgetown University's Center on Education and the Workforce.

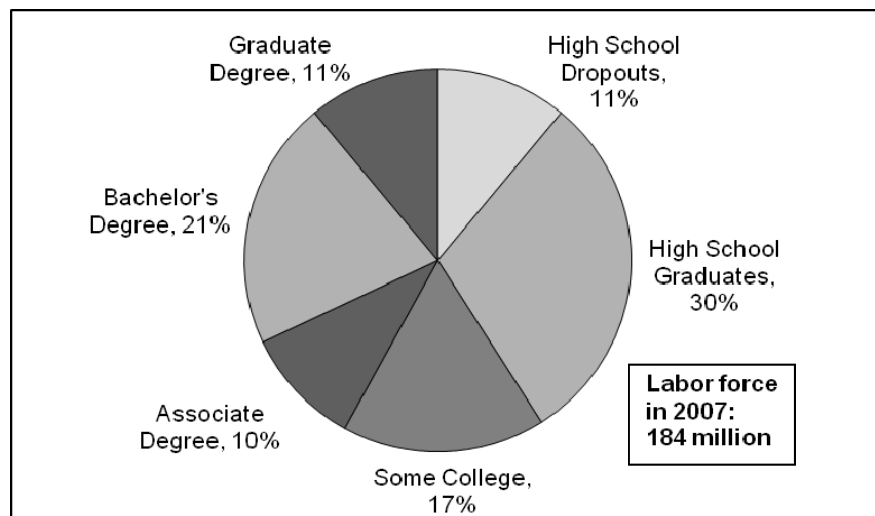


Graphic 1.5:
1973 Educational attainment of the workforce (national)

Source: Analysis of March Current Population Survey (CPS) data, 1973 to present, Center on Education and the Workforce, Georgetown University, forecasts of education demand to 2018.

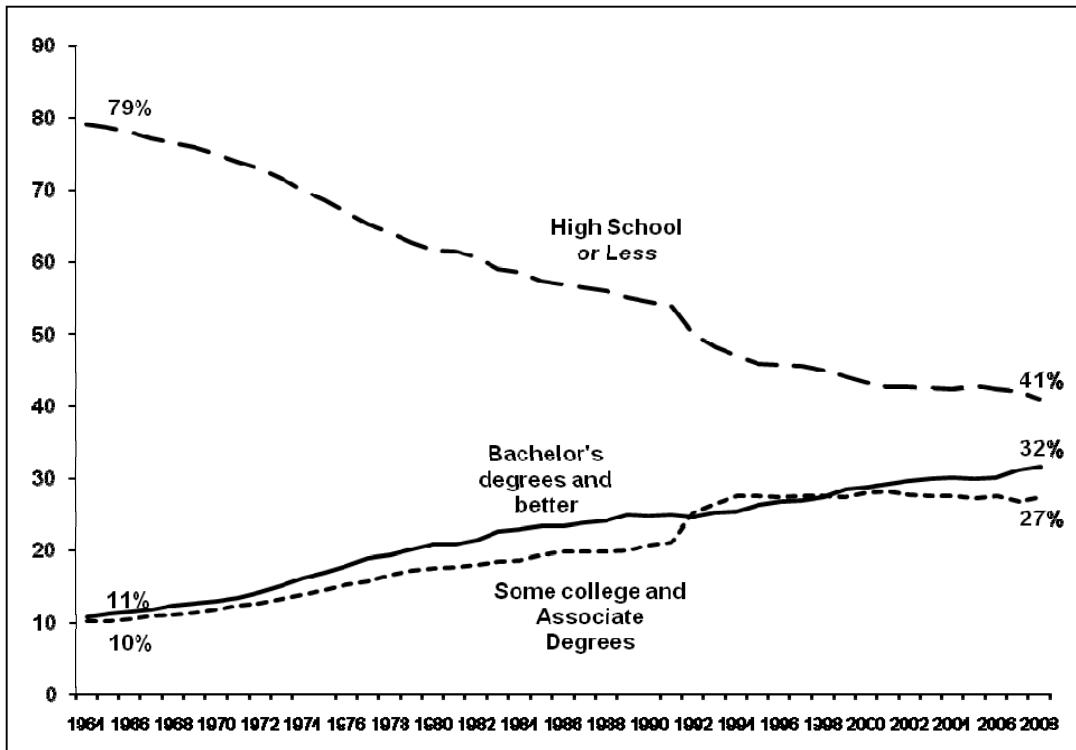
Graphic 1.6:
2007 Educational attainment of the workforce (national)

Source: Analysis of March CPS data, 1973 to present, Center on Education and the Workforce, Georgetown University, forecasts of education demand to 2018.



Maintaining anything like the changes previously demonstrated will be very difficult. Is this something to be concerned about? Nebraska’s Coordinating Commission for Postsecondary Education believes it is. The modern workplace increasingly requires skilled, flexible, creative, and well-educated workers. (See Graphic 1.7, below.)

Graphic 1.7: Education attainment of the U.S. workforce



Source: Center on Education and the Workforce, Georgetown University

Projections vary, but it appears that by 2012, 90% of the country’s fastest-growing jobs, 60 percent of all new jobs, and 40% of manufacturing jobs will require some form of postsecondary education¹.

Beyond the requirements of the workforce, living well, understanding and contributing to the solution of increasingly complex social and environmental problems, and meeting responsibilities to ourselves, our families, and our nation require as much knowledge capital as we can assemble. If retiring, well-educated Baby Boomers are not replaced by equally well-educated citizens, we face erosion of that capital. At present, we are not meeting that requirement.

What would it take for the United States to once again lead the world in the percentage of citizens holding postsecondary credentials? The State Higher Education Executive Officers (SHEEO) organization has developed a sobering scenario. If one sets a target date of 2025 and a target level of 55 percent (which might not be high enough — three nations are already

¹ State Higher Education Executive Officers, “Second to None in Attainment, Discovery, and Innovation: The National Agenda for Higher Education,” *Change*, September/October 2008.

above 50 percent), the United States would need to generate about 16 million additional degrees — one million more degrees per year. (U.S. institutions now award nearly 4 million degrees per year.)

How can we educate our citizens to that extent? By SHEEO's analysis, based on current performance, increasing the nation's high school graduation rate, college-going rate, and college graduation rate by 10 percent each would yield only 30 percent of the additional credential holders we would need to reach the goal. (Past practice demonstrates that achieving those increases would represent unprecedented improvement.) The rest (more than 10 million credential holders) would have to come from the adult population — adults with some college but no degree, and adults with no postsecondary experience². Community colleges will be particularly important in reaching these last two groups. In Nebraska, more than 53% of students 25 and older are enrolled in our community colleges³.

In the United States, we have been most successful in educating white, middle-class-and-above students; that's true in Nebraska, as well. But the large majority of Nebraska's (and the nation's) recent population growth has been among minorities; projections indicate that trend will continue. A recent national study of the 1999 entering classes of 68 public universities demonstrated that race, ethnicity, and socioeconomic status have significant impact on both graduation rates and the time it takes students to earn a baccalaureate degree⁴. Indeed, many measures of educational attainment (in Nebraska and the nation) show persistently lagging performance among Hispanic and African-American populations.

In short, much of our population increases have and are projected to come from groups which have had relatively less participation and success in postsecondary education. For reasons mentioned above, as minority and less-affluent students do increase their participation rates, in Nebraska and throughout the country, they are increasingly attending community colleges. Those students, along with less-than-well-prepared white students, often need additional, focused attention in order to succeed. And, as indicated above, we *need* them to succeed. In the following sections, the Coordinating Commission will suggest increased emphasis on that and other related points.

There is now national consensus that community colleges must play a major role in ensuring that the United States has a population educated to the extent necessary for success in an increasingly competitive, global, and knowledge-based economy. That consensus has developed among higher education policy leaders, analysts, consultants, and state and national government. It is clear that community colleges must continue to play such a role in Nebraska.

² Thanks to Paul Lingenfelter and his colleagues at SHEEO for much of this analysis.

³ Nebraska's Coordinating Commission for Postsecondary Education, *2008-09 Factual Look at Higher Education in Nebraska*, 2009.

⁴ *Crossing the Finish Line: Completing College at America's Public Universities*, Princeton University Press, 2009.



II. Role and Mission of Nebraska's Community Colleges

The Legislature has asked the Coordinating Commission to recommend whether changes should be made to the statutory role and mission of Nebraska's community colleges. Nebraska has six community college areas, each overseen by a locally elected board of governors operating under an organizational framework established by state law. (See Appendix 2.1 for some general information about the community colleges) The statute outlining priorities for the community colleges, which has not been revised since 1993, currently reads as follows:

It is the intent of the Legislature that the community colleges shall be student-centered, open-access institutions primarily devoted to quality instruction and public service, providing counseling and other student services intended to promote the success of a diverse student population, particularly those who have been traditionally underserved in other educational settings.

The community colleges, individually and collectively, shall have as their first instructional and service priority applied technology and occupational education and, when necessary, foundations education.

The second instructional and service priority of the community colleges shall be transfer education, including general academic transfer programs, or applied technology and occupational programs which may be applicable to the first two years of a bachelor's degree program, and, when necessary, foundations education.

The third instructional and service priority of the community colleges shall be public service, particularly adult continuing

education for occupations and professions, economic and community development focused on customized occupational assessment and job training programs for businesses and communities, and avocational and personal development courses. The fourth instructional and service priority of the community colleges shall be applied research¹.

Before addressing any need for changes, the Coordinating Commission reviewed role and mission provisions for community colleges in 14 states. Midwestern states, states with recent policy initiatives, and states with particularly mature community college systems were chosen for close investigation. (See Appendix 2.3) In some of those states, the colleges' roles and missions are set forth in statutes; in others, statewide coordinating or governing bodies make those determinations.

Community college practices are largely common throughout the country. The ways in which these practices are authorized and/or captured within statutory assignments of roles and missions vary more widely.

Institutional roles and missions, for all sectors of postsecondary education, tend to be stated in very broad terms. That is true for individual institutions and for statutory language directed to complete sectors of postsecondary education. Role and mission statutes *never* specify the full range of institutional activity. Rather, they set out broad provisions.

“*Except for Nebraska’s inclusion of applied research, the roles and missions assigned to Nebraska’s community colleges are consistent with assignments to community colleges in many other states.*”

Except for Nebraska’s inclusion of applied research, the roles and missions assigned to Nebraska’s community colleges are consistent with assignments to community colleges in many other states. (See Graphic 2.1, opposite page, and Appendix 2.3 for additional information) Nebraska community colleges’ major responsibilities — career/technical education, foundations education (sometimes called developmental or remedial education), courses and two-year programs designed for transfer to four-year institutions, adult basic education, training and support for business and economic development, and personal enrichment courses — are typical assignments for community colleges in our region. (See Appendix 2.4 for definitions) Indeed, they are common throughout the country. That commonality likely exists because those responsibilities directly respond to widely acknowledged needs, needs that community colleges are well positioned to fill.

¹ Neb. Rev. Stat. § 85-962 (2008). *Note:* The community college role and mission statutes can be found in their entirety in Appendix 2.2.

Graphic 2.1: Are the statutory role and mission assignments for Nebraska’s community colleges common in other states?

NE CCs' Statutory R&M Assignments	NE	CO	IA	MN	MO	SD	WY
Career/Technical Education	•	•	•	•	•	•	•
Academic Transfer	•	•	•	•			•
Foundations Education	•		•	•	•		•
Service/Enrichment	•		•				•
Business/Industrial Training	•		•		•	•	•
Applied Research	•						

Source: CCPE analysis

Note: See Appendix 2.3 for information on California, Florida, Kentucky, Tennessee and Texas. Kansas is not reported above because its statutes do not contain role and mission assignments for the state’s community colleges.

Compared to those of the closely examined states, Nebraska’s role and mission statutes are remarkably clear in laying out the responsibilities of its community colleges. Of those states, only Nebraska and Florida assign priorities to their community colleges’ various missions. That degree of direction is helpful, especially because it identifies and places foremost the colleges’ responsibility for delivering career/technical education, the activity that most differentiates Nebraska’s community colleges from other sectors of public postsecondary education. Those needs, and support for the colleges’ effectiveness in meeting them, were frequently referenced in oral and written testimony received by the Coordinating Commission during the course of this study. The Coordinating Commission agrees with the existing priorities.

The Commission supports the continuation of applied research within the community colleges’ role and mission assignments. That activity, while less visible than the research work of institutions in other sectors, nevertheless adds value to the state. Assessing the effectiveness of student outreach programs, or company specific training or repair operations, is useful and productive work. It adds to the knowledge and skills of faculty and, in some cases, provides students early exposure to the challenges and rewards of research.

Nebraska’s community colleges each address their statutorily assigned responsibilities. Because the colleges and their service areas vary by size, environment (rural, urban), student demographics, community size, and other characteristics, one would expect each responsibility to represent varying degrees of each college’s total workload. That is indeed the case. Nevertheless, the colleges continue to emphasize their assigned first priority of career and technical education.

The following table (Graphic 2.2, following page) compares the degree to which the colleges’ principal activities compose the Nebraska community colleges’ reimbursable instruction. Although career/technical education makes up a *different percentage* of each college’s instructional activity, it is the largest category of instruction offered by each college and for the six colleges as a group.

Graphic 2.2: Nebraska community college enrollment by type of course, 2008-09

	Academic Transfer		Academic Support**		Foundations		Technology		Undeclared/Non-Degree		Total FTEs
	FTEs*	%	FTEs	%	FTEs	%	FTEs	%	FTEs	%	
Mid-Plains	801	46.9%	59	3.5%	41	2.4%	746	43.8%	58	3.4%	1,705
Western NE	542	27.8%	127	6.5%	73	3.8%	1,075	55.1%	133	6.8%	1,950
Northeast	1,006	32.0%	352	11.2%	96	3.1%	1,641	52.2%	46	1.5%	3,141
Central	636	16.1%	545	13.8%	135	3.4%	1,940	49.1%	693	17.6%	3,949
Southeast	2,430	25.7%	1,122	11.9%	416	4.4%	5,010	53.0%	469	5.0%	9,447
Metropolitan	1,661	15.2%	3,128	28.6%	1,144	10.4%	4,171	38.1%	848	7.7%	10,952
TOTAL	7,076	22.7%	5,333	17.1%	1,905	6.1%	14,583	46.9%	2,247	7.2%	31,144

* FTE = A measure of enrollment equal to a student taking 30 semester credit hours, 45 quarter credit hours, or 900 contact hours over the course of one academic year. It is a standardized measure used for comparisons.

** Academic Support = General education academic courses that may be necessary to support an applied technology or occupational program.

Source: Community College Area Enrollment Audits 2008-09

Table source: Postsecondary Education Operating Budget Recommendations for 2009-11

Evolving Practices

Dual Enrollment/Dual Credit

Compared to other postsecondary sectors, Nebraska’s community colleges currently offer the largest percentage of what in our state are called “dual enrollment/dual credit” courses. (High school students take college courses and earn college credit or both college and high school credit.) Research demonstrates that students who take college-level courses while in high school perform better than peers who do not take such courses: they remain enrolled in high school at higher rates, they graduate from high school at higher rates, they attend college at higher rates, and they return for their second year of college at higher rates². (Data are not yet available on comparative postsecondary graduation rates.)

In 2007, the Nebraska Legislature created a program (Access College Early, or ACE) to provide scholarships to low-income students who enroll in dual enrollment/dual credit courses. Because of the many benefits these courses provide, they should be made available to all students who could benefit from them.

Additional efforts are needed to ensure that a student’s inability to pay for such courses is not a deterrent to participation. For the 2007-08 school year, ACE scholarship recipients graduated from high school at higher rates and enrolled in college at significantly higher rates than other

² National Center for Career and Technical Education, Community College Research Center, Teachers College, Columbia University, *The Postsecondary Achievement of Participants in Dual Enrollment: An Analysis of Student Outcomes in Two States*, October 2007.

low-income Nebraska high school graduates. Their college-going rate was even higher than that of Nebraska's high school graduates as a whole. That is a remarkable success for these low-income students. Community colleges offer most of these dual enrollment courses. The Coordinating Commission believes the colleges should be encouraged in that activity and that it should be included in their specified roles and missions.

P-16

Evolving policy in many states and, to some extent, nationally, views education as a continuum stretching from early childhood through graduate and professional work. *Nebraska's P-16 Initiative* illustrates that trend in our state. Implementing such an approach requires postsecondary institutions to become increasingly involved with elementary and secondary schools.

Nebraska's postsecondary institutions are engaged in that work. Existing role and mission provisions encourage the community colleges to work with the University of Nebraska and Nebraska's State Colleges to articulate their academic transfer programs with those institutions. Similarly, the community colleges' role and mission statutes should contain language encouraging them to work with the state's elementary and secondary schools, in strong partnership with their communities, to improve student preparation for college and the workforce.

Foundations Education

Foundations education (the term used in Nebraska's statutes) is often referred to as remedial or developmental education. No matter what the name, the need for foundations education is a national problem. Data varies from study to study, but nationally, 42% of students entering public two-year colleges are deemed unready for college-level work in reading, writing, and/or mathematics³. Those students include recent high school graduates as well as adults returning to college or enrolling for the first time. The need for foundations education is particularly common in open-admission institutions. In recent years it has become clear that many students who would otherwise fail can be successful if their deficiencies are precisely identified and appropriate measures (by the student and the institution) are taken.

What we as a nation know about foundations education is less than comprehensive. Many states and institutions have been collecting information for only a few years on their students' needs for foundations education and the efficacy of efforts to address those needs. That data is not available in consolidated form in Nebraska. We do know that more adults in this country are returning to college with rusty skills; that increasing numbers of immigrants are seeking education in English (as their second, or third, language); that some high school students take curricula that are insufficiently rigorous to prepare them for postsecondary education (or the modern workforce); and that our country's future well-being requires as many successful students — and well-educated citizens — as possible.

³ Basmat Parsad and Laurie Lewis, *Remedial Education at Degree-Granting Postsecondary Institutions: Statistical Analysis Report*, National Center for Educational Statistics, U.S. Department of Education Institute for Education Sciences, Washington DC, 2003.

Research indicates that quality foundations education can help more students stay in college and complete their certificates or degrees. To create a quality foundations program, faculty and institutions can tap a variety of resources that identify proven or promising practices and innovative programs, including the National Association for Developmental Education. The Commission believes Nebraska’s community colleges should be encouraged to adopt proven or promising practices in foundations education that will meet the specific needs of each institution’s students.

Outcomes

The Coordinating Commission has for many years reported on the number of degrees and certificates awarded by Nebraska’s community colleges. We have put that information, and data such as graduation rates, within the context of comparison groups, relating each institution’s data to that of its Commission-designated peers and/or regional or national averages. In general, Nebraska’s colleges fare well in those comparisons. (See Appendix 2.5)

“*The Commission believes Nebraska’s community colleges should be encouraged to adopt the proven or promising practices in foundations education that will meet the specific needs of each institution’s students.*”

Graduation and retention rates are important, and community colleges in Nebraska and throughout the country should work to raise them. These rates, however, capture only a part of the colleges’ effects on and contributions to Nebraska’s postsecondary education system, its economy, and its people. Other contributions, even though they respond to statutory role and mission assignments, go largely unreported and, therefore, largely unacknowledged. Data is not readily available for some of them: success in foundations education, for example; or the enhanced job skills gained by a student who completes the two or three courses that constitute his/her reason for enrolling; or the eventual acquisition of baccalaureate degrees by students who began their studies at community colleges. This situation is not unique to Nebraska. Indeed, the Bill and Melinda Gates Foundation and the Lumina Foundation for Education are funding a major effort to develop metrics addressing many of those points⁴.

Several of those outcomes have importance beyond their immediate effect, and several can lead to greater success for students. The Washington State Board for Community and Technical Colleges has identified “momentum points” that are crucial to community college students’ continuing success. Those points include the completion of required remediation and the completion of a credit-bearing course in mathematics. Washington’s community colleges are focusing on those points, collecting and reporting data on student performance in regard to them, and receiving incentive funding for significant improvements.

Students, parents, and public officials increasingly expect to see data that can inform choices they must make. Determining appropriate metrics for institutions as complex and diverse as

⁴ “Community Colleges Begin \$1 Million Project to Improve Graduation Rates,” *Chronicle of Higher Education*, October 6, 2009.

community colleges is challenging. As this report makes clear, however, the colleges play an important role in meeting the needs of our state and its citizens. Full and accurate demonstration of their contributions is essential.

Summary and recommendations

- The Coordinating Commission finds that the existing role and mission statutes for Nebraska's community colleges are centered within national practice, appropriately comprehensive, responsive to the state's needs, and helpful in establishing priorities. Yet it has been 16 years since most of these statutes were last revised, and it is timely to consider a few additions that address changing conditions and needs within the state.
- The Coordinating Commission recommends adding the following points to the community colleges' statutory role and mission provisions:
 - Encourage the community colleges to continue cooperation with the state's elementary and secondary schools to improve student preparation for college and the workforce;
 - Encourage the community colleges to continue offering appropriate dual enrollment/dual credit courses to students in their areas, with special attention to enabling full participation by low-income students;
 - Encourage the community colleges to adopt proven or promising approaches to meeting the remedial and foundations education needs of their students and to develop transparent reporting of outcomes.
- The Coordinating Commission recommends that appropriate measurements be developed of the colleges' effectiveness in addressing their role and mission assignments. Particular attention should be given to metrics that directly relate to student success. One way to do that would be to direct the Coordinating Commission, working with the community colleges, to create, adopt, and report such measurements to the Legislature in the Commission's *2011 Higher Education Progress Report* and annually thereafter.



III. Coordination of Nebraska's Community Colleges: Past, Present, Future

LB 340 directed the Coordinating Commission to explore three issues that relate to an "association" of Nebraska's community colleges as well as to state coordination of community colleges:

- 1) The powers, duties and mission of the Nebraska Community College Association or its successor and whether membership in such an association should be required;
- 2) Consequences for failing to satisfy current community college association membership requirements contained in section 85-1502 of Nebraska Statutes; and
- 3) State coordination of community colleges in the absence of a community college association or membership therein.

