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Transcriber's Office

Education Committee
March 27, 2012

[ANNUAL REPORT]

The Committee on Education met at 9:00 a.m. on Tuesday, March 27, 2012, in Room 1525 of the State Capitol, Lincoln, Nebraska, for the purpose of conducting a public hearing on the Annual Report given by the Coordinating Commission for Postsecondary Education. Senators present: Greg Adams, Chairperson; Bill Avery; Ken Haar; and Kate Sullivan. Senators absent: Gwen Howard, Vice Chairperson; Abbie Cornett; Brenda Council; and Les Seiler.

SENATOR ADAMS: (Recorder malfunction) ...them and the time filed for this public hearing to hear the report of the Nebraska Coordinating Commission for Postsecondary Education, and members of the coordinating commission are here. I would remind anyone who wishes to testify that this is a public hearing, that you come to the microphone, and you let the committee clerk know your name and spell it for the record. And, Marshall, I would also ask that--you've got that extra seat there--if any of you as resource people just get right up there so that the transcribers can hear everything; it doesn't work so good otherwise. Marshall, it's your stage.

MARSHALL HILL: Yes, sir. Good morning, thank you. My name is Marshall Hill, H-i-I-I, executive director of the Coordinating Commission for Postsecondary Education, pleased to be here with you this morning to provide you an overview of the Higher Education Progress Report, which we completed fairly recently. Remind you, this is a requirement of statute; it stems back about 10 years ago, when the Education Committee and the Appropriations Committee came together to examine higher education, establish some goals, direct us to provide annual measurements toward those goals. The Progress Report focuses on three priorities that were laid out by that joint committee, and that first one is to increase enrollment in higher education; the second, to increase the percentage of students who complete degrees; and the third, to reverse net out-migration of Nebraskans. So that's going to be the structure around which we're going to provide this information. And I'm going to go fairly quickly, and I invite you to interrupt me at any time with any questions that you might have, I think, rather than hold anything to the end.

SENATOR ADAMS: Committee, we'll kind of waive some of our normal formalities as far as question asking. I think there are so few people here that if you want to be spontaneous and just ask--if that's all right with you, Marshall--why, we'll do that.

MARSHALL HILL: If that's all right with you, all right, but our main goal is to just ensure that you're aware of these broad, overarching issues. Total head count enrollment for first-time freshmen at Nebraska's postsecondary institutions saw a change this past fall. And I think the thing which would be most helpful for you to be looking at is this set of slides, which we'll have. For the first time since we've been doing this report, we saw an enrollment decline in Nebraska higher education this past fall. That's not unusual in

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terms of the rest of the country. The rest of the country is going through an enrollment decline in higher education. Usually, when the economy declines, enrollments increase. But now we've had an economy which is in decline for several years, and finally that outstripped the abilities of people to go back to school. So this past fall we had a decline of enrollment in Nebraska higher education for the first time in 10 years.

SENATOR SULLIVAN: You would have thought though that even with those circumstances you would have seen less of a decline in community colleges.

MARSHALL HILL: But that's not the case.

SENATOR SULLIVAN: No?

MARSHALL HILL: That's not the case. On the next page, if you'll look you'll see how those sectors did compare, and the University of Nebraska campuses show at a slight increase from 2010; the community colleges, as Senator Sullivan mentioned, had a fairly significant decrease; the independent institutions, a slight increase; state college system, a slight increase; and then the for-profit and career schools, probably the greatest percentage decrease. That again is not unusual. The national declines in higher education enrollment are due in part to declining state funding for higher education, driven largely by California. California has turned away tens of thousands of students from its higher education institutions because they have been unable to hire the faculty to provide the class sections. The California state system will not allow next year any transfers from any students other than from the California community college system. So there are huge, huge, declines around the country; ours are fairly modest in that regard.

SENATOR HAAR: And, Marshall, you said that would...in California it was because they don't have instructors basically?

MARSHALL HILL: They've had huge decreases to funding, public funding for higher education in California.

SENATOR HAAR: Oh, okay, so it's the funding and...

MARSHALL HILL: And so particularly in the community college system, they have been unable to hire enough faculty to offer the number of sections they need to accommodate all the students who want to attend. And so they have just...they have had about a 30,000 student decline in enrollment in the community college system and about a 20,000 student decline in the Cal State University system and level in the University of California system.

SENATOR ADAMS: How does our funding compare in Nebraska?

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MARSHALL HILL: Our funding, we're quite fortunate. We have had...in the last measured cycle, we had a less than 1 percent decline. That puts us in an envious position across the country. Pennsylvania, for example, last year cut funding to their public institutions by more than 20 percent; the governor's budget this year calls for a cut of 30 percent on top of that.

