

Transcript Prepared By the Clerk of the Legislature
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Education Committee
January 24, 2012

[LB946]

The Committee on Education met at 1:30 p.m. on Tuesday, January 24, 2012, in Room 1525 of the State Capitol, Lincoln, Nebraska, for the purpose of conducting a public hearing on LB946. Senators present: Greg Adams, Chairperson; Gwen Howard, Vice Chairperson; Bill Avery; Abbie Cornett; Brenda Council; Ken Haar; Les Seiler; and Kate Sullivan. Senators absent: None.

SENATOR ADAMS: It is past 1:30 and, therefore, we're going to begin this hearing of the Education Committee, and certainly I know we've got a couple more members yet to arrive and they'll be with us. Want to welcome everyone who's here today and we are only going to hear one bill this afternoon. And let me begin, first of all, before we hear that bill, as I typically do, outlining the rules of the road here for a hearing in the Education Committee, first of all to introduce to you the people that are up here. To my far right is Becki Collins and she is the committee clerk, and if you wish to testify, proponent, opponent, or in the neutral on this bill, we'd ask first of all that you fill out the registration form--they can be found at the back of the room by the doors--and if you would bring those forward and give them either to a page or to Becki at the time of your testimony. And certainly when you come up to testify, we'd ask that you state your name and spell your last name for the record so the transcriber can clearly get that. We use the light system here and we're going to limit testimony to three minutes on all sides today. To continue with the introductions: We have a new senator amongst us, Senator Seiler from the Hastings area who has joined the legislative body and the Education Committee; and Senator Council from the Omaha area; Senator Cornett we hope will soon be here; to my immediate right is Kris Valentin, the research analyst for the committee; I'm Greg Adams, representing District 24; the Vice Chair of the committee, Senator Howard from Omaha; Senator Sullivan from Cedar Rapids; Senator Avery has joined us from the Lincoln area; and Senator Haar from Malcolm has also joined us on the bill. As is standard, I would ask any of you who have your computers or your cell phones on to turn them off, with the exception of credentialed press, and if you do need to text or e-mail I'd ask you to leave the hearing and certainly you're welcome to come back in after you've done whatever it is that you need to do. With that, we will begin the hearing and I will turn it over to you, Madam Vice Chair. [LB946]

SENATOR HOWARD: Senator Adams, welcome to the Education Committee. [LB946]

SENATOR ADAMS: (Exhibit 1) Well, thank you, Senator Howard. Members, I'm not quite sure where to begin on all of this, but I don't think retracing history does us a whole lot of benefit at this point. In August I invited all six community colleges back here to the Capitol and asked them very frankly if they were willing to work with me as we continued this process of trying to find a way to distribute state dollars to community college, and I want to tell you right at the outset, and if you catch me repeating this over and over again you can stop me if you want but I'll probably just keep doing it: This bill