Governance and coordination

The terms "governance" and "coordination" are inseparable from discussions about higher education organizational structures.

Generally, governance functions in higher education (carried out by *governing boards*) include: selection, evaluation, compensation, and, if need be, dismissal of institutional leaders; approval of institutional or system-wide budgets, capital projects, and other major expenditures; and approval of broad institutional or system policies on academic issues, personnel administration, promotion and tenure, governmental relations, and faculty and staff compensation. Governing boards are focused on the institutions they govern, seeking quality, growth, prestige, influence, and fiscal stability, if not fiscal enhancement. They set broad policies and hire individuals to carry out those policies and manage the board's institutions. Governing boards also advocate for their institutions.

Coordination is a more abstract concept, generally removed from the specific tasks listed above. It involves attempts to maximize the net benefits of many institutions, to avoid unnecessary duplication of programs and services, to promote the benefits of institutional cooperation and alignment, and to minimize the drawbacks of unbridled institutional competition.

Coordination also crosses institutional groupings. It acknowledges the need to reconcile, for broader, often statewide benefit, the sometimes conflicting aspirations of different governing boards for the institutions they control. Responses to the need for statewide coordination of higher education in the United States reach back to the early 1960s, when legislatures across the country realized that the Baby Boom generation

“Coordination...involves attempts to maximize the net benefits of many institutions, to avoid unnecessary duplication of programs and services, to promote the benefits of institutional cooperation and alignment, and to minimize the drawbacks of unbridled institutional competition.”

would require a massive build up of higher education, accompanied by great increases in state funding. Today, 49 states have statewide higher education boards that carry out a mixture of the governing and/or coordinating functions mentioned above. Each state’s approach to the task is distinctive, based on the state’s needs, numbers and types of institutions, complexity, history, tradition, and political landscape. The unifying concept behind such boards, however, is the same from state to state. Institutional boards focus on one or a limited number of institutions. Statewide boards focus on statewide needs and issues and work, with varying degrees of actual power, to put those needs ahead of individual institutions’ desires and aspirations.

In Nebraska, statewide coordination duties have been assigned within the state constitution and state statutes to the Nebraska Coordinating Commission for Postsecondary Education. These coordinating responsibilities include academic program review, facility review, budget review, statewide comprehensive planning for higher education, and other tasks. In addition, state statutes specify that coordination of the community colleges by the Coordinating Commission be conducted through an association of the community college boards, and further, that such association shall provide a variety of coordination services affecting the six community colleges.

Lastly, institutions often cooperate with one another without much external direction. And they often band together to advocate common goals. All these efforts – governance, coordination, and advocacy – are appropriate and important in achieving the best possible opportunities for students and the operation of an efficient system of higher education.

Context: A variety of approaches – often reflective of funding strategies

Community colleges are by concept, design, and intent responsive to local needs. In many states, that point is reinforced through funding. In 2006-2007, the latest period for which information from all states is available, the community colleges of 31 states relied to some degree on local tax support; community colleges in 22 of those states received at least 15 percent of their total funding from local appropriations. During that year, community colleges in 19 states

received no local tax support; in those states, operations are funded from state appropriations and tuition and fees. An additional nine states received less than 15 percent of their funding from local tax support. (See Appendix 3.1 for a breakdown of community college funding sources by state.) In 2008-2009, Nebraska's community colleges as a group received 35 percent of their funding from state appropriations (about \$88.6 million), 37 percent from local property tax levies (about \$93.3 million), and 28 percent from tuition and fees (about \$70.75 million).

Despite the history, tradition, and influence of local support, a variety of factors have led community colleges in many states to increased reliance on state funding. Those factors include mobility of the population, the acknowledgement of widely varying abilities to raise local tax revenues and attempts to ensure that at least a minimum level of access to community college services is available to people throughout a state, strong aversion to local property taxes, and the increased interests of states in fostering more coordinated, efficient systems of higher education.

Our society is more mobile than it used to be. Students educated in (and with the support of) one community may move to another, lessening the return on the initial community's investment in education and, perhaps, lessening that community's willingness to continue making

such investments. State funding for public primary and secondary education has for decades acknowledged that providing a fair and equitable level of access and quality for all children means that many schools must rely on funds that come from outside their local taxing areas. The particular unpopularity

“...Governance and coordinating structures for American community colleges are far more diverse than in any other sector of postsecondary education.”

of property taxes has played a role in the changing balances of both K-12 and community college funding sources. States' growing awareness and acknowledgement of the community colleges' importance to workforce and economic development has often led to greater state financial support, frequently accompanied by greater accountability and oversight.

For these and perhaps other reasons, governance and coordinating structures for American community colleges are far more diverse than in any other sector of postsecondary education. Several authors have placed the states' coordinating structures for community colleges within descriptive frameworks, ranging from highly coordinated at the state level to minimally coordinated. Studies reviewed by the Commission have generally categorized Nebraska as “decentralized.” The most recent of those categorizations is reproduced in Appendix 3.2, along with observations about those various approaches.

Current approach to coordination of community colleges in Nebraska

Since the early 1990s, state law has assigned various community college coordinating tasks to two organizations: the Coordinating Commission for Postsecondary Education and “an association of boards” of the community colleges. The Nebraska Community College Association currently fills that latter role.

The role of the Coordinating Commission for Postsecondary Education in the state coordination of Nebraska's community colleges

The Coordinating Commission has carried out several key duties that affect Nebraska's community colleges as well as other higher education sectors.

- In collaboration with the state's colleges and universities, the Commission develops and periodically modifies a statewide, comprehensive plan to guide Nebraska's higher education system. General goals and provisions of that plan apply to the community colleges, as they do to other postsecondary sectors.
- The Commission approves or denies the offering of new academic programs and approves or denies the continuation of existing academic programs in all public postsecondary institutions. The Commission gives particular attention to avoiding unnecessary duplication of programs across public institutions.
- The Commission approves or denies proposals for the construction, acquisition, or renovation of facilities that are financed in whole or in part by tax funds appropriated by the Legislature or property taxes levied by a community college if the amount of tax funds to be used is above a statutory threshold.
- The Commission administers Nebraska's need-based financial aid programs; those programs benefit students in all postsecondary sectors. In 2008-2009, about 4,600 students at Nebraska's community colleges received more than \$2 million in financial aid (Nebraska State Grant) generated through the state's General Fund and lottery proceeds.
- The Commission conducts research and publishes reports on issues pertaining to postsecondary education. The Commission relies on that work to form and support recommendations about postsecondary education made to the Legislature and Governor.

Powers, duties, and mission of an "association" of community college boards

Section 85-1502 of Nebraska Revised Statutes sets forth several points relating to an "association of the boards" of Nebraska's community colleges. That section is reproduced below:

- 1) *It is the intent of the Legislature that a clear distinction between area governance and statewide coordination for the community college areas be recognized and that such coordination is appropriate in order to provide the most cost-effective programs for residents of each community college area. It is further the intent of the Legislature that coordination of the community colleges by the Coordinating Com-*

mission for Postsecondary Education be conducted through an association of the boards.

- 2) All of the boards shall be a part of and shall be represented by such association. Coordination services provided by such association shall include (a) preparation of a system strategic plan, (b) coordination of the budget request for the biennium, (c) facilitation of program-needs assessment and articulation, (d) recommendation and facilitation of the appointment of representatives to committees, boards, commissions, task forces, and any other state-level bodies requesting or requiring participation from the community college system, and (e) facilitation of responses to data and information requests for the system.*
- 3) All activities conducted pursuant to this section by such association shall be conducted in accordance with the Open Meetings Act.*
- 4) Nothing in this section shall be construed to require or provide for state control of the operations of any community college area or to abridge the governance ability, rights, or responsibilities of any board. Nothing in this section shall be construed to limit the ability or authority of the commission to fulfill its responsibilities and duties regarding the individual community college areas and the individual community college area campuses.*

Clearly, statutes acknowledge the benefits of statewide coordination and collaboration, set forth mechanisms (the Coordinating Commission and tasks assigned to an “association”), and distinguish among: 1) statewide coordination, 2) coordination and collaboration among the community colleges, and 3) governance of each community college.

There is considerable history behind these provisions (see sidebar on the “Duis Amendment,” page 34, and Appendix 3.3, “History: Nebraska’s Approaches to State Coordination of Community Colleges”). The establishment of an “association” with limited assignments and responsibilities and the establishment of the Coordinating Commission for Postsecondary Education with constitutional and statutory responsibilities responded in many ways to legal challenges made in Nebraska during the 1970s to previous statewide coordination structures.

In Nebraska as well as in many other states, coordination among the community colleges depends on considerable amounts of informal collaboration and cooperation. What is unique in Nebraska, compared to other states, is the assignment of coordination and collaboration responsibilities to “an association.” The Nebraska Community College Association currently fills that role.

The Commission is not aware of any other state that statutorily assigns any state coordination responsibilities like those listed above to a non-governmental association comprised of and funded by the colleges themselves. The Board of Directors of the Nebraska Community College Association is comprised of two representatives from each of the six colleges’ locally

elected boards of governors. That structure runs the risk of reinforcing institutional, rather than statewide, interests.

In other states the coordination “services” contained in 85-1502 are typically carried out by entities directly established and funded by state government. The limited duties assigned to the “association” by Nebraska statutes are among the range of tasks commonly assigned to statewide community college coordinating boards, as found in about a dozen states, or statewide community college governing boards, found in eight states, or to statewide higher education boards (11 states).

Many other states have non-governmental community college associations that exist alongside (and often work with) governmental entities that carry out state coordination tasks. Not directly responsible for statewide coordination, those associations often focus on advocacy; in particular, they lobby their state legislatures on community college issues and for increased funding for community colleges.

Like similar associations in other states, the Nebraska Community College Association spends a considerable portion of its efforts on advocacy and legislative lobbying activities. According to NCCA’s policy manual (see Appendix 3.4), the NCCA Board annually develops a legislative agenda. NCCA works to coordinate legislative strategy among the community colleges, including formulating position statements as well as organizing and directing support or opposition for specific legislation. NCCA works to organize requests for appropriations on behalf of the combined community college

What is the ‘Duis Amendment’?

The Duis Amendment refers to a section in the Nebraska Constitution that prohibits the state from levying a property tax for state purposes. It is named after Sen. Herbert Duis, who introduced the original bill calling for the constitutional amendment during a special session of the Nebraska Legislature in 1954.

The Duis Amendment was the decisive factor in a landmark case in 1974 affecting Nebraska’s community colleges. In *Western Nebraska Technical Community College Area v. Tallon*, the Nebraska Supreme Court reviewed the Legislature’s first attempt to organize the community colleges into a coordinated system. The court examined both the powers of the newly-created State Board of Technical Community Colleges, the powers of the local college governing boards, and the mechanism for state aid and concluded that the local property taxes levied by the colleges were for a state purpose and therefore violated the Duis Amendment.

The following year the Legislature returned all governing power to the local community college boards, created the Nebraska Coordinating Commission for Technical Community Colleges, and simplified state aid. In 1976, despite another legal challenge, the Nebraska Supreme Court found this new community college system to be constitutional and not a violation of the Duis Amendment.

See Appendix 3.3 for more information.

sector and to develop consensus regarding the formula for allocating state aid among the six community colleges.

NCCA work pursuant to “coordination services”

NCCA is statutorily directed in Section 85-1502 to provide several “coordination services.” The Commission’s summary of and comments on that work follow. The “association” is directed to:

- *Prepare a system strategic plan*

The latest version of that plan was prepared in 2006. The plan is broad in nature and largely reflects mission and duties contained in state law and in the *Statewide Comprehensive Plan for Postsecondary Education* developed by the Coordinating Commission .

- *Coordinate the community colleges’ budget request for the biennium*

When the Legislature is determining how much state funding to provide the University of Nebraska and the Nebraska State Colleges, they are responding to consolidated budget requests approved by those institutions’ governing boards. Those governing boards determine how state funding will be allocated among their institutions.

The situation is different for Nebraska’s community colleges. Each biennium, NCCA, on behalf of the six community college areas, submits a single request for state funding. But instead of NCCA determining how much of the eventual state funding each college receives, that determination is made by use of the state aid formula. The state formula is an *allocation* formula. In other words, once the Legislature decides how much state aid to provide the community colleges as a group, the formula determines how much of that funding each college will receive.

To help avoid pitting one community college’s budget request against another in the Legislature, the Commission believes that a consolidated budget request from the six colleges can be beneficial. The Commission continues to support the use of a formula for determining how state aid to the community colleges will be allocated. And the Legislature is the appropriate entity to ultimately determine the formula.

- *Facilitate program-needs assessment and articulation*

NCCA’s work on these program tasks is largely carried out by a committee made up of the colleges’ chief academic officers (Council of Instructional Officers). The Commission finds that NCCA has done a generally good job with program needs assessment. They have found ways to leverage resources available at one college (made available through federal funds, for example) to yield benefits and efficien-

cies at other colleges. Also, the Commission seldom faces the challenge of considering one college's request for a new academic program over the objection of another community college. The Commission does not have sufficient data to evaluate the effectiveness of program articulation efforts of NCCA.

- *Facilitate responses to data and information requests for the system*

The Commission has found NCCA and its executive director to be cooperative and helpful to the extent possible. NCCA's Policy Manual, in Section 13000, provides for the handling of information and data requests (See Appendix 3.5). Perhaps because of the statutory reference to data and information "requests," that document largely takes a responsive, rather than pro-active, approach to the provision of data. Other than very general information, little consolidated data about the community colleges is published by NCCA. The Commission has little information about the effectiveness of NCCA in meeting data requests from other entities.

Comparisons to other sectors of Nebraska public postsecondary education

The University of Nebraska campuses are governed by an elected Board of Regents; the three Nebraska State Colleges are governed by a Board of Trustees appointed by the Governor and confirmed by the Legislature. Those boards are funded through state appropriations, institutional funds, and other sources; they are not supported by funds generated through local property taxes.

As governing boards, the University's Regents and the State Colleges' Trustees have great control, oversight, and approval authority for their campuses. The six boards of the six community colleges have similar controls and authorities for their individual colleges. The Nebraska Community College Association, however, does not have anything like that kind of authority over any community college campus. NCCA is an *association* of the community college governing boards. The association employs a staff of two: an executive director and an administrative assistant. One of the association's key functions involves lobbying state government on behalf of the community college members.

As discussed earlier in this report, justification for a less consolidated approach for community colleges historically has rested on their reliance on local funding and their focus on local/regional needs. Nevertheless, certain issues are sufficiently important to the state as a whole to require additional statewide coordination among the community colleges.

Key question: What needs to be better coordinated?

While several aspects of Nebraska's public colleges and universities already are coordinated, there are three aspects that largely relate to Nebraska's community colleges that need to be handled in a better-coordinated fashion:

- Legislatively-intended allocation of state aid among the six community colleges
- Effective remedial and foundations education by the community colleges
- Appropriate measurements of community college performance and student success

State aid to community colleges

Nebraska's provision of state aid to community colleges (in addition to the colleges' revenues from tuition and fees, local property taxes, and auxiliary and miscellaneous sources) is a funding approach followed to some degree by 31 states. A legislature's allocations of state aid to individual colleges needs to consider: 1) the state's needs and resources, 2) the appropriateness of the total amount of state aid to all six community colleges, and 3) the appropriateness of the amount ultimately received by each individual community college.

In Nebraska, it has become clear that the entire process for submitting data used in calculating allocations to each community college must be clarified and the data elements themselves specifically defined. Even with those improvements (which must come from the Legislature through changes to statutes), some coordination of that process, and some ability to resolve disputes, needs to be established. Those are essentially "process" issues that can likely be readily addressed by the Legislature. They are important to ensuring the integrity of allocating state aid, and they must be addressed whether or not the Legislature makes any substantive changes to the formula itself.

“In Nebraska, it has become clear that the entire process for submitting data used in calculating allocations to each community college must be clarified and the data elements themselves specifically defined.”

By statute, the Coordinating Commission currently has only a passive role in the process of allocating state aid to the community colleges.

Each community college area shall annually report such data as necessary to carry out the Community College Foundation and Equalization Aid Act to the Coordinating Commission for Postsecondary Education. Each community college area shall annually provide the commission with a reconciliation of the data necessary to carry out the act with audited financial statement information¹.

¹ Neb. Rev. Stat. § 85-2221 (2008).

The State Auditor on Dec. 8, 2009 released a review of the process for allocation of state aid to the community colleges; the review's findings and recommendations are largely consistent with the Commission's views as expressed above. (For the full Auditor's report, see Appendix 3.6, located in the online version of this report at www.ccpe.state.ne.us)

As long as different course or program offerings are given different "weights" in the state aid formula, there needs to be clarity of definitions, standardized reporting, and the ability to audit numbers. Also, there will be the need to periodically review and revise any system of "weighting" courses or programs differently for state aid purposes. Some agency that has educational expertise needs to be assigned certain duties to make sure that legislative intent in allocating state aid among the six community colleges is carried out properly.

Effective remedial and foundations education by the community colleges

As indicated in the first section of this report, many students attending postsecondary institutions arrive unprepared for college-level work. That is especially true for students attending open access institutions such as community colleges. Indeed, Nebraska statutes assign to the community colleges the principal responsibility for providing remedial and foundations education². Recent research has indicated several promising steps that can be beneficial in addressing this problem if applied in a broad context.

“Estimates of national remediation rates at public two-year institutions range from 42% to 61%. In Nebraska, the community colleges have acknowledged similar percentages for their incoming students.”

Estimates of national remediation rates at public two-year institutions range from 42% to 61%³. In Nebraska, the community colleges have acknowledged similar percentages for their incoming students. Increased postsecondary attainment in Nebraska will depend to a large degree on increasing the postsecondary success of populations previously underrepresented in our colleges and universities. Many of those students will attend community colleges.

Success strategies require postsecondary institutions to work with their K-12 partners to determine college-level standards and align them with high school assessments. The standards should then be communicated to middle and high school students so they can be well informed about what knowledge and skills will be expected of them when they enter college⁴.

In their entrance process, postsecondary institutions should set standards for student competency and have assessment and placement practices that are carefully thought out, well designed, and consistent⁵. The same should be the case for remediation/foundations education. Doing less runs the risk of significantly weakening the future prospects of too many students.

² Neb. Rev. Stat. § 85-960.02 (2008).

³ Michael Kirst, "Who Needs It?", *National Crosstalk*, Winter 2007.

⁴ *Ibid.*

⁵ Michael Lawrence Collins, "Setting Up Success in Developmental Education: How State Policy Can Help Community Colleges Improve Student Outcomes," *Achieving the Dream/Jobs for the Future*, June 2009.

Key programs of remedial/foundations education include: reading, mathematics, writing, and English as a Second Language (“ESL”). Substantial financial resources are involved, and many lives affected. A more transparent and coordinated look at remedial and foundations programs and practices in Nebraska is in order, accompanied by efforts to spread proven or promising practices. This work will require the collaboration of the state’s community colleges.

Appropriate measurements of community college performance and student success

Earlier in this report, the Coordinating Commission recommends that appropriate measurements of the colleges’ performance in response to their role and mission assignments be developed and periodically reported to the Legislature, Governor, and the public. Measures should be comprehensive (though limited in number), developed with the full participation of all community colleges, and collected and reported for each of the community colleges.

Data about student success is particularly weak — and not just for community colleges. For example, the only comprehensive data about Nebraska institutions’ graduation and retention rates comes from the federal government’s Integrated Postsecondary Education Data System (IPEDS), a system to which almost all postsecondary institutions across the country report. But in that system, institutional graduation rates are reported only for first-time, full-time students who graduate from the postsecondary institution they first attended. That process therefore ignores reality: students frequently transfer (sometimes multiple times) before earning degrees and other credentials, and not all students are first-time or full-time — a characteristic especially true for community college students.

As a specific example, if a student starts her education at a Nebraska community college, stays a year, transfers to a four-year institution, and later graduates, *that scenario is in no way a failure for the community college or the student*. Current federal data methodology effectively counts it as such, at least as far as the community college is concerned. Similarly, some students enroll in community colleges, take a few courses, and, by virtue of the skills they have developed, become attractive to employers and leave before they graduate. The current IPEDS system could count that situation as a failure for the institution, rather than the at-least-partial success that it is. A recent *Issue Brief* of the National Governors Association’s Center for Best Practices acknowledges these deficiencies and makes recommendations for improvements. Many of those recommendations relate directly to community colleges⁶.

Other points especially relevant to community colleges include the wide variety of awards they offer (degrees, certificates, diplomas, certifications, and so forth) and patterns of student enrollment that are more diverse and frequently more erratic than in other sectors. For example, a student may enroll full time for one semester, drop out for a semester, enroll again (but part-time), and so forth. Community college students present greater age and ethnic diversity than students in most other sectors of higher education, and they come to the institutions with a wider variety of goals, which may or may not include earning *any* credential or award reflecting

⁶ National Governors Association, “Measuring Student Achievement at Postsecondary Institutions,” *Issue Brief*, November 2009.

their accomplishments at the college. Finally, many community college students present greater challenges to efficient student transfer and program articulation, including changing the goals they might have had upon entrance, shifting their educational paths from career/technical education to liberal arts, possible transfer to baccalaureate-granting institutions, and so on.

Developing appropriate measures of community college performance and student success will require the collaboration of the state's community colleges.

Should membership in NCCA or its successor be required?

The Commission is not aware of any other state that requires its community colleges to be members of a non-governmental association such as the Nebraska Community College Association. Neither are we aware of any other state that assigns statewide coordination responsibilities to a non-governmental entity. So Nebraska is in a unique situation.

But the fact that Nebraska's approach is unique makes it neither "right" nor "wrong." The important question is whether the state's approach is *effective* in achieving the benefits possible through statewide coordination. In our view, past efforts have not produced needed results. To gain maximum benefits of statewide coordination, all colleges must be subject to statewide coordination policies. As a practical matter, it is clear that the level of emotion surrounding current disagreements among the colleges have made the non-governmental NCCA incomplete and less than fully effective.

