

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Education Committee
March 22, 2011

[]

The Committee on Education met at 8:00 a.m. on Tuesday, March 22, 2011, in Room 1525 of the State Capitol, Lincoln, Nebraska, for the purpose of conducting a public hearing on the Nebraska Coordinating Commission for Postsecondary Education Progress toward Attainment of Higher Education Priorities Report presentation. Senators present: Greg Adams, Chairperson; Gwen Howard, Vice Chairperson; Bill Avery; Brenda Council; Ken Schilz; and Kate Sullivan. Senators absent: Abbie Cornett and Ken Haar.

SENATOR ADAMS: We are scheduled to begin at 8:00, and Marshall and his folks are here and raring to go. I'm sure we will continue to gather committee members as your, unfortunately, as your report progresses, rather than here at the outset; I apologize. But with that, we do have at least two committee--three committee members here, and we're anxious to hear your report. Thank you, Marshall.

MARSHALL HILL: (Exhibit 1) Thank you. Appreciate that. Please interrupt me at any time with a question that you have, and we'll try to respond to it. As a reminder, this is a requirement of statute, that we make a report to you on the progress of Nebraska higher education. We provide this report to the Governor, to Legislature, to the institutions, media, and other interested parties. It came about as a result of the LR174 Higher Education Task Force in 2003. And that was cochaired by Senator Ron Raikes, Chair of the Education Committee, and Senator Don Pederson, Chair of Appropriations Committee. They felt, and their colleagues did as well, that it was important to bring together some key information for the Legislature and put it in front of you in a formal way. They focused on three key priorities after a good many meetings and a good deal of discussion and involvement with other people. The three priorities they focused on were, first, to increase enrollments in higher education; second, to increase the percentage of students who complete degrees; and third, to reverse the net out-migration of Nebraskans with college degrees--the brain drain phenomenon. I'll start with the end and say that we're going in the right directions on the first two and can't tell on the third. And I'll give you some more information about why this is. Let's look first of all at the first priority: Increase enrollments in higher education. And you have in front of you easier-to-read copies than what you see here. One word about data before we begin: almost all of the data that we have here for you is taken from the federal Integrated Postsecondary Education Data System, IPEDS. The institutions that participate in federal Title IV funding, financial aid funding, have to report a good deal of data to the federal system, and that's what we mine to put all this together. There are a few instances where we have gotten information directly from the schools, but the majority of this comes from the IPEDS system. So the first chart we have for you shows the total head-count enrollment and total first-time freshmen enrollments at Nebraska postsecondary institutions. And they're categorized for you later on. But as you see, we've had a total fall enrollment going from about 120,000 in 2003 up to 143,000 in--we

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Education Committee
March 22, 2011

estimate--in 2010; we haven't gotten complete fall 2010 data yet. Throughout the report we're using the latest available reliable data. So as you see, the first priority--increase enrollments--has been met reasonably well: from 2003 to the current time, we're up 19 percent, significant growth. But down here is somewhat of a concern--total fall first-time freshmen enrollment. You see that the fall freshman enrollment in 2010 is 20,200, which is 1,200 or so below what it was in 2003. So we have had a flat high school graduating class; we have not been able to amplify that all that much. So especially for students entering postsecondary education for the first time, this is a number of some concern; we're not growing that, and we need to. Next slide, please, Jason. Let's break that down a little bit and look at the various sectors. The University of Nebraska is at the top; they have shown an increase of about 3,000 students since 2003--that red line at the top. The community colleges have shown a very significant increase, particularly in the last three or four years, going--oh, adding about a third or so. Independent institutions--these are the Doanes, Creightons, Nebraska Wesleyan--also significant growth. The Nebraska State College System has shown growth, not as much--but has shown growth. And the for-profit/career schools have shown growth. Every sector is contributing to the increased enrollment. Yes.

SENATOR SULLIVAN: So what's the disconnect? I mean, you would think freshman enrollment would be increasing if all these other numbers are increasing.

MARSHALL HILL: What is happening here is we're getting students who are coming back, and that's especially the case for the community colleges. Nebraska State College System, the independent institutions, and the University of Nebraska rely very, very heavily on traditional students--first-time students that come in and then stay for four to six years and then graduate. They do have some students who leave and come back. But that's a normal phenomenon for the community colleges. They have contributed, as you see--they've had the largest--the highest slope to their line there. And their enrollment is largely affected by that. So we have lots of people coming back in--some of them adults, some of them young people who have done a little of college and come back. But the population that everybody thinks of as our college student population--the kids who go to high school, graduate, and start college--we've been flat with that.

SENATOR SULLIVAN: Is this a reflection of the economy? People having to come back to get retooled in another area?

MARSHALL HILL: We think the return to higher education is largely a function of that. It's a function of a lot of information being provided to people about the importance of getting college education, especially in order to be able to provide for a family. So that contributes to a large portion of it. I see that my colleague has a comment she would like to add. This is--she's subtle about that--this is Dr. Barbara McCuen. Barbara is our research coordinator; she is the mother of this report. And I have had her fill out this...

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Education Committee
March 22, 2011

BARBARA McCUEN: Yeah.

MARSHALL HILL: All right.

BARBARA McCUEN: Thank you. I just--what Marshall said is absolutely correct--I just wanted to add that the biggest growth of students is in the master's programs. So the people coming back is true; I just wanted to clarify that a large segment of that is master's degrees. That attributes to a lot of the growth, especially in the independent sector.

MARSHALL HILL: So when you add master's degree growth here...

BARBARA McCUEN: Um-hum.

MARSHALL HILL: ...and returning people...

BARBARA McCUEN: Right.