SENATOR ADAMS: Wow.

MARSHALL HILL: Horrible cuts in Nevada and Arizona and many, many states across the country. We are very, very fortunate in that regard.

SENATOR SULLIVAN: Are our institutions capitalizing on that and trying to attract transfer students from other states?

MARSHALL HILL: Yes, they are, yes, they are, yes, they are, and we'll show you that they're actually being pretty successful at that.

SENATOR ADAMS: Marshall, is some of this decline in the community college this year, could it be the result of nontraditional students going back in prior years, not completing a degree but doing what they need to find the job, and giving our relatively low unemployment rate in this state now employed?

MARSHALL HILL: Um-hum, yes.

SENATOR ADAMS: I mean, it...

MARSHALL HILL: Yes, we...

SENATOR ADAMS: From strictly a Nebraska vantage point.

MARSHALL HILL: We aren't able to provide a complete answer to that because we don't have a linkage between our data systems and wage and labor records. Anecdotally, I think people who have jobs are hanging onto them, wanting to not jeopardize them by taking time off to go to school part-time, so forth and so on. The number of high school graduates, as we say, are going to at some point get back a little bit above what they were, but high school graduates are not going to be an increasing pool of students for Nebraska public institutions. You see, we're only looking at 4.3 percent more graduates in 2020 than we had in 2010, so we're pretty flat as a state. That's fairly normal for the Midwest--South Dakota, North Dakota, Montana and other Midwestern states.

SENATOR SULLIVAN: So our population has ticked up a little bit but not necessarily

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our total enrollment of students?

MARSHALL HILL: Right, right, right. And...

SENATOR SULLIVAN: Got that run of babies.

MARSHALL HILL: Yes, yes. And part of that, part of our enrollment projections are due to the changing demographics of our population. If we look on the next page, you'll see that the high school graduating class of 2002 was almost 90 percent white. It dropped just about 10 percent by 2010, and we project it to drop another 10 percent by 2020. So the increasing numbers of Hispanic, especially, and black students who are graduating at lower rates account for that pretty much flattening of the overall production. So one of the goals that the two committees laid out 10 years ago was to try to improve high school graduation rates. So how are high school graduation rates doing, and are they improving? You'll see that they actually have, from an 85.8 percent rate in 2002 to a 90 percent rate, which given the way high school graduation rates are resistant to change around the country, that's a reasonably impressive increase, particularly since it was fairly high to begin with. And you'll note that we've broken this down into two--the state rate and the public high school rate--the graduation rates at the independent colleges. Independent high schools and so forth are a bit higher, so that pushes the total state rate up to 90 percent. That puts Nebraska in the top category of schools. I think that puts us about--of states--about fifth or sixth, I think, in graduation rates. We've always been high in graduation rates. One thing we notice is that girls do better than boys. They graduate from high school at higher rates, they go to college at higher rates, they graduate from college at higher rates. The only category that we track where girls are not outperforming boys is in the foreign students. Parents in other countries are more likely to allow their boys to travel abroad, to come to United States, to enroll in college than...anyway, this is a market change. We take this for granted right now, but when most of us were in college, the men were in the majority. You talked about access and equity, you were at least partially talking about getting more women into higher education. That's a battle which has been won.

SENATOR ADAMS: Marshall, in the...as we're using this four-year cohort--and maybe this is a question for Roger at the department, but I suspect you might know--aren't we also disaggregating that and looking at the five and six year for those kids that drop out and come back and ultimately do finish?

MARSHALL HILL: Yes, yes, yes, and there is a transition to that. It's taken quite a major effort to get all states to agree to actually count high school graduation rates in the same manner, and we're still just making a transition to that.

SENATOR ADAMS: Thank you.

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MARSHALL HILL: And it somewhat involves, you know, when do you want to count the point of graduation?

SENATOR ADAMS: Yeah.

SENATOR HAAR: I have a question. The cohort is at the national...?

MARSHALL HILL: It's a snapshot of a group of students who enter the ninth grade and then whether they eventually graduate from a high school.

SENATOR HAAR: Okay, so is the 85.8 percent, is that a kind of a national average or...?

MARSHALL HILL: No, these are Nebraska numbers.

SENATOR HAAR: Oh, those are Nebraska, okay.