Association membership typically is voluntary, a decision made out of self-interest or as an expression of cooperative support. Requiring mandatory membership in an association is a tricky proposition. State law currently specifies that "all" community college boards "shall be part of and shall be represented by such association." In spite of that direction, because of its disagreements with NCCA, the Metropolitan Community College governing board refused to pay in full its NCCA dues (\$73,648 for 2009), and in response the Board of Directors of NCCA removed Metro from the association.

There are many useful functions that can be played by a voluntary, state association of community colleges. A voluntary-membership NCCA could lobby state government and still play helpful roles in coordination on behalf of the various community colleges. Yet there is no evidence that a non-government association can be fully effective for state coordination of community colleges.

While it is desirable that all community colleges join and participate in an association, the state does not gain what it needs by requiring such membership. Membership in a cooperative association should be encouraged, but not required, by the state.

Consequences for failing to satisfy current community college association membership requirements contained in Section 85-1502 of Nebraska Statutes

If for some reason the state truly wanted to require all community college governing boards to be members of a community college association, there would have to be consequences for a college's failing to do so. This would require legislating such consequences and providing for administration of such consequences. If such consequences were imposed, Nebraska would be the only state we know of that would set out consequences for a community college that did not join a state community college association. Furthermore, it is difficult to imagine consequences of enough significance to be effective that would not harm the students of the community college affected.

Membership in NCCA should not be required by the state, and therefore there is no need for state-imposed consequences for not joining and participating. Consequences for failing to satisfy membership requirements should be at the discretion of NCCA and its members.

State coordination of community colleges in the absence of a community college association or membership therein

The Coordinating Commission supports local governance of community colleges, but the Commission finds that the state and its citizens would benefit from more effective state coordination of some aspects of the colleges' work.

The Coordinating Commission currently coordinates various educational matters as defined in state law. From its experience and also from information gained in doing this study, the Coordinating Commission finds that there are three aspects that largely relate to Nebraska's community colleges that need to be handled in a better coordinated fashion:

- Legislatively-intended allocation of state aid among the six community colleges
- Effective remedial and foundations education by the community colleges
- Appropriate measurements of community college performance and student success

These goals are important to the future of the state and they are reasonable state expectations, given the state's provision of significant amounts of state aid to the colleges (\$88.6 million in FY 2008-2009).

Responsibility for coordinating these aspects should be given to a state entity or entities.

The aspects of these goals that require education expertise could fall to the Coordinating Commission, which already has constitutional and statutory coordination authority regarding a variety of educational matters. Such an approach is used currently in 11 other states. *The Commission emphasizes that it would need some additional resources to add these tasks to its cur-*

rent responsibilities. Non-education aspects relating to improving the allocation of state aid to community colleges could fall to the Department of Revenue.

The approaches other states take to the statewide coordination of community colleges include: coordination by a state board of education; coordination by a statewide higher education board; coordination by a statewide community college coordinating board; coordination by a statewide community college governing board; and coordination by a board of regents that oversees other types of institutions, as well. Those approaches are fully described (with Commission comments) in Appendix 3.2. One of those approaches is outlined below.

Consider a community college council for Nebraska

It is appropriate at this time for the State to consider the advantages and disadvantages of transferring the statutory tasks relating to coordination and collaboration among community colleges from the Nebraska Community College Association to a new entity – a community college council for Nebraska (or other appropriate name).

Such a new community college council would be a state entity. In many other states, community college coordination and collaboration activities are carried out by entities directly established and funded by state government. The limited duties currently assigned to NCCA are among the range of activities assigned to state-level community college boards found in about a dozen other states.

Because the governing authority of each community college resides in the governing board of each college, such a new Community College Council would continue to depend upon considerable amounts of collaboration and cooperation from the community colleges.

Among the challenges of developing a useful Community College Council would involve determining who would sit on such an entity. It would be appropriate to consider a mix of representatives from each community college, as well as representatives appointed by the Governor and appointed by the Legislature. Among the drawbacks of such a Community College Council would be the need for resources, including state funding for sufficient staff support, office space, travel expenses of members, and needed operating expenses.

Many other states have non-governmental community college associations, such as NCCA, that exist alongside and often work with governmental entities that carry out coordination and collaboration activities among community colleges. We would expect that NCCA would continue to spend considerable effort on advocacy and lobbying activities aimed at benefiting the community colleges, including lobbying on issues such as the amounts of appropriations and mechanisms for providing state aid to community colleges.

The Legislature is the appropriate branch of government to weigh the advantages and disadvantages of creating a Community College Council for Nebraska.

Summary and recommendations

The Coordinating Commission finds that mechanisms for statewide coordination of community colleges vary widely across the country, demonstrate no particular dominance of one approach over another, and change with some frequency. It also finds that Nebraska's approach to state coordination of community colleges is shared by no other state. Specifically, we are unaware of any other state that assigns any role in state coordination of community colleges to a non-government entity funded by and made up of representatives of the colleges themselves.

The Commission supports local governance of the community colleges. But the Commission finds that the state and its citizens would benefit from more effective statewide coordination of certain of their activities. Achieving those goals appears to be a reasonable expectation and benefit, given the state's provision of significant amounts of state aid to the colleges (\$88.6 million in FY 2008-2009). Issues that would benefit from greater coordination include: legislatively-intended allocation of state aid among the six community colleges; effective remedial and foundations education by the community colleges; and the creation, monitoring, and reporting of appropriate measurements of community college performance and student success.

Consequently, the Commission recommends the following:

- *Governance.* The community colleges' boards of governors should continue to carry out their current governance functions.
- *Coordination.* The Coordinating Commission's existing duties and responsibilities in regard to the community colleges and their statewide coordination should be retained. Responsibility for state coordination of the following three limited tasks relating to community colleges should be assigned to a state entity or entities.
 - Legislatively-intended allocation of state aid among the six colleges
 - In addition to legislative clarification of terms and processes in the current allocation methodology, certain on-going responsibilities should be assigned to a state entity to support the integrity of the formula. These include the authority to ensure that courses receive the appropriate "weighting" (if that methodology is continued) and that periodic reviews of the appropriateness of those weightings are carried out. If the state moves from a course-weighting system to a program-weighting system, as the Commission recommends, that approach will require similar oversight and review. If courses remain the unit of weighting, a state entity should be given explicit authority to oversee and approve the assigning and periodic review of course weights.
 - Authority to resolve disputes and to ensure accurate reporting of data should be provided to some state entity, perhaps the Department of Revenue, which currently has responsibility for administering formula calculations.

-
- Effective remedial and foundations education by community colleges
 - Estimates of national remediation rates at public two-year institutions range from 42% to 61%. Nebraska's community colleges have acknowledged similar percentages for their entering students. A state entity should be given authority to coordinate approaches to this work to ensure the application of proven or promising practices to the problem and the reporting of foundations effectiveness.

 - Creation, monitoring and reporting of appropriate measurements of community college performance and student success
 - The Commission recommends that appropriate instruments to measure the community colleges' performance in response to their role and mission assignments be developed and periodically reported to the Legislature, Governor, and public. Measurements should be comprehensive (though limited in number), developed with the full participation of all community colleges, and collected and reported for each of the community colleges. A state entity should be provided the explicit authority and additional resources needed to carry out these tasks.

Who should carry out these additional coordinating tasks?

Additional responsibilities for state coordination of community colleges should be assigned to a state entity. We urge that the state give serious consideration to creating a statewide community college council to carry out that limited but important purpose. Such a council would provide an organizational parallel to the boards that currently govern the University of Nebraska and the Nebraska State College System, but it would have far fewer governing responsibilities and less authority over the community colleges than those boards do over the institutions they govern. The locally controlled boards would continue to have the authority to set tuition and fees, set local property tax levies, hire presidents, and carry out other locally controlled functions.

A statewide community college council should have a statewide perspective, reinforced through having its membership include responsible individuals appointed by the Governor and confirmed by the Legislature. Such a council could be funded through the annual reallocation of less than one percent of the state's annual provision of state aid to the community colleges. This council approach would maintain primacy of the Coordinating Commission's charge to ensure statewide coordination across postsecondary sectors and avoid what could be perceived as conflicts of interest between responsibilities affecting *all* public sectors and special responsibilities and relationships affecting only the community colleges. If the Legislature chooses this approach, the Coordinating Commission would be pleased to provide assistance to that new entity.

If the Legislature does not favor that approach at the present time, the Commission recommends that the Commission be provided additional, specified authority (and sufficient addi-

tional resources) to at least *temporarily* carry out, while working closely with the colleges, the additional statewide coordination tasks identified in this report: aspects of the provision of state aid to community colleges; expectations for college readiness and the provision of foundations education; and appropriate measurements of community college performance and student success. *The Commission strongly emphasizes that it would need additional resources to add that work to its current responsibilities.* Regardless of the choice the Legislature makes on this question of what entity should carry out additional coordinating duties, the Commission recommends that the effectiveness and workability of the chosen approach be evaluated after a reasonable period of time, perhaps three years.

- *Nebraska Community College Association.* At the determination of the colleges themselves, the NCCA, or any similar successor association, should continue to promote cooperation among the colleges, find meaningful ways for the colleges to share information and work together in the best interests of the state and its citizens, and perform other tasks the association's members find useful. The colleges should choose for themselves whether they wish to be members.



IV. Potential Changes to the 'Weighting' of Courses in the Community College Funding Formula

LB 340 directs the Coordinating Commission to study “changes in the weighting of courses that may be necessary for reimbursable educational units to properly reflect the role and mission of Nebraska community colleges and the cost of providing such courses.”

The Commission was not charged to review and assess the state aid formula in its entirety, but some general background is necessary in order to understand the “weightings” issue we were directed to review. Graphics and text describing the Nebraska formula for state aid to community colleges are provided in considerable detail in Appendix 4.1. An overview is provided in the following paragraphs.

The formula is complex – clearly more so than many desire or believe warranted. In addition to its complexity, some aspects of the formula seem counterintuitive. Misunderstandings of the formula often stem from attempting to view it as a collection of simple, stand-alone relationships. (When something goes up, something else automatically goes up or down proportionally.) That is not the case, however. The formula is better understood as a series of interconnected moving parts, with variable relationships – interlocked feedback loops, if you will.

A helpful analogy might be the calculations made to determine our personal income taxes. Generally, if our salary goes up, we pay more taxes. But we can all readily identify other factors that can make that general assumption incorrect. What if we have a new set of twins, and our exemptions therefore increase? Or we suffer a loss from a part-time business operation? The formula incorporates similar, interconnected calculations that adjust allocations.

Why is the formula so complex?

Because the colleges are complex, with multiple funding sources, multiple activities, and varying levels of available resources. The Legislature's funding goals for the community colleges are complex, as well. (See sidebar on this page.) The Commission finds that each element of the formula is there for a reason, in response to some aspect of reality. Could it be simpler? Perhaps, but that general discussion is within neither the scope of the Legislature's assignment or this report.

Funding sources for Nebraska's community colleges

In brief, Graphic 4.1 on the opposite page illustrates funding sources for Nebraska's community colleges. As indicated, state funding is one of several funding sources. Each institution's tuition, fees, and property tax revenue are direct funding sources; funds raised locally stay with the institution.

Each institution also receives state aid, allocated through a formula. *One aspect* of the formula attempts to reconcile the available resources of an institution (its tuition, fee, and property tax revenue) with the resources necessary to provide a reasonable range of services to the population served by each college. Nebraska's community colleges vary widely in size (and, therefore, in tuition and fee revenue) and in their ability to raise property tax revenues. The current approach, overall, is to allow each college to retain all revenues it raises locally through tuition, fees, and property taxes. Those retained funds do, however, figure into the calculation of state aid each college receives.

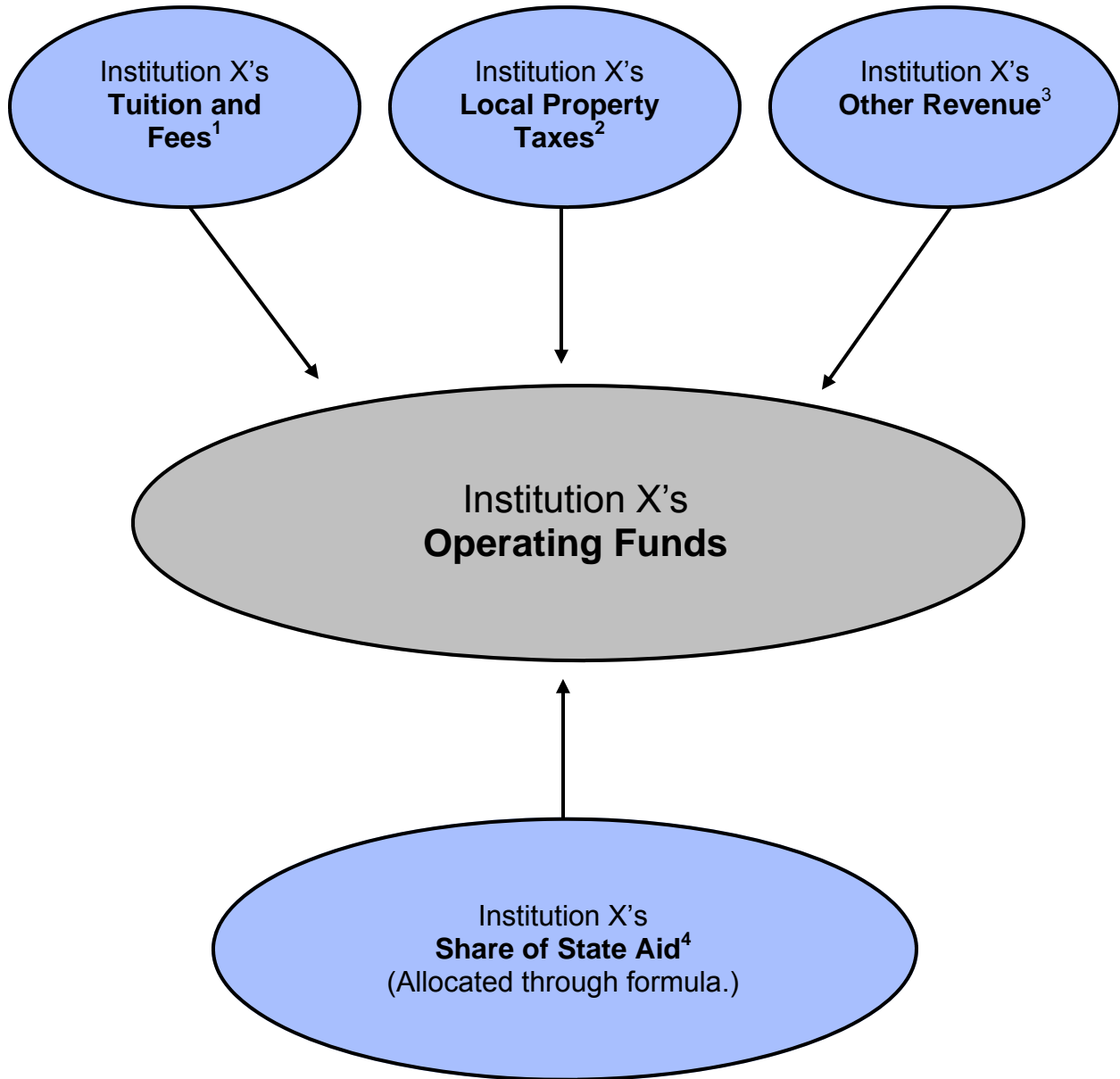
Legislative goals for CC funding

Nebraska Revised Statutes, Section 85-2222(1) – The Legislature, in an effort to promote quality postsecondary education and to avoid excessive and disproportionate taxation upon the taxable property of each community college area, may appropriate each biennium from such funds as may be available an amount for aid and assistance to the community colleges. The Legislature recognizes that education, as an investment in human resources, is fundamental to the quality of life and the economic prosperity of Nebraskans and that aid to the community colleges furthers these goals.

It is the intent of the Legislature that such appropriations reflect the commitment of the Legislature to join with local governing bodies in a strong and continuing partnership to further advance the quality, responsiveness, access, and equity of Nebraska's community colleges and to foster high standards of performance and service so that every citizen, community, and business will have the opportunity to receive quality educational programs and services regardless of the size, wealth, or geographic location of the community college area or tribally controlled community college as defined in section 85-1503 by which that citizen, community, or business is served.

Such funds so appropriated by the Legislature shall be allocated, adjusted, and distributed to the community college boards of governors as provided in the Community College Foundation and Equalization Aid Act.

Graphic 4.1: Funding of Nebraska Community Colleges (Illustrated for Institution “X”)



¹ In 2008-09, 27.4 percent of Nebraska community colleges' total revenue came from tuition and fees.

² In 2008-09, 37.5 percent of Nebraska community colleges' total revenue came from local property taxes.

³ Other Revenue: Other revenue would include items such as revenue from auxiliary services, grants and contracts, investment income, gifts, interest income, and other receipts. Other revenue is *not* part of the formula calculations.

⁴ In 2008-09, 35.1 percent of Nebraska community colleges' total revenue came from state aid.

Overview of the formula

On the general premise that the state will assist institutions that assist themselves (through their willingness to levy property taxes within a statutorily specified range), the state uses the amount of each institution's estimated local revenues in a formula that determines the allocation of state aid to the institutions in a manner that takes that willingness into effect (see "local effort rate" in Appendix 4.1). If, for example, an institution does not levy its area's property owners at rates within a specified range of the calculated state levy rate (LER), it may eventually receive less assistance from the state. A "simple as possible" narrative explanation of the state aid formula follows.

Box 1

"Revenue Need" – Estimated revenue need is determined through two separate processes.

1. Total all of the prior year's revenue for all colleges and add a three percent growth factor (Base Revenue Need).
2. The total Base Revenue Need (BRN) is used to determine the revenue need for each college according to the following:
 - 18% of the BRN is divided equally among the colleges
 - 12% of the BRN is divided among the colleges according to each college's share of the total current reimbursable educational units (REUs).
 - 70% of BRN is divided among the colleges according to each college's share of the total three-year average REUs.

To each college's revenue need determined above is added the percentage growth in the three-year average full-time equivalent (FTE) students.

This calculation determines the total revenue need by institution (the estimated amount of revenue the institution needs to serve its students).

Box 2

"Resources Available" – Resources available is based on one calculation and reporting of tuition.

- Local resources available is based on a state calculated levy rate (local effort rate*) multiplied by an institution's property tax valuation.
- Reported prior year's tuition and fees.

These two numbers are added together by institution to determine the revenue available for each institution.

* see Appendix 4.1, page 82

Final Determination of State Aid Allocation

Estimated revenue need to serve students (Box 1) minus resources available to each college (Box 2) equals state aid allocation to each institution.

$$\boxed{\text{Box 1}} - \boxed{\text{Box 2}} = \text{State Aid Distribution}$$

Funding formulas – a common approach

Nebraska is one of at least 40 states that uses some type of formula to determine allocations of state support to community colleges¹. Those formulas are based on several different approaches and attempt to address a variety of state goals. Formulas for community college funding are complex, for they must separate from all of the colleges' activities only those elements that the state has decided to financially assist. For example, although all community colleges offer general interest, recreational, or self-improvement courses, states seldom provide financial assistance for them. Formulas also may account for local support, as is the case in Nebraska.

What are “weightings?”

Formulas are used in many states to allocate among individual colleges the funding that legislatures provide to support their state's community colleges. Generally, formulas do not determine the total funding amount that a legislature chooses to provide; rather, once that total amount is set by a legislature, formulas are often used to determine how much of that total amount each institution is to receive.

“Formulas are used in many states to allocate among individual colleges the funding that legislatures provide to support their state's community colleges.”

A common element of formula funding involves determining how much it costs colleges to offer the instruction and other services they provide. The state then uses that information, often along with other data, to build formulas that will determine how much state funding to provide each individual college. Studies to determine the actual costs of instruction, administration, and other common elements are done at various levels of detail and sophistication and are used to help determine how formulas should be constructed. Most studies rely on common budget categories, as developed by the National Association of College and University Business Officers (NACUBO) or a particular state's required budgetary or reporting categories.

Some states do these cost studies every few years. Other states rely heavily on work done in other states, under the general assumption that if, in State A, teaching diesel repair costs a college four times as much per student as does the teaching of freshman composition, that's likely to also be the case in State B. Regardless of rigor and the degree of reliance on home-state, empirical data, all such studies confirm that some courses are more expensive to offer than others, generally for perfectly understandable reasons.

These differential costs are generally expressed as multiples of the least-costly course. Another word for that approach is “weighting.” Continuing the example stated above, if freshman composition was found to be the least expensive course offering, it would receive a “weight” of one; if diesel repair was four times as costly to provide, it would receive a “weight” of four.

¹ Christopher M. Mullin and David S. Honeyman, “The Funding of Community Colleges: A Typology of State Funding Formulas,” *Community College Review*, 2007.

The next step involves aggregating all the different types of instruction provided by the institution within various categories of courses. Let's look at a very small, hypothetical college (Focused Community College) that teaches only two things: freshman composition and diesel repair.

Graphic 4.2: 'Focused Community College' example

Course Type	Number of Course Hours	Course "weighting"	"Weighted Instructional Units"
Freshman Comp.	200	1	200
Diesel Repair	60	4	240
Totals	260		440

In practice, this basic concept is elaborated to account for varying course credits, an obviously much greater array of courses/disciplines taught, conversion to full-time-student-equivalent basis, and so forth. In a simple example, each college's total weighted instructional units are summed and that total number is divided into the total amount a legislature decides to provide. (In Nebraska, those units are expressed as "reimbursable educational units" and related to full-time equivalent students.) If a state's legislature decided to provide \$200,000 to four small colleges that together generated 1,620 weighted instructional units, the value of each unit would be \$123.46 (\$200,000 divided by 1,620). If this approach was the only factor used to determine state aid allocations (and it seldom is), the colleges' state aid would be as follows:

Graphic 4.3: Several Community Colleges' example

College	"Weighted" Instructional Units	Resulting State Aid
Focused Community College	440	\$54,322
Narrow Community College	370	\$45,680
Modest Community College	460	\$56,792
Minimal Community College	350	\$43,211
Totals	1620	\$200,000*

* **Note:** Aid amounts do not total \$200,000 due to rounding.