MARSHALL HILL: ...here...

BARBARA McCUEN: You get...that's where the...this...

MARSHALL HILL: That's where you...

BARBARA McCUEN: I can (inaudible) now, right?

MARSHALL HILL: No.

SENATOR ADAMS: Marshall, may I ask...? Now, you pointed at the independent institutions when you said master's degree growth there. I was intrigued by the fact that--I constantly hear about tuition rates in our independent institutions, yet we see some rather substantial growth in enrollment. I don't know how...

MARSHALL HILL: Well, they discount their tuition significantly. So, in the same way, if you go shopping for a new car, you don't often pay sticker price. The same is the case at the independent institutions, largely, and somewhat at public institutions as well. So the student who comes in and pays whatever Doane or Nebraska Wesleyan says is their freshman tuition rate is fairly rare. There's a fair amount of discounting. The philosophical belief underpinning that is the hope that they can have--collect as much tuition as they can from people who are able to afford it and then discount as they have to, to get the enrollments that they need.

SENATOR ADAMS: Thank you.

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Education Committee
March 22, 2011

MARSHALL HILL: Um-hum. Next, please. As you see, the number of high school graduates is actually--we're right about where we were. This is where we are now, right about where we were in 2003. And then it drops slightly. And then not until we get to 2019 do we show any particular increase. So if institutions are interested in increasing their first-time freshman enrollments, they're going to have to go deeper into the pool of high school graduates, and/or they're going to have to recruit from out of state. If you keep getting the same percentage of high school graduates in Nebraska going on to postsecondary education, that's what we're going to get, because the base number is not about to increase. So enrollment growth of first-time freshmen needs to come from having people who at present time are not thinking about going to higher education, or people who in the past haven't, and encouraging them to attend and continue and be successful. Next. So who does graduate? Obviously, you have to graduate from high school to go on. Here is three pictures of high school graduating classes. This information comes to us from the Department of Education. This was 2002-03. It's the white population and the various ethnic groups down here. Look at this one, which is the Hispanic one. Eighty-two percent white in 2008-2009 and projected by 2019-2020 only slightly less than 70 percent, with a significant growth in Hispanic percentage of high school graduates. Look at the growth: they made up 4 percent of the graduates, 2002-2003; and they made up 9 percent of the graduates just six or so years later. Now, this projection is based on us continuing to do what we're doing now. This presumes that we're not going to get any better at getting black and Hispanic students to graduate. If we do, then that percentage is going to be significantly larger. Because right now the dropouts occur prior to graduation, of course, and they're not there. Next. So the breakdown priorities of the task force were first to increase high school graduation rates. Overall, 2009-10, all Nebraska high school graduation--high school rates, 90 percent. That includes public and private high schools. That's up four and a half percent, 4.2 percent, from 2002-2003. If you look at the public institutions, they're at 89.2 percent. And that shows an even greater improvement since 2002-03. Let's look at them...

SENATOR ADAMS: Marshall, what was the definition of "high school graduate" that you used?

MARSHALL HILL: We used the department's...the definition of "high school graduation"...

BARBARA McCUEN: It's students who graduate within the four-year time frame, does not include GED or even...

_____: But it does include...

SENATOR ADAMS: Okay.

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Education Committee
March 22, 2011

_____ : ...graduation rates...

MARSHALL HILL: All right. Okay. Let's look at the next slide, please, Jason. This is a comparison of graduation rates with our various ethnic groups: white, Asian/Pacific Islander, Hispanic, Native American, and black. First thing to point is they are improving: this is 2002; this is 2009; this is 2010. You see the white graduation rates have improved slightly. Asian/Pacific Islanders have improved. Hispanic has greatly improved over the period of time we've been doing this report. Native Americans improved and then declined. And black rates have increased really quite significantly here from the Native Americans. And so all of these three minority groups have shown significant improvement in high school graduation rates over the period of time since 2003. Now, I think most people, when they think about high school dropouts, think that we're talking about black and Hispanic students. On a percentage basis, that's true. But this tracks the number of dropouts from the class--what would have been the class of 2009-2010. And there are 1,200 white dropouts, 25 Asian/Pacific Islanders, 511 Hispanic, 100 Native Americans, and 400 blacks--a total of 2,300 people that should have been in the high school graduating class of 2009-10 and weren't. And you see about half of those or so are white students. Next. So how do these compare? Are they proportional? And what this does is compare the percentage of the public high school graduates with the percentage of the dropouts. So white students accounted for 82 percent of the graduates, and they counted for 54 percent of the dropouts. In an ideal world, where everything is equal, the classes would be equal in terms of their percentage of graduates and percentages of dropouts. But that's not the case. The Asians and Pacific Islanders--they're a success story throughout this whole information. They stay in high school; they graduate from high school; they go to college; they graduate from college. There's a wonderful story, front page of this morning's Lincoln paper, about a young man whose father came to Lincoln from Vietnam and started working and eventually worked at the Kawasaki plant, and eight years later he brought his wife and son. And his son just scored perfectly on the ACT test here. So this is a wonderful resource. The Hispanic students account for only 9.3 percent of the graduates and 21 percent of the dropouts. So clearly, we're losing Hispanic students. Same thing for Native Americans and black students. Next. The second strategy was: Increase the percentage of high school students who are adequately prepared to proceed through postsecondary education. And I wish we had a better way of doing this, but we don't--we don't. We don't. The Governor frequently used to ask me: Marshall, are the students ready for college work? So when I talk to college people, they tell me that the students are not. When I talk to high school people, they tell me that they are. So which is it? We don't have a data system which allows us to compare, say, GPAs of students, classes of students, groups of students, so forth and so forth. All we really have is a predictability process carried out by ACT. A lot of Nebraska students take the ACT. ACT went through an analytical process to give their test to thousands and thousands of students and then tracked those students into postsecondary education--a wide range of institutions--and see how they did on four classes that are commonly taken by freshman

