

2/27/25-Appropriations Committee

Community College Appropriations

Good afternoon Chairman Clements and members of the Appropriations Committee, my name is Ryan Purdy (Spell), President of Mid-Plains Community College representing the 18-county service area of west-central Nebraska.

I have been at Mid-Plains Community College for nearly 23 years with the last 13 as President. The first 10 years I served as the college's CFO so I sometimes get tagged as the representative for the bills that deal with funding formula challenges.

On page 30-31 of the Appropriations Preliminary Budget reads

**Community College Future Fund Aid:** The Appropriations Committee Preliminary Budget increases Cash Fund appropriations based on an estimated growth of 5% per year in cash fund aid pursuant to the statutory formula. The preliminary budget does not include an increase to General Fund aid to community colleges, but does include a 5% per year increase in Community College Future Fund (CCFF) aid to reflect anticipated growth in required aid under the statutory formula. The increase in aid each year is 3.5% or the increase in reimbursable education units, whichever is greater. The aid in FY2024-25, the first year the CCFF aid formula was in place, was a 5% increase over the base calculation.

The Appropriations Committee Preliminary Budget reflects a total increase in community college aid of about 3.5% per year (all funds) and about 30% per year from the General Fund with the remaining 70% per year from the CCFF.

**Table 17 Community College Aid by Fund Source**

Community Colleges	FY22/FY23 Biennium		Enacted Budget		Upcoming Biennium	
	FY2021-22	FY2022-23	FY2023-24	FY2024-25	FY2025-26	FY2026-27
Base Year appropriation	103,558,339	103,558,339	109,804,330	109,804,330	114,116,711	114,116,711
State aid increase for operations	2,071,167	4,183,757	2,134,842	4,312,381	0	0
Dual Credit	1,015,583	2,062,234	0	0	0	0
<b>Total General Funds</b>	<b>106,645,089</b>	<b>109,804,330</b>	<b>111,939,172</b>	<b>114,116,711</b>	<b>114,116,711</b>	<b>114,116,711</b>
\$ Change (GF)	3,086,750	3,159,241	2,134,842	2,177,539	0	0
% Change (GF)	2.98%	2.96%	1.94%	1.95%	0.00%	0.00%
Federal ARPA Funds	0	15,000,000	0	0	0	0
Community Colleges Future Fund	0	0	0	253,322,713	265,988,849	279,288,291
<b>TOTAL ALL FUNDS</b>	<b>106,645,089</b>	<b>124,804,330</b>	<b>111,939,172</b>	<b>367,439,424</b>	<b>380,105,560</b>	<b>393,405,002</b>
\$ Change (ALL FUNDS)	3,086,750	18,159,241	-12,865,158	255,500,252	12,666,136	13,299,442
% Change (ALL FUNDS)	2.98%	17.03%	-10.31%	228.25%	3.45%	3.50%
% General Funds	100.00%	87.98%	100.00%	31.06%	30.02%	29.01%

The recommended state aid appropriation for the next two years in state aid is actually a reduction in state aid for the State's four smallest community colleges of Central, Mid-Plains, Northeast and Western based on the most recent enrollment projections and is well below the noted 3.5% increase in all funds on page 30 as shown below.