Stated as simply as possible, these approaches identify approximately what it costs a college to offer various types of instruction, assigns "weights" (in Nebraska terminology) to those courses, and multiplies that cost by the number of students served over a specified time period.

How important are these "weightings" to the allocation of state aid in Nebraska?

In Nebraska, the "weightings" assigned to various courses affect the determination of about 82 percent of the estimated revenue needed by each community college to serve its students. One part of the formula calculation uses weighted instructional units ("reimbursable educational units – REUs") as averaged over a three year period; that section of the calculation af-

fects 70 percent of the estimated revenue needed by each community college. A related section of the formula uses the reimbursable educational units that each college generated *over the past year*; that section of the calculation affects 12 percent of the estimated revenue needed by each college. (See Appendix 4.1 for further discussion)

What is Nebraska's current approach to weightings?

Nebraska currently establishes in statute² three weighting categories for the various courses offered by its community colleges:

- a weight of 1 for a “general academic transfer course or an academic support course”;
- a weight of 1.5 for an “applied technology or occupational course offering which requires the use of equipment, facilities, or instructional methods easily adaptable for use in a general academic transfer program classroom or laboratory”;
- a weight of 2 for an “applied technology or occupational course offering which requires the use of specialized equipment, facilities, or instructional methods not easily adaptable for use in a general academic transfer program classroom or laboratory.”

These weighting categories have been in place for many years and were developed through assumptions about and general estimates of the differential costs of providing the three categories of instruction. Until prompted by LB 340, no cost study had been done in Nebraska to verify that the weighting categories are the appropriate ones to use and that the funding ratios/weights are backed up by an examination of actual costs.

The actual assignment of course weightings is done by the NCCA. As new courses are added by the institutions, NCCA's Council of Instructional Officers determines the weight each new course is given. (Indeed, NCCA largely determines which courses are to be counted in the formula to begin with. That is, they determine what instruction is reimbursable.) New courses and their associated weightings are added to NCCA's *Combined Course List*, which includes the reimbursable courses offered by all colleges and the weights that NCCA has assigned to them. That list is annually reviewed by the Council of Instructional Officers.

The Commission's approach to the Legislature's questions about weightings

To respond to the Legislature's directive regarding course weightings, the Commission developed a cost study, with data compiled by each community college and submitted to the Commission.

Prior to designing the data gathering methods for the cost study, the Commission closely examined cost studies and other documentation supporting formula-driven allocations to commu-

² Neb. Rev. Stat. § 85-1503 (2008).

nity colleges in 16 states; the Commission looked less closely at the approaches of several additional states. The Commission's cost study design utilizes what we believe are the best aspects of several states' cost studies. For example, our approach is based on the federal *Classification of Instructional Programs* (CIP) codes – a taxonomy of academic programs in various disciplines. While Nebraska's community colleges currently weight each *course* taught, weighting factors in other states are commonly based on CIP codes, which refer to academic *programs*, rather than academic *courses*. The Commission chose the CIP approach for the Nebraska community college cost study to potentially add reliability to a relatively small data set collected through a first-time exercise and to provide a means for comparison with the results of other states' cost studies. Further, reliably measuring costs on a course-by-course basis is impractical.

There is no single “best” way to carry out a cost study of this scope, and there is significant variance in the methodologies of other states. The Commission's first recommendation to the Legislature on this issue (prior to the passage of LB 340) suggested heavy reliance on external consultants with experience designing and carrying out similar studies in other states. Because of its estimated costs (approximately \$100,000), the Legislature did not approve that approach.

Following the passage of LB 340, and as the Commission was beginning its work on the “weightings” question, the Commission suggested to the community colleges that *they* consider funding such a study. They did not choose to do that, so the Commission developed the resulting study in consultation with the colleges. The Commission initially attempted to capture costs for instruction, overhead, and facilities. Despite significant effort,

What's a CIP code?

The Classification of Instructional Programs (CIP) is the statistical standard for instructional program classification utilized by the U.S. and Canadian governments for a variety of surveys and databases. Its purpose is to provide a system that supports accurate tracking, assessment, and reporting of data.

- The codes have titles and program descriptions that are generic categories, not exact duplicates of a major or program at any individual institution. Each institution (or some other entity in some states) determines which code most accurately reflects its programs of study and assigns the CIPs accordingly.
- The codes have three levels. The first level is a two digit number followed by a period and is the broadest of all levels. There are 37 two-digit CIPs for academic and occupational disciplines. There are additional CIPs for programs that are usually non-credit, such as ROTC and personal improvement and leisure studies.
- The second and third levels provide additional detail for classification and are identified by either two additional digits after the period (second level) or four digits (third level).

For example:

- CIP 51. is titled “Health Professions and Related Clinical Sciences”
- CIP 51.06 is Dental Support Services while CIP 51.16 is Nursing
- CIP 51.0601 is Dental Assisting and 51.0602 is Dental Hygienist

facilities data proved too problematic to include for further analysis, so the Commission based its analysis on instructional and overhead costs per full-time-equivalent student. Even that simplification is compromised by the institutions' having used two different methodologies to determine the overhead costs they assigned to each CIP code. (The Commission believes in this case that the effect of using the two different methodologies is minimal.)

The Commission's analysis focused on determining, as nearly as possible, the actual costs of providing reimbursable instructional programs (not all instructional activities of the community colleges qualify for state support), based on data provided by the colleges. Those costs, expressed in dollars per full-time-equivalent student, were then used to propose program-level weightings. We emphasize that the data on which the Commission based its analysis was provided by the colleges in good faith, but this project was a first-time exercise and presented some significant challenges for the institutions. Any future replications of the study would likely be easier and, perhaps, yield more accurate data. Although part of the process required some limited, large-scale reconciliation with audited information available from other sources, the data itself was not audited.

The Commission regards as a second issue the question of whether weightings should be modified to provide financial incentives to one or more of the institutions' roles and missions or to support other policy goals. A recommendation on that issue will be provided later in this report.

“*The state's three weighting categories are not fully supported by an examination of actual costs incurred by programs (as reported by the institutions).*”

The cost study has been a challenging project for all concerned. Administrative staff at the colleges put many hours into identifying and reporting within specified, carefully defined categories their actual costs of instruction, administrative overhead, and other expenses. Difficulties with that process caused significant delays, because Commission analysis could not begin until an accurate data set was established. The directions the Commission gave the colleges for the study are in Appendix 4.2, available in the online version at www.ccpe.state.ne.us. A technical explanation of the Commission's methodology is provided in Appendix 4.3, available online at www.ccpe.state.ne.us. The final data used by the Commission in its analysis is included as Appendix 4.4, also available at www.ccpe.state.ne.us.

Cost study findings

The state's three weighting categories are not fully supported by an examination of actual costs incurred by programs (as reported by the institutions).

- Although analysis on a program level will, of course, differ to some degree from analysis done at a course level, from the program data submitted by the colleges it is clear that some programs (and, therefore, many of the courses that compose them) are weighted inappropriately by the three-category system. Some programs

have costs that are higher than the relative weights currently assigned to the courses that compose them; some have costs that are lower. Nevertheless, the Commission believes the state is correct in including in the state aid formula a mechanism to account for the varying costs of various types of instruction.

- At a more fundamental level, the weights currently assigned to some courses in the *Combined Course List* maintained by NCCA are inconsistent with the statutory descriptions that accompany those weights.

To provide further guidance for the application of statutory weightings, NCCA developed and adopted “Course Weighting Decision Rules.” Nevertheless, some weightings do not appear to the Commission to match either the statutory intent or the decision rules. For example, macro and micro economics can be found in two different CIP codes, each given a different weight. The decision rules specify that terminology courses all be given a weight of 1.5. Medical terminology courses can be found with weightings of 1.0, 1.5, and 2.0. Similarly, some institutions weight soil science classes and/or labs as 1.5, 2.0, or a combination of the two.

- While the current three weighting categories are admirably simple and based on reasonable assumptions, the cost data supplied by the institutions indicates that the three weightings do not capture the full, relative range of institutional costs. For example, the current weighting system in effect builds in the assumption that the colleges’ cost to offer their most expensive courses is twice the amount of their lowest-cost courses. While the cost ranges reported by each institution vary, the Commission’s analysis indicates that, statewide, that range is clearly greater. Because the current weighting system is *course* based, and the cost study is *program* based, it is not possible to determine the exact extent of the difference.

The most finely grained approach to this problem would assign a different weight to each course (1, 1.04, 1.17, etc.) based on actual reported costs. That approach would be unduly cumbersome and would have other disadvantages. A mid-range approach would assign a different funding weight to each CIP code. That approach would relate most directly to the cost study approach taken by the Commission. A simpler approach would aggregate the costs reported for each CIP within “bands” of comparable costs. The Commission recommends this latter approach because of its relative simplicity and the fact that any data errors on the high side or on the low for various programs would better balance each other within each band. Graphic 4.4 (opposite page) comprises the application of the Commission’s recommended approach to the results of the cost study. It creates six funding “bands” based on the actual costs of offering programs. Technical discussions of methodology and data are found in the appendices relating to section IV of this report. See Appendix 4.5 for a comparison of this study’s cost findings (by program), with results from largely comparable studies done by other states.

Graphic 4.4: Recommended weight ranges

6-Digit CIP Code	Name of Program	Assigned Weight
51.1004	Medical Laboratory Tech.	2.18
52.1907	Vehicle & Vehicle Parts & Accessories Marketing Operations	
51.0602	Dental Hygienist	
12.0401	Cosmetic Serv., Gen.	
41.0101	Biological Technol./Tech.	
51.1601	Nursing (R.N. Training)	
10.0202	Radio & Television Broadcasting Technology/ Technician	1.90
47.0609	Avionics Maintenance Technology/Technician	
51.0908	Respiratory Therapy Tech.	
51.0808	Physical Therapy Assistant	
51.1613	Practical Nurse (L.P.N. Training)	
47.0604	Auto/Automotive Mechanic/Tech.	1.68
47.0603	Auto/Automotive Body Repairer	
51.0601	Dental Assistant	
09.0702	Digital Communication and Media/Multimedia	
46.0303	Lineworker	
15.0201	Civil Engr. Civil Technol./Tech.	
46.0501	Machinist/Machine Technologist	
51.1699	Nursing Oth.	
47.0605	Diesel Engine Mechanic & Repairer	
51.0909	Surgical/Operating Room Tech.	1.48
49.0205	Truck, Bus & Oth. Commercial Vehicle Operator	
15.1301	Drafting and Design Technology/Technician, General	
46.0499	Construction & Building Finishers & Mgrs., Oth.	
15.0303	Electrical, Electronic & Comm. Engr. Technol./Tech.	
51.0808	Veterinarian Assistant/Animal Health Technician	
47.0201	Heating Air Conditioning & Refrigeration Mechanic & Repairer	
46.0506	Welder/Welding Technologist	
15.0701	Occupational Safety & Health Technol./Tech.	
19.0101	Home Economics, Gen.	
51.0805	Pharmacy Tech./Assistant	
51.0907	Medical Radiologic Technol./Tech.	
49.9999	Transportation & Materials Moving Workers, Oth.	
01.0601	Horticulture Serv. Op. & Mgmt., Gen.	
48.0303	Upholsterer	
01.0101	Agricultural Business & Mgmt., Gen.	
15.1303	Architectural Drafting and Architectural CAD/CADD	
15.0613	Manufacturing Technology/ Technician	
50.0406	Commercial Photography	
46.0302	Electrician	1.22
39.0101	Leisure and Recreational, General	
50.0502	Technical Theater/Theater Design & Stagecraft	
15.0103	Language Interpretation and Translation	
11.0101	Computer & Information Sciences, Gen.	
24.0101	Liberal Arts & Sciences/Liberal Studies	
52.0401	Administrative Assistant/Secretarial Science, Gen.	
12.0504	Food & Beverage/Restaurant Op. Mgr.	
50.0408	Interior Design	
47.0303	Industrial Machinery Main. & Repairer	
50.0402	Graphic Design, Commercial Art & Illustration	
15.0702	Quality Control Technol./Tech.	
51.1503	Clinical & Medical Social Work	
51.0904	Emergency Medical Technol./Tech.	
22.0302	Legal Assistant/Paralegal	
51.0707	Medical Records Technol./Tech.	
25.0301	Library Assistant	1.00
47.0606	Small Engine Mechanic & Repairer	
48.0401	Building/Property Main. & Mgr.	
19.0708	Child Care and Support Services Management	
51.9999	Health Professions & Related Sciences, Oth.	
32.0101	Basic Skills	
51.0801	Medical Assistant	
80.0001	Academic Transfer (subtotal 801001...802001)	
52.0201	Business Administration & Mgmt., Gen.	
43.0104	Criminal Justice Studies	
43.0203	Fire Science/Firefighting	
73.0001	Remedial Education (subtotal 731001...733001)	
16.0101	Foreign Languages & Literatures Gen.	
16.1603	Sign Language Interpretation and Translation	

LB 340 directs the Commission to study whether course weightings should be changed to “properly reflect the role and mission of Nebraska community colleges,” as well as the cost of providing such courses.

The Commission’s approach to the weightings issue has focused on determining weightings that reflect the “cost of providing courses” – the second part of the Legislature’s directive on weightings. Once instructional costs are accurately determined and applied within either a course-based or program-based methodology, adjustments to provide incentives for certain activities, or to emphasize certain roles or missions, could readily be constructed. However, the Commission recommends against having weightings (by course or by program) reflect factors other than costs.

The Legislature has proscribed the community colleges’ first mission: “The community colleges, individually and collectively, shall have as their first instructional and service priority applied technology and occupational education and, when necessary foundations education.” (Neb. Rev. Stat. § 85-962) To a large extent, the generally higher costs of providing “applied technology and occupational education” (a more modern term is career/technical education) are reflected in the Commission’s cost study and, therefore, in our recommended weightings.

That is not the case for foundations education, however. In our cost study it receives a relatively low weighting. That is not because we think it unimportant (we clearly think it is very important), but because the institutions' reported costs for providing foundations education yield a statewide average cost that results in that relatively low weighting.

If the Legislature wants to use the allocation of state aid to incentivize institutions toward identified policy goals, or to emphasize certain roles or missions, the Commission would recommend a different approach — an approach that does not adjust weightings within the formula. That approach would involve the establishment of separate incentive/performance funds that could go to the colleges on the basis of their achieving certain goals. That approach could be more flexible and responsive to changing needs.

Two examples:

- If the state wanted to encourage the institutions to increase the number of nurses they graduate, the Legislature could establish separate funds that reward the enrollment, retention, and graduation of additional nurses beyond existing levels.
- If the state wanted to incentivize effective foundations education, it could set aside funds that would go to the institutions on the basis of successful student outcomes. For example, additional funds could be provided on the basis of students' successfully completing a remedial math course and additional (larger) funds could be provided when that student subsequently completed a credit-bearing math course.

Additional issues arising during the course of the LB 340 study

During the course of this study, the Commission held two public hearings: one in Lincoln (during the day), and an evening hearing in Omaha. From those two events, and from the many letters and other communications received during the study, it is clear that the community colleges have broad-based support for the work that they do. Several individuals spoke of the importance of retaining "local control" of the community colleges. Several others told of the ways in which the community colleges very positively changed their lives.

Although some individuals expressed general support for the present means of funding the colleges, other individuals conveyed with great passion their dissatisfaction with the current way the state provides its financial support. That dissatisfaction related to: 1) recent disagreements over data submitted by the colleges for the calculation of the current year's aid, in particular the matter of reported tuition and fees, and 2) broader concerns about the current formula — its philosophical underpinnings, and its underlying policies and statutory provisions. Most of these concerns were expressed by individuals associated with Metro Community College.

The Commission was not directed to study any aspects of the formula beyond the use of weightings. Nevertheless, the Commission cannot avoid observing that Metro Community College's claims represent serious disagreements with the current formula — disagreements

about underlying principles, fundamental policies as set forth in statute, and definitional and procedural matters affecting the allocation of funds.

Disagreements over higher education funding are frequent and recurrent. Metro's claims — and the points of view of all of the colleges — deserve appropriate consideration. This disagreement between the community colleges has formed a rift that must be healed.

Summary and recommendations

To respond to the Legislature's questions about possible modifications to the course weightings used in the current calculations of state aid to Nebraska's community colleges, the Coordinating Commission, working with the colleges, carried out a study to determine the instructional and administrative overhead costs of providing the reimbursable instructional programs offered by the institutions.

This was a first-time exercise for the colleges and presented numerous challenges in the collection and analysis of data. Nevertheless, the Commission finds that the available data, and the Commission's other research on these issues, provide a sufficient basis from which to make the following recommendations.

“The Legislature should consider replacing its current weighting system with a system based on programs rather than courses. The federal government's CIP codes should be used to categorize those programs.”

- The Legislature should continue to include in the state aid formula a mechanism to respond to and take into account the varying costs of offering different types of instruction.
- The Legislature should consider replacing its current weighting system with a system based on *programs* rather than *courses*. The federal government's CIP codes should be used to categorize those programs.
- Programs should be assigned to one of six “bands,” each associated with a weight applicable to all programs within the “band.” If the Legislature preferred greater cost differentiation, it could associate a separate weight with each CIP code. In either case, the weighting of each CIP code would be determined by its per-FTE cost, as calculated through the cost study. The Commission believes that the simpler, six-band approach is preferable. Documents illustrating each approach, based on the actual data, are provided in Appendix 4.6. Financial implications of applying the six-band weighting approach to the latest reported REUs are found in Appendix 4.7.
- The Legislature should direct that an updating of the cost study be done every four years; updating should be done prior to every other biennial budget consideration of

the Legislature. The Commission recommends that the Legislature at some point fund a comprehensive cost study that would be done by an external entity with broad experience in doing such work for states and postsecondary systems. That more comprehensive approach could provide greater assurance that comparable data were collected from each college and therefore yield better data on which analyses, recommendations, and funding decisions could be based.

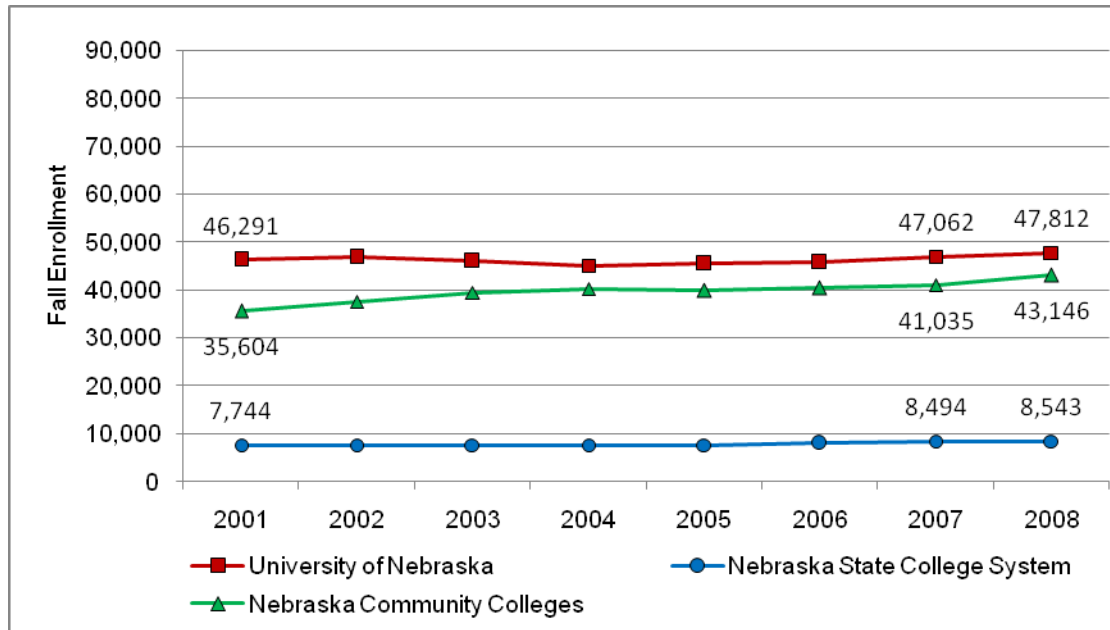
- If the Legislature moves to a program-based weighting system, as recommended in this report, the issue of inaccurate course weightings in the *Combined Course List* becomes irrelevant. However, if the Legislature does *not* move to a program-based weighting system, the Legislature should direct that the Coordinating Commission, or some other agency assigned coordinating authority by the Legislature, working closely with the community colleges, review and approve the weights assigned to courses in the *Combined Course List*. That review and approval should be completed as soon as possible. CIP designations in the *List* should be corrected regardless of any modifications the Legislature does or does not make to the formula.
- The Legislature also asked if course weightings should be changed to properly reflect the role and mission of Nebraska community colleges. The Commission does not recommend modifying the cost-derived weightings of either courses or programs to “properly reflect” any particular aspects of the colleges’ roles and missions. Rather, it recommends that, if the Legislature wants to provide financial incentives for certain roles, missions, or activities, it adopt a more focused, flexible approach. That would involve establishing separate funds that would be distributed to the institutions upon their reaching certain policy goals — the graduation of additional nurses, for example, or significant improvement in getting students through remedial/foundations work and having them successfully complete credit-bearing courses.

