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Executive Summary

Knowledge has become a primary driver of economic growth. Education has become the center of the knowledge society and schooling its key institution. On-going improvements in education from pre-kindergarten through graduate study are needed to provide the skilled workforce that is essential to Nebraska's continued economic development and the well being of its citizens.

State support for postsecondary education is a sound investment in Nebraska's future and should be a top priority for the state. Investment in human potential has a high rate of return. A state investment in higher education has a multiplier effect on the economy, quality of life, and prosperity of the people of the state. In the information age, a well-educated work force is without doubt a state's principal asset. It should also be noted that decreases in higher education expenditures are not easily accommodated over the short-term and may have serious long-term consequences. Scaling a program back may take five years and building it back up even longer.

As the Commission makes its 2003-2005 biennial budget recommendations it is aware of the revenue shortfall facing the state. The Commission recognizes that the Legislature and Governor will have to make difficult decisions regarding the best use of the state's limited resources. However, the Constitution and statutes identify the criteria the Commission is to use to determine the merits of the budget requests. It is on those criteria that the Commission evaluates each request. Therefore the recommendations herein are based on the results of that evaluation and are separate from the availability of state funds.

In the process of developing the public postsecondary education budget recommendations for the 2003-2005 biennium, the Commission reviewed 65 requests for additional funding from the University of Nebraska system, Nebraska College of Technical Agriculture (NCTA), the State Colleges, and the Community Colleges. Of those 65 requests, the Commission strongly

recommended 20 requests for additional funding, 1 of which was recommended only if circumstances warrant; recommended full funding for 9 requests, 6 of which were modified; recommended some level of funding for 17 requests; and recommended alternative strategies and different allocations for 6 requests. Thirteen requests were part of the continuation budget recommendation. There were also 16 requests for new building openings. The reasons for not recommending certain requests were (1) *item should be funded through another agency* and (2) *should come from existing budgets*.

As shown by Chart II, page 8, the total for institutional new and expanded requests, including inflationary costs, was \$60,644,411 for the two-year biennial period.

The Commission's recommendations begin with discussion of statewide funding issues and initiatives, as suggested by statute. This biennium, the Commission recommended that the state concentrate on only one statewide initiative – financial aid for needy students. This section suggests specific dollar amounts to be appropriated for this specific purpose (page 30).

The Commission's recommendations regarding institutional requests do not specify exact funding levels. However according to statute, the Commission's role in budget review is to analyze institutional requests in light of the Comprehensive Plan, institutional role and mission, prevention of unnecessary duplication, demonstration of sufficient need for new and expanded programs, and necessity to maintain accountability. Therefore, although the Commission has referred to dollars requested by the institutions to make it easier to correlate specific requests with associated recommendations, **the Commission's recommendations should not be construed as endorsing appropriation of those exact amounts.** Further, not all requests should be funded solely with state appropriated dollars. Actual levels of appropriation are determined by the Governor and Legislature.

Statewide Funding Issue and Initiative

The Commission identified and made recommendations on the following statewide issue and initiative:

Student Financial Aid for Needy Students

- Restore funding lost during budget cuts.
- Increase state-funded financial aid for financially needy students.
- Examine the distribution method and potential for combining three programs into one aid formula.
- Explore alternative revenue sources for financial aid.

The Coordinating Commission has historically regarded student financial aid for needy students as one of the state's top priorities and has requested substantial increases from the Governor and Legislature each biennium for the past ten years. Yet, Nebraska still ranks only 35th among the 50 states in the nation in the amount of money it provides to assist low-income students. With the recent cuts to the financial aid programs, Nebraska will most likely move below the 35th ranking since most states experiencing budget problems this past year did not decrease their need-based financial aid funding.

Therefore, the Commission has selected financial aid for needy students as the most important statewide funding issue for the 2003-2005 biennium and requests additional funding for the Commission-administered state financial aid programs. (see recommendations above and on page 38.)

Institutional Recommendations

Continuation Budgets

While the primary focus in prior years has been on budget reviews for new and expanded requests, the Commission makes the following recommendations regarding continuation budgets:

Chart I: Commission Recommended Continuation Budgets

Health Insurance:

- 15.0 percent health insurance increase for the State Colleges
- 15.0 percent health insurance increases for the University and NCTA

Purchased Utilities:

- 5.0 percent increase in purchased utilities at the University
- 5.0 percent increase in purchased utilities at NCTA
- 10.0 percent increase in purchased utilities at the State Colleges

NIS Accounting Fees:

- \$344,784 increase in funding for accounting fees of NIS at the University
- \$110,293 increase in funding for accounting fees of NIS at the State Colleges

Property Insurance:

- 25.0 percent inflationary increase for the State Colleges' operating budget
- \$1,000,000 per year for inflationary increases for the University's operating budget

Inflation:

- 2.5 percent inflationary increase for remaining State Colleges' daily/ongoing operating budget
- 2.5 percent inflationary increase for the remaining University and NCTA daily/ongoing operating budget

New Building Openings:

- \$1,712,164 in new building openings in the University's continuation budget for 2003-04
- \$67,805 in 2003-04 and \$35,617 for 2004-05 for operations and maintenance of new building openings in the State Colleges' continuation budget

New and Expanded Budgets

In making its recommendations, the Commission grouped the institutional requests for new and expanded funding into five categories:

- *Strongly Recommend New General Funds*
- *Recommend New General Funds*
- *Recommend Some New General Funds*
- *Recommend No New General Funds this Biennium*
- *No Recommendation (Inadequate Information)*

In analyzing each new request, the Commission used the following criteria:

- Was the request consistent or congruent with the Statewide Comprehensive Plan?
- Was the request consistent with the submitting institution's role and mission?
- Did the request avoid unnecessary duplication?
- Did the request demonstrate accountability for additional funding?
- Did the request support one or more of the CCPE's "areas of emphasis"?
- Did the request demonstrate convincingly a need for additional funding?
- Did the request describe projected results, including a method of assessment of those results?

Chart II summarizes institutional requests for additional state funds and Chart III summarizes CCPE recommendations for additional state support.

Chart II. Total Institution Requests for New and Expanded Budgets for Additional State Funds (Including Continuation Costs)

2003-2005 Biennium

	Current Appropriation	2003-2004 Increase Requested	2004-2005 Increase Requested	Biennial Increase Requested	Percent Increase over Current Appropriation
<i>Includes new and inflationary</i>					
University System (Excluding NCTA)					
Subtotal	410,036,394	18,596,383	17,973,765	\$36,570,148	8.9%
Nebraska College of Technical Agriculture (NCTA)					
Subtotal	2,273,884	287,806	281,120	\$568,926	25.0%
State Colleges					
Chadron State College	12,898,037	1,766,336	1,624,656	3,390,992	26.3%
Peru State College	7,003,188	1,165,347	1,086,354	2,251,701	32.2%
Wayne State College	15,454,303	2,311,358	2,355,427	4,666,785	30.2%
System Office	901,868	632,723	(189,378)	443,345	
Subtotal	36,257,396	5,875,764	4,877,059	\$10,752,823	29.66%
Community College (State Aid Only)					
Program 51	45,036,725	3,042,053	2,991,785	6,033,838	13.4%
Program 152	20,014,882	4,642,055	1,391,782	6,033,837	30.1%
Program 99	185,131	684,869	0	684,869	369.9%
Subtotal	65,236,738	8,368,977	4,383,567	\$12,752,544	19.45%
Total Increase Requested					
	\$513,804,412	\$33,128,930	\$27,515,511	\$60,644,441	11.8%

Note: Salary increases are not included within the University of Nebraska requests and the State College requests.

Chart III: Commission Recommendation for State Funding – Details provided in section 4

University of Nebraska System	
<p>Strongly Recommend New General Funds 2% Building Depreciation Assessment Diversity</p> <p>Recommend Some New General Funds Library Acquisitions</p>	<p>Recommend New General Funds Student Contracts (veterinary & optometry) Programs of Excellence</p> <p>Recommend Appropriation to Already Established Programs Need-based aid *</p>
Nebraska College of Technical Agriculture (NCTA)	
<p>Strongly Recommend New General Funds Technology (DS-3) Technology Infrastructure Campus Infrastructure</p> <p>Recommend Some New General Funds Library Acquisitions</p>	<p>Recommend New General Funds Instructional Improvements</p> <p>Recommend Appropriation to Already Established Programs Need-based aid *</p>
State Colleges	
<p>Strongly Recommend New General Funds Replacement of 15-passenger vans (System Office) Distributed Learning Enhancement (CSC) Academic Resource Center (PSC) Extended Campus Program (PSC) LB 1100 2% Depreciation Assessment (CSC, PSC, & WSC) Early Childhood/Special Education faculty (WSC) Theatre Technician (WSC)</p> <p>Recommend Some New General Funds Renewal of Instructional Equipment (All campuses) Operations Support (CSC) Operations Support for the Mari Sandoz High Plains Heritage Center (CSC) Leasing Computers (CSC) Diversity (CSC) Additional Support Personnel (CSC) Enhance Diversity and Gender Equity (All campuses) Faculty and Library (PSC) On-line Programs/Instructional Technology (PSC) Enhance Teacher Education and other Academic Programs (WSC) Maintain, Upgrade and replace technology for Academic support and management (WSC)</p>	<p>Recommend New General Funds Library Automation (System Office) Security Supervisor (CSC) Facilities Management Software System (CSC) Child Development Center Professional Staff (CSC) Maintenance, Custodial, Security Support Staff (PSC) Maintenance and Enhancement of Investment in Facilities (WSC)</p> <p>Recommend Appropriation to Already Established Programs Tuition Remissions (All campuses) *</p> <p>Recommend No New General Funds This Biennium Assessment Funding (CSC)</p>
Community Colleges	CCPE Initiatives
<p>Strongly Recommend New General Funds Restoration of Program 51 & Program 152 funds lost to budget cuts Program 51 – original distribution formula Program 152 – additional formula for equalizations Program 99 – special, targeted projects Foundations Education Workforce Needs Information Technology</p>	<p>Strongly Recommend Student Financial Aid for Needy Students</p>

* The Commission supports the state's current need-based student aid programs that serve students at all institutions; focus on needy students, not on sectors or campuses; allocates aid following statutory criteria; and audits institutions to assure that needy students benefit.

Introduction

The Coordinating Commission for Postsecondary Education is directed by the Nebraska Constitution, Article VII, Section 14(3) to “review and modify, if needed to promote compliance and consistency with the *Comprehensive Statewide Plan* and prevent unnecessary duplication, the budget requests of the governing boards” prior to the budget requests being submitted to the Legislature and the Governor. Section 85-1416(2)(c), Neb. Rev. Stat (Reissue 1994) further directs the Commission to:

“...analyze institutional budget priorities in light of the *Comprehensive Statewide Plan*, role and mission assignments, and the goal of prevention of unnecessary duplication. The analysis and recommendation by the Commission shall focus on budget requests for new and expanded programs and services and major statewide funding issues or initiatives as identified in the *Comprehensive Statewide Plan*. The Commission shall submit to the Governor and Legislature by October 15 of each year recommendations for approval or modifications of each budget request together with a rationale for each such recommendation.”

The Commission’s role regarding public postsecondary institution budget review is to provide an independent, broad, policy-based review, including identification of priorities. The Commission does not have the role of completing a detailed analysis of the operating budgets of the State’s thirteen public colleges and universities.

Consistent with this charge, the Commission develops its recommendations based largely on information provided by the institutions. The Commission’s budget review is concerned with the efficient allocation and utilization of state resources for the many beneficial purposes of postsecondary education to meet the needs of the people, industries, and regions of the state especially as reflected in the plan.

The statutes dictate that the University and State Colleges are to submit a summary of their budget requests on August 15 and the Community Colleges' requests are due September 15. This year, however, the submission dates were moved to September 16 and October 15 of 2002. Consequently, the full budget documents were submitted on October 15, with the Commission's recommendations due to the Governor and Legislature on November 12. As a result, the Commission's complete review of institutional budget requests is limited to less than a full three-week period.

As required by statute, the Commission will address statewide funding issues and focus on new and expanded programs in its budget review and recommendations. The following chapters contain an overview of how Nebraska public higher education is doing in 2002, the Commission's analysis of statewide funding issues and its related recommendations, and the Commission's analysis of institutional requests for new and expanded funding and its recommendations.

How Are We Doing?

The purpose of this chapter is to provide an overview of the status of higher education in Nebraska as a context to the biennial budget requests under review. When available, regional and national comparisons are provided.

Nebraska State Appropriations for Higher Education

While Nebraska as a state has a long history of financial support for higher education, it has lost ground in state appropriations for higher education in recent years.

- \$ In 2001-2002, the state appropriated \$525,220,000 for public higher education, down 1.3 percent from 2000-2001.
- \$ Over the past five years, the state appropriation for higher education has had an annual average increase of 5.5 percent, which is below the national average of 6.5 percent. Inflation during this time period averaged about 2.5 percent.
- \$ The ten-year percentage change in state appropriations for higher education in Nebraska was 54.4 percent, ranking 28th in the nation. In 1995-96, Nebraska's ten-year funding percentage for higher education ranked 2nd in the country. (Appendix 2a)
- \$ Two categories where Nebraska continues to rank high in comparison to other states are appropriation for higher education per capita, for which Nebraska ranks 5th in the country, and appropriation for higher education per \$1,000 of personal income, for which Nebraska ranks 6th among the states. These rankings were 9th in per capita and 10th in per \$1,000 of personal income for the 2000 report. (Appendix 2b)

\$ According to the National Association of State Budget Officers' 2001 State Expenditure Report, Nebraska's 2001 expenditure for higher education is 23.7 percent of the total state expenditures, which ranked Nebraska 4th in the country. (Appendix 2c) While this ranking is positive, Nebraska's current fiscal prospects suggest this ranking could drop as a result of recent budget reductions and continuing budget problems facing the state.

\$ With the exceptions of the University of Nebraska - Lincoln and Peru State College, Nebraska's four-year colleges and universities are all below their peer groups' average and midpoint in state appropriation per FTE student. However, Peru is still less than the other two State Colleges. (see chart below)

Chart 2-1 2001-2002 State Appropriation per FTE Student: University of Nebraska System	
University of Nebraska-Lincoln	\$9,955
Peer Group Average	\$7,243*
University of Nebraska at Omaha	\$5,118
Peer Group Average	\$5,347
University of Nebraska at Kearney	\$5,618
Peer Group Average	\$5,853

Chart 2-2 2001-2002 State Appropriation per FTE Student: State Colleges	
Chadron State College	\$5,620
Peer Group Average	\$5,869*
Peru State College	\$4,986
Peer Group Average	\$4,029*
Wayne State College	\$5,046
Peer Group Average	\$5,566

Chart 2-3 2001-2002 State Appropriation per FTE Student: Community Colleges	
Central Community College	\$3,162
Peer Group Mean	\$2,756*
Metropolitan Community College	\$2,311
Peer Group Mean	\$3,494*
Mid-Plains Community College	\$3,885
Peer Group Mean	\$3,451*
Northeast Community College	\$2,544
Peer Group Mean	\$3,901*
Southeast Community College	\$2,111
Peer Group Mean	\$3,205*
Western Nebraska Community College	\$4,848
Peer Group Mean	\$3,478

* Peer group average based on institutions reporting data for 2001-2002.

\$ As enrollment drops, State Appropriation per Full Time Student served rises if appropriations remain stable or increase. From 1992-93 to 2001-02, the State Appropriation per FTE student increased by the following percentages at Nebraska's public four-year institutions:

University of Nebraska-Lincoln	45.1%	Chadron State College	52.5%
University of Nebraska at Omaha	50.0%	Peru State College	24.9%
University of Nebraska at Kearney	91.4%	Wayne State College	68.4%

S Some of the largest increases are influenced by significant decreases in enrollments.

\$ Wayne State College is the furthest below its peer group mean and may be Nebraska's most underfunded public four-year institution. However if enrollments continue to decline, the appropriation per student may begin to move closer to the peer group average as has happened to UNK. Due to less appropriation per student, Wayne State spends less on instruction per student than any of its peers. (Appendix 5a)

\$ Of Nebraska's six community college areas, the state appropriation per FTE student is above the mean and medium of peers for three of the areas and below the average and midpoint for the other three.

Student's versus State's Share of Educational Costs

- The state of Nebraska contributed between 57 and 67 percent of the cost of students' education at the University of Nebraska-Lincoln, the University of Nebraska at Omaha and the University of Nebraska at Kearney in 2001-2002. The state contributed 84 percent of the cost of education at the University of Nebraska Medical Center. In contrast, peer institutions received an average of 54 to 61 percent of the cost of education from their respective states.
- The state's share of the cost of education at Nebraska State Colleges ranged from 65 to 69 percent. State Colleges' peers received an average of 53 to 70 percent of students' cost of education from their states.

- The state paid the smallest share of students' cost of education at the University of Nebraska at Omaha in 2001-2002 (57%), while Chadron State College received the greatest percentage of cost of education funding from the state (69%). The University of Nebraska at Omaha's peer institutions received an average of 55 percent of their cost of education funding from the state, while Chadron's peers received 70 percent.
- The student share of the cost of education ranges from 17.4 percent at Western Nebraska Community College to 42.7 percent at the University of Nebraska at Omaha.
- For resident, undergraduate enrollments, students pay a lesser share of the cost of education at UNL than the other two University campuses. Wayne State College students still pay the highest percentage of costs when compared to the other state colleges. Students at Northeast Community College pay a larger percentage of education costs than the other five community college campuses.

Chart 2-4 2001-2002 Percent Contributed by Students		
University of Nebraska-Lincoln	32.90%	
Peer Mean	42.75%	
Peer Median	42.29%	
University of Nebraska at Omaha	42.69%	
Peer Mean	45.50%	
Peer Median	49.72%	
University of Nebraska at Kearney	37.11%	
Peer Mean	39.08%	
Peer Median	38.53%	
University of Nebraska Medical Center	16.25%	
Peer Mean	NA	
Peer Median	NA	

Chart 2-5 2001-2002 Percent Contributed by Students		
Chadron State College	30.85%	
Peer Mean	30.26%	
Peer Median	35.26%	
Peru State College	31.70%	
Peer Mean	46.79%	
Peer Median	44.68%	
Wayne State College	34.94%	
Peer Mean	34.61%	
Peer Median	35.08%	

Chart 2-6	
2001-2002 Percent Contributed by Students	
Central Community College	18.64%
Peer Mean	21.44%
Peer Median	20.20%
Metropolitan Community College	25.77%
Peer Mean	28.32%
Peer Median	25.11%
Mid-Plains Community College	21.45%
Peer Mean	22.78%
Peer Median	20.05%
Northeast Community College	28.33%
Peer Mean	22.39%
Peer Median	20.20%
Southeast Community College	26.58%
Peer Mean*	25.86%
Peer Median*	22.42%
Western Nebraska Community College	17.41%
Peer Mean	23.49%
Peer Median	21.45%

* low response rate may not reflect actual peer averages.

Higher Education Affordability

Several indicators suggest that Nebraska higher education is less affordable than in the past, despite relatively moderate tuition and fee rates at Nebraska institutions.

Tuition & Fees Comparisons

\$ For 2001-02, students at all Nebraska four-year public institutions, except the University of Nebraska – Lincoln, pay less than the national undergraduate average of \$3,754 for tuition and mandatory fees. The University of Nebraska - Lincoln is only slightly above the national average at \$3,760.

- \$ All of Nebraska's Community Colleges are below the national community college average of \$1,738 for tuition and mandatory fees. They all charge close to \$1500 for Nebraska residents.

- \$ During the five-year period of 1996-97 through 2000-2001, tuition and mandatory fees at all Nebraska public institutions increased from a high of 34.3 percent at Wayne State College to a low of 12.7 percent at Southeast Community College. In this same time period, inflation increased 10.2 percent.

- \$ Although all of Nebraska's public institutions have resident undergraduate and graduate tuition and fees relatively close to their respective peer group averages, UNL, Northeast Community College and Western Community College have resident undergraduate tuition and fees above their respective peer group averages.

- \$ Non-resident tuition and fees at all Nebraska public institutions are below their peer group averages.

Chart 2-7				
TUITION & MANDATORY FEES – 2001-2002				
UNIVERSITY OF NEBRASKA				
	Resident Undergraduate	Non-Resident Undergraduate	Resident Graduate	Non-Resident Graduate
UNL	\$3,760	\$9,362	\$3,908	\$8,990
Peer Group Average*	\$3,472	\$11,307	\$3,776	\$11,522
UNO	\$3,225	\$8,272	\$3,184	\$7,384
Peer Group Average*	\$3,991	\$10,416	\$4,994	\$10,727
UNK	\$3,113	\$5,468	\$3,014	\$5,402
Peer Group Average*	\$3,738	\$9,826	\$4,289	\$10,033
UNMC**	\$3,298	\$8,900	\$3,476	\$8,558
Peer Group Average**	NA	NA	NA	NA
* Excluding data for the Nebraska public institutions and non-responding institutions.				
** UNMC tuition and mandatory fees do not include the differentiated tuition for the professional fields of study. See discussion below for specific tuition and mandatory fees.				

Chart 2-8				
TUITION & MANDATORY FEES – 2001-2002				
STATE COLLEGES				
	Resident Undergraduate	Non-Resident Undergraduate	Resident Graduate	Non-Resident Graduate
Chadron State College	\$2,481	\$4,573	\$2,440	\$4,546
Peer Group Average*	\$2,527	\$6,371	\$2,996	\$6,645
Peru State College	\$2,526	\$4,618	\$2,482	\$4,588
Peer Group Average*	\$2,880	\$6,277	\$2,295	\$4,506
Wayne State College	\$2,825	\$4,917	\$2,802	\$4,908
Peer Group Average*	\$2,850	\$7,248	\$3,419	\$7,632

* Excluding data for the Nebraska public institutions and non-responding institutions.

Chart 2-9		
2001-2002 TUITION & MANDATORY FEES		
COMMUNITY COLLEGES		
	Resident Undergraduate	Non-Resident Undergraduate
Central Community College	\$1,500	\$2,190
Peer Group Average*	\$1,813	\$6,129
Metropolitan Community College	\$1,463	\$1,800
Peer Group Average*	\$1,534	\$4,060
Mid-Plains Community College	\$1,440	\$1,420
Peer Group Average*	\$1,469	\$3,410
Northeast Community College	\$1,538	\$1,875
Peer Group Average*	\$1,430	\$3,493
Southeast Community College	\$1,434	\$1,659
Peer Group Average*	\$1,736	\$2,979
Western Nebraska Community College	\$1,515	\$1,695
Peer Group Average*	\$1,499	\$1,998

* Excluding data for the Nebraska public institutions and non-responding institutions.