MARSHALL HILL: These are Nebraska numbers, yes. And if you compare Nebraska's high school graduation numbers to those of other states, we're quite good in that regard. If you look on page 12, you'll see that we have significant differences in ethnicity success rates in graduating from high school. White students and Asian students graduate at the highest rates, followed by Hispanic, black, and Native Americans, which are significantly lower. If you talk to people about high school dropouts in this state, my guess is they mostly think that high school dropouts are black and Hispanic students, and they are not. More white students drop out than Hispanic and African-American students and Native American. Proportionately, more Hispanic and black students drop out, but if you see on page 13, we have 904 white students dropped out between the 7th and 12th grades and then the 466 Hispanic and 277 black students. So if the perception is that dropping out of education is a minority phenomenon, that's not the case.

SENATOR ADAMS: Now, Marshall, when we say dropout, if currently under our compulsory of attendance laws you've got to be 16 before you can check out, take me back to the seventh grade. What's happening there?

MARSHALL HILL: I don't know; I don't have answer for that.

BARBARA McCUEN: They're unaccounted-for students; they're...

SENATOR ADAMS: Can you come up?

MARSHALL HILL: Come up here.

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BARBARA McCUEN: Oh, excuse me.

MARSHALL HILL: This is Barbara McCuen, our research director, and she has filled out a form.

BARBARA McCUEN: Yeah, I filled out a form. I'm Barbara McCuen, M-c-C-u-e-n, and I work on this report. The 7th through 12th grade dropouts are all of the students who there are now no records for transferring to any other area, and they have not returned to school.

SENATOR ADAMS: So if they were, as an example, if they were the child of a Hispanic family that decided in February to go home,...

BARBARA McCUEN: They would not be counted.

SENATOR ADAMS: ...they didn't technically transfer, even though they may show back up before the year is over or at the beginning of the next year.

BARBARA McCUEN: Well, no. Then they wouldn't be a dropout; then they would be counted as coming. If they left in February, went, say, back to Mexico,...

SENATOR ADAMS: Um-hum.

BARBARA McCUEN: ...came back the following year, that student would be not considered a dropout.

SENATOR ADAMS: All right.

BARBARA McCUEN: Dropouts are not any record of ever returning.

MARSHALL HILL: Okay?

SENATOR SULLIVAN: How do these figures compare with others nationally? Do we know?

MARSHALL HILL: Let me get back to you on that, okay?

SENATOR SULLIVAN: Okay, all right, okay.

MARSHALL HILL: The same phenomenon about differential performance by gender we have laid out on the next two pages. Boys drop out more than girls. And this, these two charts match the numbers of dropouts with how prevalent that ethnic group is in the schools. So just taking one example, on page 14, looking at boys. Boys make up--white

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boys make up--78.4 percent of the graduates of Nebraska high schools, but they make up 50.8 percent of the dropouts; Hispanic boys make up only 11.4 percent of the graduates, but they make up almost a quarter of the dropouts. So this just gives you a little more information.

SENATOR HAAR: Getting back to Senator Adams' question, how does this thing of dropouts dance with our compulsory attendance? I mean, we do not pursue kids that drop out, or do we?

MARSHALL HILL: I don't know. I'm not the person to have that.

SENATOR HAAR: Okay.

MARSHALL HILL: I...we'll look into that and get back to you on that.

SENATOR HAAR: Yeah, that will be an interesting question.

MARSHALL HILL: What we are doing here is just interpreting the data.

SENATOR HAAR: Gotcha.

MARSHALL HILL: They were there at some point, and now they're no longer there,...

SENATOR HAAR: Okay.

MARSHALL HILL: ...and they haven't transferred to Wisconsin or to Oklahoma or from Omaha to Seward. So for some reason they're not there; the reasons why, I'm not very good at it or any of that.

SENATOR HAAR: Okay.

MARSHALL HILL: Another goal was to try to have high school students better able and more ready to attend college. The Governor has several times asked me: Are Nebraska students ready to go to college? And he points out that when I talk to high school people, they tell me of course our graduates are ready to go to college. And when I talk to college faculty, they say most...many of our graduates are not ready to go to college.

SENATOR HAAR: Um-hum.

MARSHALL HILL: And I...we don't have a strict data way to answer that question, so we have a proxy here for you. About 75 percent of Nebraska students--college-going students--take the ACT. The ACT has gone through a process of looking at a whole bunch of students' ACT scores in the various subject areas that they teach. Looking at

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those scores and then seeing what grades those correlate to in college, in all sorts of different colleges, this was a very large research project that ACT went on. And they were able then to say, if you get this score on the English part of the ACT, you're likely to do this in college. You get the idea? Trying to correlate that, and so they set benchmark scores. And what we have on page 17 is an evaluation of that. And they looked at these various areas of common entry-level college courses--English, algebra, biology, and social science--and said, what ACT score does a student have to get to have the likelihood of getting a 50 percent chance of getting a B or better or a 75 percent chance of getting a C or better? Not terribly high, high goals, and in 2011 only 32 percent of our white, non-Hispanic students scored on the ACT at levels sufficient to predict that they had a 50 percent chance of getting a B or better in all four of these subject-area courses. Now I don't think that most parents would feel terribly good at that; we would like our students to be better prepared. The overall total average here is...it works out to about 29 percent for Nebraska, and you'll see it drops way off for our Hispanic, Native-American, and black students. Now the logical question is: Does this play out in Nebraska? Do our Nebraska students...?