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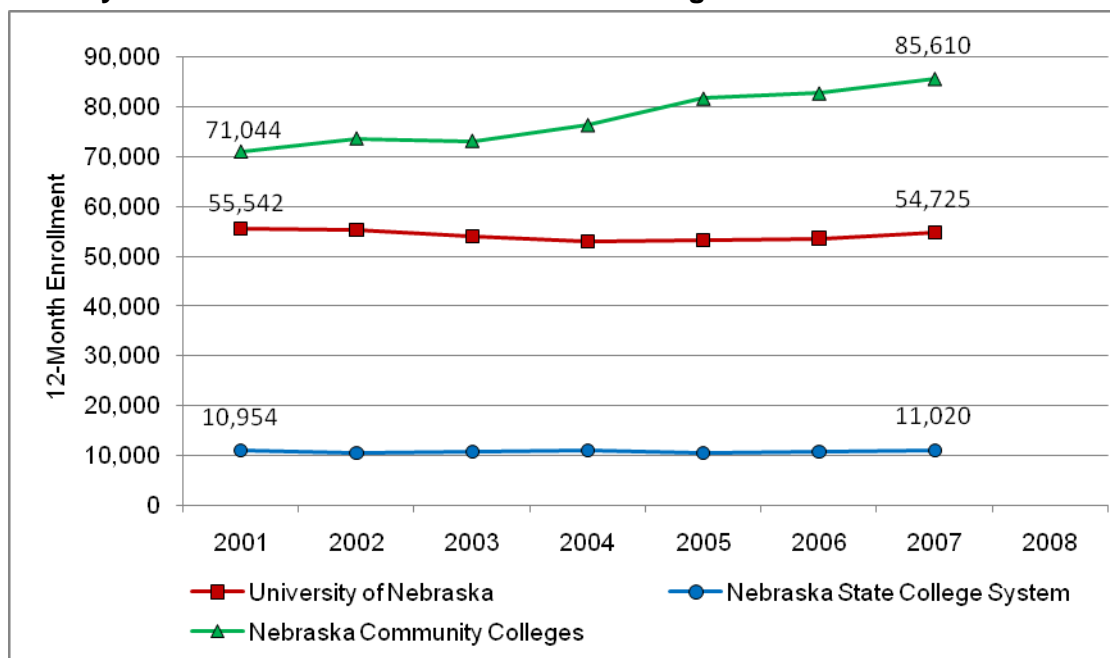
Appendix 2.1: Nebraska community college overview

Fall Headcount Enrollment at Nebraska Public Postsecondary Institutions by Sector — Fall 2001 to Fall 2008¹



¹Data source: National Center for Education Statistics, Integrated Postsecondary Education Data System (IPEDS).

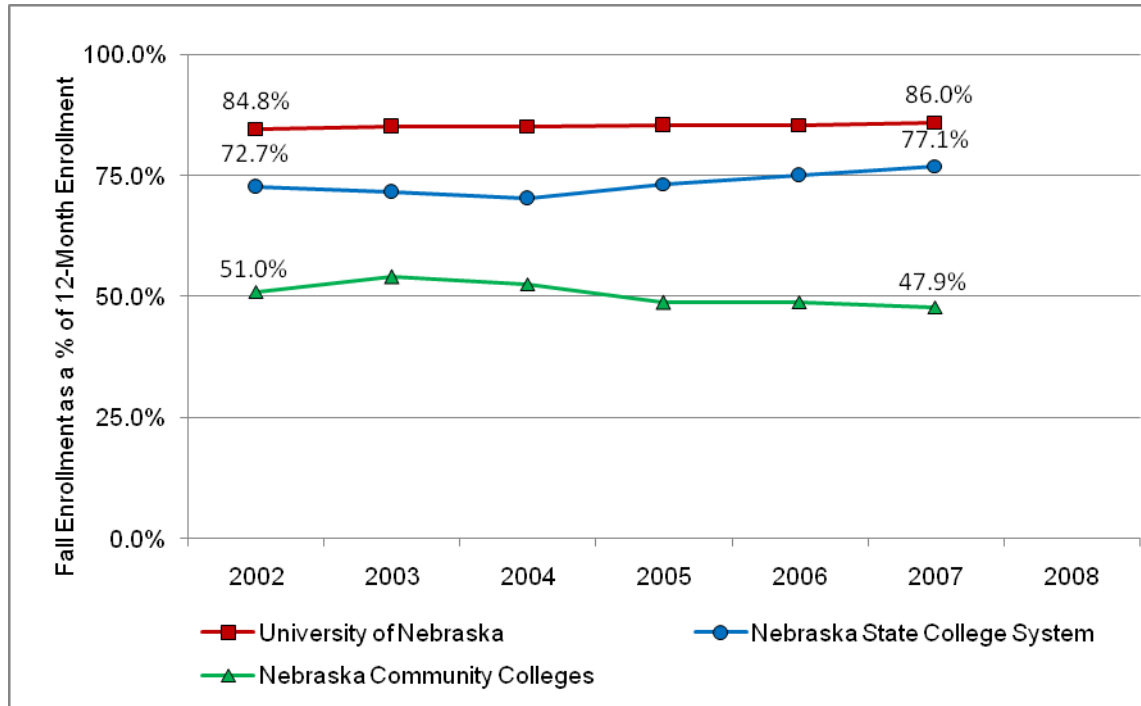
12-Month Unduplicated Headcount at Nebraska Public Postsecondary Institutions by Sector—2001–2002 Academic Year through 2007–2008 Academic Year¹



¹Data source: National Center for Education Statistics, Integrated Postsecondary Education Data System (IPEDS).

Appendix 2.1 cont'd

Fall Headcount Enrollment as a Percentage of 12-Month Unduplicated Headcount at Nebraska Public Postsecondary Institutions by Sector — 2001–2002 Academic Year through 2007–2008 Academic Year¹



¹Data source: National Center for Education Statistics, Integrated Postsecondary Education Data System (IPEDS).

Nebraska community college tuition and fees, 2009-10¹

	Resident	Non-resident
Central Community College	\$2,310.00	\$3,360.00
Metro Community College	\$2,160.00	\$3,127.50
Mid-Plains Community College	\$2,430.00	\$3,030.00
Northeast Community College	\$2,430.00	\$2,932.50
Southeast Community College	\$2,160.00	\$2,632.50
Western Neb. Comm. College	\$2,430.00	\$2,790.00

¹Data source: Community colleges' websites

Appendix 2.2: NE community college role and mission statutes

Section 85-959

Community colleges; role and mission assignments.

The role and mission assignments enumerated in sections 85-960 to 85-965 shall apply to the community college system and its areas and campuses. Such assignments shall prohibit, limit, or restrict only those programs or services provided for under such sections.

Source: Laws 1978, LB 756, § 43.

Section 85-960

Community colleges; public service activities; responsibility.

The community colleges shall be responsible for public service activities within each area.

Source: Laws 1978, LB 756, § 44.

Section 85-960.01

Community colleges; applied research activities permitted.

Applied research activities of the community college areas shall be directly related to the enhancement of the instructional programs, student achievement, institutional effectiveness, public service activities, and the professional development of the faculty.

Source: Laws 1991, LB 663, § 100; Laws 1993, LB 239, § 15.

Section 85-960.02

Community colleges; foundations education.

The community college areas shall serve as the primary public postsecondary institutions for foundations education.

Source: Laws 1991, LB 663, § 101; Laws 1993, LB 239, § 16.

Section 85-961

Community colleges; responsibility in less than baccalaureate degree program areas.

The community colleges shall have, except in specified program areas authorized by statute and the Coordinating Commission for Postsecondary Education, sole responsibility for the award of associate degrees, diplomas, and certificates in less than baccalaureate degree program areas approved by the commission pursuant to sections 85-1413 and 85-1414.

Source: Laws 1978, LB 756, § 45; Laws 1991, LB 663, § 102.

Appendix 2.2 cont'd

Section 85-962

Community colleges; legislative intent; instructional and service priorities.

It is the intent of the Legislature that the community colleges shall be student-centered, open-access institutions primarily devoted to quality instruction and public service, providing counseling and other student services intended to promote the success of a diverse student population, particularly those who have been traditionally underserved in other educational settings. The community colleges, individually and collectively, shall have as their first instructional and service priority applied technology and occupational education and, when necessary, foundations education. The second instructional and service priority of the community colleges shall be transfer education, including general academic transfer programs, or applied technology and occupational programs which may be applicable to the first two years of a bachelor's degree program, and, when necessary, foundations education. The third instructional and service priority of the community colleges shall be public service, particularly adult continuing education for occupations and professions, economic and community development focused on customized occupational assessment and job training programs for businesses and communities, and avocational and personal development courses. The fourth instructional and service priority of the community colleges shall be applied research.

Source: Laws 1978, LB 756, § 46; Laws 1991, LB 663, § 103; Laws 1993, LB 239, § 17.

Section 85-963

Community college areas; general academic transfer programs; campuses provided; limitations.

The community college areas may provide general academic transfer programs at the following campuses: Southeast Community College Area at the Fairbury-Beatrice Campus; Central Community College Area at the Columbus Campus; Metropolitan Community College Area at the Fort Omaha Campus; Mid-Plains Community College Area at the McCook and North Platte Campuses; Northeast Community College Area at the Norfolk Campus; and Western Community College Area at the Scottsbluff Campus.

In conjunction with and consistent with its determinations regarding transfers of credit, admission standards, and remedial programs pursuant to section 85-1413, the Coordinating Commission for Postsecondary Education may authorize any or all of the campuses of community college areas not listed in this section to also provide general academic transfer programs.

The delivery of general academic transfer program services shall be limited to those areas and campuses specifically provided for by this section or the commission. The community college areas are encouraged to work in cooperation with the University of Nebraska and the state colleges for the articulation of general academic transfer programs of the six community college areas.

Source: Laws 1978, LB 756, § 47; Laws 1981, LB 320, § 4; Laws 1984, LB 993, § 1; Laws 1991, LB 663, § 104; Laws 1994, LB 683, § 9.

Appendix 2.2 cont'd

Section 85-964

Community colleges; academic course instruction authorized.

The community colleges may provide such academic course instruction as may be necessary to support applied technology education and academic transfer programs.

Source: Laws 1978, LB 756, § 48; Laws 1993, LB 239, § 18.

Section 85-965

Community college area; education programs; contract to provide.

Any community college area or institution may contract to provide for the delivery of education programs within institutions operated by any state agency or within any geographic area administered by a federal agency or tribal authority.

Source: Laws 1978, LB 756, § 49.

Section 85-966

Sections, how construed.

The Legislature acknowledges the provisions of Article VII, sections 10, 13, and 14, of the Constitution of Nebraska. The provisions of sections 85-917 to 85-966.01 reflect the philosophy of the State of Nebraska and shall be acknowledged as such and implemented by the Board of Regents of the University of Nebraska, the Board of Trustees of the Nebraska State Colleges, the board of governors of each community college area, and the Coordinating Commission for Postsecondary Education.

Source: Laws 1978, LB 756, § 56; Laws 1991, LB 663, § 105; Laws 1993, LB 239, § 19; Laws 1994, LB 683, § 10.

Section 85-966.01

Role and mission; legislative change; conditions.

After January 1, 1995, the Legislature shall not change the role and mission provisions in this section and sections 85-917 to 85-966 unless and until a proposal for such change has first been reviewed by the Coordinating Commission for Postsecondary Education and its recommendations on such proposal have been given to the Legislature pursuant to subdivision (2) of section 85-1412, section 85-1414, or otherwise.

Source: Laws 1994, LB 683, § 11; Laws 2003, LB 7, § 4.

Appendix 2.3: CC roles/missions by state (statutory assignments)

	CA	CO	FL	IA	IN	KS	KY	MN*	MO	NE	SD#	TN	TX	WV
Career/ Technical Education		X		X	X			X	X	X	X	X	X	X
Development/ Foundations Education				X			X (“Renewal and continuing education”)	X	X	X		X	X	X
Two-year Associate’s Degree	X (one credit)		X	X			X (“Certificate program, diploma, and program”)	X	X	X	X	X	X	X
Academic Transfer	X	X		X	X		X	X		X		X	X	X
Business/ Industrial Training			X	X			X		X	X	X	X		X
Adult Basic Education	X (“Basic skills and English proficiency”)	X	X (secondary)	X			X (“Adult education”)					X		
GED Delivery				X								X		X
Community Services/ Enrichment Courses			X (secondary)	X						X		X	X	X (“Continuing education”)
Applied Research										X			X	
Online Education														
Four-year Degrees														
Other	X “Economic and Workforce Development” and “Lifelong Learning”	X “Open access” “Provides Developmental Services”	X “Student development services” “providing academic development through special programs” “technical and career services (security)”	X Dual enrollment	by Tech is the state authority over college system. Mission statement is somewhat vague.	Missouri’s role values by school	X “Evidence in mind to meet the needs of students in a new learning environment” “Associated services”							
Defined in statute	X	X	X	X			X	X		X			X	X

* = Includes technical colleges, community colleges, and consolidated community technical colleges
 # = Technical institutes within K-12 districts

Appendix 2.4: Definitions

adult basic education – courses that enable adults to acquire the basic skills necessary to function in society so that they can benefit from the completion of secondary school, enhanced family life, attaining citizenship, and participating in job training and retraining programs. Courses emphasize basic skills such as reading, writing, math, English language competency, and problem-solving. Programs include Adult Basic Education (ABE), Adult Secondary Education (such as GED), and English Language Acquisition.

academic transfer – courses and programs designed for transfer to four-year institutions. The subject areas generally fall within the categories of languages, arts and humanities, social sciences, mathematics, and science.

associate degree – an award consisting of approximately 64 semester credit hours or 98 quarter credit hours that usually takes two years of full-time study to complete. Degrees may focus on academic areas of study and be specifically designed to transfer to a four-year institution (e.g., Associate of Arts or Associate of Science) or may focus on the application of knowledge and skills (e.g., Associate of Applied Science or Associate of Occupational Studies).

career/technical education (CTE) – formerly called vocational education. The courses and programs help students acquire academic and technical skills that prepare them for specific occupations.

diploma or certificate – awards for completion of programs that require less than two years of full-time study

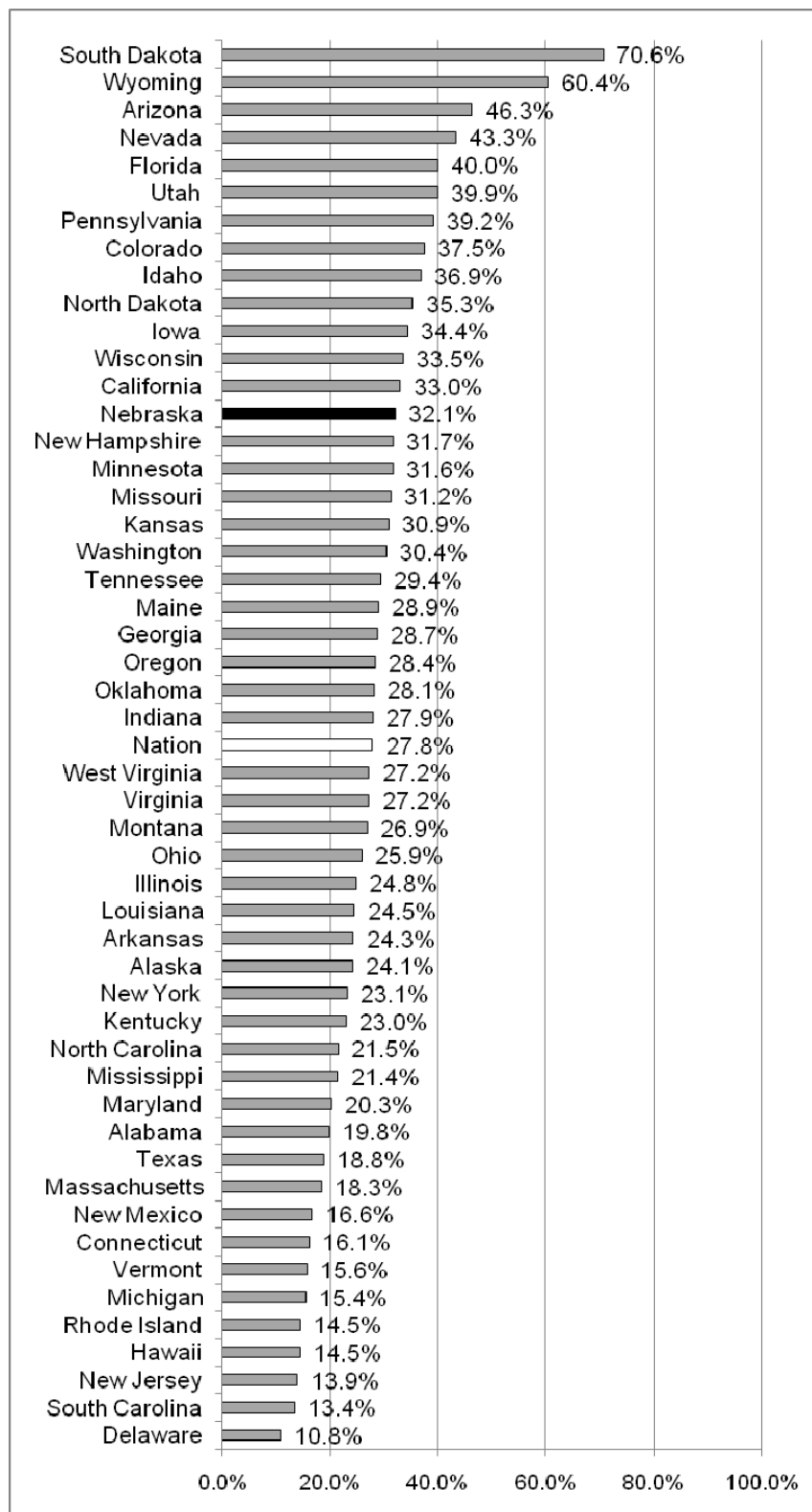
foundations /developmental /remedial education – courses that are pre-college and intended for students with below college-level skills. The courses enable students to acquire the skills necessary to participate in a postsecondary program of study. The courses do not count toward a degree, diploma, or certificate, and are not awarded transferrable credit.

open access – an institutional policy that allows students to enroll in courses or programs without meeting any performance standards other than possessing a high school diploma or equivalent.

personal enrichment courses – courses outside formal, credit-bearing education programs that are designed to enhance the personal lives of students

training and support for business and economic development – courses that adults take outside of formal, credit-bearing education programs in order to acquire, maintain, or upgrade their workforce skills

Appendix 2.5: 3-year grad rates for 2-year associate degree students



Source: NCHEMS Information Center for Higher Education Policy-making and Analysis

Note: Graduation rate for students beginning two-year programs in fall 2003 and graduating by summer 2007.

Note: The completers reported for Nebraska account for about 30% of all of the students who received degrees, certificates and diplomas conferred by Nebraska community colleges. These data refer to associate degree completers only.

Appendix 3.1: Community college funding by state 2006-07

State	State Appropriations	%	Local Appropriations	%	Tuition and Fees	%	Total Funding
Alabama	\$326,693,229	74.7%	\$10,000	0.0%	\$110,400,649	25.3%	\$437,103,878
Alaska	\$2,849,671	73.1%	\$0	0.0%	\$945,628	24.9%	\$3,795,299
Arizona	\$141,177,033	15.6%	\$372,261,174	63.3%	\$190,561,629	21.1%	\$603,999,836
Arkansas	\$145,227,948	68.1%	\$19,190,679	9.0%	\$48,694,965	22.8%	\$213,113,592
California	\$3,163,011,143	54.8%	\$2,037,716,661	35.6%	\$354,833,608	9.6%	\$5,773,581,412
Colorado	\$13,668,031	4.9%	\$61,729,361	22.0%	\$203,239,302	73.1%	\$280,636,974
Connecticut	\$209,026,880	72.9%	\$0	0.0%	\$77,863,111	27.1%	\$286,889,991
Delaware	\$64,117,100	68.1%	\$0	0.0%	\$30,021,282	31.9%	\$94,138,382
Florida	\$689,333,644	71.9%	\$0	0.0%	\$269,220,032	28.1%	\$958,553,696
Georgia	\$441,676,024	70.5%	\$0	0.0%	\$184,916,909	29.5%	\$626,592,933
Hawaii	\$88,009,304	73.2%	\$0	0.0%	\$32,179,519	26.8%	\$120,188,823
Idaho	\$39,462,345	60.4%	\$8,197,560	12.5%	\$17,662,234	27.0%	\$65,322,139
Illinois	\$272,115,990	18.8%	\$775,954,264	53.5%	\$401,600,719	27.7%	\$1,449,670,973
Indiana	\$136,632,581	59.8%	\$0	0.0%	\$91,951,424	40.2%	\$228,584,005
Iowa	\$180,629,129	43.3%	\$80,541,423	19.3%	\$133,626,463	37.3%	\$416,797,017
Kansas	\$130,930,678	30.6%	\$196,832,300	46.0%	\$100,220,631	23.4%	\$427,983,809
Kentucky	\$154,969,463	64.6%	\$40,000	0.0%	\$84,972,577	35.4%	\$239,982,040
Louisiana	\$176,943,315	77.1%	\$0	0.0%	\$52,617,619	22.9%	\$229,560,934
Maine	\$43,341,558	70.0%	\$0	0.0%	\$18,560,423	30.0%	\$61,901,981
Maryland	\$212,765,809	28.2%	\$283,633,732	37.7%	\$256,871,106	34.1%	\$753,270,667
Massachusetts	\$297,082,482	64.4%	\$0	0.0%	\$164,239,037	35.6%	\$461,321,519
Michigan	\$248,991,481	21.3%	\$575,549,807	49.2%	\$344,692,851	29.5%	\$1,169,234,139
Minnesota	\$353,801,000	56.2%	\$0	0.0%	\$276,056,018	43.8%	\$629,857,018
Mississippi	\$190,309,868	59.7%	\$58,165,682	18.3%	\$70,219,859	22.0%	\$318,695,409
Missouri	\$63,633,033	34.9%	\$46,103,393	25.3%	\$72,591,291	39.8%	\$182,327,719
Montana	\$15,243,237	41.9%	\$6,780,690	18.6%	\$14,379,306	39.5%	\$36,403,233
Nebraska	\$71,056,247	35.0%	\$84,228,867	41.4%	\$47,975,367	23.6%	\$203,260,481
Nevada	\$36,876,000	75.8%	\$0	0.0%	\$11,750,000	24.2%	\$48,626,000
New Hampshire	\$26,827,710	39.2%	\$0	0.0%	\$41,536,993	60.8%	\$68,364,703
New Jersey	\$138,023,814	22.9%	\$203,337,913	29.4%	\$330,007,339	47.7%	\$691,369,266
New Mexico	\$187,010,902	58.8%	\$92,000,223	28.9%	\$39,176,183	12.3%	\$318,187,308
New York	\$565,094,105	35.2%	\$523,620,039	32.6%	\$517,697,530	32.2%	\$1,606,411,694
North Carolina	\$816,583,323	72.0%	\$170,546,915	15.0%	\$147,709,082	13.0%	\$1,134,839,320
North Dakota	\$29,133,838	54.1%	\$0	0.0%	\$24,702,933	45.9%	\$53,836,773
Ohio	\$402,591,035	45.6%	\$133,803,499	15.2%	\$345,979,292	39.2%	\$882,373,846
Oklahoma	\$147,198,292	60.1%	\$41,404,911	16.9%	\$36,139,531	22.9%	\$244,742,734
Oregon	\$165,662,066	33.3%	\$162,135,821	32.6%	\$169,260,561	34.1%	\$497,058,448
Pennsylvania	\$257,162,097	38.8%	\$117,396,901	17.7%	\$288,427,702	43.5%	\$662,986,700
Rhode Island	\$47,113,490	64.3%	\$0	0.0%	\$26,169,083	35.7%	\$73,282,573
South Carolina	\$165,430,563	45.6%	\$32,743,142	14.5%	\$144,838,314	39.9%	\$363,012,019
South Dakota	\$11,412,443	38.3%	\$164,761	0.6%	\$18,237,820	61.2%	\$29,815,024
Tennessee	\$219,939,500	66.7%	\$0	0.0%	\$109,980,435	33.3%	\$329,919,935
Texas	\$1,072,346,419	41.6%	\$904,256,055	35.1%	\$600,705,428	23.3%	\$2,577,307,902
Utah	\$129,728,733	68.7%	\$0	0.0%	\$39,110,808	31.3%	\$188,839,541
Vermont	\$4,629,729	24.6%	\$0	0.0%	\$14,220,925	73.4%	\$18,850,654
Virginia	\$358,571,048	62.3%	\$2,261,110	0.4%	\$214,418,620	37.3%	\$575,250,778
Washington	\$537,994,768	72.9%	\$0	0.0%	\$199,902,051	27.1%	\$737,896,819
West Virginia	\$33,455,995	73.3%	\$273,181	0.6%	\$11,900,385	26.1%	\$45,629,561
Wisconsin	\$149,335,351	17.0%	\$370,889,682	64.9%	\$139,124,318	18.1%	\$879,349,351
Wyoming	\$87,338,311	39.7%	\$37,910,373	23.8%	\$21,203,190	14.5%	\$146,451,874

Source: Data from the U.S. Department of Education, National Center for Education Statistics, IPEDS Spring 2007 Survey, summarized by the National Center for Higher Education Management Systems (NCHEMS), January 2009.