Percentage of Family Income as a Measure of Affordability

- \$ The percentage of family income required to pay tuition and mandatory fees in 2000 was more for all income levels than in 1996 at all Nebraska four-year colleges and universities.
- \$ The Community Colleges' tuition and fees required a smaller percentage of income for almost all income levels in 2000 compared to 1996.

Financial Aid for Needy Students

- \$ In the 2002 national report card on higher education, Nebraska fell from a C+ in 2000 to a D, our lowest grade, for affordability of postsecondary education. This drop was primarily a result of low levels of state grants for low-income students (Source: *Measuring Up 2002: The State-by-State Report Card for Higher Education*. – see Appendix 1).
- \$ In 2000, Nebraska ranked 35th nationally in the amount of need-based financial aid grant dollars per full-time undergraduate enrollment. (Source: National Association of State Student Grant & Aid programs, 31st Annual Survey Report, 2000.) Since then, financial aid funding has been reduced by 15.5 percent as a result of the 2002 regular and special legislative sessions.
- \$ It is currently estimated that approximately \$69 million of unmet student financial need exists for Nebraska low-income postsecondary education students. This amount does not include the needs of students who do not attend postsecondary education for lack of finances. (Source: CCPE 2002 survey)
- \$ Nebraska's state grant programs reach only about 1/3 of Nebraska Pell grant recipients, who are the lowest-income students. (63% of recipients and their families earn less than \$20,000 annually.)

Student Loan Volume

- \$ From 1990-1991 to 2000-2001, the Nebraska student loan volume increased from approximately \$53 million to over \$142 million. In that same time period, the number of loans increased from 24,893 to 44,553.
- \$ A 2000 survey of Nebraska student loan borrowers showed respondents had a median debt of \$13,327. The national average was \$13,000.

Higher Education Access

Nebraska has always enjoyed high participation rates in higher education. While participation rates remain high (59.2% in 1999-2000), Nebraska's national ranking has dropped as other states have improved their rates.

Higher Education Enrollment & Participation

- \$ Total headcount enrollment in Nebraska public and independent colleges and universities in fall 2001 totaled 111,826, an increase of 1.6 percent from Fall 2000. (see Appendix 3)
- \$ A nine-year comparison shows that total headcount enrollment in Nebraska public and independent colleges and universities increased 2 percent from Fall 1992 to Fall 2001.
- \$ Nebraska maintained a grade of A for participation in the recent released *Measuring Up 2002*, the national report card on higher education.
- \$ The enrollment changes from 1992-2001 by sector were as follows:
 - S Community Colleges: +20 percent
 - S State Colleges: -9 percent
 - S University of Nebraska: -11 percent
 - S Independent Colleges and Universities: +16 percent
- \$ The University has the largest number of headcount enrollment followed by the Community Colleges.

- \$ Minority enrollment in Nebraska institutions was 9.3 percent of total enrollment in 2000-2001, with private two-year and four-year institutions having the highest minority enrollment as a percentage of their total enrollment. (Source: *Chronicle for Higher Education*).
- \$ Part-time enrollment in Nebraska institutions was 36.9 percent of total enrollment in 2000-2001. (Source: *Chronicle for Higher Education*).
- \$ **In eight years, Nebraska has gone from number 3 (63.3%) in the country in recent high school graduates enrolling in college to number 21 (59.3%) as of the year 2000. (See Appendix 4)**
- \$ High school freshmen enrolling in college within four years (18 to 24 yrs) of graduation shows Nebraska at 49.7 percent, ranking 7th in the country. (See Appendix 4)
- \$ In Nebraska, 28 percent of the total population aged 25-65 have attained a bachelor's degree or higher. (Source: *Measuring Up 2002: A National Report Card on Higher Education*)
- \$ In 2000-2001, 82 percent of Nebraska first-time freshmen attended college in Nebraska. (Source: *Chronicle for Higher Education*).
- \$ The counties with the highest number of high school graduates who did not attend Nebraska postsecondary education institutions in 2000 were Douglas, Sarpy, and Lancaster.
- \$ Data collected by ACT shows that in 2001-2002, 1,532 Nebraska freshmen enrolled in colleges and universities in other states, and 1,311 freshmen from other states enrolled in Nebraska institutions. The students leaving the state had average ACT composite scores of 23.9, while the students entering the state had average ACT composite scores of 23.2.

Community College Transfers

- \$ Academic transfer FTE enrollment increased 58 percent between the 1993-94 academic year, when the Commission expanded Community College's academic transfer authority, and the 2001-02 academic year. During the same period, applied technology enrollment increased only 16 percent.
- \$ Over the same nine-year period, the percentage of academic transfer enrollment of total enrollment increased from 12.6 percent in 1993-94 to 16.1 percent in 2001-02, an increase of 3.5 percent. Applied technology's share of enrollment, meanwhile, declined 3.5 percent from 56.5 percent in 1993-94 to 53.1 percent in 2001-02.
- \$ The Commission is in the beginning stages of a comprehensive study to determine if the number of community college academic transfer students has increased at four-year institutions in Nebraska and to determine the success of these transfer students in GPA and graduation rate comparisons.

Off-Campus & Distance Education

- \$ An estimated 13,825 students were served by distance education technology courses in 2000-2001. This number was down by over 1,000 students in comparison to 1999-2000.
- \$ In 2000-2001, there were 686 courses offered off-campus by synchronous delivery (instructor and students meet at the same time but are separated geographically), 699 by asynchronous delivery (instructor and student are not in the same place or at the same time), i.e. video or web-based instruction), and 2,893 offered by traditional delivery (instructor and student in same place at same time).
- \$ Approximately 4,151 high school students (duplicated headcount) enrolled in college courses offered in high schools in 2000-2001, an increase of 30 percent over 1999-2000. About one half of these enrolled in

Community College courses and one-third enrolled in courses offered by the State Colleges.

Higher Education Accountability

Nebraska higher education showed some improvement in accountability areas such as retention and graduation.

Student Retention/Completion/Degrees Awarded (IPEDS)

- \$ The retention rate for first year community college students returning for their second year of college was 52 percent. (Source: *Measuring Up 2002*)
- \$ Community College graduation rates (defined as graduating with 150 percent of the normal program length) were 33.2 percent in 1999-2000, with Northeast Community College (51.0 percent) and Southeast Community College (48.5 percent) having the highest rates.
- \$ The retention rate for freshmen at four-year colleges and universities in Nebraska returning for their sophomore years was 76 percent in 2001, up from 74 percent in 2000. (Source: *Measuring Up 2002*)
- \$ The rate for first-time full-time students completing a bachelor's degree at a four-year institution within five years in 2001 was 43 percent and for completing within six years was 44 percent. (Source: *Measuring Up 2002*)
- \$ Graduation rates of the University campuses ranged from 27.1 percent at UNO to 53.3 percent at UNL in 1999-2000.
- \$ The State College graduation rates were 29.8 percent at Peru State College, 36.5 percent at Chadron State College, and 44.3 percent at Wayne State College for 2001.
- \$ The independent colleges and universities had some of the highest graduation rates in 1999-2000 with several having rates over 70 percent and several more with rates over 60 percent for students graduating within six years.

- \$ In 1999-2000, 19,971 degrees were awarded by Nebraska colleges and universities. Of those degrees, 10,747 were bachelor's degrees, 3,597 were associate degrees, 2,898 were Masters, 363 were doctorate degrees, and 794 were professional degrees.

- \$ The University of Nebraska awarded 44 percent of all degrees in 1999-2000 followed by the Independent Colleges at 25 percent, the Community Colleges at 23.7 percent, and the State Colleges at 7.3 percent.

- \$ Over 75 percent of all degrees awarded in 1999-2000 were by public colleges and universities.

- \$ The highest percentage of degrees were offered in the following areas:
 - Four-year degrees: Business
 - Social Sciences
 - Education
 - Less than four-year degrees: Health professions
 - Business Administration
 - General Studies

Revenue and Research Dollars

- \$ In 1999-2000, Nebraska public institutions received nearly 49 percent of their revenue from state appropriations. Tuition and fees comprised 18.9 percent of revenue, with federal grants (13.9%), private gifts (9.5%), local appropriations (3%), and other miscellaneous sources making up the remainder.

- \$ Total spending on college and university-based research and development in 2000-2001 was \$208.48 million, 31 percent of which was federal government funding and 48.5 percent of which was from the institution itself. (Source: *Chronicle for Higher Education*).

- \$ UNL's federal research and development funding for 1999-2000 was \$37.8 million, ranking it 115th. (See Appendix 7). For 2000-2001, it appears to have risen to almost \$44 million.

\$ Appendix 7 compares UNL's federal research and development funding with its CCPE and Regent peers. For 1999-2000, UNL's total was nearly \$40 million while the average of UNL's CCPE peers was nearly \$65 million.

Expenditures per FTE Student (Appendix 5)

\$ UNL spends less on instruction per FTE student than 8 of its 12 peers although it receives more state support than 11 of its peers.

\$ Peru State expends less on instruction per FTE student than all of its peers.

\$ Wayne State spends less on instruction per FTE student than all of its peers but also is funded less per FTE student than its peer group.

CCPE Academic Program Review

\$ In 2001-2002, the Coordinating Commission for Postsecondary Education reviewed 245 existing academic programs. Of those 17 percent were returned to governing boards for further in-depth review, and 11 percent were discontinued.

\$ In 2001-2002, the Commission reviewed twelve proposals for new academic programs. Of these, eleven were approved. An additional 17 programs were reviewed and determined to be reasonable and moderate extensions of existing programs.

\$ In the process of reviewing new programs and discussing the proposals with institution administrators, several programs were modified to reduce expenditures. These modifications included reductions in scope, mergers with existing programs, sharing courseware with other institutions, etc.

\$ During 2001-2002, the Commission reviewed the proposal for and approved the establishment of one new private four-year institution in the state. Four institutions from outside Nebraska were authorized to offer five programs at a variety of locations within the state.

\$ To avoid unnecessary duplication of program offerings, the Commission reviewed 29 requests from institutions to offer courses outside their geographic service area. Twenty-five were approved and four were denied.

General Statewide Funding Issues and Initiatives

State and local financing of higher education is one of government's most important activities. The state of Nebraska and its public higher education institutions depend on each other to shape each other's future. The State needs a strong higher education network that helps solve the state's problems, enhances workforce development, and prepares students for productive and fulfilling lives. Postsecondary education, in particular the public institutions, relies on the state's ability to expand its economic and population base to provide resources to support the institutions. The two must work together and grow together to address the future needs of both the state and the institutions.

Higher education funding is a very complex matter that is based on numerous factors influencing both funding and expenditure levels. This complexity became even more apparent as the Commission and postsecondary institutions recently revised the *Statewide Comprehensive Plan for Postsecondary Education* and identified fourteen major statewide goals for higher education.

Although all of the goals set forth in the Plan are important and deserve continued attention, the Commission considered the current budget situation of the state and selected only one statewide initiative as a focus of attention this coming biennium. With few, if any, new state dollars available, the Commission believes concentrating on a select few priorities is the most effective manner to utilize scarce resources. Therefore, the Commission has selected financial aid for needy students as the most important statewide funding issue for the 2003-2005 biennium.

Student Financial Aid for Needy Students

The importance and timeliness of financial aid as the statewide funding initiative was made dramatically apparent with the recent release of *Measuring Up 2002*, the national state-by-state report card on the status of higher education. In it, Nebraska has dropped from a C+ in the 2000 Measuring Up report to a D in the important category of Affordability. This is the lowest grade that Nebraska received among the six categories, which also include Preparation, Participation, Completion, Benefits and Learning.

Perhaps most startling is the fact that Nebraska's ranking dropped so far, yet the report did not include the latest budget reductions to financial aid from the 2002 legislative session and the recent special session. If funding for financial aid is not greatly increased in the coming biennium, Nebraska will most likely receive an even lower grade among the states in the 2004 edition of this prestigious report.

In analyzing the data in *Measuring Up 2002*, the indicator that hurt Nebraska's score the most was the amount of state grant aid targeted to low-income families, expressed as a percent of federal Pell Grant aid to low-income families. Leading states provide more state financial aid money than the state gets in federal Pell funds. In 2002, Nebraska's percentage was 13 percent. While this is actually an increase of 2 percent over the year 2000, the report shows Nebraska is far below the average of the top performing states median of 108 percent (see page 22 and Appendix 1).

The Coordinating Commission has historically regarded student financial aid for needy students as one of the state's top priorities and has requested substantial increases from the Governor and Legislature each biennium for the past ten years. Prior to the 2002 Legislature Session and the 2002 Special Session, the Governor and Legislature had steadily increased funding for the State grant programs that serve financially needy students. Despite these increases, Nebraska still ranked 35th among the 50 states in the nation in the amount of money it provides to assist low-income students. With the recent cuts to the financial aid programs, Nebraska will most likely move below the 35th ranking since most states experiencing budget problems this past year did not decrease their need-based financial aid funding.

One major goal of the Commission's *Comprehensive Statewide Plan for Postsecondary Education* is to increase participation and completion later in higher education and to ensure that access to higher education programs and services is not restricted by factors such as economic status. Among the strategies to achieve this goal is to increase state support for state-administered need-based financial aid to improve Nebraska's competitive position among the states to above the national average. The Plan also states that any increase in tuition and fees calls for an increase in financial aid funding to assure the financially-needy students both, full-time and part-time, are provided educational opportunities.

By substantially increasing funding to the state grant programs serving eligible students at Nebraska postsecondary education institutions, the State could increase the percentage of needy students served, increase the average grant award, or both. The State might also increase participation among those students in the lowest-income brackets who often do not go on to college. **In Nebraska, less than 32 percent of low-income high school graduates attend college. This is substantially lower than the college continuation rate for all high school graduates, which is 60.4 percent.**

Our state's poor ranking in the national higher education report card, *Measuring Up 2002*, makes it clear that our existing State grant programs do not meet the financial needs of a significant number of needy students (see Appendix 1). Financial aid programs **encourage or promote improved retention and graduation rates or provide measurable outcomes of their success, areas in which Nebraska received a "C+" grade.** Many students do not stay in college because they cannot afford to.

Completion of college is an additional issue impacted by financial need. Nationally only 6.1 percent of people from the lowest income quartile are able to complete a Bachelor's degree, compared to over 41 percent of people from the highest income quartile.

Nebraska's low level of financial aid funding contrasts to our high ranking in both state appropriations for general higher education operations and the State's College Savings Plan. The State's policies result in class distinctions: sufficient funding for all students in general, but insufficient funding for the lowest-income

students. We should also remember that students of color are often disproportionately represented among these low-income students.

After several years of steady gains in funding for financial aid, the latest budget reductions have Nebraska heading in the wrong direction. As the state's revenues have fallen, **appropriations for financial aid have been cut while, at the same time, the institutions have raised tuition to help cover reduced state appropriations.** Thus, in a double blow, needy students have become even more financially disadvantaged and our higher education institutions have become less accessible.

Consider the following facts:

- A recent survey by the Commission found that there is over \$69 million of unmet financial need for low-income Nebraska postsecondary education students. (See chart on page 34.)
- Current state grant programs serve almost one third (9,800) of the 25,800 Pell Grant (low-income) recipients in Nebraska.
- Nebraska students have, on average, borrowed more money than their national counterparts to attend four-year colleges.
- Nebraska's national ranking for participation in higher education has dropped in recent years.

On the national level, approximately \$7.9 billion was expended on Pell grants in 2000-2001. In that same year, students at Nebraska colleges received over \$45 million in federal Pell grants. For 2000-2001, the maximum Pell grant award was \$3,300 although the national average award was substantially less: \$2,057.

The yearly increase in the federal Pell Grant appropriations has helped stabilize the overall loan-grant balance in the federal aid system. However, the maximum Pell Grant remains far below the purchasing power it experienced two decades ago. Originally designed as the foundation for student aid packaging, Pell grants paid for over 80 percent of the student's cost to attend a public four-year institution in 1976. The current Pell Grant covers 40 percent of the average fixed costs at a four-year public college and only 15 percent of a private four-year college. Therefore, it is important for states to increase their financial aid to needy (low-income) students so these students are not precluded from attending college.

State financial aid to needy students varies by state with some states such as Alaska and South Dakota providing no aid, while states such as California, Illinois, Minnesota, and New York provide considerable financial aid. A good measure of state responsibility is identified in *Losing Ground*, the report by the National Center for Public Policy and Higher Education. The report points out how well states are doing in providing state need-based financial aid to students as compared to the amount the federal government provides through the Pell Grant. **In Nebraska, state spending on aid to low-income students equals 13 percent of federal Pell Grant aid.** Leading states average is 108 percent. The chart below illustrates how Nebraska compares to other regional states in financial aid to needy students compared to federal Pell Grant funding.

State	State spending on financial aid as percent of Pell Grant aid – 2000-2001
Illinois	132%
Minnesota	108%
Iowa	60%
Colorado	43%
Missouri	19%
Kansas	17%
Nebraska	13%
South Dakota	0

An additional indicator of sufficient support for needy students is represented by the amount of unmet need that exists after the students have accessed all available aid.

The Commission requested information from all of Nebraska's postsecondary education institutions regarding the amount of unmet financial need for Pell grant students who were residents of Nebraska for 2001-2002. All of the public institutions reported the unmet financial need at their institutions and over half of the Independent Colleges and Universities and the Private Career Schools reported their students' unmet need. The table below shows the amount of unmet financial need reported by each sector.

Institution	Amount of Unmet Need (2001-02)
University of Nebraska System	\$17,566,262
State College system	\$446,262
Community College system	\$27,543,757
Independent Colleges & Universities	\$17,942,793
Private Career Schools	\$6,072,968
Total Unmet Financial Need	\$69,572,042

This unmet need of over \$69 million represents only the unmet financial requirements of the most needy students – those receiving Pell grants.

How do students meet this gap in funding? According to *Losing Ground, A National Status Report on the Affordability of American Higher Education*, “Students and families have been coping with higher college tuition and the increased demands on family income in a variety of ways. Some students work more hours; some reduce their course loads, lengthening time to graduation; and others attend less expensive colleges and universities. The most widespread response to increases in the cost of higher education involves debt—more students are borrowing more money than ever before.”

Losing Ground goes on to report that since 1980, federal financial aid has changed from a system based on need-based grants to one based on loans. In 1981, loans accounted for 45 percent and grants 52 percent of federal student financial aid. In 2000, loans represented 58 percent of federal student financial aid and grants represented 41 percent.

Nebraska’s loan volume for public institutions has increased from \$136 million in 1999-2000 to over \$142 million in 2000-2001. This represents a 4.6 percent increase for the two years. However from 1991-1992 to 2000-2001, the student loan volume increased by 142 percent.

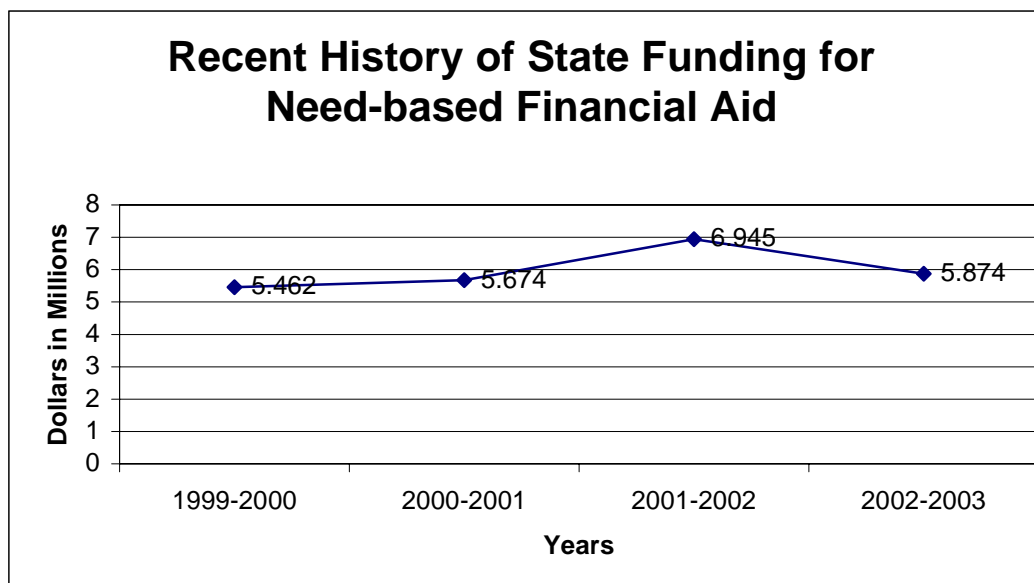
The Coordinating Commission, in conjunction with the National Student Loan Program (NSLP), conducted a study of student loan borrowing among Nebraska students. The report, *Graduating Into Debt: Results of the Nebraska Student Loan Survey*, was released in August 2000. Respondents to the survey had a

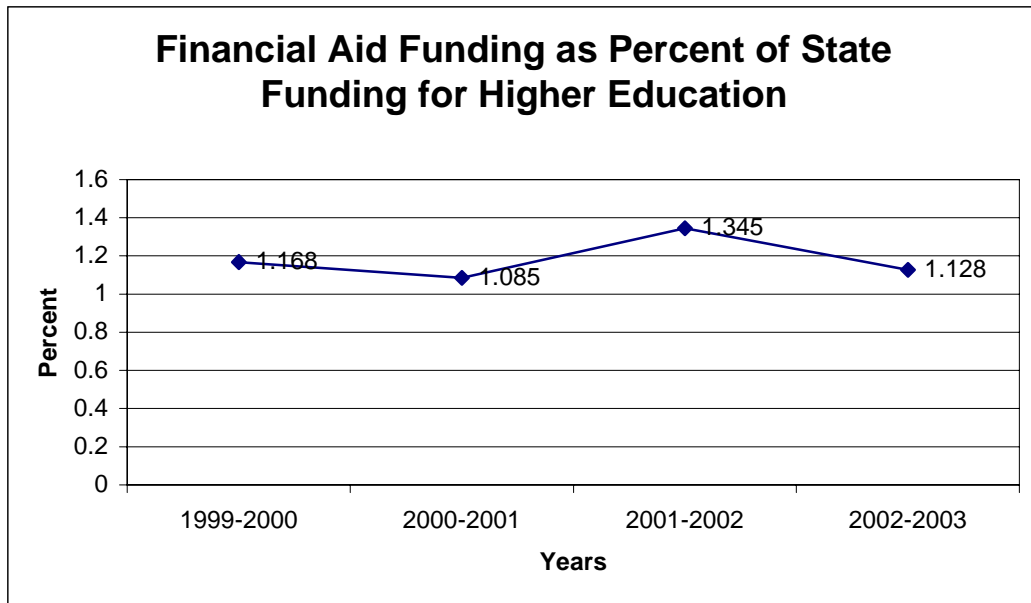
median debt, including both undergraduate and graduate, of \$13,327 while the national average is \$13,000.