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that you have in front of you and the consensus that we have built would not have happened had not all six community colleges said, yeah, we'll be there. And we met several times between August and December, and whenever we met the rule of the road was that first of all we don't meet unless everybody is there and no substitutes, and so each college sent their college president and their board chair. Our discussions were lengthy at times, they were heated at times but civil most of the time. We turned a lot of different corners, we went a lot of different directions, we expressed a lot of different ideas, and we have arrived at the proposal that you have in front of you. Like any proposal, is it perfect? Probably not. Probably not. But I think what is most important at this point, we have finally found some common ground. And there may be college presidents today that come up and talk about this. If not, I'm going to throw in my two bits. It's my impression that one of the things that they wanted to do was to get on about the business of being community college presidents, which means a whole lot more than feuding over state aid dollars. It's education, it's work force development and a whole lot of other things, and we needed to get to that point. With the passage of this proposal, that work can really be refocused away from dollars and back to where I believe the colleges really want to be. I could go on and on about this, and certainly if you have questions how we arrived at what we did, I would try to answer them for you. Basically, the proposal is this. This year, this coming year, by statute, aid is to be distributed proportionately what has already been appropriated in our budget, and the proportions at which it will be divided up are on the front page of that PowerPoint that I handed out to you. The dollar amount and the percentage amount, those amounts were agreed to by the colleges themselves and those amounts are currently in statute. We did that last session. What the proposal says is this. Beginning next year, not this coming year, we'll finish out this biennium, but in the first year of the next biennium what we'll do is this. The first \$87.8 million, which is what the appropriation is now, that amount into the next biennium will be distributed to the six community colleges in the same proportions that you see right here, same proportions that you see right there. Now what that does, it creates a starting point, a starting point that the colleges have agreed to. It creates some predictability for all six of them too. Now why is that important? Well, as you could imagine, any institution wants to be able to begin to look at programs and build budget and always wondering where they're going to be at with state aid. Assuming that in the next biennium the appropriation is at least \$87.8 million, they will know what their proportion would be; less than that, we still use these same proportions; more than that, we move into some new territory. The agreed upon proposal, and as drafted in this piece of legislation, is this. Let's make an assumption now for just a moment that the appropriation in the next biennium will be over the \$87.8 million. Here's what we've decided upon, that the first \$500,000, the first \$500,000 of any new appropriation will be appropriated to what is currently called Program 99. It already exists in statute but it's been lying dormant due to lack of funding. What that amounts to is this. It creates an opportunity for the six community colleges to make application for some or all of that \$500,000, based on what? Currently in statute, and I'm oversimplifying, but the Program 99 money, when it used to exist, was awarded largely

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because of vocational and work force development, economic work force development types of programs that colleges might be doing. This legislation leaves those same criterion in there but adds remedial education, getting kids through college. So hypothetically, on any given year if there is a new appropriation, the first \$500,000 goes into the Program 99 money. We may have...let's say we have two of the colleges making application for some of that \$500,000 based on some innovative programs that they're using for remediated programs, getting kids along, or maybe it's something new in work force development. That money would then be awarded. There would be a review committee, and what this bill does is take the old Program 99 folks who were on that review committee and we make some adjustments. For one, currently in the Program 99, under the old statutes, a university person is there. We take a university person off and we put a Coordinating Commission person on there. Formerly, in the law as it currently exists, there's one representative from the community colleges that's there. This bill would change that and what we would have is one representative from each of the cost group pairings of community colleges, so for instance, Metro and Southeast, very close to one another in characteristics, one person from that cost grouping; Central, Northeast, a person from that cost grouping; Mid-Plains, Western, one person from that cost grouping. So you'd have three community college representatives on that board. Department of Labor and DED and, depending on what we end up doing, that may be one person or it may be two persons, but they, too, would be on this review group that would allocate that \$500,000. One of the things that has become very clear to me, one of the many, many things that has become very clear to me in working with the community colleges is as we look across the country a lot of funding formulas for higher ed, not just community colleges but otherwise, are to some degree performance based. And I'm not saying that for one moment that's the way we ought to go, but it looked like to me that this Program 99 and allocating that \$500,000 to it and focusing the distribution of that money based on statutorily what we consider to be important for community colleges to be doing is kind of at least a half step in that direction. Okay? Now beyond that, the rest of the money, after we've taken \$500,000 out of it, the rest of the money, the first 25 percent of what's left would be divided equally between all six colleges. Again, it creates a bit of simplicity and a bit of predictability for all of the schools, but it would be divided six ways. The next 30 percent would be divided based on three-year average REUs. Remember what our REUs are--reimbursable educational units. It's an attempt to try to reflect the cost of education and we've talked about this many times here in the committee. And finally, the last 45 percent of the money would be distributed on a three-year average FTE basis, enrollment, enrollment. Now in that combination of dollars, what we find is a lot of compromise because you have the larger schools with growing enrollment that will be able to take advantage of this computation, yet on the flip side the smaller schools that lack the enrollment growth have some predictability and at least some assurance that if there is new money there will be some coming their way. Now does it recognize necessarily all of their costs? I mean we've been over that over and over again. Probably not. But for that matter, on any given biennium we don't know what the

