

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

Education Committee
March 31, 2010

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The Committee on Education met at 12:30 p.m. on Wednesday, March 31, 2010, 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; Gwen Howard, Vice Chairperson; Bill Avery; Abbie Cornett; Robert Giese; Ken Haar; and Kate Sullivan. Senators absent: Brad Ashford. []

SENATOR ADAMS: So I first of all, want to initiate this hearing by welcoming all of you and particularly Marshall Hill from the Coordinating Commission and the folks that you brought along with you. This is the report, Higher Education Report, that statute requires each year from the Coordinating Commission. And with that, we'll begin the report. Marshall. []

MARSHALL HILL: Thank you, sir. It's good to see all of you today. You look like you're holding up well and will make it to the end of the session without major problems. I'm glad to see that. []

SENATOR ADAMS: Don't look too hard. (Laughter) []

SENATOR SULLIVAN: We're not there yet. []

MARSHALL HILL: I'm an optimist. I'm pleased to be here today to visit with you in the Higher Education Progress Report. As you've seen from the document itself, it's a rather daunting assembly of information. It's available in several different levels of detail. The highest level view we're going to walk through today, this PowerPoint presentation that you have in front of you. There is an executive summary for the document which we've provided you as well. The full report, as you've seen, is yaaay thick. It has appendices as well which delve into the issues as they affect each individual institution, and then behind all of that, something you don't see, are Excel spreadsheets which contain all of the raw data, and we get very frequent questions from the institutions to have access to the raw data itself, so that they can do their own analyses for that. So we print very few copies of this full report. We can't afford to print more; we don't need to print more. We put everything on the Web immediately upon its completion. Who uses the report? I think, actually, we are the biggest users of the report in responding to questions that we have from you, other members of the Legislature, your staffs, the Governor's Office, our sister agencies around the country, various other state entities. Institutions use the report significantly because, actually, we have more research horsepower than many of them have, and so they can look at their progress or lack thereof and compare it to others, and legislative and Governor's Office staff. Before delving into this, who produces the report? Like everything we do, it's an officewide exercise, but our research team is led by Dr. Barbara McCuen, who is right behind me. She's our research

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coordinator. Dr. Duncan Hsu, who is a shy person and spends his time with databases...he's not here; he's back at the office. And Kermit Spade, data analyst. Kermit is going to help walk us through this report. So we'll go right ahead. The full report is available on-line, on our Web site. As Senator Adams mentioned, this is required by statute. We provide it to the Governor, the Legislature, institutions, and so forth. I've already briefed the Governor on it last week. It focuses on three key priorities that were recommended by the LR 174 Higher Education Task Force in 2003 and 2004. That task force was chaired by the former Chair of your committee, Senator Ron Raikes and Senator Don Pederson, who was, at the time, Chair of the Appropriations Committee. The LR 174 task force identified three priorities for higher education in Nebraska. The first: increase enrollments in higher ed; the second, increase the percentage of students who complete degrees; and third, reverse the net out-migration of Nebraskans with college degrees. So what we're presenting to you here today is, of course, not the whole of all the research that we do on all of these topics, but the research that we do that relates to these three priorities. So the first--increase enrollments in higher education. And please, stop me with any questions you have at any point. Increase enrollments--The top line there is total fall enrollment of Nebraska postsecondary institutions. This is all postsecondary institutions of every sector, every type. If the goal was to increase enrollment, clearly, we're doing that. This is everybody, every student--full-time, part-time student who shows up and takes one class, etcetera. And you see, that's up 14 percent, 14.8 percent since 2003. So the top sloping upward line is total good. The bottom line is troublesome. The bottom line shows the total fall first-time freshman enrollment--first-time freshmen enrollment in all Nebraska postsecondary education institutions. This is the lifeblood of...this is the engine that generates future enrollments, and you'll see that that's been on a downward trend, a pretty significant decline since 2003. So we have more students in the system, but we have fewer new students coming into the system. Yes, Senator. []

SENATOR SULLIVAN: Probably going to say this, but what do you attribute that to? []