Nebraska students have a higher median debt than the national average even though 80 percent of Nebraska students worked while in college. Both the percentage of students working and the level of debt are above the national averages.

With postsecondary institutions trying to balance budgets with fewer funds, the institutions will most likely use tuition increases as a means of offsetting decreasing revenues. The Commission does not believe this is the time to decrease financial aid to low-income students since increases in tuition disproportionately affect low-income individuals. Minorities, who represent a substantial portion of low-income families, are already under-represented in Nebraska's higher education institutions. Our current financial aid programs, prior to the special session cuts, were reaching only about one-third of eligible low-income students.

In 2001-2002, 25,800 students qualified for federal Pell Grants, but only approximately 9,900 low-income students received state grants. With the \$1,074,816 budget cuts in financial aid, it is estimated that 1,600 needy students will not receive state financial assistance or all students will receive less state support.





In 2001-2002, students eligible for state need-based aid (SSAP program) came from families in the state's lowest income quartile: 61 percent from families with income of \$20,000 or less annually and an additional 31 percent with family incomes of \$40,000 or less.

According to national studies, graduation and retention rates for low-income students are compromised by the lack of financial aid. **The Commission is concerned that the substantial decrease in need-based aid will contribute to the current low enrollment, graduation, and retention rates in Nebraska as more needy students have to drop out, attend part-time, to work more hours, take fewer courses, and take longer to graduate.**

The Commission realizes that the issue of funding needy students at public versus private institutions has caused controversy regarding financial aid. In recent months the idea of a single financial aid program has been discussed by some state senators. This program would focus on the needs of low-income students rather than on the distribution percentage to the different sectors of higher education. This could be accomplished by distributing funds for students to the institutions based on Pell dollar volume in the prior year. The level of tuition could also be a factor in the distribution of dollars to the institutions.

The Commission is continuing to work with the sectors to explore the possibility of a single program approach that would target funding to where the financial need exists. The Commission will continue to work toward a resolution along with the sectors and state senators who have an interest in resolving the conflict.

However, this does not change the very important fact that Nebraska's financially needy students need additional financial aid. As stated earlier, there is over \$69 million of unmet financial need for Nebraska postsecondary education students. To meet this need without additional financial aid, students must borrow more money (Nebraska students are already above the national average), work more hours (over 88% of Nebraska students work) or forgo attending college.

The Commission strongly believes access to higher education is among the best investments a state can make. Educated citizens help expand a state's economic strength and broaden its tax base. This is why the Commission believes the state needs to commit more money to financial aid for low-income students, not less.

Therefore, the Commission strongly endorses increasing general fund support for need-based financial aid in the next biennium. Although the Commission is well aware of the increased demands on the State's resources, it is also cognizant of the financial dilemma facing many financially-needy students statewide. The Commission advocates a stronger financial aid commitment to needy students and urges the State to address the growing problem of too little financial aid for needy students.

Recommendations

- Restore the \$1,074,816 for financial aid that was lost during budget cuts to prior appropriations.
- Increase financial aid funding during each year of the biennium. *
- Explore alternative methods of distribution including the single program model.
- Explore alternative revenue sources for financial aid.

The Commission's *2002 Tuition, Fees & Financial Aid Report* is available and provides additional recommendations.

* To reach the midpoint of the states in need-based financial aid as suggested in the CCPE's financial aid report, *Blocked Opportunities January, 2002*, the State would need to increase funding for need-based financial aid by \$2 million per year for six years.

Institutional Budget Request Recommendations

As stated in *“Losing Ground”*, a report by the National Status Report on the Affordability of American Higher Education (2002), “In a world shaped by information technologies and global economies, college opportunity is even more important today than it was a decade ago.” Higher education, which was once a luxury for some, is increasingly becoming a necessity for most.

Fortunately, most states understand this important concept. In 2001, the states provided funding for higher education, in the aggregate, of well over \$64 billion dollars. Nebraska is one of the states that has done well in providing state funds to support the operations of its public institutions. Despite the growing competition for state resources and substantial revenue shortfalls, the Governor and Legislature have continued to increase appropriations to higher education institutions.

The Commission commends the Governor and Legislature for reinforcing the need for a strong postsecondary education system. Nebraska’s future depends on education as education is the key investment that leads to the full development of the people of the state, its economy, and its future.

Investment in human potential has a high rate of return. As we move forward, the Commission believes it is crucial for policy makers and those balancing the state’s budget to remember the vital role postsecondary education plays in fueling economic growth and individual prosperity to make Nebraska economic and society work effectively.

Institutional Requests

All of the public postsecondary education institutions requested expanded budgets beyond their continuation budgets for the 2003-2005 biennium, including requests for adding faculty, replacing instructional equipment, providing additional administrative support, increasing and enhancing diversity, and increasing financial aid. The University requested funds as a total system rather than as individual campuses (the University system includes the University of Nebraska-Lincoln, the University of Nebraska at Omaha, the University of Nebraska at Kearney, and the University of Nebraska Medical Center). The Nebraska College of Technical Agriculture (NCTA) in Curtis is also a part of the University System. However, statutes require that its budget be reviewed separately and receive a separate Commission recommendation. Consequently, the Commission analysis and recommendations generally refer to the system rather than individual campuses, but in certain instances must relate to individual campuses.

Prior to presenting the Commission's analysis of each new and expanded request and its recommendations on the continuation budgets, the Commission evaluated the requests in light of the *Comprehensive Statewide Plan for Higher Education*. The charts that follow display the major goals (elements) of the Comprehensive Statewide Plan, the Commission's three Areas of Emphasis, and the funding proposals of the Commission and the higher education institutions.

Analysis: Is There Congruence of the Plan and CCPE Areas of Emphasis with Resource Requests?				
		Proposals From Sectors		
	CCPE Proposed Statewide Initiatives	University	State Colleges	Community Colleges
Major Elements of Comp Plan:				
Meeting the Needs of Students	Student Financial Aid for needy students	Programs of Excellence Diversity Need-based aid	Replacement of passenger vans Enhance Diversity Academic Resource Centers Renewal of Technology Equip Tuition Remissions Library Automation Distance Learning Enhancement	Foundations Education Full funding of formulas
Meetings of Needs of the State	Student financial aid for needy students	Programs of Excellence Diversity	Support of Sandoz Center Distributed Learning Enhancement Maintain/Upgrade Technology	Full funding of formulas Workforce and Community Development Needs
Building Exemplary Institutions		Library Acquisitions Health Insurance Inflationary Increases in Operations Assessment for Deferred Maintenance Programs of Excellence	Health Insurance Inflation Renewal of Tech Equipment Library Automation Extended Campus Enhance Teacher Ed & Other Programs Enhance Investment in Facilities Maintain, Upgrade & Replace Technology Equipment Gender Equity	Full funding of formulas Training & Development Applied Technology projects
Meeting Educational Needs Through Partnerships & Collaboration		Student Contracts		Workforce & Community Development Needs
Areas of Emphasis by CCPE				
Educational & Workforce Development Needs of State and Community			Distributed Learning Enhancement	Workforce Development Needs
Collaboration & Sharing among institutions		Student Contracts (Veterinarian & Optometry)		Workforce and Community Development
Improvement in retention and graduation rates	Student financial aid for needy students	Need-based aid	Maintain/Upgrade Technology Enhancement of Teacher & Instructional Technology	Foundations Education
Other Considerations				
Other				
Evidence of Duplication				

Higher Education Funding

Before the Commission begins its review of institutional budget requests and particularly the Continuation Budget requests, it believes a statement regarding higher education funding is appropriate.

Although there may not be sufficient state revenues to provide funding for new or expanded initiatives, the Commission makes a strong plea on behalf of the postsecondary institutions for the Governor and Legislature to at least fund the dollars necessary to continue operations at the current level of effort. This dollar amount is reflected in the Continuation Budget request.

While the dollars for continuation appear to be significant, it must be remembered that higher education is a large operation that requires some minimal increases just to continue turning on the lights and opening the doors. If the state decides to not fund the continuation level and instead hold funding at the current 2002-2003 level, it is, in reality, asking the University and State Colleges to take a budget cut. For the University, this would mean a 5.2 percent cut and for the State Colleges a 7.2 percent cut when holding funding at the current level.

The Commission understands and empathizes with those trying to balance the state budget in such dire fiscal times. However, the Commission also knows and understands the value of higher education to the residents of the state, the employers, and the state's future economy. We must keep our higher education institutions strong and able to provide an educated workforce.

Continuation Budget Recommendation

In review of the continuation budget requests, the Commission observed that the application of inflation factors varied depending on the sector. The State Colleges requested a 5 percent inflationary increase for operational expenses, the University and NCTA requested a 2.5 percent inflationary increase. In addition, the State Colleges requested a 20 percent increase for health insurance, while the University requested a 15 percent increase. The State Colleges also requested additional funding for tuition remissions, renewal of instructional equipment, and an increase to purchase replacements for

15-passenger vans. The Commission choose to evaluate those specific State College requests as new and expanded budget requests.

Health Insurance

Both the University sector and the State Colleges requested funding for anticipated increases in the cost of health insurance. Neither sector provided supporting documentation nor analyses to verify the necessity of the projected increase.

Analysis:

The University and NCTA are projecting a 13 percent to 15 percent increase in health insurance costs for the 2003-2005 biennium. A review of the University's operating budget for 1999-2000 through 2001-2002 and projections for 2002-2003 shows that health insurance expenditures have increased from 13.8 percent to 15 percent. Although state government health insurance increases are projected to increase by 11 percent, the projection is only through June 2003. The state's increase in health insurance for the 2003-2005 biennium has not been determined, but it is reasonable to presume that the health insurance costs will increase at least another 11 percent or maybe higher.

Therefore, the University's and NCTA's requests for a 15 percent increase in health insurance funding appears reasonable and the Commission recommends funding.

The State Colleges requested a 20 percent increase in health insurance funding for the 2003-2005 biennium. An analysis of the State Colleges' health insurance expenditures for the period 1999-2000 through 2001-2002 and the projection for 2002-2003 shows that health insurance expenditures increased from 8.2 percent to 11.3 percent, with an estimate for 2002-2003 of 17.6 percent. With actual expenditures increasing at a much lower rate than the projected figures, **the Commission recommends a 15 percent increase in health insurance funding for the next biennium.** If actual expenditures increase more than 15 percent in either year of the biennium, the State Colleges could request funding by a deficit request the following year.

Purchased Utilities

The University and NCTA are requesting an increase of 5 percent in funding for purchased utilities. The University has historically used a formula to estimate utility expenditures and the current request is based on the formula that considers weather measured by degree days, physical plant changes, and new/renovated space.

Analysis:

A review of utility expenditures shows a substantial increase in expenditures for 2000-2001. The University requested and received a deficit appropriation in 2000-2001 to offset the substantial increase in utilities. It appears the University is projecting another significant increase (12.7%) in utilities for 2002-2003. Although there is no explanation for the large projected increase, it may be partly due to new building opening utilities coming on-line or a projected increase in the cost of resources.

The request for the second year of the biennium includes utilities for new and renovated building operations and maintenance that were added to the utilities budget in the first year of the biennial request. However, the University has added several projects that have not been approved by the Commission. According to statute, the University cannot ask for funding for unapproved projects nor can the Governor or Legislature provide funding prior to Commission approval. Consequently the following dollars should be removed from the 2003-2004 base before applying the inflationary factor of 5 percent for increased funding in 2004-2005.

Alexander Building	\$38,471
Quilt Center	<u>\$17,192</u>
	\$55,663

(see further explanation on pages 49-51)

The Commission recommends the new modified request for 2004-2005 purchased utilities in the amount of \$1,117,965.

Chadron State College and Peru State College have requested utilities increases of 10 percent each year, or an increase of \$50,000 in 2003-2004 and \$55,000 in 2004-2005 for Chadron and of \$21,804 in 2003-2004 and \$23,984 in 2004-2005 for Peru. Wayne State College does not request an increase for utilities for the biennium, based on anticipated efficiencies from owning its own

plant. The increases at Chadron and Peru are based on rates already announced or projected by providers and the assumption of a normal pattern of usage.

Analysis:

According to the State Colleges, Peru was notified by OPPD that PSC would no longer be given a waiver for the ratcheting procedure that has been in place since 1988. The waiver lowered the annual electrical bill by not allowing ratcheting when determining the billing demand. The change in billing, according to the State Colleges, will increase costs by over \$19,000 per year.

Chadron State College has a wood fired heating system that is fueled with compressed wood chips. For many years, the wood chips could be purchased at a very reasonable cost. According to the State Colleges, the rate for wood chips has increased by 23 percent during the past two years. Natural gas and electricity have also increased significantly.

The requested increase appears reasonable in light of the potential market increases. **The Commission recommends funding the request.**

Property Insurance

The University and the State Colleges requested funding for the significant increase in the cost of property insurance. The University requested an increase of \$1,000,000 each year of the biennium. The State Colleges requested a 25 percent increase in funding, or \$285,247, for the biennium. Both sectors have experienced increasing property insurance rates well beyond prior years' normal increases. The University believes the increases are due to the events of September 11, 2001, and the erosion of the financial markets – both occurrences effecting the income and profits of the insurance companies.

Analysis:

There is little to add to the University's and State Colleges' analyses of the current problem with insuring state supported buildings. Both sectors have employed their best efforts to keep rate increases reasonable, including joining a Midwest consortium with other educational institutions. However, while these efforts have probably kept the rates from increasing even more than the current rate, the problems in the market and the increased claims for payment have overwhelmed any efforts to keep rate increases to a moderate level.

The buildings at the institutions are state buildings and must be insured to protect the assets of the state. The Commission believes strongly in well maintained buildings on campus. Part of maintaining a building is the need for insurance to protect the assets. **The Commission recommends funding the requested increases for property insurance.**

Accounting Fees for New NIS System

The University and the State Colleges have requested increased funding for the biennium to offset increases in accounting charges represented by the implementation of the state's new administrative system – NIS (Nebraska Information System). The University has requested \$344,784 for the biennium; the State Colleges have requested \$110,293 to be added to the base.

Analysis:

All state agencies are being charged increased accounting fees as part of the operations of the new NIS system. The Commission believes it is appropriate for the state to offset some of this increased cost. Therefore, **the Commission recommends funding this continuation request.**

Inflationary Increases in Operations

The University and NCTA each requested a 2.5 percent increase in operational funding due to inflation. According to the University, the Congressional Budget Office has forecast an increase in the CPI of 2.5 percent for both years of the biennium. Part of the University's requested increase includes an increase for postage of 8.7 percent. The State Colleges requested a 5 percent increase in operational funding to offset inflationary increases.

Analysis:

The Commission believes an inflationary factor between 1.6 and 3.4 percent is reasonable for operations in the next biennium. For the year 2001, the average inflationary increase was 2.8 percent. For the first half of 2002, the inflationary increase was 2.3 percent.

It appears the requested inflationary increase of 2.5 percent for the University and NCTA is both reasonable and probable. **The Commission recommends increased operational funding of 2.5 percent for the University and NCTA.** Although the University requested a separate amount of funding for increased postage, the actual expenditure figures show a decrease in expenditures. Even

with an increase in rates, the expenditures will take awhile to reach the 1999-2000 level of expenditures.

The State Colleges requested an inflationary increase of 5 percent for each year of the biennium. Although the 5 percent request would make up for prior years when the funding for inflationary increases was well below the rate of inflation, the Commission believes it is both prudent and reasonable to recommend an inflationary increase closer to the actual inflation figures of 2001 and the first half of 2002. It also appears that experts in the field believe inflation will increase by about 2.5 percent during the 2003-2005 biennium. **Therefore, the Commission recommends a 2.5 percent inflationary increase for the State Colleges.**

The Commission recommends funding the institutions' requests for continuation funding as modified. However, the Commission does not recommend the following items as "continuation funds" as presented by the University and State Colleges in their "continuation requests": (1) Library acquisitions, (2) remissions, and (3) renewal of instructional equipment, which will be addressed in the "new and expanded request" section of this document.

Commission Recommendations on Continuation Budgets

University of Nebraska	2003-2004	2004-2005
▪ 15.0% increase for Health Insurance	\$4,764,603	\$5,479,293
▪ 5.0% increase for Purchased Utilities (<i>Modified</i>)	1,067,380	1,117,965
▪ \$1,000,000 each year for Property Insurance	1,000,000	1,000,000
▪ Increases for accounting fees for new NIS system	273,600	71,184
▪ 2.5% inflationary increase for operations -- (including postage increase)	1,290,047	1,407,358
Total	\$8,667,930	\$9,075,800
NCTA	2003-2004	2004-2005
▪ 15.0% increase for Health Insurance	\$32,263	\$37,102
▪ 5.0% increase for Purchased Utilities	13,288	13,953
▪ 2.5% inflationary increase for operations	12,405	12,715
Total	\$57,956	\$63,770
State Colleges	2003-2004	2004-2005
▪ 15.0% increase for Health Insurance	\$629,230	\$723,615
▪ 10% purchased utilities (CSC/PSC)	71,804	78,984
▪ 25% increase for Property Insurance	119,741	165,506
▪ Increases for accounting fees for new NIS system	110,293	0
▪ 2.5% inflationary increase for operations	316,741	324,660
Total	\$1,247,809	\$1,213,781

Operations of New Buildings

One modification the Commission recommends in the University continuation budget request is the removal of funds requested for new building openings for buildings that have not been approved by the Commission or funding not authorized by the Legislature. The Commission cannot recommend funds for projects it has not yet reviewed or approved. Also, the Commission cannot recommend more funds than the original program statement cited as Operations and Maintenance (O & M) costs for those projects, unless the Commission reviews the projects again.

Such projects in this year's University budget request are the Avery Renovation, the Alexander Remodel, the Quilt Center, and the VBS Research Addition. The Alexander remodel, Quilt Center, and VBS Research Addition have not been submitted to the Commission for review, but are above the Commission's threshold requiring review; consequently, they are not eligible for funding according to statute 85-1402, shown below.

85-1402. Terms, defined. For purposes of the Coordinating Commission for Postsecondary Education Act:

(1)(a) Capital construction project shall mean a project which utilizes tax funds designated by the Legislature and shall be: Any proposed new capital structure; any proposed addition to, renovation of, or remodeling of a capital structure; any proposed acquisition of a capital structure by gift, purchase, lease-purchase, or other means of construction or acquisition that (i) will be directly financed in whole or in part with tax funds designated by the Legislature totaling at least the minimum capital expenditure for purposes of this subdivision or (ii) is likely, as determined by the institution, to result in an incremental increase in appropriation or expenditure of tax funds designated by the Legislature of at least the minimum capital expenditures for the facility's operations and maintenance costs in any one fiscal year within a period of ten years from the date of substantial completion of the project. No tax funds designated by the Legislature shall be appropriated or expended for any incremental increase of more than the minimum capital expenditure for the costs of the operations and utilities of any facility which is not included in the definition of capital construction project and thus is not subject to commission approval pursuant to the Coordinating Commission for Postsecondary Education Act. No institution shall include a request for

funding such as increase in its budget request for tax funds designated by the Legislature nor shall any institution utilize any such funds for such an increase. The Governor shall not include in his or her budget recommendations, and the Legislature shall not appropriate, such funds for such increase.

The Avery Renovation request for O & M is currently under review. The Commission is waiting for the University to submit a proposed policy for the Commission to consider that addresses increases in funding of O & M for renovations. For the past 10 years, the Commission's policy on renovations has been not to recommend additional funding above the existing O & M base, unless the renovation includes additional square feet of area, new heating and/or air conditioning of a previously unheated and air conditioned space, or a change in usage of a specific space or program.

The Biochemistry Replacement has been tabled by the Commission until further details are available on the actual location, utilization of space, and need for funding. Until such time as the University updates its project proposal, the project remains unapproved and, therefore, unqualified for state tax dollars. The Commission may revise this recommendation once the University has completed its study of the project.

The UNMC Research Center project was approved by the Commission in 2000. The O & M requested in the program statement was \$1,543,000 and the Commission approved that amount of funding. In the 2001-2003 biennium request, the University listed the UNMC Research Center O & M in the New Building Openings and received \$285,000 of the \$1,543,000 total request. Consequently, the remaining dollars approved by the Commission to be funded in the 2003-2005 biennium would be \$1,258,000. The project is now slated for completion in September 2003 instead of the original projection of April 2003. Therefore, UNMC received \$285,000 more than a year before the project was complete and should have earned income on this advance sufficient to offset any inflationary factors. The Commission modifies the University's request to \$1,258,000 for the 2003-2005 biennium. All other funding requested by the University is below the Commission's threshold requiring review, or has been approved by the Commission.

For Peru State College, the Commission approved a lower O & M request for the New Library and Academic Resource Center when it approved the program statement for funding at Peru State. However with inflation and the Commission's threshold for change-in-scope being less than PSC requested, the Commission recommends the increased request for O & M for the new library.