Appendix 3.2: State CC structures and degree of centralization

State Coordination of Community Colleges:

- Other states' approaches
- Applying those (and other) approaches to Nebraska

Governing and coordination structures for American community colleges are far more diverse than in any other sector of postsecondary education. Several authors have placed states' coordinating structures for community colleges within several categories. Some authors have added descriptive frameworks, ranging from highly coordinated at the state level to minimally coordinated.

Studies reviewed by the Commission have generally categorized Nebraska as "decentralized." The most recent of those categorizations is reproduced on the following page (Lovell and Trough, 2004). In that categorization, approaches to statewide coordination of community colleges include coordination by state boards of education, state higher education boards or commissions, state community college coordinating boards, state community college governing boards, and state boards of regents. To further complicate the picture, some states employ more than one of these approaches, coordinating some of their community colleges through one structure and some through another. And lastly, the categorizations are not as neat as the table makes them appear, for at least two fundamental reasons. First, not all organizations characterized or designated as statewide community college coordinating boards, for example, carry out the same tasks or exercise the same level of control over their institutions. Furthermore, these categorizations, even when made with the best professional judgment, change over time.

Appendix 3.2 cont'd

	State Board of Education	State Higher Education Board or Commission	State Community College Coordinating Board	State Community College Governing Board	State Board of Regents
Highly Centralized			Colorado (local district colleges)	Colorado (state system colleges), Kentucky, Connecticut	Hawaii
Centralized	Alabama	Indiana	New Hampshire	Delaware, Maine, Minnesota	Alaska, Georgia, Louisiana, Nevada, Rhode Island, Tennessee, Vermont, Virginia, West Virginia
Moderately Centralized			North Carolina, South Carolina, Washington		Utah, Oklahoma
Moderately Decentralized	Oregon	Arkansas, Massachusetts, New York (SUNY), Ohio	California, Florida, Illinois, Oregon, Wisconsin, Wyoming	Arizona, New York (CUNY) ¹	North Dakota
Decentralized	Idaho, Iowa, Kansas, Michigan	Maryland, Missouri, Nebraska, New Jersey, New Mexico, Texas	Michigan, Mississippi		
Highly Decentralized	Pennsylvania				Montana

Source: "Statewide Community College Governance Structures: Factors that Influence and Issues that Test Effectiveness," Cheryl D. Lovell and Catherine Truth, *Higher Education: Handbook of Theory and Research*, Vol. XIX, pp. 133-174, J.C. Smart, ed., Kluwer Academic Publishers, 2004.

¹ New York CUNY actually has a city-level governing board that operates in a similar fashion to a state-level board.

Appendix 3.2 cont'd

Commission review of taxonomies published over the past many years demonstrates a general trend toward greater rather than lesser statewide coordination. That would generally parallel the trend of increasing reliance on state funds mentioned earlier in this report.

The Commission has reviewed other states' approaches to state coordination of community colleges and makes the following observations about them and other possible approaches.

Other states' approaches:

Community college coordination by a State Board of Education. According to Lovell and Trough's 2004 analysis, seven states assign community college coordination (to greater or lesser degree) to their state board of education. Although some advantages could potentially be gained from that approach, the Commission does not find it to be particularly progressive, appropriate, or practical for Nebraska. The State Board would require considerable time to assimilate a full understanding of community colleges' cultures, issues, challenges and opportunities. The Nebraska Department of Education would have to hire several additional staff with higher education (and, in particular, community college) knowledge and expertise.

Coordination by a statewide community college coordinating board. Such boards exist in 13 states. Such a board could readily handle coordination tasks for the community colleges. The chief benefit of such an approach would be the statewide, rather than institutional, perspective that such a board would provide. Such boards are typically appointed by governors, with confirmation by the state's senior legislative body. They do not supplant the governance responsibilities of local boards. Creating one in Nebraska would require resources sufficient to support several highly qualified staff, suitable office space, board members' travel, and other operating expenses. This approach would have to be carefully designed to avoid the legal pitfalls that befell earlier approaches tried in Nebraska in the 1970s. The Commission is confident that could be done if the Legislature chose to do so.

Coordination by a state community college governing board. Nine states have such boards. In those states, virtually all community college funding comes from state appropriations, with no or minimal reliance on local funding. If Nebraska were to pursue that approach (and the elimination of property tax levies for community colleges would appear at least initially popular to many), maintaining the current level of total funding for the colleges would require an increase of state appropriations of approximately \$98 million per year, plus an undetermined amount for local bonding obligations.

A strong, statewide governing board could readily deal with the coordination issues raised in this report, as well as others, and would offer the benefits of a statewide perspective. Its scope of responsibilities would be greater than that of the approach dis-

Appendix 3.2 cont'd

cussed immediately above, and it would exert significantly greater control over each individual community college than would a statewide community college coordinating board. Some believe it could perhaps realize cost savings through greater efficiency; others believe it could lead to cost escalations stemming from a potential need to equalize faculty salaries around the state. It would represent the greatest departure from the “local control” approach that was widely supported in testimony presented to the Commission in the two public hearings held during the Commission’s work on this report.

Community college coordination by an existing governing board. A state board of regents oversees community colleges in 14 states, carrying out those duties along with oversight of at least some their states’ four-year colleges and universities, as well.

It would be a challenge for either the University of Nebraska Board of Regents or the Nebraska State College Board of Trustees to exercise *governing* functions for their institutions and only *coordinating* functions for the community colleges, each of which have their own, locally elected governing boards. Comments made immediately above would also relate to having either entity exercise governing functions for the six community colleges.

The Regents or Trustees (and their staffs) would have to assimilate and understand the particular challenges, opportunities, culture and responsibilities of the community colleges. That would include an understanding of significantly different student demographics, institutional roles and mission, faculty characteristics and responsibilities, the whole area of career and technical education, foundations education, and institutional and sector traditions. Assigning state coordinating tasks for the community colleges to either the University of Nebraska Board of Regents or the Nebraska State College Board of Trustees would also require additional staff and resources for those entities.

In the Commission’s view, this approach would dilute the attention the governing boards for the University of Nebraska and the Nebraska State Colleges could continue to give to their current responsibilities. Incorporating oversight of career and technical education (a major responsibility of the community colleges) and consolidating under any one board the close supervision of education stretching from foundations education through master’s level education (in the case of the State Colleges) or through doctoral and professional studies (in the case of the University of Nebraska) would present significant challenges. Adding the funding complexity of a sector that relies to a large extent on local property taxes to the oversight of institutions that do not receive such support would complicate governance and funding decisions. The Commission believes that the University’s Board of Regents and the State College Board of Trustees have sufficient responsibilities to discharge without adding the complexities that would accompany the expansion of their oversight to include coordinating even limited activities

Appendix 3.2 cont'd

of the community colleges.

Lastly, and very importantly, this approach would dilute attention given to the community colleges themselves, the sector of Nebraska public education that enrolls our state's second-largest number of students.

Community college coordination by a statewide higher education board. That approach, more or less, is done in 11 states. Although the Coordinating Commission could carry out additional tasks relating to the coordination of the community colleges, significant expansion of the Commission's oversight in this regard could present a real or perceived conflict of interest between those duties and the Commission's charge to ensure statewide coordination across postsecondary sectors. Nevertheless, if better or preferred alternatives are not identified, some, most, or all of the limited coordinating tasks mentioned in the body of this report are related to work the Commission already does and could be carried out by the Commission. *The Commission strongly emphasizes that it would need additional resources to add that work to its current responsibilities.* The Commission's staffing level has remained essentially flat since 1992, despite the addition of numerous tasks and responsibilities.

Other approaches

Encourage (but not provide a means for) voluntary coordination among the colleges. Nebraska operated under that approach from 1977 until 1991. During that time the Legislature had repealed the Coordinating Commission for Technical Community Colleges, and the NCCA developed in the absence of any state oversight. Provisions for an association were not codified until 1991, when the current Coordinating Commission for Postsecondary Education was established.

The Coordinating Commission does not support this approach. If state coordination of community colleges is important to the state — and the Commission finds that it is — a mechanism to ensure coordination must be created, empowered, and adequately resourced.

Continue statewide coordination assignments to the Nebraska Community College Association (NCCA). NCCA is the current "association" authorized in Nebraska statutes and performs several functions. Although NCCA has made many useful contributions and could be strengthened, with only an executive director and an administrative assistant it lacks the financial and staffing resources needed to carry out fully the coordinating tasks mentioned above and those already assigned to it. Bringing NCCA capabilities up to the necessary level would likely require the addition of several highly qualified staff, additional office space, and the significantly increased financial resources needed to support expanded responsibilities. Those additional resources would have to come from the colleges, from state appropriations, or a combination of sources.

Appendix 3.2 cont'd

Disputes of the last few years, and the fact that not all Nebraska colleges are current members of NCCA, present additional complicating factors to this approach. Finally, the Commission is not aware of any other state that in statutes assigns any state coordination responsibilities to a non-governmental association comprised of and funded by the colleges themselves. NCCA's structural ties to the institutions tends to reinforce institutional rather than statewide perspectives.

Appendix 3.3: History: Nebraska's approaches to state coordination of community colleges

In 1971 the Legislature first attempted to organize Nebraska's community college system statewide by creating the State Board of Technical Community Colleges and establishing local governing boards to oversee each community college area. Generally, the state board was charged with statewide coordination duties, while the local boards were to manage the governance duties for the colleges in their areas. However, some powers of the local boards were subject to approval by the state board, such as the power to construct facilities and issue revenue bonds. Further, the Legislature required the state board to establish minimum standards for the local boards addressing many governance issues such as the qualifications of instructional personnel, internal financial procedures, curriculum content and degree requirements, and admission policies.

At the same time the Legislature created a state board, it also established a system to provide state aid to each community college area. Additional changes were made to the state aid in 1972 and 1973, when the Legislature added the requirement that a community college area could not receive state aid if it levied a property tax of less than one mill. The maximum levy available to community colleges was one mill.

Legal challenges followed, and in 1974 the Nebraska Supreme Court held the property tax levied by the community colleges was unconstitutional¹ because it violated a provision in the Nebraska Constitution, known as the Duis Amendment, that prohibits the state from levying property taxes for state purposes². The Court examined both the governance structure and the state aid provisions to make its determination.

In 1975 the Legislature enacted a new system for the community colleges. In place of the state board, the Legislature created the Nebraska Coordinating Commission for Technical Community Colleges. The commission was given standard coordinating functions, and the local boards held final authority for any governing decisions. The Legislature also established a new property tax levy limit and simplified state aid by distributing it solely on the basis of full-time equivalent enrollment totals.

This second system structure also faced a constitutional challenge, but the Nebraska Supreme Court in 1976 upheld the system as constitutional³. The following year, the Legislature again changed the system by repealing the Nebraska Coordinating Commission for Technical Community Colleges and giving most of its powers to the new Coordinating Commission for Post-secondary Education that had been established the previous year. In 1979, attempts were made to establish a Community College Council to oversee the community colleges, but the proposal was defeated on the floor of the Legislature.

¹ *Western Nebraska Technical Community College Area v. Tallon [Tallon I]*, 192 Neb. 201, 219 N.W.2d 454 (1974).

² Nebraska Constitution, Article VIII, Section 1A.

³ *State of Nebraska v. Tallon [Tallon II]*, 196 Neb. 603, 244 N.W.2d 183 (1976).

Appendix 3.3 cont'd

NCCA grew out of these failed attempts at coordination in the 1970s. After 1977, except for the limited duties that had been assigned to the Coordinating Commission for Postsecondary Education, the state removed itself from coordinating the community colleges despite its continuation of state aid. With little state oversight, the colleges voluntarily collaborated and coordinated through what became the NCCA, a nongovernmental, nonprofit entity made up of locally elected representatives of the colleges themselves. The Legislature further endorsed this approach in 1991 when it statutorily proclaimed that the Coordinating Commission's work in coordinating the community colleges should be done through "an association of the boards of the six community colleges."

This approach accomplished several things. First, it was less likely to face a constitutional challenge. Second, because NCCA receives no state funds, the voluntary approach had the added benefit of not requiring the state to financially support a focused coordinating entity for the colleges, even though coordinating/governing entities are supported for the University of Nebraska and the Nebraska State Colleges. And lastly, this approach gave the colleges themselves minimal state oversight of the effectiveness of their efforts at statewide coordination, despite the considerable amount of state aid provided over the years.

Appendix 3.4: NCCA coordinating responsibilities

NCCA Policy Manual – Section 3015 NCCA Board Coordinating Responsibilities and functions

- Preparation and updating of a statewide community college system strategic plan, including developing the process for participation of area boards, area presidents, area staff, and area students and where appropriate, community and business leaders, executive and legislative branch members, and representatives from other education sectors, organizations, and agencies;
- The NCCA Board will approve the legislative agenda annually at the fourth quarter meeting of the board.
- Coordination of system legislative strategy, including, but not limited to formulating policy and position statements, organizing and directing support or opposition for specific legislation, identifying issues affecting one or more community colleges, preparing positions for alternative outcomes of legislative issues, and representing the community college system.
- Coordination of system budget request, and where necessary and appropriate, identification of system-wide program emphasis, system-wide requests, categorical requests, and other areas where individual area budget requests may directly affect the effective pursuit of the system request. In addition, the NCCA shall be responsible to set a final system budget request strategy and budget request philosophy, plan executive and legislative budget request conferences and hearings, and perform final budget document preparation and production, including establishing and coordinating a budget request calendar of activities.
- Coordination of area program offerings in accordance with role and mission, the state aid distribution formula, uniformity of statewide programs, and efficient distribution of services and use of resources.
- Recommendation and facilitation of system representation at the state-level with other education sectors, state agencies, government and community entities, the executive and legislative branches, including designating membership on committees, task forces, commissions, and other bodies, particularly those responsible for statewide coordination.
- Coordination of information and data requests, and public relations activities at the state-level with other education sectors, government agencies, community and business leaders, the executive and legislative branches, other states, and national organizations.

Appendix 3.5: NCCA handling of information, data requests

NCCA Policy Manual – Section 13000 Information and Data Requests

(Adopted August 11, 1984)

The community college areas receive numerous requests for information from governmental entities and individuals involved in the legislative or administrative process of government. Responses to such requests may affect the structure and/or funding of individual areas or the CC system as a whole, as well as impinge on the local control or authority of the area boards of governors. Therefore, the Nebraska Community College Association (NCCA) deems it advisable to adopt the following general policy with regard to such requests for information and data.

1. The NCCA recognizes that the community college areas are public bodies and as such owe a duty to the public to make available as much relevant information and data concerning the community colleges as possible. It is the desire of the area governing boards and area presidents/chancellors that requests for information and data from federal, state, or local governmental entities or persons connected with federal, state, or local governmental activities be initially directed to the NCCA office. In the interest of efficiency, the NCCA will attempt to answer requests by exploring and exhausting all current sources of data on the community colleges before asking the areas to provide additional information. These sources include data submitted to the Department of Administrative Services and the Legislative Fiscal Office in the annual budget requests of the community colleges, information submitted to the Legislative Fiscal Office for the Nebraska Educational Data System (NEEDS), information submitted to the Coordinating Commission for Postsecondary Education for the Higher Education General Information Survey (HEGIS), budget reports submitted to the State Auditor, and any other standard or special data sources available in the state. The use of pre-existing information is particularly necessary when requests require the community colleges to spend public funds to generate, complete, and/or duplicate data which are of little or no value to the area governing boards in carrying out their statutory responsibility to govern the community college areas, or are of little or no use to individuals or groups for determining the quality or effectiveness of the community colleges.
2. The NCCA and the community college areas will make every effort to comply with the public records law and all other applicable laws, rules and regulations requiring the compilation and dissemination of information and data. In addition, the NCCA and the community college areas will cooperate in every reasonable way to make information concerning the community colleges available to those persons and entities requesting it.
3. The NCCA office will act as the central clearinghouse for information requested about the community colleges. This is especially applicable in the case of any request which: (a)

Appendix 3.5 cont'd

asks for information that applies to all community college areas; (b) asks for information which may affect all community college areas or one or more areas differentially; (c) asks for information not required to be submitted or not required to be submitted in the format requested; or (d) asks for information involving estimates, projections, opinions, policy or other speculative information not approved by community college area boards of governors or area presidents/chancellors. The NCCA executive director, after consultation with area presidents or their chairman, area instructional officers or their chairman, area business officers or their chairman, the president of the NCCA or the chairman of the NCCA legislative committee, or other appropriate community college representatives, will respond to the request for information in the following manner:

- a. For requests where the total cost of obtaining the information is less than or equal to \$250 per area in duplicating costs and staff time, provide the information if it is available or can be easily obtained in the format requested.
- b. For requests where the total costs of obtaining the information exceeds \$250 per area in duplicating costs and staff time or the information cannot be easily obtained in the format requested, negotiate with the person or entity making the request to either modify the request, reimburse the community colleges for costs in excess of \$250 per area, and/or make arrangements for representatives of the entity making the request to travel to the area(s) concerned to inspect the relevant public records.

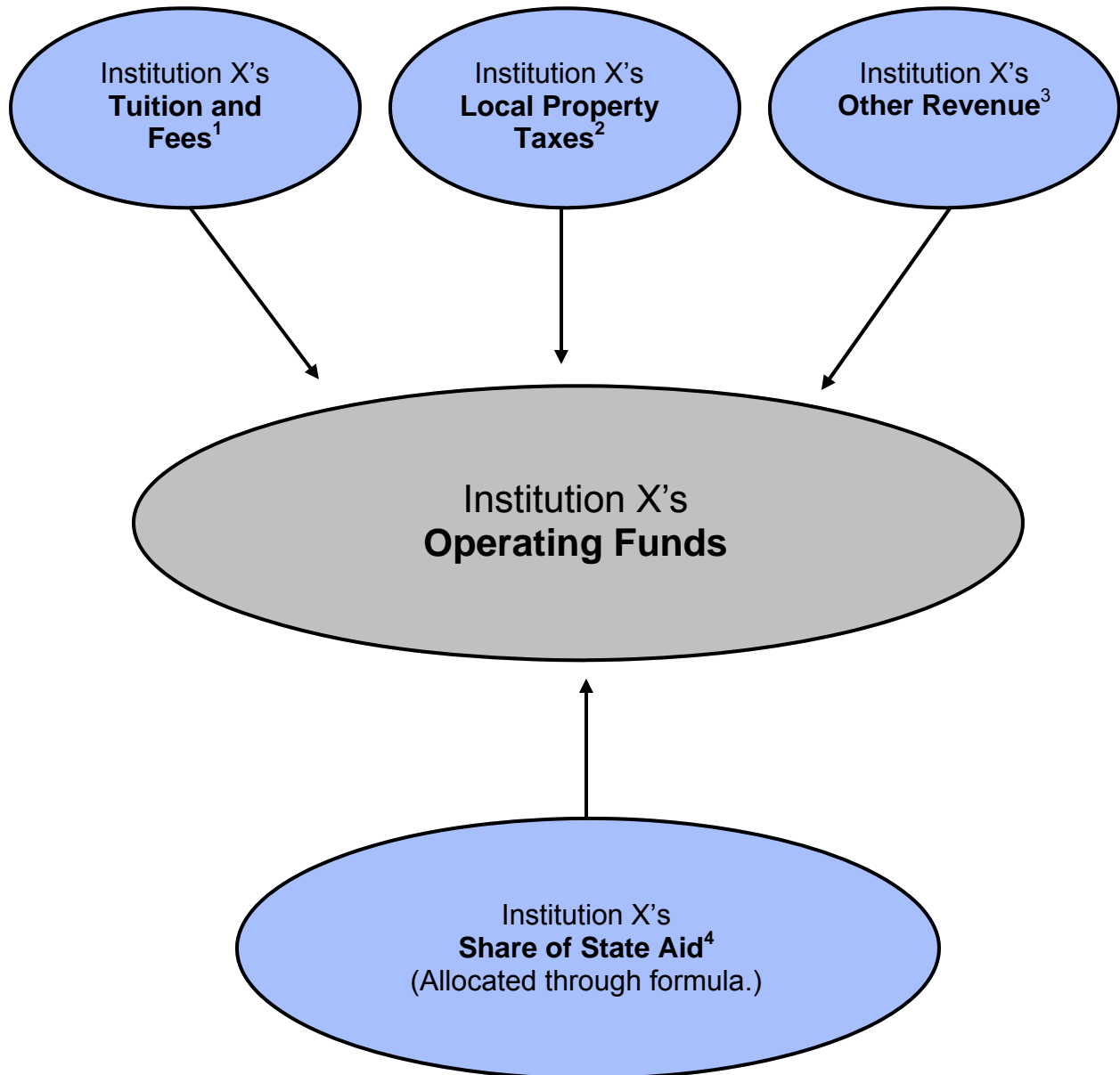
4. Each community college area is encouraged to establish a policy with regard to the compilation, duplication, and distribution of information and data including the costs charged for the same and forward such policy to the NCCA executive director. Each community college area is also encouraged to designate one administrator with whom the executive director may confer on informational requests affecting the area of the community colleges as a system.