MARSHALL HILL: Lots of things. Students are making different choices about what they choose to do. They are delaying enrollment. Sometimes they're enlisting in the armed forces. They're entering the work force and thinking that they'll start college later. Secondly, we've had a totally flat or slight decrease in a part of this time of the number of Nebraska high school graduates. So we're...the pool, the high school pool from which we are drawing, higher ed is drawing, is not increasing. And so if first-time freshmen enrollments are to increase, we have to go deeper into that pool. Okay. The next slide breaks this down by sector, and you'll see that this enrollment growth is shared by all sectors. Every sector has shown increased enrollment over this period of time, fall 2003 to fall 2009. The next slide addresses that point I mentioned. These are the annual number of high school graduates, the actual number, and you see that from 2002 to 2003 right here we had a decline for several years, then an increase, and then a decline. And we're not showing much of a projection of increase in high school

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graduates all the way through the next eight or nine years. So if we are to increase enrollment in higher education, we need to dig deeper into this pool and bring adults back into higher ed. We can't just continue on with the same percentage of students we've always been getting. The next slide looks at the high school graduates themselves, their ethnic distribution. And what this slide and several others show are that our graduates--high school graduates--are becoming increasingly diverse. They made up...white students made up 89.5 percent of the graduates back here in 2003, and they now make up only 83 percent of the graduates, and our projection is by 2018 they will make up only 71.6 percent of the graduates. Now, these projections are based on the assumption that we keep on doing what we're doing. That is, that we have essentially the same graduation rates of white students and the same graduation rates of Hispanic students and the same graduation rates of black students. And none of us at the commission believe that that's satisfactory. We must increase the graduation rates, especially of our minority students. So this picture, if we are successful in doing that, if we can get our black students and our Hispanic students and our Native American students to graduate from high school at higher rates, this will look different. That white percentage will be even lower, and these will be even higher. Next slide...the next priority or objective within this priority was to increase high school graduation rates. There is some good news here. High school graduation rates are increasing for all ethnic groups. What you see in these three bars are time slices from 2002 for the white; the orange is 2007 and 2008; and the red one is the latest. So about 92.7 percent of our white students graduate from high school, and all the way down to only 68.3 percent of our black students are graduating. As I indicated, except for the Native American students, the trend lines are up even just slightly for all of those groups. The next slide...I think most people tend to believe that if students don't...the students that don't graduate from high school are black and Hispanic. Most people believe that. This slide shows that that's not the case. More white students drop out of high school than Hispanic, black, Native American, and Asians/Pacific Islanders combined. So if you think the high school dropout phenomenon is a black and Hispanic issue, it's not. The next...pardon? []

SENATOR CORNETT: Just a question. I understand that the white population would have a higher number of dropouts because they're a larger population. What is the per capita? []

MARSHALL HILL: You will see that right in the next slide. []

SENATOR CORNETT: Okay. Sorry. []

MARSHALL HILL: (Laugh) If we...so the reasonable question is, yes, there are far more white students, so their dropouts can quite easily (inaudible) for it so this makes the comparison that Senator Cornett asked about. This compares the makeup of the high school graduating class with the dropouts. So white students account for...in 2008 they

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accounted for 83.5 percent of the high school graduates, and of the dropouts they accounted for 54 percent of the dropouts. And if you look down at this other end of the chart, Hispanic students accounted for only 8.3 percent of graduates, but 20 percent of dropouts. Black students even worse...only 5.4 percent of high school graduates, but our black students account for 20 percent of our high school dropouts. Okay, next slide, please. Then...yeah, the next objective is to increase the percentage of high school students who are adequately prepared to proceed through postsecondary education. That is, students will do better if they're better prepared to succeed in higher ed. The Governor has asked me questions about this a number of times. He says when he visits school boards and asks them if they feel that their graduates are well prepared for college, they all say yes. When he talks to faculty members at colleges and universities and asks them if their graduates are well prepared, they say no. So he said, Marshall, who's right about this? We do not have a data system which allows us to intrinsically examine that issue, and there would be lots of problems if we did, issues of great inflation, and so forth. But here is the best answer that we can come up with. ACT...about 75 percent of our high school students in Nebraska take the ACT test, and they take multiple parts of the test, and we know how well they do on those parts. ACT has established a series of benchmarks that say if you achieve this level on the ACT, you have a 50 percent chance or better of getting a B or better, and a 75 percent chance of getting a C or better. Okay? So a given ACT score at a certain level predicts whether a student has a 50 percent chance of getting a B or better; 75 percent chance of getting a C or better. That's not stellar, but at least it's adequate performance. Now, in these four subjects--English, algebra, biology, and social science--here is the overall composite performance of our Nebraska high school graduates. Now what this means is that 31 percent of our white graduates--high school graduates--scored high enough on the ACT test in English, algebra, biology, social sciences to predict that they will get...have a 50 percent chance of getting a B or better or a 75 percent chance of C or better. This is not stellar performance by this metric in any way. It goes down. Asians/Pacific Islanders have the same chance...Hispanic students much, much lower; Native Americans lower; black and Hispanic students the worst. Yes, sir. []