Commission Recommendations on Additional O & M for New Building Openings

University Request	2003-04	2004-05	Commission Recommendation	2003-04	2004-05
Alexander Remodel	70,980	0	Alexander Remodel	0	0
Avery Renovation	198,000	198,705	Avery Renovation	Under Review	Under Review
Barkley Addition	17,300	0	Barkley Addition	17,300	0
Biochem Replacement	0	400,325	Biochem Replacement	0	Under Review
Cedar Point Facility	14,681	0	Cedar Point Facility	14,681	0
College of Dentistry	4,500	0	College of Dentistry	4,500	0
Quilt Center	50,000	69,000	Quilt Center	0	0
Schmid Law Library	148,000	0	Schmid Law Library	148,000	0
VBS Research Addition	0	400,000	VBS Research Addition	0	0
UNL Visitor Center & Riepma Ross Theatre	155,000	0	UNL Visitor Center & Riepma Ross Theatre	155,000	0
UNMC East Utility Plant	4,583	0	UNMC East Utility Plant	4,583	0
UNMC Laundry Building	53,700	0	UNMC Laundry Building	53,700	0
UNMC Munroe-Meyer Upgrade	15,600	0	UNMC Munroe-Meyer Upgrade	15,600	0
UNMC Research Center	1,447,793	225,402	UNMC Research Center	1,258,000	0
UNMC Wittson ARF Exhaust	40,800	0	UNMC Wittson ARF Exhaust	40,800	0
University Totals	2,220,937	1,293,432	Commission Totals	1,712,164	0
State Colleges Request					
<i>Peru State College</i>			<i>Peru State College</i>		
New Library & Academic Resource Center (ARC)	67,805	35,617	New Library & Academic Resource Center (ARC)	67,805	35,617
State College Totals	67,805	35,617	Commission Totals	67,805	35,617

New and Expanded Requests

In analyzing each new request, the Commission examined the institutional requests in light of the Comprehensive Statewide Plan, role and mission, the goal of prevention of unnecessary duplication, improvement in efficiency and effectiveness, and the issue of accountability for additional funding.

As the Commission makes these budget recommendations it is aware of the revenue shortfall facing the state. The Commission recognizes that the Legislature and Governor will have to make difficult decisions regarding the best use of the state's limited resources. However, the Commission understands that it has Constitutional and statutory responsibility to judge the merits of the budget requests of the criteria mentioned above. Therefore the recommendations herein are based on the results of that evaluation separate from the availability of state funds. In addition, sources of funding for some of these requests could be from other than state appropriations, such as tuition and fees, private support, federal grants, and internal reallocations.

Given that revenue shortfall and that decreases must be made, it should be noted that decreases in higher education expenditures are not easily accommodated over the short-term and may have serious long-term consequences. Scaling a program back may take five years and building it back up even longer.

For each request, the Commission made one of five recommendations. This structure will assist the Governor and Legislature in identifying funding priorities.

The five categories are as follows:

Strongly Recommend New General Funds

Signifies that the institution provided supportive information to justify the needs, identified results and how they will be measured, and demonstrated consistency with the *Comprehensive Statewide Plan for Postsecondary Education*. Those strongly recommended are the ones the Commission believes are the most beneficial to the students and/or the state and have the greatest urgency. There may be some requests that do not present evidence to support the requested level of funding, but the priority remains high. The Commission

might strongly recommend some funding at an appropriate level for those types of requests.

Recommend New General Funds (if additional revenue is available)

Signifies the institution provided sufficient information regarding need, results, and consistency with the Comprehensive Plan for the Commission to make a recommendation in funding as state revenue is available to accommodate the requests.

Recommend Some New General Funds (when and, if, state revenue is available)

Signifies the Commission supports parts of the request or a level of funding below what is requested when and if state revenue increases to support such requests.

Recommend No New General Funds this Biennium

Signifies the Commission may support the concept of the request, but does not believe the request is of a nature to justify funding in this biennium. In some instances, there may be alternative sources of funds to support the requests such as Nebraska Research Initiative, private funding, third party, federal government, or reallocation.

No Recommendation due to Inadequate Information

Signifies the Commission may support the concept of the request, but has not received enough information material to justify funding in this biennium. In some instances, there may be sources of funds to support the requests such as Nebraska Research Initiative, private funding, third party, federal government, or reallocation.

Typically in Nebraska 60 to 70 percent of general operating funds are supported by state appropriations. Tuition and Mandatory Fees also contribute to the operations of the institutions.

The Commission's recommendations follow.

University of Nebraska Sector

A number of the University's requests have been addressed in the "Continuation Budget" section and the New Building Openings. University continuation funding for the biennium totals over \$17 million with new building openings adding another \$3.8 million.

Some items the University listed as continuation such as Library Acquisitions and Student Contacts have not been considered continuation requests and, therefore, will be addressed in this area of the general increased budget requests.

Strongly Recommend New General Funds

University Request		
	2003-2004	2004-2005
2% Building Depreciation Assessment	\$1,891,217	\$1,726,727
Diversity	1,000,000	1,000,000
Total Request	\$2,891,217	\$2,726,727

CCPE Recommendation
The Commission strongly recommends funding of those projects that meet statutory requirements.
The Commission strongly recommends funding.

Two Percent Building Depreciation Assessment Mandated by the Legislature

The University is requesting funding in both years of the biennium to comply with state statutes requiring a two percent depreciation fee for all newly constructed, renovated, or acquired state funded facilities. The requested funding (\$1,891,217 in 2003-04 and \$1,726,727 in 2004-05) is allocated to a separate account that is administered by the 309 Task Force for Building Renewal.

The funding is set aside to pay for future renewal work on those facilities just constructed or renewed. The fee is assessed by the Department of Administrative Services in the fiscal year following the substantial completion of a new building, completed renovation of an existing building or purchase of a facility.

Outcome:

- Reduction of Deferred Maintenance.

Recommendation:

The Commission recommends funding the two percent renewal assessment or depreciation fee for those properties that qualify according to the statutes.

Rationale for the Recommendation:

The Commission believes the approach of setting aside a specific amount each year for future renovations of state-owned buildings is appropriate and cost-effective for both the state and the institutions. The Commission has supported and recommended a similar approach to protecting the long-term value of the institutional assets in the 1995-97 biennium recommendation and the 1999-2001 recommendation.

Although the statutes do not specify that the state must provide additional funding for this assessment, the result of not providing state support for this assessment could be considered an unfunded mandate. According to statute, the assessment is to be collected from the University. The state has provided funding for this assessment in prior years and the Commission strongly encourages the state to continue to provide funding for this assessment even in difficult financial times.

Diversity

The University is requesting \$1,000,000 each year of the biennium to provide the necessary resources to recruit and retain a qualified, diverse community of faculty, staff, and students. According to the University, there are many dimensions to furthering diversity, including creating and maintaining a supportive environment. The request states the funds will be used to develop or enhance recruiting programs and augment salaries.

The funding would be used to develop or enhance women and minority faculty recruitment programs such as the Minority Faculty Development (MFD) program which allows the University to “grow its own” diverse faculty and ensure that those faculty have tenure-track positions waiting for them. The funding is also used to provide competitive salaries or to meet offers of competing institutions for diverse faculty members.

Outcome:

- Increase the number of female and minority faculty.

Recommendation:

The Commission strongly recommends funding the diversity request to enhance diversity on each University campus.

Rationale for the Recommendation:

Recruiting and retaining minority faculty, staff and students to the state's college campuses is a high priority of the Commission. The Commission's Comprehensive Plan speaks to this priority. Some excerpts include:

- Support existing programs and undertake new initiatives to support equity and promote diversity within the institutions' student bodies.

- Increase efforts to recruit and retain a diverse student body.
- Target recruitment plans to attract minorities and other under-represented students to the campuses and help prepare them for college.
- Implement programs and allocate resources toward the goal of increasing the baccalaureate degree completion rate for minorities.
- Implement initiatives to eliminate discrimination, support equity, and promote diversity within their student bodies, faculty and staff.
- Enhance educational and workforce development opportunities for minority populations who have been under-represented in the workforce.
- Develop and implement programs to prepare at-risk minority students for entry into postsecondary education and the work force.
- Encourage and support campus-based programs that support the recruitment and retention of minority students and create an open and supportive campus culture.
- Encourage minority and at-risk students in junior high school to complete high school with courses that prepare them to succeed in college.
- Explore methods of bringing educational and work experience opportunities to minority populations in their own communities to encourage enrollment in postsecondary education.

As is evident, the Commission gives high priority to its support for diversity on the college campuses.

In prior biennia, the Commission has supported requests to enhance the Minority Faculty Development Programs at the University. Although these requests did not provide details of the success of the programs, the Commission is aware from other sources that the “grow your own” programs have been successful. With numerous colleges competing for minority faculty, the University’s Minority Faculty Development programs provide a viable means of increasing the number of minority faculty.

The Minority Faculty Development Program was established in 1994-1995. Since that time six minority faculty have been recruited and retained at UNO and nine have completed the development program. The minority faculty are in a variety of different disciplines in the colleges of Arts and Sciences, PACS, and Fine Arts. This has been a very successful program for recruiting, retaining, and creating a supportive campus environment for those involved.

Important in the process of “growing your own” or recruiting new minority and women faculty is the means to retain those new faculty. The University has requested funding to provide day-to-day, ongoing support for the new faculty.

Important to retaining minority students is a welcoming campus climate. This welcoming campus climate is supported by minority faculty who can serve as role models to the minority students on campus.

Diversity on each of Nebraska’s public campuses is important to the state and its future growth. The Commission has always strongly supported increasing diversity in Nebraska higher education.

Recommend New General Funds (if funds are available)

University Request			CCPE Recommendation	
	2003-2004	2004-2005		
Student Contracts (veterinary & optometry)	\$191,623	\$205,995	The Commission recommends funding.	
Programs of Excellence	3,000,000	3,000,000	The Commission recommends funding.	
Total Request	\$3,191,623	\$3,205,995		

Student Contracts (Veterinary Medicine and Optometry)

The University is requesting \$191,623 in 2003-2004 and \$205,995 in 2004-2005 for tuition increases at contract institutions. The Veterinary Medicine and Optometry programs at the University provide funds for contractual agreements that allow qualified Nebraskans to pay resident tuition while attending out-of-state schools of veterinary medicine and optometry. The University is requesting funds to keep pace with tuition rate increases at participating universities. The University is basing its request on an anticipated tuition rate increase of approximately 10 percent at the out-of-state participatory institutions.

Outcome:

- To maintain the level of funding support required to pay tuition for students attending out-of-state programs in veterinary medicine and optometry.

Recommendation:

The Commission recommends funding of the student contracts request in this biennium.

Rationale for the Recommendation:

Actual expenditures within a given year will be subject to the number of students actually admitted for first year studies, the number of students previously enrolled who continue in the program, the mix of students, and the tuition increases at the participating institutions.

The state's expenditures, passed through the University of Nebraska, for students to attend Kansas State University for Veterinary Medicine increased 1.9 percent from 1998-1999 to 1999-2000. From 2000-2001 to 2001-2002, the expenditure increased 1 percent. However due to budget cuts, the expenditures for 2002-2003 are projected to decrease by almost 4 percent. The decrease in funding represents about 3 to 4 students who would not be supported to attend Kansas State Veterinary School.

The other student contractual arrangement in which the state participates is the Optometry education program. While Kansas State is the only institution providing veterinary education, there are seven optometry contract institutions. Tuition has increased at all the contractual institutions. The University has negotiated a set rate per student slot at each contracted institution. Consequently if state funding does not increase to meet the contracted price or state funding decreases, fewer optometry students will be supported to attend one of the seven participating institutions.

The funding for these two programs is a pass-through operation. The University does not keep unexpended funds. As is the practice, it returns any unexpended dollars back to the State General Fund. It is reasonable to presume that tuition will increase at contract institutions during the next two years and the University's estimate of 10 percent is probably close to the actual increases.

The operation of the veterinary medicine and optometry programs, by which the state contracts with institutions in other states to provide these programs to Nebraskans, is a prime example of collaboration and cooperation that is cost-effective and meets the needs of Nebraska residents. The Commission supports these programs and recommends funding.

Programs of Excellence

The University is requesting \$3 million each year of the biennium to strengthen academic programs of excellence. The University has an evaluation and prioritization process based on nine criteria to determine which program(s) will receive additional funding to help the program(s) become one of excellence. The initial prioritization process has taken place at all the campuses, programs have been identified as top priorities, and the University has begun to target resources to support those programs.

The University believes this systematic approach and careful allocation of funds to these identified programs will draw national attention to the programs and will stimulate extramural research support. As an example, the University cites the recent award of \$15 million for plant genome research and other leading edge research funding as opportunities that will follow focused use of programs of excellence funding.

The University also intends that “excellence funding” will enhance teaching programs through integrated learning environments. This type of learning allows instructional technology to be extended to all aspects of student learning from formal curricula to libraries to advising to career placement.

Outcome:

- The degree to which Programs of Excellence achieve the nine outlined criteria identified by the University for evaluation.

Recommendation:

The Commission recommends funding of the request for Programs of Excellence.

Rationale for the Recommendation:

The Commission is pleased and encouraged by the University’s commitment to focusing limited resources on programs of excellence where the University may develop a national reputation. It is true that nationally recognized programs result in increased research funding from outside the University, and nationally recognized programs also result in increased enrollment for those high caliber programs and the University at large.

In the Comprehensive Statewide Plan, the Commission states that institutions are encouraged to become exemplary institutions and to focus energy and target resources on areas of excellence in teaching, research, and public service that benefit the students and state and enhance the institution’s regional and national reputation. It appears from information in this request that the University is trying to focus energy and target resources to accomplish programs of excellence that will benefit all involved – the state, the students, and the institution.

Also pertinent to this request is another statement in the Comprehensive Plan regarding research. “Public institutions with major research roles are to set goals and prioritize areas of research to become more prominent and nationally competitive for research funding and to meet the health and economic needs of the state.” The University has stated in this request that it has and will continue to allocate funds to priority areas where the University may be able to draw national attention and thus stimulate additional research support and support for graduate students.

This focusing of energy and resources on areas of excellence has great potential to advance knowledge and bring national recognition to the University. Students will be well served by teaching programs that incorporate research experiences and enhanced teaching methods including the latest technology. The future economic development of the state depends upon a strong research university, with programs of national distinction, which can seed entrepreneurial activity and serve as a magnet for more spin-off technology and science-centered ventures.

Recommend Some New General Funds (when and, if, state revenue is available)

University Request		
	2003-2004	2004-2005
Library Acquisitions	\$624,676	\$669,027
Total Request	\$624,676	\$669,027

CCPE Recommendation
The Commission recommends some funding.

Library

The University is requesting \$624,676 in 2003-2004 and another \$669,027 in 2004-2005 be added permanently to its operating budget for acquisition of library materials. The University believes it will require this level of funding (7.1 percent increase each year) to continue the current level of library materials.

In estimating inflation on library materials, the University looked at a number of factors including the mix of titles purchased, price increases from the major publishers, and the value of the dollar. Inflation for materials in the science, medical, legal, and technical areas as well as inflation on foreign publications is higher than the average increase for domestic publications in the social sciences and humanities. These differences mean that the cost of materials for the University of Nebraska libraries is higher than the cost for library materials at smaller, non-research academic institutions. At UNL, for example, 44.0 percent of the serials are from foreign publishers. In that mix, 27.0 percent are supplied by Elsevier. Elsevier has already announced that prices for 2003 will rise by 7.5 percent for their titles. Other foreign publishers are estimating price increases in the range of 7.5 to 9.0 percent according to *Library Journal*, 2002. Domestic prices will likely rise 6.1 percent. For UNL then if foreign titles rise by 8.5 percent and domestic by 6.1 percent, the average increase for the collection as a whole will be slightly over 7.0 percent. UNMC libraries will likely see a higher increase overall as medical titles are likely to inflate at a rate of at least 7.7 percent, based on this same data.

According to the University, printed materials continue to be an important resource and even with the requested increase, subscription cancellations and annual book purchase reductions may be needed. Research Associates of Washington has estimated a 7.1 percent increase in library acquisitions for the next few years.

Outcome:

- The continuation of a comprehensive and up-to-date library that serves all of Nebraska.

Recommendation:

The Commission recommends some funding for this request, as funds are available.

Rationale for the Recommendation:

It is becoming increasingly difficult for institutions to secure library materials because the cost of books, monographs, scholarly journals, and electronic indices have substantially exceeded increases in the consumer price index and the increases in the University's operating budget over the past several years.

There are a number of sources for estimating increases in the cost of library materials. One such source is the *Library Journal* which has national data on inflationary increase for serials for academic libraries. In 2002, the Journal reported an inflationary rate increase of 6.1 percent for domestic titles and a much higher rate for foreign titles. The Journal also noted that electronic journals often cost 10 to 20 percent more than printed subscriptions.

Another provider of national comparative price increases for libraries is the Association of Research Libraries. The latest data from this source shows that the average annual increase for all library materials is about 5.2 percent. The Association also provides data on library holdings. UNL is at the midpoint of its peer group for 2001 (see Appendix 10).

While some may suggest the University should be acquiring most of its library materials as electronic resources, the electronic materials are as expensive and, in many instances, more expensive than printed materials. This is due in part to the fact that the publishing industry has begun to package electronic resources so that an institution may be forced to buy more than is needed. Therefore, the library must be selective on its purchase due to those constraints. Further, not all information that is needed to support instruction and research is available in electronic form. Printed material continues to be an important resource for the University.

The Commission believes it is vital for all the University campuses to have well-established libraries that support the instructional mission of each campus. Because libraries, whether printed or electronic, remain a vital part of student learning, the Commission recommends some funding for increased library resources. An increase around the 5.0 percent range would be close to the national average.

Recommend Appropriation to Already Established Programs at CCPE

University Request			CCPE Recommendation
	2003-2004	2004-2005	
Need-based aid	\$1,000,000	\$1,000,000	No funding recommended to separate program – however, strongly recommend additional funding to CCPE financial aid program.
Total Request	\$1,000,000	\$1,000,000	

Need-based Aid

The University is requesting \$1 million each year of the biennium to provide financial assistance to low-to-moderate income students. As stated by the University, it is concerned about the deficient amount of need-based aid available to students. The University believes need-based aid is vital to building a diverse student population and is significantly important to accessibility, recruitment, and retention of students.

Outcome:

- Increase recruitment and retention in number of low-to-moderate income students.

Recommendation:

The Commission does not recommend that this funding go directly into the University budget, but does recommend that such funding be provided to the need-based financial aid program established by the Legislature and administered by the Coordinating Commission. The Commission is requesting \$1.07 million in the statewide issues section (page 38).

Rationale for the Recommendation:

The Commission has always been a strong supporter of increased financial aid for needy students. Each biennium since 1992, the Commission has requested more financial aid for needy students. Again this biennium, the Commission has requested a substantial increase and restoration of budget cuts of need-based aid for Nebraska’s needy students, in both its budget request and in its recommendations for Statewide Funding Initiatives.

The state already supports a well-established need-based financial aid program administered by the Commission that serves all 13 public institutions in Nebraska (as well as the Independent Colleges and Private Career Schools).

Consequently, the Commission does not support this splintering of need-based financial aid. Nebraska provides a very low level of need-based aid, ranking Nebraska 35th in the country. The Commission cannot support funding several programs that are meant to accomplish the same purpose. The state's current need-based program, administered by the Commission, serves the truly needy students in the state.

It has been the practice of the Commission to support new financial aid and particularly need-based financial aid being allocated to all campuses, through the existing need-based allocation system. The state's current need-based program has established procedures and guidelines that focuses on needy students, not certain campuses or sectors, serves all campuses, allocates aid fairly following criteria established in statute, and provides for an audit process that assures needy students benefit.

Currently there are approximately 26,000 students in Nebraska that qualify for need-based aid. Due to the lack of funding, only 9,800 students actually received state financial aid designated for needy students. It would seem inappropriate to increase the pool to those who have moderate incomes when the state cannot provide assistance to those students classified as low income.

The University has set aside some of its own funds designated for needy students which by the University's definition are low and moderate income students. The Commission's definition of needy students does not include moderate income students unless those students qualify for a federal Pell Grant.

The University has another pool of funds already provided by the state in the form of remissions. Those funds (\$23 million) are allocated to students at the University's discretion. Less than 15 percent of remissions provided to the University are provided to needy students by the University. Certainly more of this substantial pool of funds could be designated and allocated to needy students if the University so wishes.

The Commission is very concerned about needy students and welcomes discussions about alternative funding methods. The Commission is open to having a dialog that brings all parties together to

develop a financial aid program or programs that best serve needy students.

Nebraska College of Technical Agriculture (NCTA)

Strongly Recommend New General Funds

NCTA Request		
	2003-2004	2004-2005
Technology (DS-3)	\$40,000	\$0
Technology Infrastructure	12,500	0
Campus Infrastructure	94,850	94,850
Total Request	\$147,350	\$94,850

CCPE Recommendation
The Commission strongly recommends state funding for \$40,000.
The Commission strongly recommends state funding if DS-3 line is funded.
The Commission strongly recommends funding.

Digital Line DS-3 Technology

NCTA is requesting funding \$40,000 in the first year of the biennium with continuation in the second year to establish a DS-3 digital data line with the University of Nebraska-Lincoln via the West Central Research and Education Center in North Platte. The line primarily will be used to receive synchronous audio-video feeds of distance education activities provided by other units within the University.

NCTA states that this method of education has already been piloted on a small scale and was praised by the instructor and students involved. NCTA believes real time access to instructors and class offerings would greatly enhance the ability of NCTA to act as a “hub” for University activities in rural Nebraska.

Further, NCTA states the DS-3 line would provide local citizens with access to higher education opportunities not currently available due to location. Other uses for the line include video conferencing and enhanced access to the UNL networking infrastructure.

Outcome:

- Improved access for distance education delivery and other University activities.

Recommendation:

The Commission strongly recommends funding for this very important and necessary improvement in NCTA's ability to participate and cooperate educationally with other institutions in Nebraska.

Rationale for the Recommendation:

The Commission strongly supports technology, connectivity, and telecommunication. One of the Commission's areas of emphasis supports increased uses of technology to collaborate and share courses with other institutions. The Comprehensive Plan speaks to increased uses of technology being the key to preparing Nebraskans for the 21st Century.

NCTA's request for a DS-3 line supports many goals and principles identified in the Comprehensive Plan. Some excerpts include:

- In this "Information Age," higher education and technology are more important than ever before.
- Postsecondary institutions will need to respond rapidly to employer needs and become increasingly flexible in course content and in the uses of technology in delivery of instruction.
- A growing disparity in the use of technology exists between the metro/urban areas and other areas of the state, partly due to uneven availability of technology and connectivity (rural areas are less likely to have access to high-speed technology and wireless communication).
- Technology will provide students with access to programs and courses not otherwise available through Nebraska institutions.
- Higher education institutions will work as partners with one another and with other entities wherever appropriate to share resources and deliver programs cooperatively to enhance learning opportunities for Nebraska residents.