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Education Committee
March 22, 2011

college students: English, algebra, biology, and social science. What they were then able to do was focus in what ACT score do you have to have in biology--or ACT score do you have to have in order to ensure that you have a 50 percent chance of getting a B or better or a 75 percent chance of getting a C or better? So they analyzed the scores on a predictive basis. And if we look at Nebraska's students' ACT scores and compare them to that predictability process, what we have here is only 31 percent, 32 percent of our white students are scoring well enough on the ACT to give them that predictable likelihood of getting 50 percent chance of B or better, 75 percent chance of C or better. Same thing for the Asians, Hispanics. If we take it overall--overall, all students in Nebraska have a 29 percent chance of, in their freshman year, their first semester, getting C's or better or B's or better in those four subjects. There has been slight improvement from the class of 2009 to 2010. We have no way to know whether Nebraska students are scoring the same--in the same predictable way as the students that ACT has built their model upon, but we have no reason to believe they would be different; that's the only answer we can really come up with at present. We should be able to do better than that. I think, frankly, high schools ought to want to know if they don't--how their students do. And we in higher education ought to be able to provide them that information. The second was to increase the percentage of high school graduates...

SENATOR SULLIVAN: Excuse me.

MARSHALL HILL: ...who enroll in...yes.

SENATOR SULLIVAN: It takes me awhile to formulate the question, but, then, what's lacking or what could we do to change our data system so we can collect that information?

MARSHALL HILL: I think we are moving--we're taking steps in that direction. The Nebraska state colleges, the community colleges, and the university have agreed to collect and share a data set of information that will follow the students on from high school into the postsecondary systems--that is, so long as they attend one of those types of institutions and stay in Nebraska. So in the future, when that is up and running, we should be able to answer this question a bit better.

SENATOR SULLIVAN: Okay. Thank you.

MARSHALL HILL: Increase the percentage of high school graduates who enroll in postsecondary education. The Governor has been very focused on this. Next. Our college continuation rate for the high school class was about 65.5 percent in 2007-08. That increased almost 4 percent from 2002. But it's still 18th among the 50 states. Where we're getting...what you'll see commonly in Nebraska higher education data is that we're getting better, but other states are getting better faster. Okay? Almost all of

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Education Committee
March 22, 2011

our trends are in the right direction; they're just too slow, in my opinion. Next. That number is based on IPEDS data. We also do some work with the National Student Clearinghouse. And we've been quite interested in looking at the breakdown of students not just on the basis of ethnicity but on the basis of how well off they and their families are, irrespective of ethnicity. So we've been able to track how well low-income students are going on to college. Basically, for the last 15 years or so in the United States, what we've had is that a child from the upper quartile of family wealth in this country but at the low end of achievement has a better chance of going to college than a student from a lower quartile of family wealth and the highest academic achievement. That's something we need to fix. But here's Nebraska public high school graduates for 2008-2009: 70 percent of them went on to college; now, this is any kind of college that we track. Seventy-three and a half percent of the girls and 66.6 percent of the boys. This differential is something that's common almost all the time. Boys are not graduating from--they're not staying in high school at the same rates girls are; they're not graduating from high school at the same rate girls are; they're not going to college at the same rate girls are; and once they're in college, they're not graduating at the same rates. This is true for every way you can slice students and group them, except for international students. We still get more male international students than we do get female international students--in this country and in Nebraska.

SENATOR ADAMS: Is Nebraska something of an anomaly when it comes to that?

MARSHALL HILL: No, not at all. Not at all.

SENATOR ADAMS: Or are other states--we see the same thing?

MARSHALL HILL: This is a national problem--national problem. We have found something that addresses it, which we'll get to in just a moment. If we look at our low-income graduates, you see 53.8 percent of those are going on--significant drop from all. And non-low-income graduates--75 percent of them are going on. We still see the differential between males and females here--10 percent difference between the poorer males and females and a 6 percent difference down here with the non-low-income graduates.

SENATOR AVERY: Is that because of the cost of higher education, you think? Lower-income kids can't afford it?

MARSHALL HILL: Senator, I believe it's for a wide range of things, but that's the biggest one--the cost and the perception of cost.

SENATOR AVERY: Um-hum.

MARSHALL HILL: Study after study after study shows that low-income families believe

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Education Committee
March 22, 2011

it costs more to send a son or daughter to higher education than, in fact, it does. They are less aware of financial aid; they're not aware of the...they will hear a story that Vassar's tuition is now \$52,000, and they'll think: Oh, that's--that's just--all of that stuff is...without realizing that they could send a student to Metro for \$2,500. So there's a huge lag. EducationQuest is doing a great deal of work to help spread that news, as are many others.

SENATOR AVERY: Do you have data on the education of the parents?

MARSHALL HILL: Yes. Yes. The educational status of the parent is of great import as to whether or not a child ends up going to college. And...

SENATOR AVERY: Regardless of income?

MARSHALL HILL: Regardless of income, yes. But it's even greater for low-income.

SENATOR ADAMS: Go ahead, Brenda.

SENATOR COUNCIL: Thank you, Chairman Adams. Thank you, Marshall. One of my questions was the awareness piece, and you touched upon that. Do we have any way of determining how accessible financial aid information is to low-income high school graduates in Nebraska? Because your number, the 53.8 percent, is across academic achievement lines.

MARSHALL HILL: It is.