Appendix 3.6: State Auditor's report

*This appendix can be found in the online version of this report, at
www.ccpe.state.ne.us*

Appendix 4.1: Calculation of state aid for Nebraska community colleges

Funding of Nebraska Community Colleges (Illustrated for Institution “X”)



¹ In 2008-09, 27.4 percent of Nebraska community colleges' total revenue came from tuition and fees.

² In 2008-09, 37.5 percent of Nebraska community colleges' total revenue came from local property taxes.

³ Other Revenue: Other revenue would include items such as revenue from auxiliary services, grants and contracts, investment income, gifts, interest income, and other receipts. Other revenue is *not* part of the formula calculations.

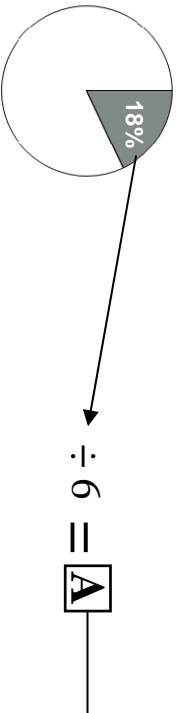
⁴ In 2008-09, 35.1 percent of Nebraska community colleges' total revenue came from state aid.

“NEEDS” minus “RESOURCES” equals “STATE AID”

“NEEDS” (calculated)

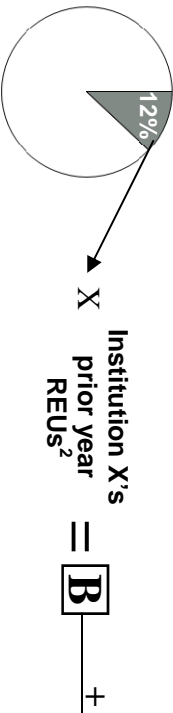
Equalization (same amount to each college)

State Total Formula Base Revenue¹



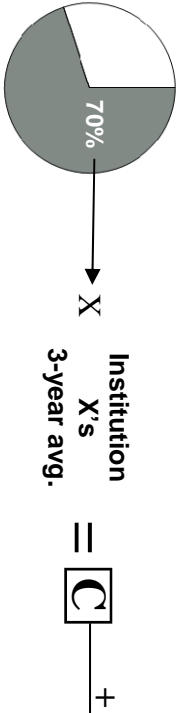
Institution X's Prior Year Instructional Activity

State Total Formula Base Revenue



Institution X's Instructional Activity (3-year rolling avg.)

State Total Formula Base Revenue

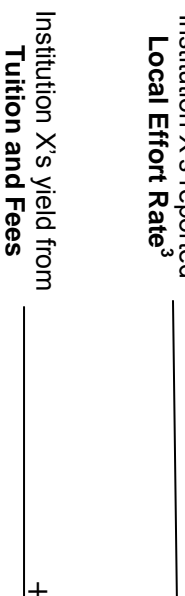


Student Growth Factor (percentage change in 3-year average FTE)

Institution X's “NEEDS”

“RESOURCES” (calculated)

Institution X's reported Local Effort Rate³



Institution X's “RESOURCES”

¹ **Formula Base Revenue (FBR):** FBR is the total of all institutions' prior year's tuition and fees, state aid, and local property tax revenue, plus an additional 3 percent "growth factor."

² **REU:** Reimbursable Educational Unit. REUs reflect the amount and types of instruction given by the institutions, including adjustments for the fact that some courses are more costly to offer than others.

³ **Local effort rate:** A calculated amount potentially available to all colleges based on a presumed level of property tax levies.

Appendix 4.1 cont'd

Appendix 4.1 cont'd

Community College Funding Formula

The current community college aid formula is based on an equation that NEEDS minus RESOURCES equals STATE AID. (NEEDS – RESOURCES = STATE AID)

Component Parts of the Formula

1. Calculation of NEEDS (divided into two parts) (Information from all colleges)

A. Prior-year Revenue

- Determined on the basis of prior year's revenue: Property taxes, state aid, tuition and fees, and a growth factor.
 - Property taxes: Lesser of the actual amount levied for general fund purposes in the previous year OR the amount generated from previous year's valuation at the previous year's Local Effort Rate (LER). (See separate definition)
 - State aid and tuition and fees are prior year's numbers.
 - General growth factor for 2009-10 and thereafter will be 3%.
- Add prior year's property tax levies, state aid, and tuition and mandatory fees. Multiply the sum by the 3% growth factor. Add the 3% result to the sum to determine the Formula Base Revenue.

$$[1.03(\text{property tax} + \text{state aid} + \text{tuition \& fees})] = \text{Formula Base Revenue (FBR)}$$

This portion of the NEEDS calculation determines the Formula Base Revenue which is used in the second part of the NEEDS calculation.

B. Statewide Formula Needs: (Affects each college)

- 30% of Formula Base Revenue (from A) times 60% divided by the six community college areas. (This is known as System Foundation Need and is 18% of the Formula Base Revenue).

$$\frac{.6(.3\text{FBR})}{6} = \text{SFN}$$

- 30% of Formula Base Revenue (from A) times 40%. This is 12% of the Formula Base Revenue. The product is multiplied by each college's proportionate share of Reimbursable Educational Units (REUs) for the most recently completed year. (This is known as the REU Need). (See page 82 for the definition of REU).

$$(.4(.3\text{FBR}))\% \text{ of REUs} = \text{REU Need}$$

Appendix 4.1 cont'd

- Average Revenue Remainder Allowance – Formula Base Revenue of all college areas minus the sum of Foundation and REU Need. This product (Revenue Remainder) is multiplied by each college's proportionate share of the three-year average REUs to become the Average Revenue Remainder Allowance.

$$\% \text{ of REUs}[\text{FBR} - (\text{SFN} + \text{REU NEED})] = \text{ARRA}$$

- Student Growth Factor – Sum of System Foundation Need, REU Need, and Average Revenue Remainder Allowance multiplied by one or one plus the percentage change in current three-year average FTE from the prior three-year average FTE.

$$(\text{SFN} + \text{REU Need} + \text{ARRA}) (1 + \% \text{ change in FTE}) = \text{SGF}$$

- Base Revenue Need – the greater of formula calculated needs or 98% of prior year's Base Revenue Need. (This is used in the formula to guarantee that a community college will not drop below 98% of the prior year's revenue need and is known in the formula as the Stabilization Percentage.)

$$\text{BRN} = \text{Calculated NEED or } .98 \text{ of Prior Year's BRN}$$

The above calculations determine the Total Revenue Need.

2. Calculation Resources (consist of two components)

A. The yield from local property tax rate is determined by a Local Effort Rate times the property tax valuation.

- Local Effort Rate (LER) (Determined for the System)
 - Total Base Revenue Need (determined in NEEDS calculation) minus Total State Aid for the fiscal year for which aid is being calculated and Total Prior Year Tuition and Fees. This remainder is divided by the prior year's Total Property Tax Valuation for the system and multiplied by 100.

$$100 \left(\frac{\text{BRN} - (\text{Total State Aid available} + \text{Total Prior Tuition \& Fees})}{\text{Total Prior Property Tax Valuation}} \right) = \text{LER}$$

The LER is multiplied by each college's prior year property tax valuation divided by 100 to determine the yield from the Local Effort Rate for each college, which is part one of the resources calculation.

B. Tuition and Fees – Prior tuition and mandatory fees accrued by each college. This is not a calculation, but rather an amount reported by each college.

Calculation of Resources: Yield from Local Effort Rate plus Tuition and Mandatory Fees equals Total Resources.

$$\text{LER} + \text{Tuition \& Fees} = \text{Total Resources}$$

Appendix 4.1 cont'd

3. Community Colleges Aid Calculation: Total Revenue Needs (1) minus Total Resources (2) equals State Aid.

- State Aid to any particular college can be reduced if the college levy is below 80% of LER.
- Community colleges may levy 20% above the state calculated Local Effort Rate (LER) or 20% below the LER.

Definitions

Reimbursable Educational Unit (REU) – Reimbursable Educational Units are full-time equivalent students (FTE) weighted depending on the courses taken. Basic academic transfer courses are weighted at 1.0, light vocational/technical courses are weighted at 1.5, and heavy vocational/technical courses are weighted at 2.0. Weights are to reflect varying costs of delivering instruction in different disciplines. Approximately 70% of the formula is based on REUs.

Local Effort Rate (LER) – The LER is the Base Revenue Need minus Total State Aid appropriated for the fiscal year for which aid is being calculated, and Total Revenue from Tuition and Mandatory Fees from the prior year. The remainder is divided by the total property tax valuation for the system in the prior year and multiplied by 100. The Property Tax Revenue that counts as a resource will be the amount that the LER would generate from each community college area's property valuation for the prior year. Any amount levied over the LER will not count in the resource calculation. The LER will be determined each year by the amount of state aid that is appropriated. The LER will ensure that property tax rates across the state will only vary by 20% over or 20% under the LER, which will usually result in a range of about two cents per \$100 of valuation across the state.

Appendix 4.2: Cost study directions

This appendix can be found in the online version of this report, at www.ccpe.state.ne.us

Appendix 4.3: Course weighting — background and methodology

This appendix can be found in the online version of this report, at www.ccpe.state.ne.us

Appendix 4.4: CIP cost study data

This appendix can be found in the online version of this report, at www.ccpe.state.ne.us

Appendix 4.5: Comparison of other states' cost study results

6-Digit CIP Code	Name of Program	Ohio	Illinois	Texas	Minnesota	Nebraska
01.0101	Agricultural Business & Mgmt. Gen.	10,328	7,346	6,462	12,925	8,845
01.0601	Horticulture Serv. Op. & Mgmt. Gen.		9,065	**	11,404	8,915
09.0702	Digital Communication and Media/Multimedia	7,896	9,982	6,750	13,806	10,631
10.0202	Radio & Television Broadcasting Technology/ Technician		8,022	**	12,531	12,906
11.0101	Computer & Information Sciences Gen.	9,168	5,785	5,328	8,714	7,840
12.0401	Cosmetic Serv. Gen.		10,873	**	10,274	13,442
12.0504	Food & Beverage/Restaurant Op. Mgr.		7,547	**	10,240	7,616
15.0101	Architectural Engin. Technol./ Tech.	9,613	7,487	5,328	**	**
15.0201	Civil Engin. Civil Technol./ Tech.	11,275	7,472	12,492	8,883	10,354
15.0303	Electrical Electronic & Comm. Engin. Technol./Tech.		8,454	12,897	10,588	9,681
15.0503	Energy Mgmt. & Systems Technol./Tech.		6,216	**	6,417	4,905
15.0813	Manufacturing Technology/ Technician		9,248	10,224	11,709	8,788
15.0701	Occupational Safety & Health Technol./Tech.		2,889	**	**	9,195
15.0702	Quality Control Technol./Tech.		7,361	**	6,858	7,312
15.1301	Drafting and Design Technology/Technician General	12,151	12,160	**	9,876	9,756
15.1303	Architectural Drafting and Architectural CAD/CADD		8,588	9,612	**	8,840
16.0101	Foreign Languages & Literatures Gen.	5,922	9,462	3,609	**	5,750
16.0103	Language Interpretation and Translation		6,809	**	**	7,900
16.1603	Sign Language Interpretation and Translation		3,157	**	8,238	5,350
19.0101	Home Economics Gen.		**	3,708	6,412	9,100
19.0701	Individual & Family Development Studies Gen.	6,953	**	5,810	9,975	**
19.0708	Child Care and Support Services Management		7,887	**	**	6,774
22.0302	Legal Assistant/Paralegal		7,057	**	8,682	7,094
24.0101	Liberal Arts & Sciences/Liberal Studies		5,344	3,600	**	7,742
25.0301	Library Assistant		7,575	**	**	6,920
28.0301	Army JROTC/ROTC		9,181	**	**	**
32.0101	Basic Skills		7,182	**	**	6,472
32.0109	Second Language Learning		**	**	**	**
36.0101	Leisure and Recreational General		**	**	**	8,318
37.0199	Personal Awareness and Self-Improvement Other		**	**	**	**
41.0101	Biological Technol./Tech.	6,673	**	3,735	**	13,222
43.0104	Criminal Justice Studies	7,537	5,626	**	7,874	6,041
43.0203	Fire Science/Firefighting		8,993	**	10,845	5,981
46.0302	Electrician		6,338	**	8,373	8,321
46.0303	Lineworker		10,445	**	**	10,409
46.0401	Building/Property Main. & Mgr.		9,890	**	9,228	6,820
46.0499	Construction & Building Finishers & Mgrs. Oth.		1,360	**	**	9,689
47.0106	Major Appliance Installer & Repairer		8,676	**	**	**
47.0201	Heating Air Conditioning & Refrigeration Mechanic & Repairer		8,274	**	9,786	9,388
47.0303	Industrial Machinery Main. & Repairer		9,299	**	12,010	7,471

Appendix 4.5 cont'd

6-Digit CIP Code	Name of Program	Ohio	Illinois	Texas	Minnesota	Nebraska
47.0803	Auto/Automotive Body Repairer		7,388	4,590		10,742
47.0804	Auto/Automotive Mechanic/Tech.		8,536	5,148		10,921
47.0805	Diesel Engine Mechanic & Repairer		8,169	7,875	10,769	10,135
47.0806	Small Engine Mechanic & Repairer		8,992	**		6,876
47.0809	Avionics Maintenance Technology/Technician		9,863	**		12,849
48.0303	Upholsterer		5,162	**	**	8,861
48.0501	Machinist/Machine Technologist		11,804	**	12,057	10,270
48.0508	Welder/Welding Technologist		7,584	**	10,567	9,384
49.0205	Truck Bus & Oth. Commercial Vehicle Operator		7,209	**	12,010	9,939
49.9999	Transportation & Materials Moving Workers Oth.		4,442	**	**	8,966
50.0402	Graphic Design Commercial Art & Illustration		8,844	**	9,047	7,419
50.0406	Commercial Photography		9,049	**	11,050	8,517
50.0408	Interior Design		5,735	**	9,212	7,902
50.0502	Technical Theater/Theater Design & Stagecraft	8,608	8,712	4,806	8,701	8,206
51.0801	Dental Assistant		10,154	8,982	11,064	10,735
51.0802	Dental Hygienist	20,164	14,158	12,086	16,383	13,593
51.0707	Medical Records Technol./Tech.		6,782	**	8,256	7,064
51.0801	Medical Assistant		8,473	**	9,998	6,419
51.0805	Pharmacy Tech./Assistant		8,042	**		9,100
51.0806	Physical Therapy Assistant		9,337	**	10,910	11,742
51.0808	Veterinarian Assistant/Animal Health Technician		11,276	**	**	9,580
51.0904	Emergency Medical Technol./Tech.		6,016	**	9,661	7,233
51.0907	Medical Radiologic Technol./Tech.		8,548	**	6,047	8,973
51.0908	Respiratory Therapy Tech.		8,470	7,884	**	12,376
51.0909	Surgical/Operating Room Tech.		11,928	**	9,972	9,949
51.1004	Medical Laboratory Tech.		8,531	**	9,199	14,935
51.1503	Clinical & Medical Social Work		**	**	**	7,236
51.1801	Nursing (RN Training)	12,285	11,322	**	13,459	13,146
51.1813	Practical Nurse (LPN Training)		8,474	4,725	10,888	11,565
51.1899	Nursing Oth.		**	4,158	**	10,163
51.2202	Environmental Health		**	4,437	**	**
51.9999	Health Professions & Related Sciences Oth.		8,377	4,464	10,392	6,706
52.0101	Business Gen.	6,368	6,593	**	6,651	**
52.0201	Business Administration & Mgmt. Gen.	8,323	5,997	6,021	8,488	6,184
52.0203	Logistics and Materials Management		6,562	**	**	**
52.0401	Administrative Assistant/ Secretarial Science Gen.		6,921	**	8,976	7,719
52.0501	Business Communications		**	**	7,704	**
52.1907	Vehicle & Vehicle Parts & Accessories Marketing Operations		9,887	**	10,863	14,360
75.0001	Remedial Education (Foundations education)		**	**	**	5,973
	75.1001- Math		**	3,456	**	6,241
	75.2001- English/Reading		**	**	**	**
	75.3001- ESL		**	**	**	**
	75.4001- Science Remediation		**	**	**	**
80.0001	Academic Transfer	7,385	**	6,010	**	6,287
	80.1001- Science/Engineering		**	**	**	**
	80.2001- All Other		**	**	**	**
X0.0000	Not Found		**	**	**	**
	TOTALS	150,628	545,817	174,207	477,948	635,734

Appendix 4.6: Potential weighting systems

Divided into 6 weighting categories (CCPE recommended)

College	6-Digit CIP Code	Name of Program	Number of FTE Faculty	Total Student FTE	Total Instruction + Overhead Cost	Instruction + Overhead Cost per FTE	Difference from next lower cost	Beginning of Range	End of Range	Weight Using Weighted Average for Range & \$6,246 = 1
STATE	51.1004	Medical Laboratory Tech.	6.33	59.09	\$882,539	\$14,935	\$575	\$13,000 or higher		2.16
STATE	52.1907	Vehicle & Vehicle Parts & Accessories Marketing Operations	5.62	26.32	\$377,964	\$14,360	\$768			
STATE	51.0602	Dental Hygienist	4.34	23.63	\$363,646	\$13,593	\$150			
STATE	12.0401	Cosmetic Serv., Gen.	2.70	23.63	\$317,629	\$13,442	\$220			
STATE	41.0101	Biological Technol./Tech.	4.81	34.02	\$449,797	\$13,222	\$77			
STATE	51.1601	Nursing (R.N. Training)	29.89	288.07	\$3,786,850	\$13,146	\$240			
		Total or State Average Cost		457.88	\$6,176,426	\$13,494				
STATE	10.0202	Radio & Television Broadcasting Technology/ Technician	3.30	34.31	\$442,615	\$12,906	\$66	\$11,500	\$12,989	1.90
STATE	47.0609	Avionics Maintenance Technology/Technician	2.50	23.83	\$306,195	\$12,849	\$474			
STATE	51.0908	Respiratory Therapy Tech.	7.09	80.51	\$996,377	\$12,376	\$634			
STATE	51.0906	Physical Therapy Assistant	3.00	25.47	\$299,035	\$11,742	\$177			
STATE	51.1613	Practical Nurse (L.P.N. Training)	28.65	399.87	\$4,277,532	\$11,565	\$844			
		Total or State Average Cost		533.99	\$6,321,952	\$11,839				
STATE	47.0604	Auto/Automotive Mechanic/Tech.	44.61	422.70	\$4,616,423	\$10,921	\$180	\$10,000	\$11,499	1.66
STATE	47.0603	Auto/Automotive Body Repairer	23.66	204.96	\$2,201,597	\$10,742	\$6			
STATE	51.0601	Dental Assistant	12.28	114.69	\$1,231,196	\$10,735	\$105			
STATE	09.0702	Digital Communication and Media/Multimedia	7.53	76.62	\$814,565	\$10,631	\$222			
STATE	46.0303	Lineworker	13.26	208.15	\$2,166,604	\$10,409	\$55			
STATE	15.0201	Civil Engrn. Civil Technol./Tech.	6.41	33.04	\$342,108	\$10,354	\$64			
STATE	48.0901	Mechanist/Machine Technologist	18.89	122.46	\$1,257,927	\$10,270	\$107			
STATE	51.1699	Nursing Oth.	5.25	135.73	\$1,379,535	\$10,163	\$29			
STATE	47.0605	Diesel Engine Mechanic & Repairer	48.75	346.41	\$3,510,752	\$10,135	\$186			
		Total or State Average Cost		1,684.78	\$17,520,708	\$10,524				
STATE	51.0809	Surgical/Operating Room Tech.	5.92	48.78	\$465,273	\$9,849	\$10	\$8,500	\$9,868	1.48
STATE	49.0205	Truck, Bus & Oth. Commercial Vehicle Operator	12.25	98.92	\$983,187	\$9,939	\$183			
STATE	15.1301	Drafting and Design Technology/Technician, General	20.25	156.56	\$1,546,841	\$9,756	\$67			
STATE	48.0499	Construction & Building Finishers & Mgrs. Oth.	21.84	228.27	\$2,211,703	\$9,689	\$8			
STATE	15.0903	Electrical, Electronic & Comm. Engrn. Technol./Tech.	70.51	410.18	\$3,970,928	\$9,681	\$101			
STATE	51.0808	Veterinarian Assistant/Animal Health Technician	2.90	30.63	\$293,456	\$9,580	\$192			
STATE	47.0201	Heating Air Conditioning & Refrigeration Mechanic & Repairer	22.40	194.05	\$1,821,629	\$9,388	\$3			
STATE	48.0508	Welder/Welding Technologist	54.15	349.54	\$3,280,113	\$9,384	\$189			
STATE	15.0701	Occupational Safety & Health Technol./Tech.	6.86	67.06	\$616,596	\$9,195	\$94			
STATE	19.0101	Home Economics, Gen.	2.02	18.24	\$165,997	\$9,100	\$0			
STATE	51.0905	Pharmacy Tech./Assistant	0.81	12.23	\$111,295	\$9,100	\$127			
STATE	51.0807	Medical Radiologic Technol./Tech.	12.82	101.30	\$909,011	\$8,973	\$7			
STATE	49.9999	Transportation & Materials Moving Workers, Oth.	8.86	113.14	\$1,014,441	\$8,966	\$52			
STATE	01.0801	Horticulture Serv. Op. & Mgmt., Gen.	10.87	108.47	\$968,940	\$8,915	\$53			
STATE	48.0303	Upholsterer	4.60	6.65	\$59,929	\$8,861	\$16			
STATE	01.0101	Agricultural Business & Mgmt., Gen.	29.62	439.79	\$3,889,939	\$8,845	\$5			
STATE	15.1303	Architectural Drafting and Architectural CAD/CADD	23.25	210.36	\$1,859,578	\$8,840	\$73			
STATE	15.0913	Manufacturing Technology/Technician	9.24	76.56	\$668,810	\$8,766	\$250			
STATE	50.0406	Commercial Photography	12.53	118.46	\$1,008,950	\$8,517	\$197			
		Total or State Average Cost		2,794.18	\$25,893,616	\$9,267				