NCTA's request will expand educational services, encourage collaboration and sharing of courses and course materials, and upgrade the network to better serve staff and students. The expenditure of \$40,000, added permanently to NCTA's budget, is a wise, effective use of state dollars to benefit rural Nebraskans.

Technology Infrastructure

NCTA is requesting \$12,500 as a one-time expenditure for equipment to complete the DS-3 infrastructure. One-time expenditures include a router, network module, TX Network module, memory and cords, and installation of components by providers.

Outcome:

- Purchase and install equipment to support the DS-3 digital data line for improved computing access.

Recommendation:

The Commission strongly recommends this one-time expenditure.

Rationale for the Recommendation:

This request is a critical component of the DS-3 line installation and usage. If the DS-3 line is funded, this request should also be funded. Conversely if the DS-3 line is not funded, there is no need to fund this request. The infrastructure request is a small amount of one-time money that will not add to the base budget. As stated earlier, funding this request is necessary only if the DS-3 request is funded.

Campus Infrastructure

NCTA is requesting a total of \$189,700 in one-time funds for campus infrastructure improvements. Included are matching funds to 309 Task Force funding for repairs to the Learning Resource Center roof, repairs to the Horticulture greenhouse, safety code requirements, asphalt for interior campus roads, and tuck pointing projects on existing buildings.

Outcome:

- Address deferred maintenance by upgrading existing structures using matching 309 Task Force funds.

Recommendation:

The Commission strongly recommends one-time general funds for the infrastructure improvements.

Rationale for the Recommendation:

The Commission reviewed the proposed expenditures of one-time funds with most of the request being utilized as NCTA's matching funds requirement for 309 Task Force qualified projects. NCTA does have a request submitted to the 309 Task Force for assistance with the above mentioned projects.

If this request is not funded, NCTA will not have sufficient required matching funds for the projects which may result in the 309 Task Force not allocating funds to complete the very necessary infrastructure improvements. NCTA has a number of deferred maintenance projects that if not addressed on an ongoing bases each biennium will result in significant deterioration of the campus infrastructure.

NCTA does not have the extra cash available to provide for the matching funds requirements of the 309 Task Force. The budget of the campus is small with few, if any, discretionary dollars. However, the need for addressing the deferred maintenance is as critical, if not more so, than at the larger campuses.

The Commission strongly recommends funding this request so NCTA does not lose out on 309 Task Force funding for deferred repair, which is available to other campuses with more money.

Recommend New General Funds (if additional revenue is available)

NCTA Request		
	2003-2004	2004-2005
Instructional Improvements	\$60,000	\$60,000
Total Request	\$60,000	\$60,000

CCPE Recommendation
The Commission recommends state funding.

Instructional Improvements

NCTA is requesting \$60,000 each year of the biennium of one-time funds for instructional improvement and program development which are needed to increase the level of high technology support for the industry of agriculture. The funds will be used to purchase high tech equipment and develop virtual learning modules for agricultural technical support personnel.

Outcome:

- To develop learning modules for agriculture technical support personnel.

Recommendation:

The Commission recommends one-time general fund dollars for instructional improvements.

Rationale for the Recommendation:

The Commission's Comprehensive Plan states in several areas that institutions should keep their courses and materials or equipment current so that graduates will have the skills and knowledge needed to succeed as capable employees. The agriculture industry is becoming more technologically advanced each year as new technologies are developed and new equipment is manufactured. This directly affects institutions that provide agricultural education such as NCTA.

Nebraska is still in large part an agricultural state and NCTA is providing the kind of education the agriculture industry needs. However to be successful in educating employees for the agricultural industry or for providing continuing education for those already in the agricultural business, NCTA must have the equipment and courses that provide a learning experience. It does little good for the agricultural industry or for the state, as a whole, to have education and training that is out-of-date and useless to the productivity of rural Nebraska.

The Commission recommends funding NCTA's request for improvement in instruction.

Recommend Some New General Funds (when and, if, funds are available)

NCTA Request			CCPE Recommendation
	2003-2004	2004-2005	
Library Acquisitions	\$10,000	\$10,000	The Commission recommends some funding.
Total Request	\$10,000	\$10,000	

Library Acquisitions

NCTA is requesting \$10,000 each year of the biennium to improve the library holdings. This request, if funded, will help satisfy the expectations of the North Central Association which accredits NCTA.

Outcome:

- Satisfy North Central Accreditation requirements.
- Improve information available to students.

Recommendation:

The Commission recommends providing some new funds for library acquisitions, as funding is available.

Rationale for the Recommendation:

Libraries are an integral part of the learning process and, as such, should be maintained as current as funding will allow. However, it is becoming increasingly difficult for institutions to secure library materials due to the increase in costs that far exceed inflation and at a rate that exceeds increases in institutional operating budgets.

NCTA has recently renovated an older building on campus for a library with the assistance of faculty and students. The building is in the middle of campus, visible to all, and has turned into an excellent atmosphere for a library. The Commission staff was impressed with NCTA’s workmanship and dedication to making the old building a very inviting place that promotes learning.

However, it was evident during the staff’s visit that the new library needed more materials and publications. The Commission recommends providing some new funding even if it is only half of the request.

Recommend Appropriation to Already Established Programs

NCTA Request			CCPE Recommendation
	2003-2004	2004-2005	
Need-based aid	\$12,500	\$12,500	No funding recommended to this separate program – funding to CCPE financial aid program.
Total Request	\$12,500	\$12,500	

Need-based Aid

NCTA is requesting \$12,500 each year of the biennium for need-based financial aid which will provide assistance to low-to-moderate income students.

Outcome:

- Increase affordability and accessibility.

Recommendation:

The Commission does not recommend these funds be put into NCTA accounts, but does recommend that such funding be provided to the need-based financial aid program established by the Legislature and administered by the Coordinating Commission.

Rationale for the Recommendation:

The Commission strongly supports financial aid for needy students. The Commission’s definition of needy students does not include moderate income students unless those students qualify for a federal Pell Grant. Consequently, the Commission cannot support providing need-based aid to those students with moderate income.

Currently there are approximately 26,000 students that qualify for need-based aid and due to the lack of funding, only 9,800 students actually received state financial aid designated for needy students. It would seem inappropriate to increase the pool to those who have moderate incomes when the state cannot provide assistance to those students classified as low income. Additionally, the state already supports a well-established need-based financial aid program administered by the Commission. Consequently, the Commission does not support dividing limited new funds to establish new programs that serve the same purpose.

State College Sector

Before reviewing each State College campus request, the Commission examined the enrollments for the System and the student-to-faculty ratio for each campus. These two factors shed some light on the rationale for several of the requests.

Headcount enrollments for this period have decreased from 8,478 in Fall of 1992 to 7,744 for Fall 2001 (see Appendix 3). Headcount enrollments for Fall 2002 from the State Colleges are not available until the end of November 2002. Actual FTE enrollments for 1991-1992 were 6,677 and FTE enrollments for 2001-2002 were 6,526.

Student-to-faculty ratios at the State Colleges have decreased since 1993-1994 and are between 12 to 1 and 17 to 1, which are reasonable ratios for the State Colleges. (See Appendix 8)

Some of the State College requests have been subdivided so that recommendations can be made in separate parts of the Commission's recommendations. Other separate requests have been combined or grouped with other campuses under a general request theme.

Strongly Recommend New General Funds

		State College Request		CCPE Recommendation	
		2003-2004	2004-2005		
System Office	Replacement of 15-passenger vans	\$384,548	\$158,548	Strongly recommend funding – for possible leasing of vehicles.	
CSC	Distributed Learning Enhancement	\$267,625	\$236,713	Fully fund the request.	
PSC	Academic Resource Center	115,638	92,587	Fully fund the request.	
PSC	Extended Campus Program	64,774	52,508	Fund the request to convert part-time faculty to 2 full-time faculty.	
CSC, PSC & WSC	LB 1100 2% Depreciation (CSC) Assessment	(CSC)	62,422	34,000	Fully fund the requests.
		(PSC)	168,219	51,582	
		(WSC)	154,642	60,577	
WSC	Early Childhood/Special Ed faculty	48,850	4,000	Fully fund the request.	
WSC	Theatre Technician	50,600	4,000	Fully fund the request.	
Total Request		\$1,317,318	\$694,515		

Replacement of 15-Passenger Vans – (System Office)

The Nebraska State College System is requesting funding of \$384,548 in 2003-2004 and a continuation of \$158,548 in 2004-2005 to replace 15-passenger vans currently being used at each of the colleges to transport academic, athletic, and music groups to competitions. The vans have been criticized by the National Highway Traffic Safety Administration for their potential to roll over. Accidents in these vehicles have resulted in multiple injuries and death.

The request will provide for replacement of 15-passenger vans used by the State Colleges over the next two years. The 15-passenger vans will be replaced with a combination of 9-passenger vehicles, 32-passenger buses, and additional funding for charter services.

Chadron requests one 32-passenger bus at the cost of \$110,000, \$26,170 in salary and benefits to provide a maintenance worker II position for the purpose of driving the vehicle, \$30,000 for additional charter trips, and \$3,072 in additional leasing costs from TSB, the difference between the rate for 15-passenger vans and 9-passenger vehicles. Peru’s request is the same as Chadron’s except the

additional leasing costs are \$2,304. Wayne requests the one-time purchase of two pull-behind trailers for hauling equipment, as well as \$30,000 for additional charter trips and \$10,200 for additional leasing costs.

Outcome:

- Reduced risk of accidents caused by roll over of 15-passenger vans.

Recommendation:

The Commission strongly recommends funding for replacement of vans, possibly as lease payments instead of purchase.

Rationale for the Recommendation:

The Commission states in its Comprehensive Plan that “Parents and students rank personal safety as a priority.” It appears from the information provided by the State College System Office and recent news articles that the current 15-passenger vans have the potential to jeopardize the safety of students while traveling for college activities. We commend the State Colleges for taking positive steps to rectify the potential hazard to students’ safety.

According to information provided, the State Colleges would purchase 32-passenger buses, contract for charter services and lease 9-passenger vans from the State Transportation Service Bureau. While this approach is reasonable, the Commission suggests that the State Colleges look at leasing all the necessary equipment and vehicles. There is nothing that precludes the State Colleges from contracting with entities to lease vehicles and equipment for the operations of their campuses.

Leasing of the passenger buses and/or vans would decrease the initial outlay of cash by the colleges, decrease the expense to the state at a time when state funds are decreasing, and provide a solution to the safety issue. A four or five-year lease would allow the colleges to replace the vans at a reasonable yearly expense and at the end of the lease, the colleges could purchase the vehicles for

the residual value at a time when the state may be in a better financial condition, or they could lease new vans or buses.

The Commission strongly recommends funding for this request, but suggests that the colleges examine the lease option as a viable alternative to purchase.

Distributed Learning Enhancement – (Chadron State College)

Chadron State College (CSC) is requesting \$267,625 the first year and \$236,713 the second year of the biennium to improve existing programs in their service area by increasing the number of sites, providing personnel support, updating equipment, and increasing operations support. The proposed funding will specifically enhance collaboration with community colleges and businesses in Chadron's service area.

For Chadron State to remain in the forefront and competitive, it must focus resources on expanding its ability to provide connected (online/internet) and other technology-based education opportunities and services. Chadron believes this emphasis on technologically-advanced methods of offering education does not mean traditional methods of teaching and learning will disappear. From Chadron's viewpoint, technology is an enabler for learning.

Technology will enable students to access higher education in ways not previously available. Chadron sees this as particularly important in light of Chadron's 30-county service area which encompasses 49 percent of the geographic area and 12 percent of the population of the state. The funds will enable faculty to expand the knowledge available to them and their students. It can enhance quality of learning through virtual experiences.

Chadron State College has been an early adopter of technology-enhanced instruction primarily through the personal interest taken by a small number of highly motivated faculty. At this time, Chadron offers eight courses fully online, with approximately twice that many using the internet to supplement traditional teaching. However, for the college to remain competitive, meet the needs of its constituencies, expand its access, and fulfill its role and mission, it must continue to develop connected and technology-enhanced education opportunities.

Chadron believes the requested funding needs to be applied in three major areas: (1) human capital to support the development of technology-enhanced distributed learning, (2) judicious, but continuous acquisition and employment of appropriate technology, and (3) faculty support. Funding the proposal will allow Chadron to make available additional reference services to off-campus students through the purchase of additional equipment, software, supplies and phone lines. This is crucial due to the number of off-campus offerings provided at Chadron State College and because of the greatly expanded service area.

Outcome:

- Expand access to and from new and current students.
- Expand the college's reach as a result of limitless boundaries.
- Bridge time differentials.
- Improve quality of learning.
- Ensure competitiveness in a rapidly changing market.
- Provide new teaching opportunities for faculty.
- Improve response to individual needs of traditional and non-traditional learners in the 30-county service area.
- Expand the knowledge base of students, faculty, and staff.

Recommendation:

The Commission strongly recommends full funding in this biennium.

Rationale for the Recommendation:

The Comprehensive Plan identifies some values and beliefs the Commission and the higher education institutions have for education in Nebraska. One belief is that the state benefits when Nebraska institutions focus resources on unique areas of excellence in which they can bring major benefits to the state and to students. Another belief is that higher education has an important role in supporting the state's economic development goals, contributing to a competent and competitive workforce for our state and by ensuring lifelong learning and training opportunities for our citizens. One of the values expressed in the Plan is higher education's ability to apply information technology effectively to respond rapidly to changing student, employer, and state needs. This concept is critical to an institution's success. Chadron's request for funding supports these values and beliefs.

A major goal of the Plan is that institutions will be prepared to change and to adapt to new methods and technologies to address the evolving needs and priorities of the students and people of Nebraska. Chadron is requesting funding so it can continue to improve toward accomplishing this goal. Another major goal of the Plan is for institutions to commit to the use of information technologies to expand educational opportunities; overcome geographic barriers; provide high quality, accessible education programs; and make higher education available at nearly any time or any place. The Chadron proposal appears to make every effort to accomplish this goal within the increased funding.

The Commission increased Chadron's geographic service area and Chadron now serves 30 counties stretching from the north end of the state to the south end. This is a substantial area for an institution that is \$249/FTE student (\$1,461,331) or 4.2 percent below its peer group average for appropriation per student. Chadron has the expertise to service its geographic area and was one of the first colleges to utilize distance learning education. What is missing is sufficient funding to allow Chadron the opportunity to support its service area with quality programs.

The enhancement of distance learning is a key strategy in broadening access to higher education, particularly in Western Nebraska. It also has the potential to be a tool that helps institutions to change, become more efficient, effective, comprehensive, and student-centered.

Since the first Statewide Comprehensive Plan, and again in the 2000 Plan revisions, the CCPE has affirmed the need for cooperation and collaboration among institutions. It is wasteful and unnecessary duplication to not use telecommunications technology and the web to share courses, share faculty talent, share the costs of development of courses, and allow cross-registration of students. For example, the three State Colleges could share many courses, and avoid some duplication of effort. Adult and employed and rural students are well served by these delivery systems. The Commission has strongly recommended that the state take the initiative to create or fund a means to link all public campuses in Nebraska, to serve all counties, all cliental, and improve the cost-effectiveness of instruction on and off our campuses. The future

economic development and prosperity of Nebraska requires leadership in interconnecting the campuses.

Chadron's request has great potential for the institution and the state. The Commission strongly recommends funding the request in this biennium.

Academic Resource Center – (Peru State College)

Peru State College (PSC) is requesting \$115,638 in 2003-2004 and \$92,587 in 2004-2005 to enhance its ability to retain and graduate more of its students than current levels. The requested funding provides for one academic advisor, one math specialist, one writing specialist, one office assistant and 0.5 student services counselor. By December 2003, the current library will become the Academic Resource Center (ARC). These new positions will be housed in the ARC, which is designed to help students who may be under-prepared for college or have a single area of academic weakness.

Outcome:

- Increase retention and graduation rates to above the norm of its peers.
- Increase performance of all students.
- Offer services to off-campus students to improve their performance.

Recommendation:

The Commission strongly recommends funding this request.

Rationale for the Recommendation:

The Commission, at the request of the Legislature, performed an in-depth review of Peru State College in 1998. One of the problems the Commission identified in the study was the low retention and graduation rates. In 1996, Peru's graduation rate (in six years) was 22 percent and its retention rate of freshmen into the sophomore year was 46 percent. Since 1996, Peru has allocated resources, although limited, to the beginnings of a new academic resource center which is designed to assist students who are under-prepared for college level work or students who have difficulty in a particular subject area.

The 2000 report on graduation and retention provided in the Commission's *2001 Factual Look at Higher Education* shows that Peru's graduation rate has

improved to 33 percent approaching the level of other state colleges. The retention rate increased to 55 percent. These are encouraging numbers in light of the fact that it takes considerable effort to make significant changes in the graduation rate in a short period of time. While there was no data supplied to show the link between increased rates and the efforts of the Academic Resource Center, it is probably reasonable to conclude that the efforts of the center had some influence on the improved graduation and retention rates. This could provide a rationale sufficient to recommend additional resources for the Center. However, the latest changes at Peru may provide even more of a reason for increasing funding for the Academic Resource Center.

Within the past year, Peru State College revised its admission requirements (as did all the State Colleges) to allow admittance of students who do not possess a high school diploma or a GED, if they present evidence of an equivalent academic level or eligibility of admission on the basis of special merit. It would be reasonable to presume that in future years the retention and graduation rates would not be helped by admitting students who maybe less qualified. Consequently, the addition of staff and the proposed improvements to the Academic Resource Center may be even more important in the future to maintaining the modest increase in rates, let alone improve on the rates.

The Commission would like to see the graduation and retention rates of 2000 improve significantly in the next four years. Therefore, the Commission is strongly recommending increased funding for the Academic Resource Center which appears to be influencing an upward movement in both rates.

Extended Campus Program – (Peru State College)

Peru State is requesting \$64,774 in 2003-2004 and \$52,508 in 2004-2005 for two tenure track faculty positions and operating funds to enhance its Extended Campus program. According to Peru, it needs the increased funding to ensure continued quality coverage of its designated service area.

The National Council for Accreditation of Teacher Education (NCATE) and the Higher Learning Commission (HLC) of the North Central Association both identified weaknesses in funding support for Peru's off-campus programs.

According to Peru, Extended Campus FTE enrollments have risen 25 percent from 729.7 in 1996 to 911 in 2000.

The faculty positions are needed to replace part-time adjunct faculty that dominate the Extended Campus program. According to Peru, both NCATE and HLC accreditation teams have cited heavy use of adjuncts as a serious concern and directed the college to assign more full-time faculty to off-campus programs. One new teaching position will be for the Education program and the other teaching position is for the Criminal Justice program.

Outcome:

- The measure of performance is the total Extended Campus FTE.
- Retention and completion rates would be a secondary indicator of success.

Recommendation:

The Commission strongly recommends funding this request for enhancing the off-campus programs.

Rationale for the Recommendation:

In the Commission's 1998 review of Peru State College, there was a recognition of Peru's low number of full-time faculty and its need to upgrade the current faculty ranks and its need to reduce its over reliance on part-time adjunct faculty. Requesting funds to convert some part-time faculty positions to full-time is a wise use for funds by Peru State College.

A review of the Commission's database shows that about 60 percent of Peru's faculty are part-time adjuncts. While it is important for an institution to employ some part-time adjunct faculty to provide flexibility and real world experiences, an over reliance on part-time faculty can lower the quality of a program and decrease the interactive time between student and professor.

Peru State College has consistently operated with a percentage of part-time faculty that is well above all the other four-year institutions in Nebraska. This request proposes to address that problem by adding two full-time tenure track faculty. Therefore, the Commission strongly recommends increased funding to convert part-time faculty to two full-time faculty. However, the Commission would

also strongly encourage Peru to consider opportunities to share faculty from other institutions or import courses via instructional technology to help address its faculty needs.

LB1100 – Two percent Depreciation Assessment – (Chadron State College, Peru State College, and Wayne State College)

The State Colleges are requesting funding in both years of the biennium to comply with state statutes that require a two percent depreciation assessment for all newly constructed, renovated, or acquired state funded facilities. Chadron's requested funding of \$62,422 in 2003-2004 and \$34,000 in 2004-2005, Peru's requested funding of \$168,219 for 2003-2004 and \$51,582 for 2004-2005, and Wayne State College requesting funding of \$154,642 for 2003-2004 and \$60,577 for 2004-2005. All funds are allocated to a separate, segregated account that is administered by the 309 Task Force for Building Renewal.

The assessment is designed to fund future renewal work on facilities recently constructed or renewed. The fee is assessed by the Department of Administrative Services in the fiscal year following the substantial completion of a new building, renovation of an existing building, or purchase of a facility.

Outcome:

- Reduce deferred maintenance.

Recommendation:

The Commission strongly recommends funding the two percent renewal assessment or depreciation fee for those properties that meet the definition in statute.

Rationale for the Recommendation:

The Commission is very supportive of the approach to set aside a specific amount each year for future renovations of state-owned buildings. The Commission has supported and recommended a similar approach to protecting the physical plant assets of the institutions for the past four biennia.

Although the statutes do not specify that the state should provide funding to the institutions for this new assessment, the result of not providing state support for this assessment would be an unfunded mandate. The state has provided

funding for this assessment in prior years and the Commission strongly recommends that the state continue to provide the funding for this assessment to maintain state funded buildings, even in difficult financial times.

**Education Faculty – Early Childhood/Special Education Faculty –
(Wayne State College)**

Wayne State College requested funding to increase full-time faculty positions by seven during the 2003-2005 biennium. The cost to add seven new faculty would be \$341,950 for the biennium.

Wayne State acknowledges that it received limited funding to increase faculty, but the funds did not keep pace with the enrollment growth that the college experienced from 1988 through 1998. The college continues to rely on part-time faculty, graduate assistants, and faculty instructional overloads beyond the collective bargaining agreements.

Outcome:

- The effectiveness of additional faculty will be determined through consideration of student retention and completion rates, student evaluations, and other means that are part of the college's total assessment effort.

Recommendation:

The Commission recommends funding of \$48,850 in 2003-2004 and \$4,000 in 2004-2005 for the teaching position of Early Childhood/Special Education Faculty.

Rationale for the Recommendation:

In prior years, the Commission supported increased funding for new faculty at Wayne State College. That recommendation was based on enrollment increases and the use of part-time faculty to meet the demands of increasing enrollments. However, those factors no longer play a prominent role at Wayne State.