SENATOR HAAR: I had one question on a backward slide that...I'm sorry, I didn't mean to interrupt you here. []

MARSHALL HILL: That's all right. []

SENATOR HAAR: The thing I'm wrestling with a little bit...I don't think in terms of dropouts that you show...like what percent of the white students dropped out? You're showing what percentage... []

MARSHALL HILL: Correct. I don't have that right here handy for you. If we can look that up, I'll have someone do that while we go ahead and... []

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SENATOR HAAR: Okay, I'd like that too. Okay. []

MARSHALL HILL: ...and we'll either give it to you right now or give it to you right afterwards. []

SENATOR HAAR: Okay, thanks. []

MARSHALL HILL: Is this clear? This is a predictive estimation based on ACT's data, using the scores of Nebraska students, and it's not stellar. []

SENATOR AVERY: How does this compare nationally? Do you know? []

MARSHALL HILL: Our students...yes, we do. Our students score slightly better than national averages on ACT and, therefore, this is a slightly better picture than is common across the... []

SENATOR AVERY: Still nothing to write home about. []

MARSHALL HILL: Nothing to write home about, no. I would not be terribly happy if my son or daughter told me they had a 50 percent chance of getting a B or better. I'd want them to be far better prepared. []

SENATOR CORNETT: When you're talking about comparing nationally, we've heard over and over again about OPS having a much higher dropout rate for African Americans. []

MARSHALL HILL: Um-hum. []

SENATOR CORNETT: What is that dropout rate for other ethnic...I can't even say it today, but you know what I'm saying,... []

MARSHALL HILL: I do. []

SENATOR CORNETT: ...compared nationally? Do we have a lower than, same as, higher than, dropout rate for Hispanics, whites, and others? []

MARSHALL HILL: In the Omaha area? []

SENATOR CORNETT: Yeah. []

MARSHALL HILL: I don't have that information right now. We'll look it up; we'll get it to you. []

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SENATOR CORNETT: What about statewide? []

MARSHALL HILL: Statewide...statewide we don't do nearly as well as we think we do. We have...our dropout rates for our black students are no better than middle of the pack for that, but let us look into that a little bit for you and get you some detailed information back on that... []

SENATOR CORNETT: And could you also look into white and Hispanic? []

MARSHALL HILL: Yeah, yeah. []

SENATOR CORNETT: Thank you. []

MARSHALL HILL: We'll always put that in...in context. []

SENATOR HOWARD: And Marshall, I'd like a copy of that information too, especially regarding Omaha. []

MARSHALL HILL: We'll share it with all of you, share it with all of you. []

SENATOR SULLIVAN: Along those lines, in your analyses, do you do comparisons among counties or schools so you begin to see the demographics of the state...rural versus urban? []

MARSHALL HILL: To the extent that we have the data available to do it. We produced a report for the Governor two months or so ago... []

BARBARA McCUEN: On the college going rate. []

MARSHALL HILL: ...on the college going rate of individual school districts. And we have that available. We have also looked at...we have within our report, there is a section on the 14 Nebraska school districts which together account for about 75 percent of all of our high school dropouts. And that is...if you want...somebody will look up a page for me who can refer you to that. We have the answer to Senator Haar's question. []

BARBARA McCUEN: Page 33 of the main report is the 14 selected Nebraska school districts with highest dropout rates and numbers. []

MARSHALL HILL: Okay. All right. []

BARBARA McCUEN: The answer to the Senator's question about dropout rates is of statewide, the dropout rate for white non-Hispanics was 6.8 percent in 2008-2009, 6.8 percent of the students dropped out, white. Asian 6.2; Hispanic 22.2; Native American

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31.6; and black/non-Hispanic 30.6. []

SENATOR HAAR: Okay. Thank you. []