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appropriation is going to be from us to higher ed, whether it be university, state colleges, or community colleges, on any year. The...you know, that really, to me, is the biggest part of the bill, but there are other parts. For instance, one of the things we talked about a lot was property tax, because as you well know community colleges do have property tax authority. What we have agreed upon here is this. Currently, currently, community colleges can levy up to 10.25 cents and another penny for capital improvements, so 11.25 would be the max. Doesn't mean that everybody is up to that but that's where we're at. Under this proposal, what we would do is set the cap at 11.25 and what that means is that under that 11.25 any one of the colleges would have that amount of leeway for general fund as well as capital, although the proposal would give them 1 additional penny for capital. Rather than 1 cent, they would have 2 cents for capital, but it would all fall under the 11.25; give the colleges the discretion how they wanted to use that. So the cap, in effect, is no different than it is today at 10.25 plus 1. It would just give them 1 more cent under the 11.25 for this proposal. That really is the bulk of the bill. There's other things we can talk about if you want and questions I would try to answer, but those are the primary things that we wrestled with, we being the six colleges and I, we wrestled with in putting this proposal together. And I'd take any questions that you have. [LB946]

SENATOR HOWARD: Questions for Senator Adams? Yes, yes, Kate, Senator Sullivan. [LB946]

SENATOR SULLIVAN: Thank you, Senator Howard, and thank you, Senator Adams. My questions relate to that first step of the \$500,000 that would be above. [LB946]

SENATOR ADAMS: Uh-huh. [LB946]

SENATOR SULLIVAN: First of all, it would be up to \$500,000, because it possibly wouldn't be... [LB946]

SENATOR ADAMS: Exactly. [LB946]

SENATOR SULLIVAN: Okay. [LB946]

SENATOR ADAMS: And whatever new money, \$500,000 would come out of it, and if it were only \$400,000 that was allocated, period,... [LB946]

SENATOR SULLIVAN: And it would be for the biennium. [LB946]

SENATOR ADAMS: Yep. [LB946]

SENATOR SULLIVAN: Okay. [LB946]

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SENATOR ADAMS: Well, annually. [LB946]

SENATOR SULLIVAN: Annually. [LB946]

SENATOR ADAMS: Annually. [LB946]

SENATOR SULLIVAN: Okay. [LB946]

SENATOR ADAMS: Yes. [LB946]

SENATOR SULLIVAN: And the review committee would be chaired by whom? The person from the Coordinating Commission or would that be... [LB946]

SENATOR ADAMS: You know, that one I'll have to look who we have chairing that. [LB946]

SENATOR SULLIVAN: Okay. All right. [LB946]

SENATOR ADAMS: I don't know. [LB946]

SENATOR SULLIVAN: And what about the amounts of grants that would be applied for? Would it be up to the review committee to see if they would be equitably distributed? [LB946]

SENATOR ADAMS: Yes. Yes. [LB946]

SENATOR SULLIVAN: There would be... [LB946]

SENATOR ADAMS: In statute...or in the bill we've not put any amounts or any proportions on how that \$500,000 is to be divided up. [LB946]

SENATOR SULLIVAN: So that would be based...that would be a decision of the review committee. [LB946]

SENATOR ADAMS: Of the review committee. It would be competitive, yes. [LB946]

SENATOR SULLIVAN: I see. Okay. Thank you. [LB946]

SENATOR HOWARD: Senator Avery. [LB946]

SENATOR AVERY: Thank you. [LB946]

SENATOR HOWARD: And then Senator Haar. [LB946]

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SENATOR AVERY: Senator Adams, you didn't talk about this and you may not want to, but when you talk about all six campuses, all six presidents, I presume that you mean to include Metro. [LB946]

SENATOR ADAMS: Absolutely. Absolutely. [LB946]

SENATOR AVERY: Metro... [LB946]

SENATOR ADAMS: Metro was a participator in this the whole way and... [LB946]

SENATOR AVERY: But there was a time though when Metro would not, was not participating. Is that not true? [LB946]

SENATOR ADAMS: There were times when they were not participating in some of the things that...well, the association and some things like that, but as far as the focus of what this does, they were there every day. [LB946]

SENATOR AVERY: And they support the proposal that you described? [LB946]

SENATOR ADAMS: They were active participants and I believe they are here today and can vouch for their acceptance. [LB946]

SENATOR AVERY: Okay. [LB946]