SENATOR COUNCIL: And so in terms of who is being provided with information regarding the cost of postsecondary education and financial aid assistance, I'm just--I'm concerned as to whether that information is being drilled down to those students, even those who are on the lower end of the academic...

MARSHALL HILL: Right.

SENATOR COUNCIL: ...achievement scale.

MARSHALL HILL: Right. Well, we have that concern as well, as do many other people. I think there's a lot of effort here in Nebraska to ensure that the information gets out to all students. Now, whether the effort is wholly and completely successful, I can't tell you. As I mentioned, EducationQuest does a very good job of that. The university makes special efforts to address those kids. Some of the activities in Omaha that you're aware of--the Careers for Kids initiative and many other things--do that as well. I perceive that, just from the professional reading I do, that there is less tracking of students in the K-12 environment than there used to be. But I probably--I think there's probably still some of

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Education Committee
March 22, 2011

that--an early identification of students that "you're college material" and "you aren't"--and so a greater focus on ensuring that the one that is perceived to be "college material" gets the information. It's very hard to be a high school counselor; they have so much on their plate. A great deal of what they do--their time is taken up with things other than counseling about future educational growth that--that I think it's a real challenge for them to do that.

SENATOR COUNCIL: And then, quickly, and I apologize for being late, and you may have stated this--but does this data include both two-year and four-year...?

MARSHALL HILL: It does.

SENATOR COUNCIL: Okay.

MARSHALL HILL: It does. And, actually, this data that is taken from the National Student Clearinghouse allows us to track--to count students that go to other states as well. And that's the only way we can do that. Okay. Next. This is a--this is almost a perfect Nebraska slide. You know, it used to be--the phrase, "As goes something, so goes the nation." As goes Nebraska, so goes the nation. This--the...we had a public high school graduation rate: this is our breakdown; this is the national breakdown. Look at that; it is just remarkable. Our data normally tends to be quite flat; we just don't see volatile changes. Whenever we see one, we assume there is some error in that. So we're quite normal. So the next focus of the LR174 task force was to try to keep the students who go to college in Nebraska. Next, please. Next one. And as you see, this, again, is a marvelous Nebraska slide. We have shown almost--or a minimal change over this period from fall 2002 to fall 2008. These are the students who go to school in Nebraska, of our Nebraska high school graduates. And these are the students who go out of state. So it has varied from 18.8 percent up to 19.7 percent, down, and we're back to 18 percent. So right between 18 percent and 20 percent of Nebraska high school graduates go out of state and go somewhere else within 12 months of graduation. We know where they go. We know the schools that they attend. And they're a whole, wide range of schools. We have some of the students who are going to UCLA, to Harvard, to Princeton, to Smith, to Williams, to others. We have some who are going to K-State, to Iowa, to Iowa State, and so forth. We do have a larger drain to our peripheral states, especially Iowa and Kansas and Missouri. But the rest of the students go all over the country--Stanford. I don't think that's a bad thing; I think some of Nebraska's high school graduates ought to be going to some of the world's best institutions, regardless of where they are. But that has held steady for a long time. Next.

SENATOR ADAMS: So Marshall, based on the schools that you listed there, I'm assuming the ones that are leaving the state to go to other schools are--some of them are higher-achieving students.

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Education Committee
March 22, 2011

MARSHALL HILL: Some of them clearly are, but many of them are not. I wish we were keeping a higher percentage of some of the students who decide to go to a smaller Missouri public institution or something like that. But it is what it is.

SENATOR COUNCIL: Marshall, do you have that number broken down by the percentage--of the 18 percent--the percentage of them who leave the state on athletic scholarship?

MARSHALL HILL: No. No, that's not available.

SENATOR ADAMS: I was wondering about the same. How many of them leave because of athletic opportunities or have family members that live there?

MARSHALL HILL: Or they're an oboe player and they get a full ride at Oberlin or something like that.

SENATOR ADAMS: Or they're a typical adolescent, and--"I'm getting out of here."

MARSHALL HILL: Yeah. Oh, I understand that; I did the same thing. (Laugh) Yes, ma'am.

SENATOR ADAMS: Oh, go ahead, please.

SENATOR HOWARD: Thank you. Marshall, do you feel that the Nebraska institutions do enough of a--are really focused enough on selling their program? Because I know when my younger daughter looked at colleges--and she graduated from Duchesne--she was really solicited by those very...

MARSHALL HILL: Um-hum.

SENATOR HOWARD: ...colleges that you mentioned, and I don't think that--that Lincoln did such a hot job, frankly. And she went to Smith, because Smith wanted her.

MARSHALL HILL: Um-hum.

SENATOR HOWARD: And I'm troubled by that.

MARSHALL HILL: It's a wonderful thing to go to Smith.

SENATOR HOWARD: It is.

MARSHALL HILL: Yes.

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Education Committee
March 22, 2011

SENATOR HOWARD: It is. And she loved it and did so well. But I think, you know, I--that troubled me at that time, that Lincoln didn't really seem to...

MARSHALL HILL: Um-hum.

SENATOR HOWARD: You know, they seemed to be content with the numbers that they got.

MARSHALL HILL: I've been here for--in Nebraska for a little over six years. When I came, the University of Nebraska-Lincoln was just experiencing its smallest freshman class in 30 years. And it was not by intent. They clearly had not been paying much attention to recruiting, especially in the outlying parts of the state. Their entering freshman classes have grown every year since that point. They have made far greater efforts to recruit throughout the state. A personal friend of ours is a man named Patrice Berger. Patrice manages the honors program at UNL. And he was at our home for dinner the other night and was leaving Monday morning, yesterday morning, with a recruiting team from UNL. They were going to Scottsbluff, to Grand Island, to Alliance, to Sidney, to everyplace, making presentations to high school classes about that. So they are doing a lot; whether it's enough...they, of course, have to pay for what they do.