MARSHALL HILL: Um-hum. One last point to make about all of this...this is the performance of our students about whether they are ready for college, is that every ethnic group's performance increases when they take the designated core...the college prep core. Thank goodness. If you take more math, science, social science, history, you perform better. And it's not that just white students perform better or just Hispanics, every student group sees a very significant performance gain on ACT scores when they take a more rigorous curriculum. The next objective was to increase the percentage of high school graduates who enroll in postsecondary education. This is murky data. Different people quote different college going rates. This is the rate based on the integrated postsecondary education data system. That's with the U.S. Department of Education. Our current college going rate or rate in 2007-2008 was 66.4 percent. That's an increase of 3.5 percent from 2002. There are a number of initiatives going on to help increase that. Next slide. We're looking at low-income students. For too long we've been looking at students on the basis of race and ethnicity and not on the cross-cutting issue of poverty. This is actually a more accurate number. I give two numbers on the college going rate because the first is comparative...one set of everybody's estimation of what every state's is. This is our actual own research from better data; 69 percent of our total high school graduates go on to college. A couple of things on this that are important. You'll notice that of all graduates, females go on at a higher rate than males. []

SENATOR HAAR: Is that because they're smarter? (Laughter) []

MARSHALL HILL: Must be, must be (laughter). []

SENATOR HOWARD: Or convinced (laughter). []

MARSHALL HILL: On low-income graduates, now these are students who have been on free and reduced lunch or something similar; a 52 percent go into college rate. Huge difference--69 percent...52 percent. Our non-low-income graduates, that is, this group minus this group, 74 percent of them go onto college. So, you know, if you're a low-income student, regardless of your intellectual capability or preparation, you have a much lower chance of going on to college. And every group, you see, the women are going on at higher rates. Next slide. Increase the percentage of Nebraska high school graduates who pursue their postsecondary education in Nebraska. That is, keep Nebraska students here. We have pretty much been doing that. You see, there's almost no change...almost no change. The bottom students are the students who are staying in Nebraska. These are students who have graduated from high school and enrolled in higher ed within 12 months of graduation. And we keep about 82 percent of them, and that's held steady for the last eight years, ten years. And the number going out has held

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steady as well. Next. Yes. []

SENATOR CORNETT: Marshall, just one quick question. When you look at achievement rates of male versus female, and grade school girls tend to have higher math scores. In high school, it reverses. When you say more females are going to college than males, what is the percentage of graduation rates for female versus male? []

MARSHALL HILL: It's higher. I think we have that right here coming up. []

SENATOR CORNETT: Okay. []

MARSHALL HILL: If we don't, we'll get it to you. Females are currently...this is a change...I've worked in higher ed all my life, and this is a change during that period of time. Women are outperforming men in every area of education every way we slice this. They graduate from high school at higher rates. They go to college at higher rates. They graduate from college at higher rates. They have higher GPAs when they do graduate. The only single area in which we don't...and there are more of them. There are more of...more women now in higher education than...than in men. The only single area that we track in which the women are not in the majority are in the number of foreign students that we have here, both in the United States and in Nebraska. And I think you can realize that parents are probably more willing to let their sons travel abroad to be educated than they are their daughters. []

SENATOR HAAR: And the number of women in the Legislature (laughter)... []

MARSHALL HILL: And in medical schools and in vet schools and so forth, it's enormous, yes. []

BARBARA McCUEN: (inaudible). Also, may I add, one of the most interesting phenomenons is that women are now outnumbering men at the doctoral level. That has just occurred recently. []

MARSHALL HILL: Yes. Okay, the next thing is to look at the number of non-Nebraska residents. That is, we wanted...the Legislature wanted us to focus on how well are we keeping our own students, and how well are we bringing in students from outside the state? We bring in about 3,000 non-Nebraska students every year, and that's gone up just slightly from 2002. Fall 2008 we're about 3,388 so about 3,400 up from a base of 3,000 in 2002. []

SENATOR ADAMS: Which sector do we contribute most of that to? []

MARSHALL HILL: That's going to be about two slides into the future. The University,

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though, basically, yes. It's interesting to look at net migration. Net migration is the number we brought in minus the number we lost. Okay? So in 2002, our net migration is 232 more students were going out of the state to be educated than were coming in; 2004, that increased to 254 signified by our declining... []

SENATOR HOWARD: Falling duck (laugh). []