SENATOR ADAMS: That was going to be my question. How reliable is that?

MARSHALL HILL: And I have no idea because we do not have a data system which would allow us to answer that question.

SENATOR HAAR: Um-hum. And then how would this compare nationally?

MARSHALL HILL: Unfortunately, we're slightly better than average nationally on this; some states are much worse.

SENATOR HAAR: Wow.

MARSHALL HILL: Nobody looks particularly great. A few states look significantly better, Massachusetts being one. So part of this is part of the remediation phenomenon that you hear a great deal about and...

SENATOR SULLIVAN: And so to have the data to track that, to see if this...these are in fact reliable,...

MARSHALL HILL: Um-hum.

SENATOR SULLIVAN: ...we lack what? The resources, the will, the software?

MARSHALL HILL: Certainly the will. We do not have the resources. The institute...we do not have the authority to request that information or to require the institutions to submit it. It would be interesting for them to study whether or not the correlation

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between ACT scores and the grades of their own students...but to my knowledge they have not done so. Institutions here provide very, very, very little information to the coordinating commission.

SENATOR ADAMS: It's even a bit hazy, is it not, of these kids right here that go into one of our institutions of higher ed? We haven't done a particularly good job of just tracking to see after one year where they're at, have we?

MARSHALL HILL: No.

SENATOR ADAMS: I mean, we're beginning to have that discussion...

MARSHALL HILL: We can...

SENATOR ADAMS: ...and see that that's a necessity.

MARSHALL HILL: We can tell you their retention rates, whether they come back for their sophomore year, and we can tell you ultimate graduation rates but only for a certain portion of those students. We do not have a state data system here. The only information that we can provide you is culled from information that the institutions provide the federal government. They provide the federal government information on students who start at an institution and who stay at that institution, and eventually if they do graduate, graduate from that institution. This is the only federal system that we have in our country; it's called the Integrated Postsecondary Education Data System. So a student starts at Southeast Community College, drops out after or leaves after one year and goes to UNL and eventually graduates. All of us here would call that a success, wouldn't we? That's a success. It's a success for Southeast, in my opinion; it's a success for UNL. It does not count in the federal system as a success for UNL, and it counts as a failure for Southeast because that student did not graduate from Southeast. Every time the U.S. Department of Ed tries to expand this system to accommodate reality--remember, almost 50 percent now of students by the time they graduate have attended at least two institutions and, therefore, they are not counted in our federal system--every time an attempt is made to make that more rational it is fought back by Congress, mainly acting at the behest of certain sectors of institutions. So that's why when you see graduation numbers that just seem to be terribly, terribly low to any rational, reasonable person, those are not the true numbers.

SENATOR ADAMS: Despite the political problems in Washington, we could do our own thing.

MARSHALL HILL: We did our own thing. You, the Education Committee, about six years ago asked us the question: What happens to all those students who start at one of our institutions and then leave? Do they go somewhere else? Do they eventually

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graduate? And so we went through a process using the National Student Clearinghouse to ask the institutions to track those students, and they found a lot of them. A lot of the students who drop out from one school ultimately go to another and eventually graduate. But as a recurrent, regularized process, that's not what we have.

SENATOR SULLIVAN: Because we lack the statewide system?

MARSHALL HILL: Senator Haar noticed this the last time I was here. Nebraska is at the absolute bottom in national...in a national sense in capabilities to measure our educational system. I have been chairing the national committee that looks at data systems in higher education, and I can say that with authority. At this point we are at the absolute bottom in that regard. So we come here and we provide you all this data and all of this information which is as professionally done as is humanly possible, certainly, as we were possible. But it's that...it's an incomplete data set, it's an incomplete data set.

SENATOR AVERY: What do you need to have done to correct that?