SENATOR HOWARD: Well, I remember asking them when Sara was looking at that school--I was thinking they had plenty of kids on the East Coast to pick from, plenty of higher-achievers out there.

MARSHALL HILL: Um-hum. Um-hum.

SENATOR HOWARD: But they said they like our kids from the Midwest...

MARSHALL HILL: Um-hum.

SENATOR HOWARD: ...because these kids come pretty well prepared.

MARSHALL HILL: They do. And I think there's a belief in the Midwestern...

SENATOR HOWARD: Work ethic.

MARSHALL HILL: ...work ethic.

SENATOR HOWARD: Um-hum.

MARSHALL HILL: And also, most elite institutions want to have some diversity. They don't want everyone coming from Massachusetts and New York. They don't want everyone coming from a family with family income of \$500,000. They want...

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Education Committee
March 22, 2011

SENATOR HOWARD: That was in my favor. (Laugh)

MARSHALL HILL: Yes. (Laugh) I think that would cover most of us--they want most of us. So how many do stay? And how many do...how many are going into degree-granting and non-degree-granting institutions? You see we've had a steady increase but, again, not a lot. Next. So the question...if you put those two questions together--let's keep the students that we have; let's bring in some more from outside; and let's reduce the number who leave. What's the net? What's the net? Well, in 2002, we lost...we had 232 students--more students--leave the state for postsecondary education than we had come into the state. And you saw previously they'd been getting about 3,000. In fall 2004, we had 2,400 non-Nebraskans come in and 2,600 Nebraskans go out of state, for a net loss of 254. Next. Two thousand six, we pointed our bird upward; we had a net gain of 197 students. And in fall 2008, a net gain of 366 students. So some of these students are brought in on the basis of aggressive recruiting. Some are athletic scholarships. Some are: My--I'm a Husker, and I live in New Jersey, but I'm, by golly, going to send my student back to UNL--or something like that.

SENATOR SULLIVAN: So you're saying, basically, that the recruiting has gotten more aggressive to make those numbers turn around.

MARSHALL HILL: Whatever reason--for whatever reason. We can't put--we don't have the data to put a cause and effect. It might be that--it might be any number of things. But clearly, the net result is that in five years we've gone from a net loss of more than 200 students per year to a net gain of over 300 students--about 300. The next focus was on the issue of ethnic differences: the outperformance of white students and Asian and Pacific Islanders as opposed to Hispanic, African American, and Native American. Next. So one way to look at that is to break down the various ethnic groups. And this summarizes something I've been saying for several years. You know, we do a pretty good job in Nebraska at replicating the ethnic diversity of Nebraska's high school graduating class into its college freshman class. The ethnic makeup of those two groups are not very different. And that is unusual, relatively unusual. Most states lose a far greater percentage of African American and Hispanic students in the transition from high school to college than we do. But look at this, white students make up 84.1 percent of the high school graduating class; and then in the fall they made up eighty-four and a half percent of the college freshman class. Asian/Pacific Islanders--they're slightly more represented among college students. Hispanic students drop off somewhat. Native American students actually gained a little bit, but they're such small numbers. And black students are--were exactly equal--were exactly equal. So our problem in maintaining diversity or gaining on these issues is not at getting them from high school to college. It's two problems. It's--one, it's getting them through high school--getting our black students and our Hispanic students to graduate from high school. And then, if they do,

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Education Committee
March 22, 2011

we're pretty good at getting them into college, proportionately. But then once they're in college, they don't graduate at the same rates. So we have blame two places. (Laugh) We have responsibility two places. Higher ed cannot point the finger at K-12 and say, it's your fault, when higher ed is showing such different graduation rates. We'll get to those in a moment. Next. Here is something...we all know that Nebraska is becoming--having larger percentages of minority students. And that is happening in the colleges and universities as well. Since fall 2003...fall 2003 to fall 2009, there were almost 3,200 fewer white students. Okay? So it's not just that the percentages are changing because we are getting more minority students into higher education. The percentages are changing also because we have fewer white students entering postsecondary education.

SENATOR SULLIVAN: And the data doesn't drill down deep enough to answer the question, "Why?"

MARSHALL HILL: No.

SENATOR SULLIVAN: Isn't that important?

MARSHALL HILL: Yes. It is. Every time the U.S. Department of Education makes an attempt to collect greater data through the IPEDS system, they are beaten down by virtually everybody, through Congress. Major changes in this have to be approved by Congress. And Congress has been unwilling for at least the last 15 years to make any meaningful change in the collection of IPEDS data. Their collection of graduation rate data is ludicrous and laughable. And I'll tell you about that in just a moment. But they are unable to change. The Congress will not allow them to change, partially because of pressure from higher education institutions, which don't want to change--largely led, in my opinion, by the association of the independent colleges and universities in this country. So we don't have that data. Next: Changes in the number of white students. This has largely taken place at the community colleges; you see there's the drop for that. Next. Increase need-based financial aid was a priority that the LR174 task force identified. Next. This is what we had--I'm going to speed up here--this is what we had in 2003; this is what we had in 2009-10. And this little black piece down here, federal funds, \$512,000--that will be going away; that has been written out of the current federal budget. Next: Total need-based financial aid awarded by public institutions. This captures all the aid--not just federal and state, but grants, work-study, scholarships, endowments that they might have. You see there's been a significant increase of the federal Title IV funds; these are Pell Grants and so forth and so on. The Nebraska state-funded grant has gone from \$4.4 million to \$8.4 million. And other need-based aid has increased. Next. Next one, Jason. There we go. I want to tell you--just show you some data about the Access College Early Scholarship Program. This is the one that pays for dual-enrollment students--poor dual-enrollment students. We started this in 2007-08. Actually, the year before, I think, we had \$50,000. The Legislature approved

