

## Nebraska

*Cedric N. Brown*

### FUNDING PRIORITIES FOR HIGHER EDUCATION

Nebraska's colleges and universities received significant federal funding from the passage of three COVID-19 relief bills (e.g.: Cares Act; Coronavirus Response and Relief Supplemental; American Rescue Plan). The sum amount of Higher Education Emergency Relief Funding (HEERF) received by the state of Nebraska was \$395,397,947 (U.S. DE, 2021). As the largest and most influential postsecondary institution in the state, the University of Nebraska received a total of \$170 million (43%) of the sum of the HEERF funding. Postsecondary institutions are afforded the flexibility to utilize these funds to account for budget shortfalls, lost revenue, and instructional expenses; however, half of the allotted funds must be distributed to students in the form of direct payments (U.S. DE, 2021).

The University of Nebraska Board of Regents has agreed to the strategic plan to grow the student population, to freeze student tuition for 2-years, and to increase faculty salary by 1.5%. The University of Nebraska will continue its scheduled budget cuts to close a \$43 million budget deficit (Dunker, 2021).

The State College system anticipates applying the HEERF funds towards facility upgrades and student services. Furthermore, the State College system will award an additional \$3,000 to full-time Pell grant eligible students for the 2021-2022 academic calendar year (Dunker, 2021; Glissmann, 2021).

### PRESSING STATE ISSUES AFFECTING P-12

Republican Governor Pete Ricketts is serving his final gubernatorial term and leads the Nebraska nonpartisan unicameral legislature. Republican Gubernatorial candidates have formulated education platforms addressing Gender identity education, sexual orientation education, and critical race theory (Jim Pillen for Governor, (n.d); Herbster for Governor, (n.d.). P-12 and Higher education funding have minimal exposure on gubernatorial education platforms.

Nebraska legislators addressed 5 core education-related issues in the 2021 legislative session: Health and safety, utilization of lottery funding, postsecondary education, curriculum requirements, and student discipline (NE Legis, 2021). LB322, LB639, and LB 630 address student safety, student medical administration, and facility air quality control during the Covid pandemic. LB528, which includes provisions of LB3 and LB558, modifies the allocation of

Cedric N. Brown, Doctoral Graduate Student, University of Central Florida

lottery funds. LB92, LB197, and LB669 addressed postsecondary in-state tuition eligibility and admission standards for military members and veterans. LB452 incorporates measurable student financial literacy as a high school graduation requirement. LB154 tracks and reports student discipline, based upon specific demographic criteria, resulting in expulsion and suspension.

Combining the three Covid-19 relief bills, congress has allocated approximately \$800 million federal dollars to support Nebraska k-12 education (Dejka & Nitcher, 2021). Additionally, the Omaha teacher's union has agreed to salary increases for new and existing employees (Nitcher, 2021). However, the most pressing issue addressing Nebraska's P-12 education system is the ongoing debate surrounding educational funding and property taxes. Due to the Nebraska Property Tax Incentive Act (NE Legis, 2020), eligible Nebraskans can apply for a refundable income tax credit. Additional property tax oversight was afforded due to the passing of LB644, Property Tax Request Act (NE Legis, 2021), which requires local political subdivisions to inform taxpayers and convene joint public hearings whenever there is a property tax increase of 2% or greater.

#### CHANGES TO THE FUNDING FORMULA

There was a notable debate (LB454) on reforming Nebraska's funding formula. State legislators argued that the existing funding formula is inequitable to rural Nebraskans due to local districts receiving minimal "equalization" of education state aid due to increases in property taxes. Nebraska legislators rejected LB454 and did not make notable changes to the P-12 funding formula, during the most recent legislative session. The ongoing financing debate regarding the principal P-12 funding formula, (i.e. property taxes, and TEEOSA funding) has evolved into resolution, LR141. Resolution LR141, known as the School Finance Study Committee, consists of 11 appointed legislatures, to examine novel education financing methodologies (NE Legis, 2021).

#### P-12 TOTAL DOLLAR AMOUNT PER PUPIL

The Nebraska Department of Education reports an Average Daily Attendance (ADA) of \$14, 377.08 and an Average Daily Membership (ADM) of \$13,558.27 per pupil cost (NDE, 2021).

#### ALLOCATION OF STATE DOLLARS AND PERCENT OF THE STATE BUDGET FOR P-12 AND HIGHER EDUCATION

The state of Nebraska allocated \$1,308,756,197 to the P-12 education system, which accounts for 27 % of the total state budget (\$4,815,373,072) (State of NE, 2021). The Tax Equity and Educational Opportunities Support ACT (TEEOSA), is the principal funding formula for Nebraska's P-12 education funding and

accounts for 21% of the P-12 state allocation. The state allocated \$808,351,110, which accounts for 17% of the appropriations budget, to the Nebraska Higher Education system (State of NE, 2021).

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