MARSHALL HILL: We need a far better approach than was taken in the legislation that was passed a couple of years ago to develop a data system here. I'll be very blunt in response to that. You...the Legislature put that totally in the hands of the institutions, to come up with some data sharing agreement. They barred us from having anything to do with the creation of that document. You weren't receptive to my plea to not let that happen, therefore, it hasn't been developed as of yet. There need to be some additional resources committed, and there needs to be a thorough look at what a reasonable statewide higher education data system would be done by somebody other than just the institutions involved. There are national experts on this who know how to do this work, and we just don't listen to them at all. I need to hurry you through this. We have high school...I'm going to go very quickly. Our high school to college continuation rates are increasing. They are increasing at about as well as most anybody else is around the country. There's a great emphasis on increasing the college-going rate. We are now able to look using some information we get from the Nebraska Department of Education about the differentials between our better-off and our less-well-off students. And as you expect, on page 24 you'll see a chart which shows the college continuation rates for high school graduates by student income status. The more money you have, the more likely you are to go to college. The single greatest correlating factor of ACT scores is family income. The higher the family income, the higher the ACT score. If you are a poorly performing student in the highest quartile of the American public in terms of income, you have a far greater likelihood of going to college than if you are a superbly performing student in the lowest quartile of family income in this country, and we are wasting a lot of talent. You'll see a lot of information here. There's our high school graduation rates; you'll see the drop-off by race and ethnicity with the lower groups. We could have a totally different society, I think, if we could up that performance, and a

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number of things are going on to try to help. We get about the same number of students going to Nebraska institutions as we have since we've tracked this. On page 29, just about 83, 80-83 percent of Nebraska high school graduates go to a Nebraska institution, and about 16-18 percent go out of state within 12 months of graduation.

SENATOR HAAR: I'm going to stop you for one second.

MARSHALL HILL: Yeah.

SENATOR HAAR: So if you take page 29 and compare it to 17, you have 80 percent of our high school graduates go to some kind of higher ed institution. You still have really less than half of those who, according to this ACT-tested regimen, are prepared.

MARSHALL HILL: What this would say was that of all of our Nebraska high school graduates that took the ACT, only about 29 percent of them overall did well enough on the ACT to predict that they'd have a 50 percent chance of...

SENATOR HAAR: Right, and about 80 percent of those...

MARSHALL HILL: Eighty percent...

SENATOR HAAR: ...overall go to college, okay.

MARSHALL HILL: Of the ones...no, about 60 percent go to college.

SENATOR HAAR: Okay.

MARSHALL HILL: Sixty percent of Nebraska high school graduates go to college.

SENATOR HAAR: Okay.

MARSHALL HILL: Seventy percent, sorry; 70 percent go to college. And of those who go to college, 80 percent of them stay in state.

SENATOR HAAR: Okay, got it.

MARSHALL HILL: Okay? Eighty percent of them stay in state. Senator Sullivan asked about the enticing students from out of state. Page 31 shows that we have been increasingly attracting, a little bit more each year, out-of-state students to enroll in Nebraska. We don't have fall 2011 data yet. The next two pages give you an historical net. So we bring in students and we send students out of state, so what's the net? In 2002, we had a net loss of 55 students; 2004, a net loss of 254. We had a turnaround in 2006; we're attracting more students than are going out of state. Fall 2008 continued to

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do that and even a little more so, and in fall of 2010 we are even better.

SENATOR AVERY: How do you explain it?

BARBARA McCUEN: Effort.

SENATOR AVERY: What?

BARBARA McCUEN: Effort.

SENATOR AVERY: Effort?

BARBARA McCUEN: Effort and a greater effort.

MARSHALL HILL: I think there has been greater effort. The University of Nebraska at Lincoln, of course, is...Chancellor Perlman wants to increase enrollment there quite significantly and will make significant out-of-state efforts. Nebraska has presented a stable educational environment, not having the cuts and slashes to higher education funding that's been the case in other states.

SENATOR SULLIVAN: Then the next step would be to get those graduates to stay here.

MARSHALL HILL: To stay there. And your predecessor asked us that question at some point in the past, and we used to be able to give you a better answer than we can now. I'll get to that in just a moment.

SENATOR HAAR: Okay, and this is the new flying goose standard here in Nebraska?

MARSHALL HILL: Yes, it is, yes, sir. (Laughter) We've been using the flying goose.

SENATOR HAAR: I understand that.

MARSHALL HILL: If you look at page 36, 36 does not appear all that interesting, but frankly from my perspective it is. Many states lose a high proportion of their minority high school graduates between high school and college. We don't in Nebraska. The ethnic distribution of the high school graduating class and the college freshman class is very, very similar. We lost just a few Hispanic students, but they are proportionately represented almost equally among high school graduates and college freshmen.

SENATOR HAAR: Um-hum.