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Education Committee
March 22, 2011

our recommendation to eliminate a program which wasn't working. We moved it over to create the ACE Program. And you see the Legislature--you're the green funding here--has increased the funds for the ACE Program four times. And then we have gone out and obtained federal funding for that. We now have--this year, as of yesterday, we've awarded ACE scholarships to 1,515 students from 214 Nebraska high schools. Next. That's the growth of the program. Next. And we're looking at how well they're going on. Next. And here is the point I want to make. These are the ACE students here. And remember we talked about Nebraska's overall high school going-to-college rate being 65.5 percent. These students, poor students qualifying for free and reduced lunch taking these dual-enrollment courses, are going on at a better than 80 percent rate. And look at this: both the boys and the girls are going on at high rates, without that female-to-male drop-off. Other low-income graduates, ones who don't participate in ACE Program, go on at 51 percent rate, as opposed to 80 percent. Okay? So this is working.

SENATOR ADAMS: So what do we need to do, then, Marshall, to increase the number of high school students that we have that take dual-credit courses? Is it money?

MARSHALL HILL: It's going to be money. Right now we have enough money to pay for these low-income students who seek us out and ask for the scholarships. We have enough. We have always told you that when we don't have enough, we'll come back and ask for more. As you know, you approved out of your committee a bill which would have us do a study of dual-enrollment, in conjunction with the Department of Education and others. We will bring back to you before next session recommendations stemming from that. It's consistent in national studies: even for low-income students, if they take dual-enrollment courses, they stay in high school at higher rates, they graduate from high school at higher rates, they go to college at higher rates, and they come back for their sophomore years at higher rates. We can't tell whether they graduate, because we haven't tracked the data long enough. But this, clearly, is working.

SENATOR ADAMS: I'm wondering about--and your study may tell us that...as I dip back into my postsecondary experience, there was always that group of high-achieving students in the senior year that would take all that they could take.

MARSHALL HILL: Right.

SENATOR ADAMS: And...but there was everybody else.

MARSHALL HILL: Um-hum.

SENATOR ADAMS: And I mean everybody else, who slacked up that senior year, because they're special. And it just seems like the dual-credit course could fill in that gap--and at the same time statistically tells us it's going to improve our odds of

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Education Committee
March 22, 2011

increasing the number of kids that go on and are successful.

MARSHALL HILL: We believe that to be the case. Now, dual-enrollment courses are not without controversy. And I understand that. But, to me, who's spent about as much time in the university classroom as I know have as a state bureaucrat, the equivocations, the minor drawbacks are worth it--are worth it. What we would ideally like to see is, if people claim that students are not really getting college classes as dual-enrollment--they're not rigorous enough and so forth--well, then somebody should do a study tracking the ending graduation GPAs of students who came in with some dual-enrollment credit and the students who didn't. My guess is you wouldn't see much difference--much difference. So, to me, it's a benefit which outweighs the--any controversies.

SENATOR ADAMS: Go right ahead, Senator Council.

SENATOR COUNCIL: Yes, thank you. So, Marshall, what this data does is to confirm that programs like the Bridge to Success program that's operated in collaboration between OPS and Metro, which identifies low-income--particularly low-income minority students to be involved in dual-enrollment, taking some courses at the community college, that--if that program continues and is expanded, you would expect to see those percentages increase, in terms of...

MARSHALL HILL: I would. I would, because this is what's going on with students acting as individuals in dual-enrollment programs with no additional kind of mentoring and structuring kind of support. So if we build that around them in certain areas large enough to support them, I would expect these numbers to go up even further.

SENATOR COUNCIL: Okay. And then--and you mentioned, you made reference to the Career for Kids program that's been implemented in the Omaha...

MARSHALL HILL: Um-hum.

SENATOR COUNCIL: ...area. And that is designed to reach students lower--at an earlier age and begin to identify them earlier for not only dual-enrollment potential but postsecondary...

MARSHALL HILL: To me, it does...

SENATOR COUNCIL: ...matriculation.

MARSHALL HILL: To me, it does two things. It does that, which is very important. But then it also is going to work them through till employment, with jobs and job-shadowing and so forth and so on.

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Education Committee
March 22, 2011

SENATOR COUNCIL: Okay.

MARSHALL HILL: So I think it's a good sign. I'll move quickly to the end here. Increase the percentage of students who complete degrees and other awards. The good news is these are graduation--first-time freshman retention rates, that is, how many freshman came back for their sophomore year. These are fairly high numbers--fairly high numbers for almost all Nebraska categories. And you see most of them are showing an increase between '04 and '09. Next, please. But this is important. We have all, probably, had friends who have said: You know, my son decided he probably wants to go to college, but he doesn't really know what he wants to do; so he's going to start part time. And most of us would tend to think, well, that's understandable; that's reasonable. But if your interest is in graduating, look at the odds. A student that starts part time at the University of Nebraska graduates 46.4 percent of the time; a student that starts full time graduates 80 percent of the time. Same thing...oop, nope, I'm sorry, we're--we've got--we--yes, that's right; I'm trying to speed up too much. And the same thing in the state college system. And the same thing in the community college system. So the choice to start part time has real consequences. An individual student may start part time and go on ahead and later decide--and graduate. But statistically, overall, starting part time is a bad idea if you ever want to graduate. Next: Graduation rates. Now, these numbers look low. They are low in the sense that I think we would all want them to be higher. But what are they really? The IPEDS system tracks for an institution only those students who start at that institution full time and then graduate from that institution. So if a student starts at Peru State College, goes there for a year or two, and then leaves and transfers to UNO and two years from there--and graduates, that student is not recorded anywhere in the system. He, in essence, counts as a failure for Peru, because he didn't graduate from there. But he doesn't count as a success for UNO.