MARSHALL HILL: Falling duck, yes. (Laughter) But it turned around in 2006, and we showed a net gain of 197 students and fall 2008, a net gain of 366 students. So most of the metrics that have been established and are reported on thus far to you are going in the right direction. Nothing really dramatic, but the things we wanted to count are moving in the right direction. Next, increase the number and proportion of Nebraska postsecondary students who have been underrepresented in the state's higher ed system. This looks at minority systems, minority students. This is an interesting...is an interesting slide. The white bars, cream colored bars indicate the percentage of the high school graduating class, so in 2008, the high school graduating class was 85 percent white. And the following fall, the freshmen entry class in the postsecondary education was 85 percent white. I've worked in five other states and follow this. We are really quite unusual in this, so overall, you can say that the ethnic distribution of Nebraska's total high school graduating class and its total fall freshmen higher ed class is not much different, not much different at all. As many of you know, I used to work in Texas. Texas, we saw a huge drop-off in Hispanic participation between high school graduation and college enrollment. That's not the case in Nebraska. Our problem in Nebraska is we lose our minority students before they graduate from high school. If they graduate from high school, we get them on into...into higher ed at proportional rates, but we're losing them before high school. Next slide. This is also interesting. We have lost 3,100 white students in higher education between fall 2003 and fall 2008. If anyone thinks that we can go on doing what we have been doing and letting white students largely succeed, black and Hispanic students largely not, this ought to...this ought to (inaudible) none of that. We just cannot do that, and that loss has been shared across all sectors except for the University of Nebraska. Next slide. The Legislature thought it was important to make postsecondary education affordable and accessible, so they...one of the strategies was to increase need-based financial aid. And the Legislature has, indeed, done that. The NSG which is now the NOG was the Nebraska State Grant and the other day you voted to change the name of it to the Nebraska Opportunity Grant, in 2003 was funded at \$4.4 million of state-direct general revenue funds. We also get some additional lottery funds for that. And then the state-funded Nebraska State Grant in 2008-2009 was 7.6 million, so a significant increase, you see there. Federal Title IV, Title IV is the federal financial aid programs, all of that, you see that's increased considerably. So the total need-based financial aid available to students in public institutions in Nebraska...public institutions...went from just about \$70 million in 2003 to 2004 to \$96 million in 2008-09. Next slide, please. The percentage distribution changed, so we're relying in slightly different ways on that. Okay? And, once again, this is only public. The total amount of

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need-based aid that's provided by other sectors is...we don't have access to that...to that information. Next, please. Several years ago now, I believe three years ago, the Legislature established the Access College Early Scholarship Program. We had had a small scholarship program that we were unable to...not enough people wanted to go to the trouble of getting the money. We were never able to give the money away. It was a matching grant for community-based organizations to put up a certain amount of funds and get additional matching funds from us. It was only \$50,000 a year. We were never able...the complexities written into statute about what you had to provide to us was daunting, and so we came to the Legislature through Senator Harms, suggesting that that program be eliminated and that another be started with those funds. And that was the Access College Early Scholarship Program. This program pays the college tuition for poor high school students who are taking dual enrollment courses. They're taking...they're in high school, and they're taking college classes while they're in high school. They're on free and reduced lunch or something similar. We started with \$50,000. You have increased the funding for that over the past several years, and we have dedicated a total of about \$300,000 in federal funds that we were able to obtain for that. We have just learned that through the act that President Obama signed just yesterday, we're going to be getting some more funds which we will dedicate to some of that. This is a phenomenally successful program. This does everything you could ask a program to do. Remember, these are, by definition, poor students. You remember that they had a college-going rate of 52 percent. Right...52 percent. The students that have received the ACE scholarship grants to enable them to take courses while in high school are going to college at an 87 percent rate. This is the highest college-going rate of any sector that we track. This is higher than the reasonably well-off students, in general. It's higher than our general rate, and the other thing I'll point out is this is the only group of students where the males are doing as well as the females. Now, you know, this is a...it's changed over time, but we in our country are dangerously close to getting a well-educated professional class of women with undereducated men to choose as husbands (laughter). And most people think that that's problematic. []

SENATOR HAAR: There goes the gene pool. We just need more incentives. []

MARSHALL HILL: We do. We need to, we need to. []

SENATOR SULLIVAN: Now you're using all the money, I presume, from this... []

MARSHALL HILL: We are using all the money, right. Right. And we...in order to enable more students to get this opportunity, we had to limit it to one course per student per semester, and we...that's what we have done. If we are able to get some more federal funds to support it, we want to open it up to what they can take. The students are doing well. We get their grade reports on that. They're doing B or better in most of these. []

SENATOR ADAMS: Does the success of this raise questions in your mind about

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whether it is, as a result of the finance that's available for this, or if it's a result rather of challenging curriculum? Students of any income level finding out I can do college successfully? []