MARSHALL HILL: Our problem in Nebraska is we lose our minority students before

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they graduate from high school, and then once they enter college they don't persist and graduate at equal rates as do white and Asian students. But we talk about this huge gap that many, many states have, where the Hispanic students graduate from high school and then very few attend college. We don't have that here, and frankly we're quite unusual in that regard. So I attribute that to strong outreach efforts by the institutions to reach those populations. And this is not new this year; it's been this way for the almost 10 years we've been doing this study.

SENATOR HAAR: Hmm.

MARSHALL HILL: A need-based financial aid is important here. You'll see on page 38 that over the past 10 years or so we've increased need-based financial aid from \$8.8 million to \$14.9 million. Now the sources of funding have changed quite significantly, and that's on page 39. You see that we're getting a far greater percentage of total...I'm sorry, on page--I'm trying to go too quickly--on page 38 you'll see that lottery funds, which in 2003 accounted for a smaller proportion--that's the light-blue bar--...

SENATOR HAAR: Um-hum.

MARSHALL HILL: ...they now account for the largest proportion of our state need-based financial aid, okay? And the federal funds have decreased; these are not due to anything we did here but due to changes in the federal government. Total need-based financial aid that is awarded by the institutions--public institutions--regardless of the source has increased from just about \$70 million in 2003 to \$170 million in 2010. Tuition of course has increased as well. On page 41--I'll skip the one on 40--41 is a snapshot of where we are in terms of how many students qualify for our need-based financial aid, our state program, the Nebraska Opportunity Grant. The top line, 44,000 students qualified for it, but we only had funds to award to 15,500 students.

SENATOR HAAR: Um-hum.

MARSHALL HILL: So there were almost 30,000 students who were eligible to receive financial aid but did not receive it because we didn't have the funds.

SENATOR ADAMS: And if I recall right, in our distribution we have a methodology for distribution to the institutions. Once the institutions get ahold of the money, still Pell-eligible kids, but they have some internal discretion about...it's not necessarily you get five and you get five and you get five. They can...

MARSHALL HILL: They do have some discretion, but they must award the state-funded dollars to students who qualify for Pell grants or are just slightly above.

SENATOR ADAMS: And not to exceed the...does that University tuition account only for

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the aggregate distribution or the internal one as well?

MARSHALL HILL: Both.

SENATOR ADAMS: Okay.

MARSHALL HILL: Both, yeah.

SENATOR AVERY: So what we're seeing here is the effect of the recession, beginning in 2008, on eligibility and what the state has not kept up.

MARSHALL HILL: Yeah.

SENATOR AVERY: Yeah.

SENATOR HAAR: Wow.

MARSHALL HILL: Oh, yeah, it's quite traumatic.

SENATOR AVERY: Yeah.

MARSHALL HILL: It's quite traumatic. In fairness, the state of Nebraska has done better than many states. If you recall 15 years ago, 10/12 years ago, many states were starting very, very expanded financial aid programs, and many, many of them have had to cut those way, way back. Nebraska at least has not cut back the amount of funding, but we have had, up until recently, increasing enrollments with fairly stable...

SENATOR SULLIVAN: Except in your...in this report it says that we rank 42nd in the amount of available need-based financial aid per full-time undergraduate student.

MARSHALL HILL: Right, and we have, since I have been here, about 7 years now, we have ranked between 36 and 42. The rest of that story is you have to evaluate it to tuition rates in order to determine need and so forth. I want to spend just a couple of minutes telling you about the success of the Access College Early Scholarship Program. I have thought about changing the name of our agency to the ACE agency, and then...everybody loves this program and for very good reason. We asked you to start this program. Senator Harms carried the legislation. We started with \$50,000 that we had been unable to spend in state funds and we are now, this year, we...us, as of last week we have awarded \$784,000 to students. These are needy students, high school students who, if they were going to college, would qualify for Pell grants or other assistance. They're on free and reduced lunch or something similar, and they are taking dual enrollment courses at our colleges and universities. And you'll see that you have added increased funding to that--the dark green bars--but we have also been applying

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for and receiving significant amounts of federal funds to add to this program. The next page, 44, shows the growth of the program itself. Now students this year have generated almost 11,000 credit hours, 1,700 students. When we started we had almost no participation from Omaha school districts; now it's uniform across the state, and what we are seeing is these students are going on to college at higher rates than the overall population. And these are students that we would expect to go on at lower rates because they're poor students.

SENATOR AVERY: Are they getting need-based aid?

MARSHALL HILL: They do not get need-based aid because they're high school students. The only need-based aid...the only need-based anything they could get is this.

SENATOR AVERY: I know; I mean when they do go to college.