SENATOR ADAMS: So we've got to be seeing a lot of that when we look at those community college numbers. We know...

MARSHALL HILL: Absolutely.

SENATOR ADAMS: ...that a lot more students...

MARSHALL HILL: Absolutely.

SENATOR ADAMS: ...are going there....

MARSHALL HILL: So what we have is a disconnect between public policy--desirable outcomes--and the data systems that we have. I think any of us that would say if a student starts at Southeast Community College, goes a year, transfers to UNL, five years later graduates, that that in no way is any kind of failure--for Southeast, the student, or UNL. But it's counted in the federal system as lowering Southeast's

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Education Committee
March 22, 2011

graduation rate, and it doesn't contribute to elevating the graduation rate at UNL. Every time the U.S. Department of Ed. has attempted to change this graduation rate to make it more comprehensive, they have been destroyed through the political process. The only way to get around this in any way is to do a study that the Legislature asked us to do before many of you were on this committee. And that was to find out what happened to those students. What are closer-to-real graduation rates for those kids? Basically, you could add five to ten percentage points on most of this--through a process where we had the Southeast track their student who left after the first year and find out what happened to them and found out that they indeed graduated from Kearney three years later or something like that. Okay. Next: Graduation rates, ethnicity. White students are up; Asian/Pacific Islanders are up; Hispanics are down slightly; Native Americans are down; blacks are up. A majority of the groups are proceeding in the right direction. Jason. Reverse net out-migration of Nebraskans with college degrees. This is that third big priority, and this is the one I said we can't give you any reasonable data. And that's because the U.S. Census Bureau changed its methodologies and is relying mainly on what's called the American Community Survey, which in Nebraska asks less than 100 people.

BARBARA McCUEN: Well, it depends on...

MARSHALL HILL: Very, very, very small sample size. This is our best estimate, and we would not bet anything on this. And it just doesn't feel right to us. But from their numbers, this is what it is, and I...the only thing that feels right about it is that we're gaining more lower-educated people in the state than we are better-educated people in the state, for all sorts of reasons, I suppose.

SENATOR ADAMS: Marshall, not...I realize we can't put a whole lot of stock in the data that drove this graph, but would Nebraska--wouldn't we be--would we be pretty typical of a lot of states...

MARSHALL HILL: Yes.

SENATOR ADAMS: ...in that regard--seeing our students with professional/graduate degrees moving on versus staying around?

MARSHALL HILL: Yes. It varies significantly. Some...

SENATOR ADAMS: Not that we want it to be that way.

MARSHALL HILL: I know.

SENATOR ADAMS: I'm just...

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Education Committee
March 22, 2011

MARSHALL HILL: Right. We have a well-developed educational system for the size of our state. We have an academic health center which educates physicians and pharmacists and dentists. And Nebraska--especially since those people often want to practice in urban environments rather than in rural environments...Omaha and Lincoln can't absorb them all, so many of them leave the state. Some states, large states--Texas and California--just count on attracting physicians, attorneys, and so forth educated elsewhere. The cheapest thing for a state to do--in the narrow, dollar term--is to not educate any doctors, not educate any lawyers, just import them in or buy slots in out-of-state medical schools, you know, for them to attend. But that is a...we can't tell where we are with this. We're pretty careful about not riding a horse further than it should go, with data. So to summarize, the first priority was to increase the head-count enrollment. We're doing reasonably well with that. To increase completion rates. We're doing reasonably well with that. But in my view, it's coming too slowly. We need to improve, especially, the participation and graduation rates of our minority students. They are the fastest-growing and actually the only, really, growing percentage portion of our state. And jobs of the future are going to need that. And it's becoming increasingly more difficult for people with just a high school education to earn enough to support themselves and a family in a--what we would call a middle-class lifestyle. Companies are going to invest where they can find a work force that meets their needs. And states and countries that have a better-educated citizenry are just plain more pleasant places to live. So that concludes our report. We have provided you full...the whole thing looks like this, with appendices. It's a great deal of work. We use this all year long to respond to questions from institutions, from you and your colleagues, from national organizations to whom we report, and so forth. And we'd be pleased to respond to any more questions.

SENATOR ADAMS: Okay, thank you, Marshall. Are there any more questions for Marshall and the work that they've done here?

SENATOR AVERY: This is the best stuff you do, you know.

BARBARA McCUEN: Thank you.

SENATOR ADAMS: It is good, Marshall.

MARSHALL HILL: Thank you very much. Barbara leads our team...

SENATOR AVERY: I don't know what else you do, but this is the best...

MARSHALL HILL: I gave some thought to how I was going to respond to that compliment, Senator, but I appreciate it in the spirit in which it was offered. Barbara...this is a corporate effort for us, but our team is led by Barbara; Duncan Hsu, who is--maintains all of our databases; and Kermit Spade, who is our expert miner of

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Education Committee
March 22, 2011

IPEDS. We hope that you find it useful.

BARBARA McCUEN: I was going to add only that for...since I hope you will quote some of this information and use it yourselves...

MARSHALL HILL: Oh, no, you found a mistake?