SENATOR HOWARD: Senator Haar. [LB946]

SENATOR ADAMS: But I'll let them do that. [LB946]

SENATOR HOWARD: Go ahead. [LB946]

SENATOR HAAR: Thank you. On your last "Part C," so you're really not raising the cap, you're just making it more flexible. [LB946]

SENATOR ADAMS: That's right. [LB946]

SENATOR HAAR: Okay. [LB946]

SENATOR ADAMS: That's right. [LB946]

SENATOR HAAR: Okay. [LB946]

SENATOR ADAMS: That's correct. [LB946]

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SENATOR HAAR: Thank you. [LB946]

SENATOR HOWARD: Okay. Any other questions? Senator Council. [LB946]

SENATOR COUNCIL: Thank you. And thank you, Senator Adams. I know how much time and effort you and the presidents put into trying to address this issue and I think it just needs to be stated for the record and that the record is clear is that as long as the appropriation is \$87.8 million or better that this is the...I mean that this has been determined to be workable. My only concern is down the road, if for some reason we'd see substantial reduction in aid to community colleges, was there any discussion on how...whether there would be... [LB946]

SENATOR ADAMS: Well, let's say that we reduce it below the \$87 million. If that were to happen, we would still use the same proportions but I also think that if that were to happen, given the need that we have for our community colleges today, I find it hard to believe that we as a body would do that unless we were in such extraordinary fiscal circumstances that we had to. There was little talk about what we would do if. [LB946]

SENATOR COUNCIL: Okay. And the only reason I ask is that the formula that has been agreed upon for the \$87.8 (million) was actually at the core of some of the disagreement, and I'm just concerned that it appears that it's so tied into there being at least \$87.8 million appropriated for this to work, and I don't have a problem with that, I just wanted, you know, my colleagues to understand and appreciate that in the long run if we fall substantially below that we would very well find ourselves back at the table trying to work through these issues. [LB946]

SENATOR ADAMS: You may very well be right and, Senator Council, I think as you and everybody on this committee knows dealing with TEEOSA (laugh), need I say more? We're always looking at these kinds of issues. [LB946]

SENATOR COUNCIL: Okay. Thank you. [LB946]

SENATOR HOWARD: Oh, Senator Haar. [LB946]

SENATOR HAAR: Yes, thank you. So the \$87 million, the way it is now, is for this next year and the next biennium. [LB946]

SENATOR ADAMS: Right, until the law changes,... [LB946]

SENATOR HAAR: And after that... [LB946]

SENATOR ADAMS: ...this is the way it will be. [LB946]

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SENATOR HAAR: Okay. So this is... [LB946]

SENATOR ADAMS: Yep,... [LB946]

SENATOR HAAR: Okay. [LB946]

SENATOR ADAMS: ...unless we go in and amend it in a future day. [LB946]

SENATOR HAAR: Gotcha. Thanks. [LB946]

SENATOR HOWARD: Thank you. [LB946]

SENATOR ADAMS: Uh-huh. [LB946]

SENATOR HOWARD: May I ask how many proponents we have? One, two, three, four, five, six. Why don't you come down closer? There's nobody in the front row except Senator Adams now. [LB946]

SENATOR HAAR: He's scary. [LB946]

SENATOR HOWARD: I guess so. First proponent, if you'd like to come forward and speak. And Senator Adams made it pretty clear it's three minutes. We're using the light system. [LB946]

CRYSTAL RHOADES: (Exhibit 2) Good afternoon, my name is Crystal Rhoades. The last name is spelled R-h-o-a-d-e-s. I am an elected member of the Metropolitan Community College Board of Governors and currently serve at its chair. It is my pleasure to be here today on behalf of the board of governors in support of LB946. I, along with President Schmailzl, participated in several meetings facilitated by Chairman Adams over the course of last fall, in conjunction with the other presidents and board chairs of the five other colleges. As a result of those meetings, we did develop a proposal that addresses the funding formula and is described in the proposed legislation before you. I'm also here to share with you that the Metropolitan Community College Board of Governors has passed a resolution in support of LB946 at its December 13 meeting. I have attached a copy of the resolution and supporting board document to my written testimony. Out of respect for your time, I'm not going to go into the details about the process or the details of the bill, but I do want to emphasize that it is the desire of the majority of our board to continue to find a solution that we believe is in the best interests of Nebraska students and taxpayers. We know that nothing is ever permanent, but we do believe that the elements in LB946 are moving us in the right direction. It's my pleasure to be here today. I want to thank you for your time, and I'd be glad to answer any questions. [LB946]