In 1993-1994, Wayne State had 161.39 FTE faculty and 3,273 FTE students for a student-to-faculty of 20 to 1. In 2000-2001, Wayne State had 215.5 FTE faculty and FTE students of 3,094 resulting in a student to faculty ratio of 14 to 1. From this data, it is difficult to see the necessity of providing scarce state dollars

to significantly increase faculty at Wayne State. However there is an area in Teacher Education where a new faculty hire would be beneficial to Wayne State, its students in the education program, and the state education system, as a whole.

Wayne State provided a compelling rationale for the need to hire an Early Childhood/Special Education faculty member. Roughly one-third of all Wayne State students attend the college to become teachers and counselors. A new endorsement authorized by the Nebraska Department of Education is the Early Childhood/Special Education endorsement. It is a “unified” endorsement that is currently only being offered at the University campuses. Wayne State believes it is important to make this endorsement available to its Teacher Education students. Therefore, Wayne is requesting funding to hire a full-time faculty member that can develop this endorsement.

The Early Childhood/Special Education endorsement is becoming a very important aspect of training students to be teachers. There is a significant demand for teachers with such an endorsement. Therefore, the Commission has identified this one faculty position at Wayne State as one deserving a strong funding recommendation because it increases the educational opportunities for students and fulfills an educational need of the state.

Theatre Technician / Performance Coordinator – (Wayne State College)

Wayne State requested funding for nine staff positions as part of a very large request under the heading of Enhance Teacher Education and Other Academic Programs and Support. The total funding request was well over one million dollars for the biennium.

Some of the staff positions were for an Office Assistant, Human Resources Director, Grants Specialist, Admissions Specialist, Counselor, and a Theatre Technician/Performance Coordinator. WSC states that the instructional activities must be complimented with an appropriate range of support services if faculty are to be optimally effective in meeting the primary mission of the institution.

Outcome:

- Maximize the use of space in the Ramsey Theatre
- Increase events held in the theatre by students, faculty and the service area

Recommendation:

The Commission recommends funding of \$54,600 to employ a Theatre Technician/Production Coordinator.

Rationale for the Recommendation:

There was little justification to support the need for the addition of nine proposed non-faculty staff. During the past ten years, enrollments have decreased by 12 percent (See Appendix 3). There is no indication that enrollments will increase during the 2003-2005 biennium. However, Wayne State did provide justification for the need to hire a Theatre Technician/Production Coordinator.

With the opening of the fully renovated Ramsey Theatre, Wayne State believes there is a strong need for someone with theatre technical expertise to manage the theatre and other performing venues on campus. The theatre has new riggings, a sophisticated sound system and new lighting, along with a new orchestra shell. According to Wayne, it is critical that someone with the appropriate level of expertise oversee this new operation to protect the significant investment the state and the college have in the newly renovated facility.

The Commission agrees with Wayne's desire to protect the investment of state dollars used in the renovation. The need for a Theatre Technician was part of the early planning process and was noted in the program statement as a requirement once the theatre renovation was complete.

The Commission supports this request, not only to protect the substantial investment in the renovation, but also to assure the best use of the newly renovated space. There is a need to coordinate events for the benefit of the campus and also for the benefit of the service region. The Commission strongly recommends this request because of its immediate need and its potential for long-term benefits.

Recommend New General Funds (If new general funds are available)

State College Request				CCPE Recommendation
		2003-2004	2004-2005	
System Office	Library Automation	\$110,000	\$ -30,000 (\$80,000 over 2001-02)	Recommend funding of the request.
CSC	Security Supervisor	42,700	0	Recommend funding of the request.
CSC	Facilities Management Software System	0	69,200	Recommend funding of the request.
CSC	Child Development Center Professional Staff	32,000	0	Recommend funding of the request.
PSC	Maintenance, Custodial, Security Support Staff	26,219	59,894	Recommend funding of the request.
WSC	Maintenance and Enhancement of Investment in Facilities	134,200	133,000	Recommend funding of the request.
Total Request		\$345,119	\$262,094	

Library Automation Upgrade – (System Office)

The State College System Office is requesting \$110,000 in 2003-2004 and continuation of \$80,000 for 2004-2005 to upgrade library automation software and replace supporting hardware. Of the \$110,000 requested in 2003-2004, there is a \$30,000 one-time consulting fee. Therefore, the actual addition to the funding base is \$80,000 each year.

The original appropriation of \$3.4 million for library automation was provided in 1990. In 1997, an additional \$182,000 was appropriated to upgrade the hardware and software.

The software vendor for the automated system is no longer developing the text-based library automation software being used by the State Colleges. Although annual enhancements are still being released for the text-based system, current development and maintenance support is focused on new system software. This has led to escalating maintenance cost for the old software.

The server for the library automation system was purchased in 1997. It originally had a three-year maintenance agreement. It is now becoming very expensive to continue maintenance beyond the initial three-year period. The five-year-old server is nearing the end of the life expectancy for such equipment.

Replacement of the system, including new software, would cost about \$335,000 of one-time funding. Changing to new software would require a consultant costing about \$30,000 (included in above figure).

The System Office proposes to finance the software and hardware upgrade through a master lease purchase agreement. The annual expense would be \$80,000 for five years.

Outcome:

- Increased functionality for students using library resources.
- Increased productivity for staff in dealing with software maintenance issues.
- Reduce support time for maintenance of aging hardware.

Recommendation:

The Commission recommends funding the amount for a lease, if funds are available.

Rationale for the Recommendation:

The Comprehensive Plan states that boards and institutions should explore technologies that enhance learning while delivering it more effectively. A key learning resource mentioned in the Plan is libraries. One of the subgoals of the Plan is to provide learning support systems, including accessible libraries, well-equipped computer labs, and classrooms that are equipped for the newest technologies and support an enriched, flexible and effective learning environment.

The Commission has stated in the Comprehensive Statewide Plan that students enrolled in distance learning programs should have access to support services comparable to those utilized by on-campus students. Today's higher education environment is shifting from a focus on teaching to a focus on student learning. Students are becoming more actively engaged in their own learning process, utilizing a number of resources available to them through multiple sources such as faculty, libraries, classroom and lab experiences, instructional technologies, and the internet.

The library upgrade enhancements requested by the System Office will provide the needed hardware and software resources to handle the advances in

technology and significant increases in use. The upgrading of the Library Automation System will allow students, faculty, and other users to access expanded library capabilities.

It is reasonable to consider leasing as an alternative to a large one-time request for funding. For the hardware, it may be wise to secure a lease as opposed to a lease-purchase which will run for five years that would be nearing the end of its useful life. However if the System Office leases the server, much like companies lease cars, the System Office would then have the option to purchase the machine at the end of the lease for a specified amount or renegotiate a new lease for a new server.

The Commission recommends funding for the leasing of hardware and software to upgrade the Library system, when and if new state appropriations are available.

Security Supervisor – (Chadron State College)

Chadron State College is requesting funding to hire a full-time security person to assist existing security efforts on campus. The request is \$42,700 in 2003-2004.

The position will provide a daytime presence to security and will be responsible for scheduling, coordinating, training, and special events, as well as providing on going analysis of student security needs. CSC currently operates all campus security functions with an allocation of two forty-hour employees and student assistants. This security staff provides security needs for approximately 2,500 students, faculty and staff. With a security staff this small it does not allow for daytime security presence or for a meaningful interaction between student groups and security.

Outcome:

- Performance of this position will be demonstrated by the presence of this security officer on campus during daytime hours to enhance the perception of a secure campus environment and coordinate student needs.

Recommendation:

The Commission recommends funding appropriate to add another security person to Chadron's campus.

Rationale for the Recommendation:

The Commission refers to the importance of safe and secure campuses in its Comprehensive Statewide Plan. The Comprehensive Plan states:

“Parents and students rank personal safety as a priority. Fortunately, students on Nebraska college campuses are far more secure than at many campuses in other states. Reports of assaults and violent crime on Nebraska campuses are rare and below national averages. In recent years, many Nebraska institutions have undertaken measures to make their campuses even more secure through better lighting, emergency phones, additional security personnel, etc.”

The Commission strongly supports campus facilities and grounds being well maintained to assure the safety of students. Even though Nebraska campuses are regarded as safe and have less violent crimes than the national average, this does not discount the increased efforts of some campuses to monitor security and increase security measures when appropriate.

The identification of security needs is an individual campus issue and may differ from national statistics as well as between campuses in Nebraska. Security is a national concern at this time, and certainly may prompt educational institutions to review their campus environments to assure that students are safe.

The Commission supports additional funding for Chadron to add personnel to its security force.

Facilities Management Software System – (Chadron State College)

Chadron State College (CSC) is requesting \$69,200 in 2004-2005 to purchase facilities management software and hire a person to maintain and operate the system. The facilities management software is designed to assist the college in work order management, inventory control, grouped preventive maintenance, equipment job analysis, asset management, preventive maintenance, contract management, building maintenance, vehicle

management, scheduling, project management, hazardous material tracking, failure analysis, safety, and risk management.

Outcome:

- Performance of this facilities management system will be evidenced by improved tracking and control of essential operations resulting in improved service to students and faculty.

Recommendation:

The Commission recommends funding in this biennium, if funds are available.

Rationale for the Recommendation:

The Commission supports the implementation of facilities management and utilization software that provides verifiable and consistent data for the institutions. The requested software will provide a means for Chadron to monitor and control its physical assets in a more efficient and effective manner.

Although little is said about facilities management and reporting of utilization in the Comprehensive Statewide Plan, the Plan does mention in one of the major goals that facilities should be well utilized, safe, accessible, cost effective and well maintained. One of the current facilities prioritization criteria is *degree to which an institution maintains its existing physical plant*.

The Commission sees the utilization of the software requested by Chadron as a direct means of managing all their physical assets so maintenance is performed on time, preventive maintenance is scheduled on a regular basis, mechanical systems are monitored and failure is analyzed, hazardous materials are tracked, and the data for the Statewide Facilities Database is more readily available.

For a small investment of state dollars, the state and Chadron State have the potential to save dollars if more precise information lessens the need for expensive repairs and more extensive renovations. The software also has the potential to provide verifiable and consistent facilities information the Commission is requesting for the Statewide Facilities Database, including utilization.

Child Development Center Professional Staff – (Chadron State College)

Chadron State College is requesting \$32,000 in 2003-2004 for a professional staff position in the Child Development Center. This position will enhance supervision of students and the operation of the laboratories necessitated by increased student participation in Family and Consumer Science and Early Education programs. The center is used as a laboratory environment for child development and early childhood classes.

The child development courses are part of the academic program for Family and Consumer Science's majors in the Child Development option and the Elementary Education major with either the Early Childhood endorsement or the Early Childhood Unified Education endorsement (combines early childhood, elementary education and special education).

The required laboratory experience is similar to the traditional student teaching experience. Students spend ten hours a week in the laboratory with teaching responsibilities. These students develop the curriculum for the children.

The student credit hours for the Family and Consumer Sciences' program has increased, resulting in fewer hours of direct laboratory supervision available from faculty. Therefore, Chadron State is requesting funding to employ another person who can supervise the laboratory settings and guide the students through lesson plans, as well as diagnostic evaluations and programs management.

Outcome:

- The number of students served and the quality of this facility as a hands-on learning center will increase with additional supervision.

Recommendation:

The Commission recommends funding this request if funds are available.

Rationale for the Recommendation:

As stated by Chadron, the Child Development Center offers experiences similar to the traditional student teaching experiences. The Commission supports incorporating "real world" experiences into college curricula that has been a requirement of teachers colleges for well over 70 years.

The importance of Chadron's request for an additional professional staff position is to keep a low teacher-to-child ratio in the early childhood area. This allows the faculty to use innovative teaching methods that allow students to actively participate in their own learning experience, both inside and outside of the traditional classroom.

The Commission recommends funding for this request because of the importance of the subject area to the college, K-12 education, and the state.

Maintenance, Custodial, Security Support Staff – (Peru State College)

Peru State College is requesting funding of \$26,219 in 2003-2004 and \$59,894 in 2004-2005 to increase its maintenance staff to provide continuous maintenance and cleaning coverage of PSC's buildings and grounds. Some areas of the campus require daily and twice daily maintenance seven days a week the entire year. The campus also needs to increase its preventive maintenance so building systems do not fall into deferred maintenance.

According to estimates, the College is understaffed by at least one position in the maintenance area, the custodial area, and in security. The request asks for one maintenance position in the first year of the biennium, and one custodian and one security position in the second year.

Outcome:

- Campus buildings will be clean and well maintained.
- The Campus appearance will be more desirable.
- Safety and security of the students will be improved.

Recommendation:

The Commission recommends funding of the request if funds are available.

Rationale for the Recommendation:

The Commission has been and continues to be a very strong supporter of institutions maintaining their buildings. The Commission believes this is a statewide problem and continues to ask that the Governor and the Legislature provide additional on-going maintenance dollars to all the four-year college campuses.

In prior years, the State Colleges have not been very diligent in their efforts to request additional Operations and Maintenance (O & M) dollars when campus building renovations resulted in increased square footage, new utilities or changes in the functions of the building. This has resulted in a shortfall for maintenance, particularly at PSC.

The Comprehensive Plan encourages institutions to provide safe and accessible campuses that are responsive to changing student needs and supportive of a learning environment. One of the sub-goals of the Plan is that the state will continue to invest monies for the on-going and deferred repair and maintenance of existing facilities. With reasonable funding from the state, the on-going preventative maintenance becomes the responsibility of the institution.

The Commission supports full funding of this request.

Maintenance and Enhancement of Investment in Facilities – (Wayne State College)

Wayne State College is requesting \$134,200 in 2003-2004 and \$133,000 in 2004-2005 for the maintenance of its physical plant. Campus facilities continue to need updating and refreshing. This request is for staffing, operating expense support, equipment, and facility improvement funding for the operations and maintenance of the physical plant.

Funding limitations in recent years have left the plant operations budget with less than adequate resources in many areas, and plant expenditures less than average for comparable colleges. The average building space maintained per custodian is far above typical standards, and the campus has only one full-time groundskeeper paid from the General and Cash budget.

Many pieces of equipment are old and, in some instances, may no longer meet current safety standards. Funding is also requested for one additional security officer to allow the College to provide continuous coverage on campus and for limited security equipment (emergency access to security) located in parking lots and/or around campus on a test basis.

Outcome:

- The effectiveness of facilities resources will be determined by consideration of the general condition of facilities on campus through a facilities audit and monitoring of the safety of plant personnel.

Recommendation:

The Commission recommends funding this request if state funds are available.

Rationale for the Recommendation:

The Commission recognizes the importance of high quality, well maintained facilities in support of institutional efforts to offer exemplary programs. Concurrently, the Commission believes it is crucial that proper planning for efficient use and maintenance of facilities is accomplished within the context of our state's limited financial resources.

To remain consistent with the Commission's Capital Construction prioritization process, the Commission analyzed Wayne State College's present expenditures for building maintenance as compared to the Association of Physical Plant Administrators' (APPA) median for like Carnegie Class institutions and as compared to the Commission's established guidelines of expenditures. The Commission has determined that 2.2 percent of an institution's general and cash funds is a minimum guideline for the amount to be spent on building maintenance. The APPA median is expressed in dollars per gross square foot.

Based on the analysis, Wayne State College is making a concerted effort to fund building maintenance (See Appendix 9). Using the Commission established guideline of 2.2 percent for maintenance expenditures as a percent of general and cash funds (represented in column 4 of Appendix 9), Wayne State College is spending 2.28% of its available funding in building maintenance.

An additional determinant of the appropriate expenditure for building maintenance is the APPA median (represented in column 7 of Appendix 9). The median dollars-per-square-foot per an APPA study of similar institutions is \$0.87. Wayne State College is spending \$0.83 per square foot, or 95.4 percent of the median.

The Commission commends Wayne State College for performing well on maintaining their buildings when compared to the 2.2 percent standard set by the Commission and encourages it to continue the excellent effort. The Commission is recommending funding of this request.

Recommend Some New General Funds (when and, if, state revenue is available)

State College Request				CCPE Recommendation
		2003-2004	2004-2005	
All 3 colleges	Renewal of Instructional Equipment	\$517,544	\$527,894	Recommend some funding.
CSC	Operations Support	278,500	278,500	Recommend some increased funding in this biennium.
CSC	Operations Support for the Mari Sandoz High Plains Heritage Center	\$23,700	0	Recommend some additional funding.
CSC	Leasing Computers	73,500	61,500	The Commission recommends limited funding.
CSC	Diversity	0	137,500	Recommend some funding to hire an American Indian Counselor.
CSC	Additional Support Personnel	0	70,700	Recommend some funding for a custodian.
All 3 colleges	Enhance Diversity and Gender Equity	344,824	148,456	Recommend some funding for diversity programs on each campus.
PSC	Faculty and Library	101,274	104,641	Recommend some funding to convert part-time faculty to full-time.
PSC	On-line Programs/ Instructional Technology	46,537	130,971	Recommend some limited funding.
WSC	Enhance Teacher Education and Other Academic Programs	527,200	516,050	Recommend some funding for converting part-time faculty to full-time and for the Academic Quality Improvement Project (AQIP) process.
WSC	Maintain, Upgrade and replace technology for Academic support and management	420,000	515,000	Recommend some funding for distance learning and on-line education.
Total Request		\$2,333,079	\$2,491,212	

Renewal of Instructional Technology and Equipment (Chadron State College, Peru State College, and Wayne State College)

Each State College is requesting funds to replace and renew instructional technology equipment to avoid obsolescence. The rapid pace of technological development has begun to outpace the institutions' ability to upgrade and replace equipment on a systematic basis.

Chadron is requesting an increase in its base budget of two percent of the cash and general fund budget. This results in a request for \$210,762 for 2003-2004 and \$214,977 for 2004-2005. CSC states the funding is necessary to

maintain current technology in the classrooms. Chadron has been spending about \$300,000 a year for equipment replacement, but seems to be falling further behind. CSC estimates equipment and classroom furnishings to have a value of \$7,500,000. This equates to a replacement cycle of 25 years.

Peru is requesting \$87,566 in 2003-2004 and \$89,317 in 2004-2005 as increases to its base budget for replacement and upgrading of instructional equipment. PSC needs to replace old, out-dated computers. The request is part of a four-year purchase/replacement cycle of computer equipment to place in student labs, library, and for faculty and staff. After the second biennium of funding, none of the computer equipment would be more than four years old.

Wayne State is requesting \$219,216 in 2003-2004 and \$223,600 in 2004-2005 for acquisition of new and replacement of instructional equipment. The purchases are necessary to address normal wear and tear of equipment and technology obsolescence. WSC's operating budget is insufficient to keep pace with the needed equipment acquisitions. The primary areas affected are scientific laboratory equipment, industrial technology equipment, broadcasting equipment, musical equipment, visual arts, human performance testing equipment and many others.

Outcome:

- Systematic renewal and replacement of instructional equipment.
- Students will be able to use more current hardware and software.
- Delivery of instruction to students using state-of-the-art technology.
- Enhanced learning experience for students.

Recommendation:

The Commission recommends some new general funds for each college.

Rationale for the Recommendation:

The Commission believes in modern instructional equipment to assist in the learning process. The Commission has stated in the Comprehensive Plan that to maintain exemplary institutions it is important to have sufficient equipment to provide an appropriate learning environment.

The Commission is supportive of institutions maintaining up-to-date equipment. However, the Commission believes it is also incumbent on the boards and institutions to develop plans to provide modern equipment. As the Commission states in the Comprehensive Plan, boards and institutions should provide equipment necessary to fulfill the instructional mission. The State Colleges have been using excess cash funds to invest in instructional technology equipment.

The Commission believes the expenditure of cash funds in this manner is appropriate and desirable. Some funds for instructional equipment should continue to be provided from cash funds. The State Colleges also charge students a technology fee, which should be used to keep instructional equipment up-to-date. However, the Commission also believes the state does have some responsibility for providing state general funds to keep instructional equipment current and useful to the teaching process.

The Commission recommends that the student technology fee continue to be used to provide new equipment and the institutional cash fund expenditure for such equipment at least equal the state's contribution. Of importance in this shared scenario is the fact that each State College campus receives a lump sum distribution of state appropriations and it is at the discretion of institutional management to allocate funds for the various budget categories.

Operations Supports – (Chadron State College)

Chadron State College is requesting \$278,500 in 2003-2004 and \$278,500 in 2004-2005 to restore the purchasing power lost in its operating budget the last 20 years. The calculations completed by Chadron show that operating budget expenditures for selected years between fiscal year 1975-1976 and 1984-1985 average \$2,171 per FTE student and operations expenditures between 1990-1991 and 2000-2001 averaged \$1,643 per FTE student.

The difference between the two averages is \$527 per FTE student. If the difference of \$527 is multiplied by the 2001 student FTE count of 2,135, the expenditure difference is \$1,126,000. Chadron is asking that 99 percent of the shortfall be made up over a four-year period, which amounts to \$278,500 per year in operational funding.

Outcome:

- Increased knowledge base for students, faculty, staff, and administrators due to increased educational opportunities.

Recommendation:

The Commission recommends some additional appropriation in each year of the biennium.

Rationale for the Recommendation:

The data for the compilation of the average expenditure per student were not provided, so it is difficult to determine which years were chosen for the analysis. Every year since 1992, when the Commission began analyzing appropriation per student and tuition levels, Chadron has been below its peer group average in appropriation per FTE student, although in 2001-2002 Chadron moved much closer to its peer group average.

During the period 1992-1993 through 2001-2002, Chadron State College (CSC) received a 52.5 percent increase in appropriation per student. The peer

group average increase is 41.3 percent. As is evident, Chadron has made some progress in funding per FTE student in comparison to its peers.

When examining Chadron from several difference angles, it does appear to the Commission that the college is underfunded in appropriation per FTE student by about \$1.4 million (see Appendix 6). However, Chadron is not alone in this predicament. Wayne State College is also underfunded in appropriation per FTE student by approximately \$1.5 million, and the University of Nebraska at Kearney is underfunded by approximately \$1.3 million.

Underfunding can present some major problems from not being able to attract quality faculty to not having the means to meet the educational needs of the institution's service area. The Commission has spoken to this problem in its Comprehensive Plan.