BARBARA McCUEN: I--it's my fault. On page 4 of your handout, if you wouldn't mind, I for some reason have the wrong year--the middle data. It's the second slide on page 4, slide number 8; and it should be "2002-03," "2009-10," and the data is the same. It is the correct data; we just have the wrong label.

MARSHALL HILL: Okay.

BARBARA McCUEN: I don't know why we'd get a number wrong, you know.

SENATOR COUNCIL: '19-'20...that's good...

MARSHALL HILL: And the fact that she will go back to the office and grieve for the next two weeks over that mistake (laughter) is why this is as good as it is, Senator.

BARBARA McCUEN: I'd like to put a plug in, too, for the census data. I see that a major reduction in federal budget is being taken by the Census Bureau. And I just want you to be aware that the census--changing it as it has been done has really lowered our ability to know things. Moving to the Community Survey was, I think, a good--it was an idea that should have worked, but it's not. Sampling, from a statistical point of view, works; we have lots of evidence of that. But when you try to sample the whole country with, you know, a fairly sizable sample...but when you're drilling down, like, how many Nebraskans left and moved to any one of 50 states, you get extremely small samples, and the data collapses in terms of its reliability. And so as political participants I hope you will keep a watch on the--what happens at the Census Bureau and cuts and so forth, because we can't, as you know--can't make good decisions without good information.

SENATOR SULLIVAN: Well, and the information is excellent, and I thank you for it. But as I've made comments earlier, then it begs the question, "Why?" And I know that sometimes the data isn't sufficient enough to answer that question, but I'll ask it anyway, you know. Any speculation on why we are seeing lower freshman enrollment?

MARSHALL HILL: We have rejected a number of things. We thought a few years ago, when we started paying attention to this, we thought, well, you know, there's been--we started two wars. Maybe we're having lots of kids join the military; maybe that's why they're not going on. And so we contacted the military recruitment offices, and they were

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Education Committee
March 22, 2011

saying: Well, we've seen a slight increase but not really much. So we can't attribute it to that. I personally think, if you want an opinion, I think it's no one, single thing. It's the fact that higher education is not only becoming more and more expensive, it's taking up a higher and higher percentage of a family's income to be able to send a student to even our most inexpensive institutions. And we track that data in the tuition and fees report and provide you. I don't think we would realistically expect a family to have to spend a third of their income to send a student to college, but, frankly, that's what we have at some of these...so that's the big one. The second is the perception factor. The only thing that's greater than the increase in higher education tuition rates over the past 20 years is the rhetoric about it. Because while it has increased roughly three times as fast as the consumer price index, financial aid has increased quite significantly as well. So the net increase is still great and is unsustainable for the future. But people hear about the worst cases, and they get that in their minds. And, then, I think, personally--and this is far more subjective--I think we have built a culture which has real difficulty in deferring any kind of gratification. And we have seen that in all sorts of ways, through children and through adults trying to buy \$500,000 houses, with an annual income of \$65,000, and so forth. Our popular culture supports this, doesn't track consequence back terribly well, and so there's a feeling of: Well, I can get by. And then we also celebrate, in our society, people who have done very, very well without education. New York Times had some stories recently about Bill Gates and Steve Jobs and their conversations about growth and then some comments, you know, that--subsequent to those articles--were really remarkable. The conclusions that people were drawing--that, well, Bill Gates didn't graduate from college, so my kid doesn't have to either, and so, well, you know. And if your son or daughter is as talented and as brilliant and as driven as Steve Jobs or Bill Gates, go to it. But that's not reality. So we have that. And then maybe the last (inaudible) is there's enormous attention in our culture on sports and entertainment and people who do very, very well and become celebrities and gain a great deal of attention with absolutely no relationship to whatever formal education they have. And that's just poured on students all of the time. And we don't have the family structures to counteract that as much as we used to, particularly for our minority students. A young black student growing up in a metropolitan area in this country has about a 25 percent chance of growing up in a two-parent family--if that. So we, you know, we can talk about the responsibilities of teachers and the responsibilities of colleges and universities and the public schools, but it's parents and society in general as well. And we are just not dealing with that quite as well as we used to. The expectations are skewed, in my opinion. David Brooks, a mildly conservative columnist--real conservatives would not claim David Brooks--but David Brooks is a columnist in The New York Times, wrote a book--wrote an essay last week about sort of the loss of personal modesty. And he compared the self-celebration that goes on in sport now with its absence in earlier times. You know, a student-athlete scores a touchdown, and there's all sorts of jumping around and finger-pointing at himself and so forth and so on. And, you know, if you think back, that didn't used to be; it was a team kind of effort. And so he questions whether all of this makes us less responsive to the needs of our society as a whole and thinking

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Education Committee
March 22, 2011

more about ourselves and...so that's my--one person's opinion. And Plato pointed out that, you know, that happens to everybody, all the time--when you get older, the kids of the generation suddenly become much worse. (Laughter) And I guess I'm now old enough to contribute to that as well.

SENATOR ADAMS: Are there any other questions for Marshall that we have? Well, Marshall, thank you for your work. And thank you for taking the time to come in this morning. We appreciate it. And...

MARSHALL HILL: Glad to be here. Thank you.

SENATOR ADAMS: ...we always know where you're at if we have questions.

MARSHALL HILL: Yes, indeed.

SENATOR AVERY: Did you actually feel like you had the option of not coming?

MARSHALL HILL: No. (Laughter) No. And we wanted to be here.

SENATOR AVERY: (Laugh)

MARSHALL HILL: We do think this is important. You do hard and difficult work which has consequences for all of us, and we want you to have the information that helps you make good decisions.

SENATOR ADAMS: Thank you.

MARSHALL HILL: Thank you.

SENATOR ADAMS: That will conclude our hearing for today.