	Current Year FY2024-25	Gov/Approps FY2025-26			Gov/Approps FY2026-27		
General Fund	114,116,711	114,116,711			114,116,711		
Cash Fund	253,322,713	265,988,849			279,288,291		
<b>Total</b>	<b>367,439,424</b>	<b>380,105,560</b>			<b>393,405,002</b>		
<b>State Aid</b>	<b>Actual</b>	<b>Est(enrollment)</b>		<b>Change</b>			
Central CC	11,930,648.40	11,893,944.80	(36,703.60)	-0.31%	11,871,496.70	(22,448.10)	-0.19%
Metro CC	32,041,889.00	32,184,008.40	142,119.40	0.44%	32,251,376.50	67,368.10	0.21%
Mid-Plains CC	10,053,449.80	10,018,340.10	(35,109.70)	-0.35%	9,979,242.50	(39,097.60)	-0.39%
Northeast CC	15,924,084.30	15,848,805.20	(75,279.10)	-0.47%	15,743,987.90	(104,817.30)	-0.66%
Southeast CC	30,702,843.50	30,728,523.90	25,680.40	0.08%	30,865,347.30	136,823.40	0.45%
Western CC	13,463,796.00	13,443,088.50	(20,707.50)	-0.15%	13,405,260.00	(37,828.50)	-0.28%
<b>Total</b>	<b>114,116,711.00</b>	<b>114,116,710.90</b>			<b>114,116,710.90</b>		
<b>CC Future Fund</b>							
Central CC	49,146,637.00	51,603,968.85	2,457,331.85	5.00%	54,184,167.29	2,580,198.44	5.00%
Metro CC	81,102,300.00	85,968,438.00	4,866,138.00	6.00%	91,126,544.28	5,158,106.28	6.00%
Mid-Plains CC	18,104,868.00	18,738,538.38	633,670.38	3.50%	19,394,387.22	655,848.84	3.50%
Northeast CC	29,583,377.00	30,618,795.20	1,035,418.20	3.50%	31,690,453.03	1,071,657.83	3.50%
Southeast CC	63,199,019.00	69,518,920.90	6,319,901.90	10.00%	76,470,812.99	6,951,892.09	10.00%
Western CC	12,186,512.00	12,613,039.92	426,527.92	3.50%	13,054,496.32	441,456.40	3.50%
<b>Total</b>	<b>253,322,713.00</b>	<b>269,061,701.25</b>			<b>285,920,861.13</b>		
<b>Total SA/CCFF</b>							
Central CC	61,077,285.40	63,497,913.65	2,420,628.25	3.96%	66,055,663.99	2,557,750.34	4.03%
Metro CC	113,144,189.00	118,152,446.40	5,008,257.40	4.43%	123,377,920.78	5,225,474.38	4.42%
Mid-Plains CC	28,158,317.80	28,756,878.48	598,560.68	2.13%	29,373,629.72	616,751.24	2.14%
Northeast CC	45,507,461.30	46,467,600.40	960,139.09	2.11%	47,434,440.93	966,840.53	2.08%
Southeast CC	93,901,862.50	100,247,444.80	6,345,582.30	6.76%	107,336,160.29	7,088,715.49	7.07%
Western CC	25,650,308.00	26,056,128.42	405,820.42	1.58%	26,459,756.32	403,627.90	1.55%
<b>Total SA/CCFF</b>	<b>367,439,424.00</b>	<b>383,178,412.15</b>		<b>4.28%</b>	<b>400,037,572.03</b>		<b>4.40%</b>

The recommended appropriation for these funds is the minimum required to keep the community colleges from being able to access the general fund levy authority allowed by the formula.

Increasing costs impacting all of us include inflationary pressure for supplies from welding supplies to medical equipment, from transportation to lab supplies. Like all higher education institutions, our personnel costs for negotiated wage increases, higher health insurance and benefits need to remain competitive and make up the majority of our annual expenditures. They will be at least 3-5% annually. It is imperative we remain competitive with other institutions from other states, and within the state, to recruit and retain quality faculty and staff to educate the needed and growing workforce. Insurance, utilities, and software maintenance agreement costs continue to rise and updates to technical instructional equipment unique to community colleges and information security are constant.

Without additional funding, the three smallest community colleges may have to increase tuition and fee rates by 15-20% each year to keep pace with a 3.5-4% increase in annual labor and fixed costs increases to maintain the current level of services that we provide.

The following is reflective of our request to increase the state aid portion of our funding by 3.5%.