MARSHALL HILL: Senator, I think it's both of those things. There is a...there's a several year old initiative by the American Association of Colleges and Universities called Greater Expectations like the Dickens Great Expectations, Greater Expectations. I've worked on that project for about six years. The main phasis of that is that we don't challenge students enough. Students don't feel challenged regardless of the level of their capability. The well-performing students don't feel like they're challenged well enough, and the lower ones don't feel that either. They find that when they are, they become more engaged, and their performance goes up, so that's all on that side of it. On the other, these are very poor students. Our associate director, Carna Pfeil, recently completed her dissertation, studying these students and this program. And she interviewed many of these students, and some of the stories are heartbreaking--no support, no parental involvement, but yet they do this; they succeed in it, and they think, I can do this; I can go on. So we right now are...we can use a little more money; we're going to get some more money. This is one of the very few things that the Legislature increased funding for in the last session. []

SENATOR SULLIVAN: Are these courses typically taken in the school building or on-line or? []

MARSHALL HILL: They are...they are largely taken in the school building by faculty members who are high school faculty that have met the faculty requirements of an offering postsecondary institution. Also, there are instances where some students who, if they're here in Lincoln or Omaha and attending high school, they could in the afternoon or in the evening go to a class at Southeast or what have you. []

SENATOR CORNETT: How are these students selected for this? I mean, is it something they sign up for or is it something that their teacher or the school approaches them about? []

MARSHALL HILL: They apply...they apply for it. We spread the word about this through the guidance counselors and through the principals. We work with EducationQuest on the tours that they do around the state. There has to be a sign-off from the school counselor. []

SENATOR CORNETT: So these are probably more motivated people regardless of their economic condition then because this is something they are seeking to do. []

MARSHALL HILL: Yes, yes, yes. []

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BARBARA McCUEN: I would like to add that we don't have the data from the Department of Ed to test an important hypothesis, and that is the non-low-income group on the bottom of the chart, is not broken out by grade point or ACT level, and based on my experience, if we could test this lower group, we would find that the students with higher grade points, more motivation to go to college, whatever, they are...they're in the group within this non-low income that are going on at that high rate also. And so, I think that's an important point to keep in mind because what this grant does is equalize opportunity because the non-low income have other sources to go on if they're motivated and able. What ACE does is allow the lower income group to go on when they are motivated and able, so I think that's important for you senators to keep in mind that this is not a special group in terms of motivation and ability. There's kids with higher incomes that are motivated and able. But ACE is so important because it allows the low income to have the money to go on. []

MARSHALL HILL: And that's really important. In our country...in our country, the lowest performing well-off students...the lowest performing well-off students go to college at a higher rate than the highest performing poor students. I'm sorry, Senator. []

SENATOR HOWARD: Too bad. Marshall, I was just...you know, I like to think of things in black and white terms, you know. Here are the poor and the needy, and here are the well off, but you know, there's a gray area in there of people that really aren't poor, and their children aren't on reduced lunch, but they don't have the funding to just look at sending their kids to college even if their kids are doing well. []

MARSHALL HILL: Right. []

SENATOR HOWARD: They may not be the ones that are eligible for the scholarships. Do we look at doing anything for those? []

MARSHALL HILL: Yes, we do, and, indeed, we just have. []

SENATOR HOWARD: Is there a slide for that? (Laugh) []

MARSHALL HILL: No, but...but what's the status of the...is it passed? []

SENATOR ADAMS: Passed. []

MARSHALL HILL: Passed. And they passed a bill which will allow greater flexibility for that. []

SENATOR HOWARD: Good. []

MARSHALL HILL: Right...the Nebraska State Grant now...or was...was prior to the

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action you took the other day, was restricted to students who were Pell Grant eligible, and we, for years, have heard from college financial aid people the complaint that we have some students who just missed that eligibility, and we can't find other funds for that. So we recommended to Senator Adams and he carried a bill forward to provide some additional flexibility and therefore... []

SENATOR HOWARD: So we'll see this next year or the year after? []

MARSHALL HILL: Yes, probably so, yes, because we do track the...we do track the percentage of recipients that are Pell Grant eligible and, of course, they all have been up to this point and will be able to identify the ones who aren't next time. []

SENATOR HOWARD: Good. Good job... []

SENATOR ADAMS: So...so Marshall, and you don't have to answer if you don't want to... []

MARSHALL HILL: You know me, I usually answer everything... []

SENATOR ADAMS: Given the success of this program and assuming...let's assume for a moment there is no growth in the revenues here or in our opportunity grant fund. Would we be better...would we get more bang for our buck to take money out of the opportunity grant and put it into this? []