One of the major goals in the Comprehensive Plan is, "*Nebraska will value and support its investment in higher education through fair and predictable funding policies that provide appropriate levels of support to enable each institution to excel and meet the educational needs of the state and its students.*" Higher education has an important role in supporting the state's economic development goals, contributing to a competent and competitive workforce for the state, and ensuring lifelong learning and training opportunities.

Chadron is a vital educational link in the state's economy and to the economic development of Western Nebraska. While there are other institutions in the state that also appear underfunded, Chadron has presented its case for more funding to assist them in meeting the needs of their service area, which has just expanded, and continues to develop as a quality education provider in greater Nebraska.

The Commission believes the state should provide some additional funding for Chadron State College. While in some educational systems there may be overfunding of one or more institutions and the overfunding can be redistributed

more equitably between institutions, this is not the case for the State College sector. Some new state dollars will need to be provided if the underfunding is to be addressed.

Operations Support for Mari Sandoz High Plains Heritage Center – (Chadron State College)

Chadron State College is requesting \$23,700 in 2003-2004 to fully fund the director's position for the Mari Sandoz High Plains Heritage Center. The state funded Chadron's request for money to hire a director of the center, but did not provide funding for benefits, operations support, equipment, and travel for the new director.

The goal of this request is to provide the new Mari Sandoz Center with a fully funded position. The full funding of the position will allow for planning, acquisitions, fund raising and development duties so that the Center will provide the maximum benefit for the state and Chadron's 30-county service area.

Outcome:

- Increased awareness of Mari Sandoz throughout the state.

Recommendation:

The Commission recommends that the state provide funds for not more than half of the Director's benefits, operations and supplies, and other miscellaneous items.

Rationale for the Recommendation:

In 1976, Chadron State College and the Mari Sandoz Heritage Society requested funding from the Legislature to construct the center on Chadron land. The Legislature did not provide the funding.

In 1998, money was provided by the Department of Economic Development for the purpose of initiating a capital fund drive for the creation of the Mari Sandoz High Plains Heritage Center. Also in 1998, a plan was developed to construct the center. The fund drive was organized into three phases – phase 1

funding for construction is complete. Phase 2 is for a conference center and phase 3 is for an endowment to partially support the staffing and operation of the center.

The Commission believes it is appropriate for at least half of the cost of staff and operation to be supported by the Society either directly or through the phase 3 endowment designated for that purpose. The Commission also believes it is appropriate for the state to fund a significant portion of the Director's salary, including benefits, because of the center's potential to provide educational benefit to students at Chadron State College and a valuable learning experience for the region.

The state did fully fund the Director's salary, but did not fund the benefits associated with the salary. The state also did not provide additional funding for the operations of the center.

The Commission believes the state could provide some additional support for the center until such time as the center is able to support more of its operations. The center is struggling with phase 3 and may not have sufficient funds to operate for several years. This is not unusual for such a center, particularly with the current downturn in the economy.

Leasing Computers – (Chadron State College)

Chadron State College is requesting \$73,500 in 2003-2004 and \$61,500 in 2004-2005 for the leasing of one mainframe computer and 300 personal computers to ensure that current technology is available in the college's computer labs and other mission critical areas.

Chadron has one mainframe computer and 700 personal computers on campus. The College has identified the mainframe computer and 300 personal computers that are essential to be kept technologically current. This funding plan would replace the mainframe and 150 personal computers in year one of the biennium and an additional 150 personal computers in year two.

Chadron states that the ability to keep computers current has become a monumental task considering the current speed of computer advancement combined with lean operating budgets. The request would stabilize funding for

computers in addition to assuring that students will have the availability of current technology. It is estimated that there will be internal savings with fewer maintenance problems and fewer hours spent troubleshooting and repairing the computers. This proposal will greatly assist in the continuing struggle Chadron has had maintaining current technology.

Outcome:

- Decrease the number of computer failures, increase the number of computers able to run current software, and decrease the need to surplus computers.

Recommendation:

The Commission recommends limited funding for this request.

Rationale for the Recommendation:

The Commission believes in modern equipment to enhance the learning process. The Commission has stated in its Comprehensive Plan that to maintain exemplary institutions, it is important to have sufficient and up-to-date equipment to provide an appropriate learning environment.

While the Commission is supportive of institutions providing up-to-date equipment, the Commission believes it is also incumbent on the boards and institutions to develop plans to provide modern equipment.

The Commission states in the Comprehensive Plan that boards and institutions should provide equipment necessary to fulfill the instructional mission. The State Colleges receive a lump-sum distribution of state funds and it is at the discretion of the institution to allocate funds to various budget categories. Further, the State Colleges charge a technology fee of students that is supposed to help keep technology current.

This particular request appears to potentially lead to expenditure savings for the college and, therefore, management should consider changing their purchase practices for computers to a leasing plan. The Commission recommends some limited matching funds for the institution to begin a leasing plan.

The Commission recommends some limited funding to help Chadron with leasing a significant portion of its computers. For an entity that employs significant numbers of computers, it makes economic sense to lease computers because of the short life cycle of the machine.

Diversity – (Chadron State College)

Chadron State College is requesting \$137,500 in 2004-2005 to create an Intercultural Center. The Center would have two support staff and an American Indian Counselor.

Chadron believes the Center will facilitate the attraction and retention of minority faculty and staff, serve as a resource center on issues of diversity and multiculturalism, serve as a clearing house for study abroad opportunities, and coordinate campus multicultural programming and service. The establishment of the Center will ensure that Chadron demonstrates commitment to diversity programs, increases cross-cultural understanding, and facilitates student preparation for the multicultural world of the 21st Century.

Outcome:

- Improvement in performance will be shown if Chadron can increase its percentage of minority students (5%) and minority faculty and staff (4%).

Recommendation:

The Commission recommends some funding to employ an American Indian Counselor.

Rationale for the Recommendation:

In 2000, Chadron State had 6.5 percent minority population in its student body. The two most prevalent minority categories were Hispanic (2.5%) and American Indian (1.8%).

Chadron is located in an area of the state that contains a large number of Native Americans and a growing population of Hispanics. Considering those two factors, the Commission supports some funding for the employment of an American Indian Counselor and would also support additional funding to employ a Hispanic Counselor, if one is not already part of the staff at Chadron.

There was no justification provided to substantiate the need to create an Intercultural Center staffed by two new employees. All the items identified in the request as being part of the new Center could be sufficiently accommodated by employing the appropriate counselors.

The Commission recommends funding for an American Indian Counselor.

Additional Support Personnel – (Chadron State College)

Chadron State requested \$70,700 in 2004-2005 to employ an additional Temperature Control Technician and a Custodian. The Temperature Control Technician will increase the level of support for heating, ventilation and air conditioning services. The employment of an additional Temperature Control Technician would improve work order response time and improve student and facility environment control. The Custodian would be assigned to one-half time in Memorial Hall and one-half time in the Armstrong Gym to allow for coverage in buildings with numerous special events.

Outcome:

- Reduction in work orders submitted for environmental building conditions and reduced time to make Armstrong Gym and Memorial Hall available after events are held.

Recommendation:

The Commission recommends some funding to employ an additional Custodian.

Rationale for the Recommendation:

Part of maintaining a building is the monitoring and controlling of the heating, ventilation, and air conditioning. Chadron currently employs a Temperature Control Technician and the request is for an additional technician. Although a second technician could be helpful, the Commission does not see this portion of the request as critical or necessary to the physical plant operations during a time of fiscal constraints.

The Commission has been and continues to be a very strong supporter of institutions maintaining their buildings. The Commission believes this is a

statewide problem and continues to encourage state lawmakers to provide additional on-going maintenance dollars to all four-year colleges.

The State Colleges have not been very diligent in their efforts to request additional Operations and Maintenance (O & M) dollars when campus building renovations result in increased square footage, new utilities or changes in the functions of the building. This has resulted in a shortfall of resources to properly maintain their buildings.

Memorial Hall was newly renovated and reopened to students at the beginning of 2002. At the time the Commission approved the renovation and addition of new square feet, it said that the requested new O & M was below the Commission's estimation of funds needed to operate the new portions of the renovated buildings.

Therefore, the Commission recommends some new funding to hire an additional Custodian to support maintenance of Memorial Hall.

Enhanced Diversity and Gender Equity – (Chadron State College, Peru State College, and Wayne State College)

Each college requested funding to improve diversity and gender equity in their institutions. The requests ranged from a new athletic director to adequately staffing the training room to an assistant multicultural director.

Chadron State is requesting \$161,088 in 2003-2004 to change the athletic director/head football coach to a full-time athletic director so that the position will be better able to address compliance and gender equity issues. The funds would also support the hiring of a recreation instructor to relieve the women's basketball coach of teaching responsibilities to make the position comparable to the men's basketball coach for Title II purposes. The funds would also add a women's softball program.

Peru State College is requesting funding to hire a full-time trainer in the athletic department and a person in admissions. The request is for \$80,838 in 2003-2004 and \$41,956 in 2004-2005. An additional trainer is needed to accommodate the expansion of the college's athletic program and to allow for more attention to be given to female student-athletes. The person needed in

admissions will help with diversity in the student body by participating in special recruitment activities.

Wayne State College requested funding to establish a multicultural office and funding to continue progress toward gender equity in athletics. The request is for \$102,900 in 2003-2004 and \$106,500 in 2004-2005. The objective of the multicultural office is to provide a central location for minority recruitment, retention, and mentoring, and campus diversity activities. The objective of other funding is to provide more opportunities for women athletes and to continue progress toward full legal compliance with Title IX.

Outcome:

- Increase tolerance of diverse populations.
- Increase compliance with Title IX.
- Increased numbers of minority students attracted to the college.
- Increased persistence of minority students.
- Increased opportunities for women athletes.

Recommendation:

The Commission recommends some additional funding for each campus to improve diversity on the campus.

Rationale for the Recommendation:

Nebraska's population is becoming more diverse. However, only a very small percentage of the State Colleges' enrollments is made up of minorities. In Fall 2000, the State Colleges had a minority headcount enrollment of 4.9 percent, down from the 1998 level of 5.3 percent. This was substantially below the University and Community Colleges.

Although the State College campuses have increasingly devoted time and resources to diversifying their campuses, issues and barriers – real or perceived – still exist for many minorities. Overcoming these barriers with recruitment, campus programs and other means of welcoming minorities will benefit minority students as well as the other students on campus.

The Comprehensive Plan makes several statements about promoting diversity: (1) target recruitment plans to attract minorities and other under-

represented students and help prepare them for college, (2) support special activities such as mentoring programs and peer counseling that help students from under-represented populations succeed in the campus environment, and (3) promote an awareness and appreciation of cultural and racial diversity through curriculum and student campus activities.

The Plan also states that there should be encouragement for allocations of state funds for achievement of these objectives. Therefore, the Commission recommends some funding for the diversity portions of the requests.

Providing additional funding for athletic programs and personnel should be the responsibility of the institution and its management of resources. The Commission believes a lump-sum appropriation allows the institution to fund those items and programs that keep the institution legally compliant with all applicable laws.

Faculty and Library Request – (Peru State College)

Peru State College is requesting \$101,274 in 2003-2004 and \$104,641 in 2004-2005 for two teacher education positions and an additional librarian plus enhanced funding for library materials. Due to the increased demands of the off-campus education program and to changing accreditation requirements, the current teacher education faculty is significantly understaffed.

According to Peru State College, Nebraska is experiencing a teacher shortage. This shortage is especially critical in rural areas and in selected subject areas. Peru State is experiencing an increase in enrollments and expects the trend to continue. The enhancements requested for this area of emphasis will significantly improve the ability of Peru to produce teachers. Of significance is the fact that Peru attracts students from rural communities. Once these students graduate, they are more likely to stay in rural school districts than graduates of larger schools located in urban settings. Of the high school graduates who move to Lincoln or Omaha to attend teachers colleges, they are less likely to return.

The two teacher education positions will allow Peru's on-campus faculty to support projected growth in the on-campus teacher production and will provide additional support for expanded off-campus activities. The librarian position will support plans to further develop the information literacy of Peru's students and to

ensure that all teacher education graduates are prepared to effectively teach and grow in the rapidly changing information age.

Outcome:

- Initial measurement will be through increased enrollment in the teacher education program, demonstrated in student headcount and FTE totals, as well as student credit hour production figures. The final measure will be increased numbers of teachers graduated from the education program, especially in hard to fill areas. Placement rates by type of school district and type of endorsement will be tracked.

Recommendation:

The Commission recommends some funding for conversion of part-time faculty to full-time faculty.

Rationale for the Recommendation:

The teacher education program at Peru is a strong program that produced significantly more graduates in 2000-2001 (86) than in 1999-2000 (58). Only Business Administration awarded more bachelor degrees (88) than Education. Peru also awarded 49 Master degrees in Education – higher than Chadron but lower than Wayne.

In the Commission's 1998 review of Peru State College, there was recognition of the need to upgrade the current faculty ranks, "Peru State College has the highest proportion of faculty with ranks of instructor and assistant professor." There is no mention of the rank proposed for these two positions, but the Commission presumes these two faculty would be tenure track faculty.

The other problem identified in the 1998 review was the substantial reliance on part-time faculty. In the 1998 study, Peru State College had 48 percent of its FTE faculty as part-time adjuncts. A large use of adjunct faculty could correspond to the larger share of Peru's programming which is provided off-campus to part-time students. Even so the Commission expressed some concern about the significant reliance on part-time faculty.

However, the percentage of part-time faculty has increased substantially from the 1998 study while off-campus enrollment has increased moderately. According to the Commission's NEEDS database, the 2000-2001 faculty data shows that Peru's part-time faculty constitute over 60 percent of its faculty base.

While use of adjunct faculty can produce efficiency, provide access to outside expertise and meet student needs, especially off-campus, the possible over-use of adjunct faculty could threaten outside-the-classroom access of students to faculty and diminish program direction evolution of the curriculum, counseling of student majors, and placement of student teachers and graduates.

Therefore, the Commission recommends some funding to convert part-time faculty positions to tenure track full-time positions in the Education program. Further the Commission encourages the Board of Trustees to assist Peru in its endeavor to bring the use of part-time faculty down to a reasonable level of less than 50 percent. The State Colleges receive a lump sum appropriation of state funds and it is the discretion of the Board and administrators to allocate the funds according to the most critical needs.

On-line Programs / Instructional Technology – (Peru State College)

Peru State College is requesting \$46,537 in 2003-2004 and \$130,971 in 2004-2005 for one instructional design specialist and one student services coordinator to support continued growth and improvement of the online programs. The enhancements will provide significantly improved education opportunities throughout Peru's service area.

Currently Peru State has 30 courses in its on-line inventory. Student credit hours in on-line courses have grown from 54 SCH in the spring of 1999 to 1,680 SCH in the spring of 2002, with almost 300 students now taking at least one course on-line.

The instructional design specialist will assist faculty in curriculum design and the use of on-line software programs to develop high quality courses. These on-line courses will enhance the delivery of teacher professional development opportunities throughout the service region.

The student service coordinator will assist students enrolled in off-campus programs, including providing adequate support for on-line students. The coordinator will monitor the progress of students, engaging the students as their programs and courses progress.

Outcome:

- Monitoring of on-line courses to measure credit hour production, retention, and completion rates.
- Measure the unmet need at any given time.
- Design on-line courses that meet student needs.

Recommendation:

The Commission recommends some limited funding.

Rationale for the Recommendation:

The Commission is encouraged by the increase of student credit hours in on-line courses at Peru State College. It is apparent that Peru is aggressively pursuing students to participate in on-line courses.

In the 1998 study regarding Peru, the Commission recommended that Peru address the higher education needs of Southeast Nebraska. According to the report, "There needs to be a stronger presence of two-year and four-year educational offerings in the far southeast section of Peru's service area."

Providing on-line courses has the potential to meet the needs of place-bound and time constrained people within Peru's service area. It may enhance the education level and access to education in the Southeast section of Peru's service area, which may improve the rural workforce and provide benefits to rural employers.

However, course development is very expensive and, to develop courses of quality, requires considerable time from faculty and staff. While it may be advantageous to develop some courses within the institution, it is also very cost effective and advantageous to collaborate with other institutions, such as Wayne and Chadron, or to secure the rights to quality courses already developed by others. With Peru's limited full-time faculty,

it may be better for the institution to examine course potential of already developed courses.

The Commission recommends some limited funding for improvements to Peru's on-line course offerings. The improvement may be securing usage of already developed courses or exploring other alternatives to providing quality on-line courses.

Enhance Teacher Education and Other Academic Programs and Support – (Wayne State College)

Wayne State College is requesting \$527,200 in 2003-2004 and \$516,050 in 2004-2005 for a variety of items intended to enhance student learning and the student experiences.

Funding for additional full-time faculty is part of the request. New full-time faculty has been the college's top priority in every biennium since 1989-1991. Limited funds have been received for this purpose, but insufficient to keep pace with the enrollment growth experience between 1998-1998. Wayne State has relied on part-time faculty and graduate assistants to accommodate the growth.

Funding is also requested for academic programs. This includes increased funding for faculty professional development, instructional equipment, library reference materials, student travel for development, and scholarships.

Further funding is requested for additional academic office assistance, a human resource director, a theatre technician, grants officer, and an additional admissions specialist. The request includes funding to assist in supporting the Academic Quality Improvement Project (AQIP) quality initiatives the college has undertaken as part of the accreditation process.

The objective of this request is to assure the quality of instruction as well as the total student experience while attending college. Objectives include decreasing reliance on part-time faculty, maintaining class sizes at appropriate levels, and continuing to meet accreditation standards and the needs of developing programs.

Outcome:

- The effectiveness of additional faculty will be determined through consideration of student retention and completion rates, student evaluations of the instruction, and other means that are part of the college's total assessment effort.

Recommendation:

The Commission recommends some additional funding for converting part-time faculty to full-time and some new funding for the colleges efforts to implement the AQIP quality assessment initiatives.

Rationale for the Recommendation:

The request asked for funding to increase full-time faculty by seven during the biennium and to increase staff by nine people. Of the new positions requested, the Commission selected two that it believes are important to Wayne's role and mission and its value to its service area. Those two positions, Early Childhood/Special Education and Theatre Technician/Performance Coordinator, were moved to the Strongly Recommend category for separate evaluations and recommendations.

An analysis of the remaining request concentrates mainly on the need for additional full-time faculty. A review of students and faculty shows that Wayne's student-to-faculty ratio has gone from 20 to 1 in 1994 to 14 to 1 in 2000-2001 (see Appendix 8). Currently, the NEEDS system shows that Wayne has 215.5 FTE faculty and 3,094 FTE students. In the past seven years, FTE students have decreased while FTE faculty has increased. Part of the FTE faculty total includes part-time faculty which may mask the true need for more faculty.

In 1998, according to the Commission's study on Peru State College, Wayne State College's faculty totals showed that 28 percent of its faculty were part-time adjuncts. The most current data shows that Wayne's part-time adjunct faculty constitutes 37 percent of its faculty numbers. This significant increase in part-time faculty in a short period of time may be reason for concern.

A healthy reliance on part-time faculty gives an institution the flexibility to change as the needs and demands change. Over-reliance on part-time faculty, however, can create problems for an institution in counseling, curriculum

development, and meeting student needs. There is no national standard and accrediting agencies examine the part-time to fulltime relationship on a case-by-case basis for each discipline.

WSC's student-to-faculty ratio is very reasonable with the current enrollment. There is no indication that enrollments are on the increase. However, the Commission does have concern about WSC's heavy reliance on part-time faculty. With the level of funding Wayne receives in comparison to peers, it may not be possible to convert many part-time to full-time faculty without some additional funding from the state.

Also important for retaining quality faculty is professional development, and other academic programs that demonstrate the value of quality faculty to the institution. The Commission is supportive of faculty and staff development and states in the Comprehensive Plan that a professional and quality faculty is essential to each institutions teaching mission. The plan also states that faculty must be supported in their efforts to be professionally active in their academic or technical fields, to seek professional development opportunities, to embrace new, improved teaching methods, and to strive to meet the needs of their students. Some additional funding for this area would benefit the desire of the institution to continue to improve on its quality education.

One item in the operational portion of the request is the funding to support the AQIP quality initiatives the College has undertaken as part of the accreditation process. The Commission is very supportive of the AQIP process and has facilitated a seminar on the benefits of the program. Since AQIP is a continuous quality assessment process, the Commission is very supportive of institutions ascribing to this new method of evaluation. Therefore, the Commission supports some funding for this endeavor.

The remainder of the items in the request are related to management decisions in the operation of the institution. This is the responsibility of the institution and is at the heart of how an institution maximizes its use of funds to be efficient and effective.

Maintain, Upgrade, and Replace Technology for Academic Support and Management – (Wayne State College)

Wayne State College is requesting \$420,000 in 2003-2004 and \$515,000 in 2004-2005 to maintain, improve, and enhance technology on campus. Some of the areas to be addressed will be:

- Lifecycle for computers, printers, and servers for students and staff.
- Classroom Multimedia.
- Distance Learning / On-line Education.
- Telecommunications.

WSC states that the requested funding for each year is one-fourth of the amount required to remain a campus capable of providing students with the knowledge of technology that will be required in the workforce and to bring funding for technology to an appropriated level to maintain existing technology on campus.

The number one goal of this request, according to WSC, is to produce graduates who are technologically proficient and prepared for today's workforce. The object of the request is to assure that the technology on campus will continue to serve the needs of students and users on and off campus. This includes improving the capacity, speed and efficiency of the network to match the growth in demand from users.

Outcome:

- Feedback from graduates and employers will serve as a key in measuring the effectiveness of this initiative.
- "Up-time" of the system will also be measured and the responsiveness of computer center staff will be included in the evaluation.

Recommendation:

The Commission recommends some funding this biennium for distance learning and on-line education.

Rationale for the Recommendation:

The ultimate goal of any student-centered institution is to provide its graduates with the skills, knowledge and abilities they will need to meet their personal and career goals. To achieve this, students need exposure to courses that prepare them for the reality of today's workforce and society.

The skills and knowledge students need to succeed are constantly changing. Today's students need to prepare for a lifetime of learning in a global and technology driven society. Institutions must keep pace with the changing needs of education and the technology associated with quality learning.

The Commission supports updated instructional equipment and encourages institutions to invest in instructional equipment to provide graduates with the skills and knowledge needed to succeed as capable employees and responsible citizens. However, the Commission believes it is also incumbent on the boards and institutions to develop plans to keep instructional equipment current.