	CC Request 3.5% state aid FY2025-26			CC Request 3.5% state aid FY2026-27		
General Fund	118,003,618			122,133,744		
Cash Fund	265,988,849			279,288,291		
Total	<u>383,992,467</u>			<u>401,422,035</u>		
<b>State Aid</b>						
Central CC	12,491,411.50	560,763.10	4.70%	13,096,053.80	604,642.30	4.84%
Metro CC	33,449,530.30	1,407,641.30	4.39%	34,884,904.80	1,435,374.50	4.29%
Mid-Plains CC	10,329,359.90	275,910.10	2.74%	10,607,224.00	277,864.10	2.69%
Northeast CC	16,381,066.80	456,982.50	2.87%	16,805,571.40	424,504.60	2.59%
Southeast CC	31,628,220.20	925,376.70	3.01%	32,768,350.50	1,140,130.30	3.60%
Western CC	13,724,029.00	260,233.00	1.93%	13,971,639.70	247,610.70	1.80%
Total	<u>118,003,617.70</u>			<u>122,133,744.20</u>		
<b>CC Future Fund</b>						
	Final on audit enrollment			Final on audit enrollment		
Central CC	51,603,968.85	2,457,331.85	5.00%	54,184,167.29	2,580,198.44	5.00%
Metro CC	85,968,438.00	4,866,138.00	6.00%	91,126,544.28	5,158,106.28	6.00%
Mid-Plains CC	18,738,538.38	633,670.38	3.50%	19,394,387.22	655,848.84	3.50%
Northeast CC	30,618,795.20	1,035,418.20	3.50%	31,690,453.03	1,071,657.83	3.50%
Southeast CC	69,518,920.90	6,319,901.90	10.00%	76,470,812.99	6,951,892.09	10.00%
Western CC	12,613,039.92	426,527.92	3.50%	13,054,496.32	441,456.40	3.50%
Total	<u>269,061,701.25</u>			<u>285,920,861.13</u>		
<b>Total SA/CCFF</b>						
Central CC	64,095,380.35	3,018,094.95	4.94%	67,280,221.09	3,184,840.74	4.97%
Metro CC	119,417,968.30	6,273,779.30	5.54%	126,011,449.08	6,593,480.78	5.52%
Mid-Plains CC	29,067,898.28	909,580.48	3.23%	30,001,611.22	933,712.94	3.21%
Northeast CC	46,999,862.00	1,492,400.70	3.28%	48,496,024.43	1,496,162.43	3.18%
Southeast CC	101,147,141.10	7,245,278.60	7.72%	109,239,163.49	8,092,022.39	8.00%
Western CC	26,337,068.92	686,760.92	2.68%	27,026,136.02	689,067.10	2.62%
Total SA/CCFF	<u>387,065,318.95</u>			<u>408,054,605.33</u>		

Our outcomes are something of which all Nebraskan's should be proud. Over 90% of our students are from Nebraska and nearly 90% stay in the state to work upon graduation. We offer programming for youth through post-retirement. We cover every corner of our state bringing and retaining highly educated and talented residents to Nebraska. We are an essential service provider in the current workforce crisis.

I want to thank you for your time and consideration of increasing the community college state aid appropriation by 3.5% for each of the next two years to assist the colleges in keeping up with increasing labor and fixed costs while maintaining the level of services we provide to our large service areas without the need to significantly increase our tuition and fee rates for our students.

I'd be happy to answer any questions. If there are any college specific questions, I'd defer them to one of my colleagues in the audience behind me.

	ARPA	SA Dual \$5M	SA Dual \$10M
CCC	\$835,521.58	889,750.50	1,779,501.00
MCC	\$2,292,535.97	2,189,810.00	4,379,620.10
MPCC	\$322,212.23	344,429.70	688,859.40
NECC	\$560,611.51	550,321.20	1,100,642.40
SCC	\$797,482.01	850,999.80	1,701,999.50
WNCC	\$191,636.70	174,688.70	349,377.50
Total	\$5,000,000.00	\$4,999,999.90	\$9,999,999.90