MARSHALL HILL: Perhaps. We have tried to estimate how much money we could spend in this, and we, a year ago did that, and we were thinking we could probably at the take-up levels that we were seeing, spend \$600,000 to \$700,000 a year. We're not spending that much yet. []

SENATOR ADAMS: I know that none of the higher ed sectors want to hear me say that, but in terms of, if data tells us what will get a kid into college, a grant... []

MARSHALL HILL: Yes. Yeah, I think you're absolutely right. []

SENATOR ADAMS: ...a grant program versus success at the college level. []

MARSHALL HILL: Well, we put...the Legislature provides about \$600 million to \$700 million a year in funding for higher education in Nebraska. One million dollars into this program would be a good investment in that, and it's not a zero sum game. The institutions are going to get those students eventually, and the other key point was these students have no access to any kind of financial aid whatsoever unless it's a local school district deciding they're going to help pay for this. Whereas these are the very students who the moment they enter college, they're eligible for Pell Grants, the

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Nebraska Opportunity Grant, and other sources. So this is an important bridge. This can get them in the door. We don't have data to know whether they proceed onto graduation at the rates that we'd be pleased with. Two other studies done in other states show that students who take dual enrollment courses in high school stay in high school at higher rates, graduate from high school at higher rates, go to college at higher rates, come back to the sophomore year at higher rates. So... []

SENATOR SULLIVAN: Are you going to track that? []

MARSHALL HILL: Yes, we are. Yes, we are. []

SENATOR ADAMS: Do we know, Marshall, are there...are there a number of high schools in Nebraska that will pay for the dual credit for students? []

MARSHALL HILL: There are some, and we don't have information about that. []

SENATOR ADAMS: Okay. []

MARSHALL HILL: The data is not recorded. Nobody keeps track of how much dual enrollment my high schools go on and what the funding of them is. These are the only students about whom we know virtually anything, and they're the ones that have been funded through this program. Okay, next. Increase the percentage of students who complete degrees. After getting into college, the next most important thing is to come back for your sophomore year, so this is first-time freshman, full-time first-time freshman retention. What this says is that, at the University of Nebraska, 79 percent of the freshmen who show up one year are back the next year as sophomores. And you will see that most of the sectors...well, no, this is a mixed bag. Some of the sectors have improved that between '04 and '08 and some have not. Okay, next slide. This is an important slide. If you have a friend who has a child, and they tell you that my son or daughter is not really sure what he wants to do, and instead of starting college full time, is going to start part time, just take a few classes, see how things like it. I think most people...your natural inclination is to say, well, oh, that's probably all right. You know, not everything for everybody, doesn't fit everybody. But if a student enters part time, they have a very significantly less chance of ever graduating. This tracks the retention rates of freshmen, so from freshmen to sophomore year. If you enter full time at the University of Nebraska, you had a...79 percent of the full-time students came back for the next year; only 52 percent of the part-time students. So if you don't...if you aren't retained, now theoretically...no, actually, some of those students that make up this gap here went off to other schools. But clearly, if you enter the University of Nebraska thinking that you want to graduate from the University of Nebraska, and you do so part time, your chance of doing that is much, much decreased. Graduation rates by sector, as you can see, this...this may be the first thing that might strike you is these numbers just seem low. But these are federal numbers, and the limitation of the federal database

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is that it only counts students who eventually graduate from the institution that they first entered, and that is not modern life. So if a student enters the University of Nebraska at Lincoln, goes a year, and then decides they want to transfer to Kearney and they eventually graduate from Kearney, they are totally lost in this system. And I would say that that scenario is not a failure for the student; it's not a failure for the University of Nebraska at Lincoln, and it's certainly not a failure for Kearney. But the federal system, in essence, counts it as a failure in all three. Now why do we do this? No one can support the current system, but the political will to change it has not been there. There has been...any attempts to make it more rigorous have been met with claims of Armageddon happening and so forth. []

SENATOR HOWARD: Well, it's such a misnomer, especially for the community colleges because that's one of the attractions of the community colleges to be able to take those credits and transfer them over. []