Wayne State has instituted a student technology fee which should be used to supplement the state's investment in technology related instructional equipment. Of importance in this scenario is the fact that the State Colleges receive a lump-sum appropriation and it is at the discretion of institutional management to allocate funds for various budget priorities.

Part of the request that the Commission believes warrants additional funding is the distance learning / on-line education portion. WSC did not provide specific dollars related to this portion of the request, but the Commission supports some additional funding.

WSC is relatively new to the distance learning / on-line method of offering education. However Wayne is offering classes to over 40 schools in the region and has recently increased its service area. Some additional funding in this area could enhance the College's service to its expanded service area.

Chadron and Peru also requested support for developing and offering more distance education courses. The Commission encourages all three state colleges to share the costs of developing and offering web-based and electronically mediated courses.

Recommend Appropriation to Already Established Program at CCPE

State College Request				CCPE Recommendation
		2003-2004	2004-2005	
All 3 colleges	Tuition Remissions	\$304,485	\$304,485	No funding recommended – strongly recommend new funding to CCPE established programs.
Total Request		\$304,485	\$304,485	

Tuition Remissions – (Chadron State College, Peru State College, and Wayne State College)

All three of the State Colleges are requesting funds for tuition waivers. Chadron is requesting \$78,750 each year, Peru is requesting \$81,735 each year, and Wayne is requesting \$144,000 for each year of the biennium.

Currently (2002-2003), Chadron’s tuition remissions base is \$842,184, Peru’s base is \$472,478, and Wayne’s is \$1,034,300. According to the colleges, the requested funding begins to move the colleges’ remissions to the level allowed by the Board of Trustees’ policy.

The new funding will assist the colleges in attracting more culturally diverse populations, attract and retain “the best and the brightest students,” increase numbers of students in the RHOP and honors programs, and increase the numbers of graduate assistants. The funds will help reduce the level of unmet need or the amount of debt students must assume to complete their education. Additionally, funding will assist in making college more accessible to needy students.

Outcome:

- Increased enrollment of under-represented population.
- Increased student retention ratios.
- Increased student recruitment numbers.
- The changes in the level of unmet need.
- The extent to which students must assume debt to complete their education.
- Ability to continue to admit RHOP and honors students and offer assistance to minorities and economically disadvantaged students.

Recommendation:

The Commission does recommend additional appropriation to already established need-based programs rather than increased remission aid at the State Colleges.

Rationale for the Recommendation:

The Commission has always been a strong supporter of increased financial aid for needy students. Each biennium since 1992 the Commission has requested more financial aid and this year is requesting the largest amount of need-based aid ever requested by the Commission in its Statewide Funding Initiatives.

Unfortunately, the historic allocation of the majority of institutional remissions/financial aid at the State Colleges has not been provided to needy students. Most of this pool of funds is provided for ability-based awards, graduate assistants, men's athletics, women's athletics, and other ability or membership based awards.

This has been a concern of the Commission for a number of years and the Commission has suggested to the institutions that more of the remission dollars should be targeted to needy students. The institutions have responded that, while the remission awards do not specifically identify the recipients as needy students, a substantial amount of remissions are awarded to students who in fact would classify as needy students, based on family income.

In 2000, the State Colleges analyzed their remission recipients according to the Commission's definition of a needy student, which is any student receiving a federal Pell Grant. For the State College System as a whole, 43.8 percent of those receiving remissions were also receiving Pell Grant Aid. The Commission is supportive of the State Colleges continuing to distribute almost half of their remissions dollars to students who demonstrate need even though their assistance may not be listed as need-based.

We note that the Board of Trustee's Policy 3400 limits the amount of remissions to be awarded on the basis of need to 2.5 percent of the gross resident tuition during the year. Although the State College staff has suggested

that any new remissions dollars would be allocated to needy students, the Board's policy may preclude this level of allocation.

It has been the practice of the Commission to support new financial aid and particularly need-based financial aid being allocated to all campuses, through the existing need-based allocation system. The state already supports a well-established need-based financial aid program serving students at all institutions. The state's current need-based program has established procedures and guidelines that focuses on needy students, not certain campuses or sectors, serves all campuses, allocates aid fairly following criteria established in statute, and provides for an audit process that assures needy students benefit.

The Commission recommends that any new need-based financial aid dollars be provided to the state's established need-based financial aid programs, administered by the Commission, so the state can be assured that the most needy students are served.

The Commission is very concerned about needy students and welcomes discussions about alternative funding methods. The Commission is open to having a dialog that brings all parties together to develop a financial aid program or programs that best serve needy students.

Recommend No New General Funds This Biennium

State College Request				CCPE Recommendation
		2003-2004	2004-2005	
CSC	Assessment Funding	0	25,000	No funding recommended.
Total Request		\$0	\$25,000	

Assessment Funding – (Chadron State College)

Chadron State College is requesting \$25,000 in 2004-2005 to enhance the funding for institutional assessment for all areas of the campus. The funding will help CSC comply with various accrediting agency assessment needs and help comply with the state Department of Education’s institutional report card.

The assessments are intended to address how Chadron’s students are doing compared to various standards and knowledge base. The resultant assessment will assist CSC is making more informed educational program decisions.

Outcome:

- Compliance with Nebraska Department of Education requirements and with continued accreditation for the institutions.

Recommendation:

The Commission does not recommend additional funding for this request.

Rationale for the Recommendation:

Nebraska’s higher education institutions are requested and required to provide data on an ongoing basis to various entities. This is part of the responsibility of the institutions to show accountability.

The data required would also benefit Chadron by providing the knowledge of how well its education graduates are performing. Whether to comply with the requirements or not is a management decision. Finding the small amount of funds required to comply is also a management responsibility.

The Commission encourages Chadron to develop the assessment measures as a means to improving the instruction at the institution.

Community College Sector

The review of the Community College sector budgets involves both a consolidated budget request submitted by the Nebraska Community College Association and a review of separate information submitted by each college regarding each college's critical issues, plans for the future, and impact of LB 269.

The 1997 passage of LB 269 created an additional formula for the allocation of state funds to the Community Colleges. Therefore, to produce a more concise request, the Community Colleges have submitted a single, system budget related to the formula allocation of state aid to the Community Colleges.

As noted earlier in this report, the Community Colleges have experienced a 20 percent increase in enrollment over the past 10 years. They are the only public sector to increase over this time period. They are second to the University of Nebraska system in total head count enrollment with 35,604 students enrolled in Fall 2001. The Community College's enrollment growth was a factor in the Commission's decision to make the following recommendations.

Strongly Recommend New General Funds

Community College Request			CCPE Recommendation
	2003-2004	2004-2005	
Restoration of Program 51 and Program 152 funds lost to budget cuts	\$2,695,662	\$0	Recommend full funding.
Program 51	3,442,028	2,991,785	Recommend full funding. *
Program 152	1,546,418	1,391,782	Recommend full funding. *
Program 99			Recommend full funding for all components and continuation of first year request for the second year.
Foundations Education	260,000	0	
Workforce Needs	210,000	0	
Applied Technology	400,000	0	
Total Request	\$8,554,108	\$4,383,567	

* If there are not sufficient funds to fully fund the formulas, the Commission recommends the state allow the Community Colleges to raise their property tax levy.

Background

Most of the Community Colleges' state portion of funding is provided through two formulas.

The first formula is represented by Program 51. This formula is the original formula used to distribute state aid to the Community Colleges. Program 51 funds are distributed to the colleges through an enrollment-based formula: 52 percent is divided equally, 38 percent is divided according to enrollment and a funding factor weighted for type of instruction offered such as heavy vocational, light vocational and academic transfer, and 10 percent is used as equalization.

The second formula, known as Program 152, was created by the passage of LB 269 in the 1997 Legislative Session. This formula was created to distribute additional state aid through an equalization formula, partially in recognition that some Community College areas were able to raise more property tax dollars with lower levies due to the valuation of the property within a particular area. Program 152 is also based on the premise that each area, no matter the size, should be able to generate 40 percent of its revenue from local taxes, should receive 40 percent of its revenue from the state, and 20 percent should come from tuition.

One of the unique characteristics of the Program 152 formula is the relationship between property tax collections and state aid funding for an individual college. Some of the colleges must levy the maximum levy in order to

reach the 40 percent level. Other colleges are able to have lower levies, but must levy a minimum of 5.3 cents per \$100. If a college generates more than 40 percent in property tax collections, it loses state aid, dollar for dollar, thereby protecting the funding ratio as much as possible. The Community Colleges state that it is important to note that the 40/40/20 ratio, on which Program 152 is based, will probably never be exactly 40/40/20 because of the many variables within the formula but that the colleges will work to be as close to that ratio as possible.

With the two formulas, the state commits to 40 percent of the funding as long as the college areas impose up to the maximum levy that is 6 cents for 2002-2003. The minimum levy for any of the colleges is now 5.3 cents. The commitment applies to the base year (1997-1998) plus two percent increase each year on the 80 percent, even if enrollments decline. The colleges may also levy up to one additional cent for capital construction that is restricted to that purpose. As the colleges facilities continue to age and require more repair and maintenance it maybe necessary for the colleges to request an increase in the capital levy, to 1.5 cents with the additional half cent being tied directly to repair and maintenance of existing facilities.

It is important to remember that the formula does not guarantee the funding level of the 20 percent generated by tuition and other sources of revenue. If enrollments fall, tuition revenue falls unless the institution raises tuition charges. This is the same as in the other sectors of higher education. The state does not guarantee a certain level of tuition revenue nor does the state have any direct control in setting tuition.

Another funding program for the Community Colleges is Program 99. This program provides targeted funds for specific activities and/or projects. Some of the projects are equipment purchases, information technology upgrades, faculty training, specialized applied technology equipment, workforce and community development, and foundations education.

Funding Request

Restoration

The first priority of the Community Colleges is the restoration of budget cuts implemented through the recent special and regular sessions.

According to the Community Colleges, the restoration of the dollars appropriated to Programs 51 and 152 are critical to the future of the Community Colleges. Community Colleges funding is based on the state providing 40 percent, local property tax providing 40 percent, and tuition and other sources of revenue generating 20 percent.

The funding formula was designed so that each portion is dependent upon the other two. When state aid is reduced, local support and tuition are increased to make up the difference. When state aid is increased, as in FY 2000-2001 when the Legislature appropriated \$30 million for property tax relief, the colleges were able to reduce the local property tax levy by 50 percent.

The current major dilemma is that with the state-mandated levy limit of six cents per \$100 of property valuation, the colleges are not able to raise additional dollars from property taxes. When state aid is reduced and property tax levies cannot be increased, the funding ratio of 40/40/20 is no longer sustained.

Recommendation:

The Commission strongly recommends full restoration of the budget cuts returning integrity to the 40/40/20 commitment.

Rationale for the Recommendation:

The mandated levy limit was based on the above three-part commitment. If state-aid is reduced and property tax levies are limited by the state, then the only option for the Community Colleges is to raise tuition. Some of the Community Colleges have used cash reserves this year, but cash reserves are not able, nor should they be, to sustain long-term budget reductions.

The Commission believes the Community Colleges must be the first level of access to higher education by maintaining affordability. If the restoration of funding is not provided, the Community Colleges may be forced to significantly

raise tuition, which could preclude many low-income students from enrolling in higher education.

Therefore, the Commission strongly recommends restoration of the Community College budget cuts.

Program 51

After restoration, the Community Colleges are requesting a 6.75 percent increase in 2003-2004 and a 6.2 percent increase in 2004-2005. Program 51 is the main state funding source for the Community Colleges with a current appropriation of \$45,036,725. With Program 51 funds, the colleges accomplish the majority of their responsibilities for:

- Applied technology and occupational education and sometimes foundational education;
- Transfer education;
- Public service, particularly adult continuing education for occupations and professions, economic and community development focused on customized occupational assessment, job training for business and communities, and personal development;
- Applied research, which must be directly related to the enhancement of instructional programs, student achievement, institutional effectiveness, public service, and faculty professional development.

According to the colleges, full funding of Program 51 is essential in the colleges' efforts to maintain the current level of services they provide.

Recommendation:

The Commission strongly recommends full funding for Program 51.

Rationale for the Recommendation:

The Commission sees the Community Colleges as providing a student-centered learning environment concentrating on high quality programs which serve the needs of students, local communities and the state.

If full funding is not provided, the colleges will need to raise tuition to continue to provide even the basic educational services requested of the institutions. At

present, two of the Community Colleges are above the median of their respective peers for resident tuition and fees, and one is almost at the peer average. The other three colleges are still below the median of their peers, but not significantly below.

Program 152

The Community Colleges are requesting a \$4,642,055 increase for 2003-2004 and a \$1,391,782 increase for 2004-2005. The current appropriation for Program 152 is \$20,014,882.

In 1999-2000, the Governor and the Legislature approved an additional \$30 million dollars in state funds for the Community Colleges as part of a property tax relief package. Instead of levying up to 6 cents per \$100 of valuation, the colleges lowered the average statewide levy to 2.74 cents per \$100. The individual area levies ranged from a low of 2.51 cents to a high of 3.21 cents. This infusion of state dollars provided almost a dollar-for-dollar property tax reduction for taxpayers. Because the state's reserves were still high and because this proved to be so successful as a property tax reduction method, the Governor and the Legislature decided to re-appropriate the \$30 million for FY 2000-2001. Increasing valuations of property combined with continuance of the \$30 million infusion allowed the property tax rate to drop even further to a statewide average levy of 2.17 cents. The individual area levies range from 1.7 cents to 2.4 cents, quite a reduction from the original 11.5 cents per \$100 of valuation in 1997.

Nebraska taxpayers have realized a small reduction in their property tax bills for a couple of years due to this \$30 million property tax relief. However, the Community College levy has now increased due to removal of the property tax relief funding. The levies rose in 2001-2002 to an average statewide levy of 5.6 cents, a 150 percent increase. This levy holds steady for FY 2002-2003 at 5.8 cents.

The Community Colleges are requesting full funding for Program 152. Full funding will allow the colleges to maintain the current level of services including offering some courses through the internet and/or via satellite. Full funding will also assist the colleges in their outreach to other sectors of education and business and industry; will allow collaboration on projects with the State Colleges

and the University and among Community Colleges, including sharing of faculty and facilities and joint delivery of several programs; will support course delivery to the Nebraska Indian Community College; training of state employees in information technology; development of learning centers in Norfolk, Sidney, Alliance, Papillion, Broken Bow, Ogallala, Imperial, and Valentine; and countless other needed services and activities.

Full funding, according to the colleges, is imperative to the financial stability of the system. If Program 152 is not fully funded, the colleges will not be able to make up the difference through property tax increases because of the levy limits and the distribution formula's criteria to maintain the funding ratios. The colleges could increase tuition and fees to some degree, but higher tuition levels may price many individuals out of a college education. Options for dealing with the loss of revenue would include closing campuses; eliminating high cost programs and services; reducing hours and access to campus facilities; substantially increasing user fees; cutting faculty, staff, administrators; closing dormitories, and other activities.

Recommendation:

The Commission strongly recommends full funding of Program 152.

Rationale for the Recommendation:

The Commission believes the Community Colleges enhance the State's economic development efforts through cooperative education efforts with businesses that provide on-the-job training, skills upgrading and occupational assessment. Part of the uniqueness of the Community Colleges is that they are structured to allow flexibility and rapid responsiveness which is necessary in light of the realities of the marketplace.

To keep the Community Colleges financially sound and situated to respond to the needs of the state of Nebraska, **the Commission strongly recommends full funding of the colleges' request for Program 152.** If full funding is not provided, the institutions most severely affected, as a percentage of their operating budgets, will be Western Nebraska Community College and Mid-Plains Community College. The health of these two institutions is critical to the western part of Nebraska. Northeast Community College may also experience some

financial concern if full funding is not provided and Northeast Community College is a vital part of higher education in the northeast section of Nebraska.

Program 99

The Community Colleges' requests for Program 99 funding are for three priorities.

- Applied Technology
- Foundations Education
- Workforce and Community Development

Applied Technology

Funds for applied technology projects are used by the colleges for upgrading equipment in a variety of high-tech fields including computers, health care, automotive, manufacturing, electronics, and other fields that need to have state-of-the-art equipment if students are to be highly trained and skilled as they enter the workforce.

Recommendation:

The Commission strongly recommends full funding of this request.

Rationale for the Recommendation:

The Community Colleges provide education in programs that require sophisticated, highly technical equipment. It is critical to the quality of education provided by the Community Colleges to have up-to-date and state-of-the-art equipment upon which students may learn and acquire skills needed in the workplace.

Foundations Education (Developmental and Remedial)

The colleges are requesting \$260,000 in 2003-2004 and continuation of the funding for 2004-2005 to enhance foundations education.

In 1991, the Legislature changed role and mission assignments for all higher education within the Coordinating Commission for Postsecondary Education Act. One of the significant additions was 85-960.02 *Community College; foundations education. The Community College areas shall serve as the primary public*

postsecondary institution for foundations education. However, the Legislature did not appropriate additional funds for this increased responsibility, which is a very costly service to provide.

The Community Colleges have always provided foundations education to a large number of entering students. The colleges use the ASSET and other placement tests to determine the ability of incoming students. Approximately 60 percent of all students tested need one or more foundations education courses in reading, writing, or math. Nationally, that number is 40 percent and growing.

The reasons for needing foundations education are many and varied, and all are legitimate reasons. Many students are unprepared for college work for a number of reasons, ranging from lack of motivation to limited access to specialized services. Other individuals coming to the Community Colleges are high school graduates who have graduated more than five years ago and cannot remember their pre-college courses in algebra and English composition. Other students did not take college-preparation courses because they did not plan on college. All people need marketable skills, upgrading of skills. Others are immigrants with limited English, single mothers who have not worked for a number of years, or people changing careers and needing refresher courses.

If the Community Colleges are going to serve growing numbers of under-prepared students, additional funds are needed. The costs associated with low student/faculty ratio of foundations education quickly erode the current budgets for foundations education. Up-to-date materials and equipment are needed and more funding for instructors is critical.

Recommendation:

The Commission recommends full funding for this much needed service.

Rationale for the Recommendation:

The state has given the Community Colleges primary responsibility for remedial, developmental (foundations) education within postsecondary education.

Initiatives such as the new K-12 Standards and the P-16 Advisory Council have the potential to lessen the number of under-prepared students entering postsecondary education. No matter how successful these initiatives, there undoubtedly will always be a need for considerable levels of developmental or foundations education as described above, for select adult population.

Nebraska continues to grow with immigrants from many different countries. These individuals need foundations education to obtain the skills and training to find employment in good-paying jobs. Many middle-age individuals are considering career changes or are experiencing changes in their work environments that require them to upgrade or secure more marketable skills.

Unfortunately for the institutions offering foundations education, the cost for these educational services is considerable. The types of courses required almost always necessitate a low student-to-faculty ratio. Up-to-date materials, supplies, and equipment are important and there is a growing concern about the ability to hire sufficient instructors.

Workforce and Community Needs

The Community Colleges are requesting \$210,000 in 2003-2004 and continuation of that amount for 2004-2005 for workforce development needs, community development needs, and specific workforce needs of the state. The funds would be distributed equally among the six college areas.

The colleges point to a statement made by former Congressman Bill Barrett, for the Governor's Summit on Workforce Development, which the colleges believe reinforces the need for the requested funds.

"The Nebraska work ethic is legendary, but it alone won't keep our great state competitive in today's economy. To attract and retain business and industry and, in turn, expand economic opportunities across Nebraska, we need to offer a workforce that is abundant, trained and educated, and able to keep pace with not only today's but also tomorrow's technologies."

Nebraska's unemployment rate has been at record lows for the past 10 years. Few workers are leaving their jobs creating a void in available workers for new jobs created by expanding business and industry. In addition, Nebraska's

population is growing at a much slower rate than in other parts of the country. Another significant problem for both employers and employees is the rapidly changing technology.

Nebraska is faced with two major problems: (1) how to encourage people to move to Nebraska to increase the pool of available workers, and (2) how to provide the education, training, and job upgrading for workers to become highly skilled in the areas needed by Nebraska's business and industry. A statistic repeated numerous times at the Summit was that 60 percent of new jobs in the early years of this century will require skills possessed by only 20 percent of today's workforce.

The Community Colleges believe that with the funding of this request they can provide training to individuals to succeed in the world of work. As a partner in the Nebraska Workforce Investment Areas, the Community Colleges need additional financial resources to increase the level of training opportunities available to business and industry.

Recommendation:

The Commission strongly recommends full funding for this very important economic development potential.

Rationale for the Recommendation:

Businesses need postsecondary institutions that will respond quickly to employer needs, be flexible in course content, and use technology in the delivery of instruction wherever possible. These have always been strong points of the Community Colleges, but the increased demand for technical training and assistance is taxing the budgets of all the Community Colleges.

One of the Commission's "Areas of Emphasis" specifically addressed workforce development needs in Nebraska. As stated in the Area of Emphasis, the Commission would support requests that assist Nebraska with workforce training and retraining and technical assistance to employers. Further, the Commission would support requests that demonstrate responsiveness to a specifically expressed workforce need, a community need, or a rural regional need. This request proposes to meet all of these needs.

The Community College System was originally created primarily to train individuals to succeed in the world of work. The Community Colleges have focused on vocational and occupational education which provides the state with well-trained, highly-skilled workers. Even with the increased emphasis on academic transfer education, the Community Colleges have remained true to their original purpose with almost 83 percent of enrollment in vocational and occupational programs.

All of the Community Colleges participate heavily in workforce training and retraining and technical assistance to employers. They are committed to developing the state's human resources to their fullest potential.

Therefore, the Commission strongly recommends full funding of the request for workforce and community needs.

Appendices

Appendix 1 – Measuring Up 2002 – The State-by-State Report Card of Higher Education

Appendix 2 – State Funding of Higher Education

- 2a Appropriations of State Tax Funds
- 2b Ranking of States on Appropriations
- 2c State Spending by Function

Appendix 3 – Enrollment Facts

Appendix 4 – College Continuation Rate

Appendix 5 – Expenditures by Category

- 5a 1999-2000
- 5b 2000-2001

Appendix 6 – Revenues Per FTE Students

Appendix 7 – Federal Research Dollars Expended 1997-2000, University of Nebraska-Lincoln

Appendix 8 – Student-to-Faculty Ratio

Appendix 9 – Building Maintenance Expenditures for the Nebraska State Colleges

Appendix 10 – Association of Research Libraries Statistics