MARSHALL HILL: When they do go to college, these are students who by definition would qualify for federal Pell grants and the Nebraska Opportunity grant. And actually we took a little federal money and created a separate little program for those students, for "A" students who are then graduated and on into college, and we're providing them a little additional funding: \$500 for the first and then \$1,000 for the second year.

SENATOR SULLIVAN: And will we be able to follow and track their progress?

MARSHALL HILL: We can.

SENATOR SULLIVAN: We can?

MARSHALL HILL: We can...

SENATOR SULLIVAN: Okay.

MARSHALL HILL: ...because we control this money, we control the reporting on this, and we can tell you exactly what we'd tell you on page 45. We...these are not estimated numbers, these are actual numbers of students who are going on to college. And you see low-income students who are not participating in ACE are going to college at 53.8 percent. ACE students who are low income are going on at 77 percent, and we attribute the decline since our first year as we just got a much larger sample size. We had just...we had 294 students our first year; we've got 1,700 now, and we would expect, you would expect...this is a very successful program. Completing degrees and awards, our story is mostly in the right direction. These are disaggregated here by sector. Once again these numbers for every institution are the students who start at that institution as full-time students and then graduate from that institution. So if somebody transfers from Peru to UNO, they are lost to the system.

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SENATOR AVERY: Well, that's a pretty impressive number there for the University of Nebraska, so.

MARSHALL HILL: Yeah, the University of Nebraska does a good job in graduation rates. Many of us, if we have friends who tell us that their children haven't decided what they want to do in life and aren't quite ready to start college full-time and they're going to work part-time and go to college part-time, I think our natural inclination would say, well, that's all right, and it certainly is on an individual basis. But students that start part-time have a much lower chance of ever graduating from anywhere, and that's what the data on page 48 shows. Life intervenes, obligations arise, people marry, they have responsibilities. So basically the quicker one can get through school, the higher the likelihood it is that you're going to graduate. Our graduation rates are improving. I do want to mention Senator Sullivan's question about are we keeping them. We used to be able to give you information on that, and it came from the U.S. Census. But the U.S. Census is not taken in the same way it used to be taken, and there is the American Community Survey data which exists as opposed to full decennial censuses. And consequently, the data aren't good enough for us to tell whether or not and how well and to what extent we're keeping our own graduates. There are certain surveys that we carry out, that the institutions carry out and we coordinate with the Department of Labor. And so for some of our schools, we can tell you what percentage of their graduates remain in state, but not for all because not all schools participate, so we can't really answer this third question. Overall, my 50,000-foot assessment, Nebraska higher ed is doing really quite well in many ways. Our problems are that we don't realize that we do have some problems, and we need to do a better job with minority students. All of our population growth in the state is in minority segments of the population, the parts of our population that we have done least well in getting through high school and getting on to postsecondary education. We believe strongly that we need a high percentage of our population to have postsecondary education. And I don't mean baccalaureate degrees, I mean postsecondary education. We want...a lot of students will have and need to have baccalaureate degrees. Others will find associate degrees and certificates to be sufficient and matching their career goals and aspirations. We're moving in the right direction in almost all of our metrics, but we're not moving fast enough to account for this pretty rapid population shift that we are now having. We do need to reach out to the minority communities more to have better success. One of the ways that we're doing that is through dual enrollment and career academies. You asked us to do a study. Had there been time today I would have told you a little more about that, but there are some slides at the back there. You asked us to do a study on dual enrollment. Basically, we found some of the things that we...found that there's...we don't know how much dual enrollment is going on in Nebraska because we don't have a data system which will tell us. We don't know how well those students are doing because we don't have a data system, which I'm going to keep hammering about this. But national studies should give us great heart. If we look at the states that do have good data systems, students who

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participate in dual enrollment programs 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, and we are seeing that in the students that we track through the ACE program. The last thing I'll mention is we presented the results of our dual enrollment study to the State Board of Education, and they were very interested in working with us to develop potential legislation for your consideration for next year, and we will be doing that. But we are one of the five states or so in the nation without any kind of meaningful state standards that are enforceable or state statutes dealing with career academies and dual enrollment. We think there are...there is some low-hanging fruit that we could bring to your attention and help move that along. I appreciate your presence this morning. I'm aware that you're very busy and there's a lot going on. If there is any alternate way that we could present this information to you in the future that would be more useful to you or an alternate time, we are certainly open to do that. I think this information is important for you to know. It provides background information on a \$700 million state investment that you only see little pieces of from time to time and it gives you a context against which the various facts about our institutions can play out. And we've put a lot of time and attention to it, we try to make it as digestible as possible. We put it out in this executive summary. The full report is here. There is an enormous amount of work carried out by Barbara and Duncan Hsu of our staff and several others. A reasonable question is: Do we really need all of this? I can guarantee you that almost everything in here we get asked through the year by somebody. And rather than just do a whole series of ad hoc little research studies which don't capture everything, this pretty much is the Bible for us. And we get lots of requests for this data from outside the state, and this is the only comparable state data report on Nebraska higher education.