MARSHALL HILL: Right, right, right. So three or four years ago, we did a study...we don't have a data system in this state which allows us to track students from one institution to the other. We, with some money from the P-16 Initiative, from the Department of Ed, from the Coordinating Commission, we gave \$14,000 to the National Student Clearinghouse to be able to track students. And we had the institutions look at their students that had attended during one year, and then they were gone next. National Student Clearinghouse can find those students at about 90 plus percent of institutions around the country. What the institutions found is that every sector can kick this number up by 6, 7, 8 percentage points by identifying students who are either currently enrolled somewhere else or have already graduated from somewhere else. So the total higher ed performance is better than these numbers reflect. Next. Graduation rates...this just looks at race and ethnicity, and my point earlier we have the white students and Asian/Pacific Islanders clustered here, and the other three ethnic groups at significantly lower graduation rates. That's the bad news. The good news is that they are increasing in all ethnic groups...graduation rates increasing in all ethnic groups. The next and last point...this is an anomaly in the LR174. I think, in essence, it's keep educated Nebraskans from leaving the state. I don't know how anybody quite has the authority or will to do that, but jobs and so forth. We used to be able to provide you some decent information on this. This chart is a wonderful example of that phrase, "Garbage in, garbage out." (Laughter) The U.S. Census has been significantly weakened despite all those ads that you see. If you've done your census report, you know it takes you about three minutes to fill it out and send it in. The census moved away several years ago from a line on full form census to something called the American Community Survey, and this asks a very, very, very small sample of people certain things. For example, the total data set for this...I have some college but no degree. Okay? The total number of people that were asked whether you're coming to or going from Nebraska is 114 people. That's the sample size, half of whom are in Nebraska, and half of whom are spread throughout the other 49 states, so it's

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meaningless. Also, the sloppiness of the approach gives us only...we put some numbers here, but those are statistical... []

_____ : Estimates. []

MARSHALL HILL: ...derived estimates. The number could be that, but it could be that, and it could be that. Okay? We have this here because the statutory directive requires us to report something. I'm saying, that's what we can report, and it's absolutely worthless. The only thing is that we can statistically, with some slight degree of confidence, say it looks like we do continue to import more people with high school diplomas. Just for example, in addition to all those technical reasons why we have no confidence in this, do any of us really believe that 876 people with graduate or professional degrees came into Nebraska in 2007? []

_____ : More than. []

MARSHALL HILL: More than, yeah, I doubt that. So to sum up, all of this...Nebraska's higher education performance, over time, is a lot like our topography. It's largely flat. We get some little undulations. The undulations are going mostly in the right directions. Our trend lines are in the right directions in almost all things that are important to measure, but we're not doing it very quickly, and we're not doing it systemically. And we are masking our general belief that we have overwhelmingly good educational performance in this state by not looking close enough at the performance of our minority students which continue to lag and lag, and those I remind you, are the only segments of our population projected to grow into the future. That's... []

SENATOR SULLIVAN: With that in mind, I presume the average...what's the average level of education for all Nebraskans? Do you know that? []

MARSHALL HILL: Let me...let me send you information on that. We are a generally well-educated state. We have a...we are above average in the terms of the percentage of our population that have a baccalaureate degree; the percentage that have some college, and so forth. The slide that I will send you will show you where Nebraska is relative not only to the other states but to many other countries. []

SENATOR SULLIVAN: But based on what you just told me about how our demographics are changing,... []

MARSHALL HILL: Um-hum. []

SENATOR SULLIVAN: ...I would expect that that educational level might be in decline. []

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MARSHALL HILL: We are in danger of sliding. Now the thing which is moderating the slide is that we are still an overwhelmingly white state. And our greatest failures are in educating minority students which still, nevertheless, are a relatively small percentage. But they're people, and they're people that we need, and they're people that we can't afford to waste, and that we need to do a better job with. []

SENATOR HOWARD: Marshall, do you have information regarding the Goodrich scholarship program and the graduation rates there? That program has been in effect for what, 20, maybe more years? []

MARSHALL HILL: No, I don't. []

SENATOR HOWARD: I would be really interested in knowing how effective that is. I mean, it's been really...it's the...the purpose is outreach with minority...capable minority students that can... []

MARSHALL HILL: We will see what we can do. []

SENATOR HOWARD: I would really appreciate knowing that. []

MARSHALL HILL: Okay. []

SENATOR ADAMS: That's it. Any final questions for Marshall? Marshall, as always, the data is good, and it was informative, and thanks to you and your staff. []

MARSHALL HILL: Thank you. []

SENATOR ADAMS: Appreciate it. []

SENATOR HOWARD: Come again. (Laughter) []

SENATOR ADAMS: You will. You will. (Laughter) []

MARSHALL HILL: Oh, I will. Thank you all. []

SENATOR ADAMS: Thank you all. []