Appendix 4.6 cont'd

STATE 46.0302	Electrician	29.92	268.05	\$2,230,313	\$8,321	\$3	\$7,000	\$8,499	1.22
STATE 38.0101	Leisure and Recreational, General	0.22	1.74	\$14,436	\$8,318	\$111			
STATE 50.0502	Technical Theater/Theater Design & Stagecraft	6.43	40.08	\$328,909	\$8,206	\$307			
STATE 16.0103	Language Interpretation and Translation	0.50	6.13	\$48,464	\$7,900	\$60			
STATE 11.0101	Computer & Information Sciences, Gen.	133.66	1,599.73	\$12,541,312	\$7,840	\$998			
STATE 24.0101	Liberal Arts & Sciences/Liberal Studies	12.84	191.75	\$1,484,574	\$7,742	\$23			
STATE 52.0401	Administrative Assistant/Secretarial Science, Gen.	47.41	598.60	\$4,620,914	\$7,719	\$104			
STATE 12.0504	Food & Beverage/Restaurant Op. Mgr.	33.73	413.77	\$3,151,255	\$7,616	\$14			
STATE 50.0408	Interior Design	3.62	28.92	\$204,654	\$7,602	\$131			
STATE 47.0303	Industrial Machinery Maint. & Repairer	28.97	254.85	\$1,903,911	\$7,471	\$52			
STATE 50.0402	Graphic Design, Commercial Art & Illustration	45.50	454.69	\$3,373,331	\$7,419	\$108			
STATE 15.0702	Quality Control Technol./Tech.	7.95	80.31	\$587,188	\$7,312	\$76			
STATE 51.1503	Clinical & Medical Social Work	33.69	393.17	\$2,844,835	\$7,236	\$3			
STATE 51.0904	Emergency Medical Technol./Tech.	47.02	392.45	\$2,836,388	\$7,233	\$139			
STATE 22.0302	Legal Assistant/Paralegal	5.62	56.73	\$402,465	\$7,094	\$30			
STATE 51.0707	Medical Records Technol./Tech.	31.69	281.53	\$1,988,805	\$7,064	\$144			
	Total of State Average Cost		5,060.50	\$38,563,755	\$7,621				
STATE 25.0301	Library Assistant	1.30	8.50	\$56,818	\$6,920	\$44		under \$7,000	1.00
STATE 47.0606	Small Engine Mechanic & Repairer	3.39	43.26	\$297,458	\$6,876	\$56			
STATE 48.0401	Building/Property Maint. & Mgr.	0.25	2.81	\$19,164	\$6,820	\$46			
STATE 19.0708	Child Care and Support Services Management	28.58	386.91	\$2,620,852	\$6,774	\$68			
STATE 51.9999	Health Professions & Related Sciences, Oth.	45.28	549.11	\$3,682,330	\$6,706	\$234			
STATE 32.0101	Basic Skills	10.06	200.15	\$1,295,392	\$6,472	\$53			
STATE 51.0801	Medical Assistant	11.12	146.02	\$937,210	\$6,419	\$132			
STATE 80.0001	Academic Transfer (subtotal 801001...802001)	689.28	11,594.56	\$72,832,301	\$6,287	\$103			
STATE 52.0201	Business Administration & Mgmt., Gen.	191.94	3,319.79	\$20,528,011	\$6,184	\$142			
STATE 43.0104	Criminal Justice Studies	32.44	403.68	\$2,436,768	\$6,041	\$60			
STATE 43.0203	Fire Science/Firefighting	14.50	109.63	\$655,698	\$5,981	\$8			
STATE 75.0001	Remedial Education (subtotal 751001...753001)	135.11	1,942.23	\$11,501,419	\$5,973	\$223			
STATE 16.0101	Foreign Languages & Literatures Gen.	21.84	251.56	\$1,446,443	\$5,750	\$400			
STATE 16.1603	Sign Language Interpretation and Translation	6.05	62.46	\$334,145	\$5,350				
	Total of State Average Cost		19,010.65	\$118,748,009	\$6,246				
	Total FTE & I + O Costs Reported in the Cost Study		29,521.98	\$213,226,467	\$7,223				
STATE 15.0503	Energy Mgmt. & Systems Technol./Tech.	0.40	4.50	\$22,072	\$4,905	Grant funded			
STATE 15.0101	Architectural Engin. Technol./Tech.	0.00	0.00	\$0					
STATE 19.0701	Individual & Family Development Studies Gen.	0.00	0.00	\$0					
STATE 28.0301	Army JROTC/ROTC	0.00	0.00	\$0					
STATE 32.0109	Second Language Learning	0.00	0.00	\$0					
STATE 37.0199	Personal Awareness and Self-Improvement, Other	0.00	0.00	\$0					
STATE 47.0106	Major Appliance Installer & Repairer	0.00	0.00	\$0					
STATE 51.2202	Environmental Health	0.00	0.00	\$0					
STATE 52.0101	Business Gen.	0.00	0.00	\$0					
STATE 52.0203	Logistics and Materials Management	0.00	0.00	\$0					
STATE 52.0501	Business Communications	0.00	0.00	\$0					

Appendix 4.6 cont'd

CIP-by-CIP weighting (not recommended)

College	6-Digit CIP Code	Name of Program	Number of FTE Faculty	Total Student FTE	Total Instruction + Overhead Cost	Instruction + Overhead Cost per FTE	Difference from next lower cost	Weight with \$5,350 = 1 (the lowest cost CIP)
STATE	51.1004	Medical Laboratory Tech.	6.33	59.09	\$682,539	\$14,935	\$575	2.79
STATE	52.1907	Vehicle & Vehicle Parts & Accessories Marketing Operations	5.62	26.32	\$377,964	\$14,360	\$768	2.68
STATE	51.0602	Dental Hygienist	4.34	26.75	\$363,648	\$13,593	\$150	2.54
STATE	12.0401	Cosmetic Serv., Gen.	2.70	23.63	\$317,629	\$13,442	\$220	2.51
STATE	41.0101	Biological Technol./Tech.	4.81	34.02	\$449,797	\$13,222	\$77	2.47
STATE	51.1601	Nursing (R.N. Training)	29.89	288.07	\$3,786,850	\$13,146	\$240	2.46
STATE	10.0202	Radio & Television Broadcasting Technology/ Technician	3.30	34.31	\$442,815	\$12,906	\$56	2.41
STATE	47.0609	Avionics Maintenance Technology/Technician	2.50	23.83	\$306,195	\$12,849	\$474	2.40
STATE	51.0908	Respiratory Therapy Tech.	7.09	80.51	\$996,377	\$12,376	\$634	2.31
STATE	51.0806	Physical Therapy Assistant	3.00	25.47	\$299,035	\$11,742	\$177	2.19
STATE	51.1613	Practical Nurse (L.P.N. Training)	28.65	369.87	\$4,277,532	\$11,565	\$644	2.16
STATE	47.0604	Auto/Automotive Mechanic/Tech.	44.61	422.70	\$4,616,423	\$10,921	\$180	2.04
STATE	47.0603	Auto/Automotive Body Repairer	23.66	204.96	\$2,201,597	\$10,742	\$6	2.01
STATE	51.0601	Dental Assistant	12.28	114.69	\$1,231,198	\$10,735	\$105	2.01
STATE	09.0702	Digital Communication and Media/Multimedia	7.53	76.62	\$814,565	\$10,631	\$222	1.99
STATE	46.0303	Lineworker	13.26	208.15	\$2,166,604	\$10,409	\$55	1.95
STATE	15.0201	Civil Engin./Civil Technol./Tech.	6.41	32.04	\$342,108	\$10,354	\$84	1.94
STATE	48.0501	Machinist/Machine Technologist	18.89	122.48	\$1,257,927	\$10,270	\$107	1.92
STATE	51.1699	Nursing Oth.	5.25	135.73	\$1,379,535	\$10,163	\$29	1.90
STATE	47.0605	Diesel Engine Mechanic & Repairer	48.75	346.41	\$3,510,752	\$10,135	\$186	1.89
STATE	51.0909	Surgical/Operating Room Tech.	5.92	49.78	\$495,273	\$9,949	\$10	1.86
STATE	49.0205	Truck, Bus & Oth. Commercial Vehicle Operator	12.25	98.92	\$983,187	\$9,939	\$183	1.86
STATE	15.1301	Drafting and Design Technology/Technician, General	20.25	158.56	\$1,546,841	\$9,756	\$67	1.82
STATE	46.0499	Construction & Building Finishers & Mgrs., Oth.	21.84	228.27	\$2,211,703	\$9,689	\$8	1.81
STATE	15.0303	Electrical, Electronic & Comm. Engin. Technol./Tech.	70.51	410.18	\$3,970,928	\$9,681	\$101	1.81
STATE	51.0808	Veterinarian Assistant/Animal Health Technician	2.90	30.63	\$293,456	\$9,580	\$192	1.79
STATE	47.0201	Heating Air Conditioning & Refrigeration Mechanic & Repairer	22.40	194.05	\$1,821,629	\$9,388	\$3	1.75
STATE	48.0508	Welder/Welding Technologist	54.15	349.54	\$3,280,113	\$9,384	\$189	1.75
STATE	15.0701	Occupational Safety & Health Technol./Tech.	6.86	67.06	\$616,596	\$9,195	\$94	1.72
STATE	19.0101	Home Economics, Gen.	2.02	18.24	\$165,997	\$9,100	\$0	1.70
STATE	51.0805	Pharmacy Tech./Assistant	0.91	12.23	\$111,295	\$9,100	\$127	1.70
STATE	51.0907	Medical Radiologic Technol./Tech.	12.82	101.30	\$909,011	\$8,973	\$7	1.68
STATE	49.9999	Transportation & Materials Moving Workers, Oth.	8.86	113.14	\$1,014,441	\$8,966	\$52	1.68
STATE	01.0601	Horticulture Serv. Op. & Mgmt., Gen.	10.87	108.47	\$966,940	\$8,915	\$53	1.67
STATE	48.0303	Upholsterer	4.60	6.65	\$58,929	\$8,861	\$16	1.66
STATE	01.0101	Agricultural Business & Mgmt., Gen.	29.62	439.79	\$3,889,939	\$8,845	\$5	1.65
STATE	15.1303	Architectural Drafting and Architectural CAD/CADD	23.25	210.36	\$1,859,578	\$8,840	\$73	1.65
STATE	15.0613	Manufacturing Technology/ Technician	9.24	78.56	\$688,810	\$8,768	\$250	1.64

Appendix 4.6 cont'd

STATE	50.0406	Commercial Photography	12.53	118.46	\$1,008,950	\$8,517	\$197	1.59
STATE	46.0302	Electrician	29.92	268.05	\$2,230,313	\$8,321	\$3	1.56
STATE	36.0101	Leisure and Recreational, General	0.22	1.74	\$14,436	\$8,318	\$111	1.55
STATE	50.0502	Technical Theater/Theater Design & Stagecraft	6.43	40.08	\$328,909	\$8,206	\$307	1.53
STATE	16.0103	Language Interpretation and Translation	0.50	6.13	\$48,464	\$7,900	\$60	1.48
STATE	11.0101	Computer & Information Sciences, Gen.	133.68	1,599.73	\$12,541,312	\$7,840	\$98	1.47
STATE	24.0101	Liberal Arts & Sciences/Liberal Studies	12.84	191.75	\$1,484,574	\$7,742	\$23	1.45
STATE	52.0401	Administrative Assistant/Secretarial Science, Gen.	47.41	598.60	\$4,620,914	\$7,719	\$104	1.44
STATE	12.0504	Food & Beverage/Restaurant Op. Mgr.	33.73	413.77	\$3,151,255	\$7,616	\$14	1.42
STATE	50.0408	Interior Design	3.62	26.92	\$204,654	\$7,602	\$131	1.42
STATE	47.0303	Industrial Machinery Main. & Repairer	28.67	254.85	\$1,903,911	\$7,471	\$52	1.40
STATE	50.0402	Graphic Design, Commercial Art & Illustration	45.50	454.69	\$3,373,331	\$7,419	\$108	1.39
STATE	15.0702	Quality Control Technol./Tech.	7.65	80.31	\$587,188	\$7,312	\$76	1.37
STATE	51.1503	Clinical & Medical Social Work	33.69	393.17	\$2,844,835	\$7,236	\$3	1.35
STATE	51.0904	Emergency Medical Technol./Tech.	47.02	392.45	\$2,838,388	\$7,233	\$139	1.35
STATE	22.0302	Legal Assistant/Paralegal	5.62	56.73	\$402,465	\$7,094	\$30	1.33
STATE	51.0707	Medical Records Technol./Tech.	31.69	281.53	\$1,988,805	\$7,064	\$144	1.32
STATE	25.0301	Library Assistant	1.30	8.50	\$58,818	\$6,920	\$44	1.29
STATE	47.0606	Small Engine Mechanic & Repairer	3.39	43.26	\$297,458	\$6,876	\$56	1.29
STATE	46.0401	Building/Property Main. & Mgr.	0.25	2.81	\$19,164	\$6,820	\$46	1.27
STATE	19.0708	Child Care and Support Services Management	28.58	386.91	\$2,620,852	\$6,774	\$68	1.27
STATE	51.9999	Health Professions & Related Sciences, Oth.	45.28	549.11	\$3,682,330	\$6,706	\$234	1.25
STATE	32.0101	Basic Skills	10.06	200.15	\$1,295,392	\$6,472	\$53	1.21
STATE	51.0801	Medical Assistant	11.12	146.02	\$937,210	\$6,419	\$132	1.20
STATE	80.0001	Academic Transfer (subtotal 801001...802001)	688.28	11,584.56	\$72,832,301	\$6,287	\$103	1.18
STATE	52.0201	Business Administration & Mgmt., Gen.	191.94	3,319.79	\$20,528,011	\$6,184	\$142	1.16
STATE	43.0104	Criminal Justice Studies	32.44	403.68	\$2,438,788	\$6,041	\$60	1.13
STATE	43.0203	Fire Science/Firefighting	14.50	109.63	\$655,698	\$5,981	\$8	1.12
STATE	75.0001	Remedial Education (subtotal 751001...753001)	135.11	1,942.23	\$11,601,419	\$5,973	\$223	1.12
STATE	16.0101	Foreign Languages & Literatures Gen.	21.84	251.56	\$1,446,443	\$5,750	\$400	1.07
STATE	16.1603	Sign Language Interpretation and Translation	6.05	62.46	\$334,145	\$5,350		1.00
		Total FTE & I + O Costs Reported in the Cost Study		\$29,522	\$213,226,467	\$7,223		
STATE	15.0503	Energy Mgmt. & Systems Technol./Tech.	0.40	4.50	\$22,072	\$4,905		
STATE	15.0101	Architectural Engin. Technol./ Tech.	0.00	0.00	\$0			
STATE	19.0701	Individual & Family Development Studies Gen.	0.00	0.00	\$0			
STATE	28.0301	Army JROTC/ROTC	0.00	0.00	\$0			
STATE	32.0109	Second Language Learning	0.00	0.00	\$0			
STATE	37.0199	Personal Awareness and Self-Improvement, Other	0.00	0.00	\$0			
STATE	47.0106	Major Appliance Installer & Repairer	0.00	0.00	\$0			
STATE	51.2202	Environmental Health	0.00	0.00	\$0			
STATE	52.0101	Business Gen.	0.00	0.00	\$0			
STATE	52.0203	Logistics and Materials Management	0.00	0.00	\$0			
STATE	52.0501	Business Communications	0.00	0.00	\$0			

Appendix 4.7: Allocations resulting from CCPE recommended approach

BRN = Base Revenue Need (Larger of calculated or 98% of prior year)

CC State Aid Formula Using Method A (Full Tuition and Fees) and Original REUs for 2008-09

Resulting state aid to each college matches the calculations received with other information submitted by the colleges

	Total Needs = BRN	Total Resources = Formula Re- sources	State Aid	% of State Aid
Central	\$35,943,154	\$27,335,543	\$8,607,611	9.7%
Metro	\$81,555,273	\$62,576,432	\$18,978,841	21.4%
Mid-Plains	\$19,590,430	\$11,194,492	\$8,395,937	9.5%
Northeast	\$31,185,268	\$18,187,555	\$12,997,712	14.7%
Southeast	\$74,940,185	\$47,376,277	\$27,563,908	31.1%
Western	\$21,903,539	\$9,872,076	\$12,031,463	13.6%
Total	\$265,117,849	\$176,542,376	\$88,575,473	100.0%

CC State Aid Formula Calculation Using CCPE Staff Drafted Weighting System

REUs changed for 2008-2009 only (using REUs based on 07-08 Cost Study Data)

Weighting of CIP Groups. Staff Drafted System. Weights 1.0 to 2.16

Cost categories in \$1,500 increments beginning with "under \$7,000." Under \$7,000 = 1.0

	Total Needs = BRN	Difference from (Method A) Original REUs	Total Resources = Formula Re- sources	Difference from (Method A) Original REUs	State Aid	Difference from (Method A) Original REUs	% of State Aid
Central	36,270,439.12	\$327,285	27,328,250.36	(\$7,292)	8,942,188.76	\$334,578	10.1%
Metro	80,820,339.34	(\$734,934)	62,561,491.78	(\$14,941)	18,258,847.57	(\$719,993)	20.6%
Mid-Plains	19,942,431.10	\$352,001	11,191,748.59	(\$2,744)	8,750,682.51	\$354,745	9.9%
Northeast	32,029,369.30	\$844,102	18,183,304.21	(\$4,251)	13,846,065.09	\$848,353	15.6%
Southeast	74,067,609.83	(\$872,575)	47,366,058.03	(\$10,219)	26,701,551.80	(\$862,356)	30.1%
Western	21,946,108.26	\$42,569	9,869,970.99	(\$2,105)	12,076,137.28	\$44,674	13.6%
Total	265,076,296.94	(\$41,552)	176,500,823.94	(\$41,552)	88,575,473.00	\$0	100.0%

Comparison of Shares (Proportions)

FTE	Submitted to Dept of Revenue for 2007-08		Reported for 2007-08 Cost Study	
	Number	% of Total	Number	% of Total
Central	3,821.05	12.9%	3,821.05	12.9%
Metro	10,164.63	34.4%	10,164.63	34.4%
Mid-Plains	1,828.97	5.5%	1,828.95	5.5%
Northeast	3,192.71	10.8%	3,173.51	10.7%
Southeast	8,770.33	29.7%	8,771.73	29.7%
Western	1,975.74	6.7%	1,975.17	6.7%
Total	29,557.43	100.0%	29,533.03	100.0%

REU	Submitted to Dept of Revenue for 2007-08		CCPE Staff Drafted Weighting Sys- tem Based on 2007-08 Cost Data**	
	Number	% of Total	Number	% of Total
Central	5,300.52	13.1%	4,476.85	13.1%
Metro	13,086.97	32.5%	11,133.93	32.6%
Mid-Plains	2,188.72	5.4%	1,966.69	5.8%
Northeast	4,480.81	11.1%	3,899.19	11.4%
Southeast	12,452.59	30.9%	10,381.34	30.4%
Western	2,799.60	6.9%	2,270.80	6.7%
Total	40,309.21	100.0%	34,126.80	100.0%

**These data are substituted for 2008-09 in the calculation of the above state aid formula but are compared here to the actual data submitted for 2007-08.

% of FTE with Wt = 1.00	Submitted to Dept of Revenue for 2007-08		CCPE Staff Drafted Weighting Sys- tem Based on 2007-08 Cost Data	
	Number	% of Total	Number	% of Total
Central	1,853.58	11.9%	2,441.98	12.8%
Metro	8,341.99	40.7%	7,224.92	38.0%
Mid-Plains	918.28	5.9%	994.02	5.2%
Northeast	1,604.30	10.3%	1,596.29	8.4%
Southeast	3,993.82	25.6%	5,443.03	28.6%
Western	873.03	5.6%	1,312.54	6.9%
Total	15,585.00	100.0%	19,012.78	100.0%

Note: 15,585.00 = 52.7% of Total REU of 40,309.21 19,012.78 = 64.4% of Total REU of 34,126.80

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