SENATOR SULLIVAN: Marshall, you started out your conversation by talking about the fact that the deadline for presenting this report is in statute. Do you have any background as to how that date was arrived at? Because in terms of looking at what we can do with some of the ideas you've brought forward, it's a little problematic in terms of dealing it with this session.

MARSHALL HILL: No, I...and actually I talked with the Senator Don Pederson the other day, and he was Chair of the Appropriations Committee and...when this early study was done. And one of his last acts was to put this statute in, and he admitted he didn't really give a lot of thought to the specific date. He just felt strongly that--excuse me--that it was important that the information be presented to the committee. And I've talked with Senator Adams. Most...this is long-term background kind of information, and I think the exact when is not as important. Pardon me?

BARBARA McCUEN: I can answer, though, the question...

MARSHALL HILL: Oh, all right.

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BARBARA McCUEN: ...because I'm the birth mother of this with Senator Pederson. And the report was originally due November 15 for the reason that the legislatures like yourselves would have plenty of time to digest it. And what happened is due to the original timing of the data that we get from the national systems and all of the research we do it became physically impossible to do it by November 15, so we moved it to December 15. And then, to be honest, we had increasing problems getting data from the Department of Education here in Nebraska, and it has been ultimately moved to March 15, primarily due to the timing of their date of processing of the prior years' high school graduates. And we feel that the high school graduate data is so critical to this publication and to having the state have that data available that we have maintained the March 15...

MARSHALL HILL: Yeah, thank you, Barbara. I had forgotten that complication. We have problems...

SENATOR ADAMS: Unfortunately, the time line is...that's helpful to understand, but I think it leaves all of us in the bind of how do we respond legislatively.

MARSHALL HILL: Yes.

SENATOR ADAMS: And now we've got...I guess the good thing is now we've got between now and January of next year, but...

MARSHALL HILL: Right, right.

SENATOR ADAMS: Yeah.

MARSHALL HILL: And because of the points Barbara mentioned, I don't know that there's much we can do about that. We certainly can't really have much influence over the federal system.

SENATOR SULLIVAN: Well, except though then when you talked about the fact that you're meeting with the Department of Ed and having some discussions about future legislation that would be presented to us or sometime between now and next January...

MARSHALL HILL: Um-hum.

SENATOR SULLIVAN: ...that perhaps March 15 is too early. Maybe it should be something...sometime during the summer, if you will, to allow a little bit more action/interaction between you folks, us, and Department of Education.

BARBARA McCUEN: May I respond to that, too, since I'm familiar with the process we

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go through?

SENATOR SULLIVAN: Sure.

BARBARA McCUEN: This report includes the latest available data, and there will be no more recent data until this summer.

SENATOR SULLIVAN: Um-hum.

BARBARA McCUEN: We won't be able to process that until August-ish, so this is really good timing for the data to be put together. And I would...and knowing historically how consistent our data is, the problems, you could use this report to plan for next year. There is, just because of the timing, you shouldn't feel at all that you cannot rely on this to think next year and monitor.

MARSHALL HILL: Yeah, yeah.

BARBARA McCUEN: So I...this, you're getting the optimum amount of data in a year that we could provide and any other timing, do...also let me say for the Department of Education they go through a very, very long, arduous process of which deadlines are established by the federal government, and so they are driven also by some outside forces that cause them to have some of the deadlines they do.

MARSHALL HILL: Um-hum.

BARBARA McCUEN: We do press them to get this out earlier than they would like, but it's that.

MARSHALL HILL: Right. I think just...I think that helps. I mean, this is largely background data. There are certain issues and projects and problems that come up that we see. And if we think that they are something that needs to be brought to your attention or influence legislation, we're certainly going to be proactive about doing that. We've been proactive about doing that. We did a community college study for you. We did the...we suggested the dual enrollment and career academies study because we saw that as something coming. We were...there was not the opportunity, given the timing on that, for us to come forward with any legislation this year, but we will be coming back with that next year.

SENATOR ADAMS: Given the hour, thank you.

MARSHALL HILL: Thank you.

SENATOR ADAMS: Good, quality research as usual. We appreciate that.

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MARSHALL HILL: Thank you.

SENATOR ADAMS: And we will adjourn this public hearing and go upstairs and do what we have to.

MARSHALL HILL: Okay.