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SENATOR HOWARD: Thank you, Crystal. I understand there's going to be a meeting this evening. [LB946]

CRYSTAL RHOADES: Correct. [LB946]

SENATOR HOWARD: Is there going to be another vote on this issue? [LB946]

CRYSTAL RHOADES: No. Actually, we...the resolution is final. There will be another resolution that has been put on the agenda that would be in support of no new money for the funding formula. However, a vote was held on virtually the exact same resolution at our last meeting and it was defeated 8 to 1. I don't anticipate that vote changing but we do have a couple of board members who are resistant to finalizing this proposal and, as a result of that, would like to bring it forward again. We're going to allow it but, as I said, I don't anticipate there being a change in the vote. [LB946]

SENATOR HOWARD: Could you explain a little bit more about no new money? [LB946]

CRYSTAL RHOADES: Right. The resolution that's proposed on the agenda basically says that it would ask the Legislature not to add any additional money to the \$87 million. That's what's before us. As I said, we voted on the same proposal last month. It was an 8 to 1 vote opposed to that. [LB946]

SENATOR HOWARD: Do we have any other questions? Senator Council. [LB946]

SENATOR COUNCIL: Yes, thank you, Madam Vice Chair, and thank you, Ms. Rhoades. And what would be the purpose served by no new money? I mean what advantage is seen by those who are advocates of that position? [LB946]

CRYSTAL RHOADES: I think that's a question probably best answered by Mr. Newell, who has brought that resolution forward both in December and again tonight. My sense of it is that his position is that because the four-county area contributes a significant amount of money that is ultimately redistributed, that his belief is that the \$87 million was not appropriately settled upon and would like to continue the feud. But the majority of our board has decided that we no longer wish to continue to engage in an adversarial relationship and that we have reached a solution that we can live with. [LB946]

SENATOR COUNCIL: Thank you. [LB946]

CRYSTAL RHOADES: You're welcome. [LB946]

SENATOR HOWARD: Senator Adams...or Avery. [LB946]

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SENATOR AVERY: Thank you. Welcome,... [LB946]

CRYSTAL RHOADES: Thank you. [LB946]

SENATOR AVERY: ...Ms. Rhoades. I'm looking at the resolution that you passed. You said a majority of your board approved this. Would you be willing to tell us what the actual vote was? [LB946]

CRYSTAL RHOADES: Sure. It was a 5-4 decision, which of course is a matter of public record. We had 2 members of our board absent. It's difficult for me to speculate how they might have voted but I do believe that this would have passed with a majority had both of those members been present. [LB946]

SENATOR AVERY: It's a pretty tight vote. [LB946]

CRYSTAL RHOADES: Yeah, but as you know from being a man of experience that sometimes on difficult issues that people are very personally vested in, you have slim votes. Doesn't mean that they're not right. [LB946]

SENATOR AVERY: I suspect we'll get the position of the other four before the day is over? [LB946]

CRYSTAL RHOADES: Yes, sir, I believe that's true. [LB946]

SENATOR AVERY: I think so. Thank you. [LB946]

SENATOR HOWARD: Any other questions? Senator Council. [LB946]

SENATOR COUNCIL: Just one quick one: Ms. Rhoades, on the document attached to the resolution,... [LB946]

CRYSTAL RHOADES: Uh-huh. [LB946]

SENATOR COUNCIL: ...on the column entitled "Proposed Change," and that refers to what the Chairman referred to I think as the second part of "Part B" of the new appropriation. This deals with anything above an additional \$500,000. Am I correct? [LB946]

CRYSTAL RHOADES: Yes, ma'am. [LB946]

SENATOR COUNCIL: Okay. And this breakdown is based upon the three-year REU and the three-year FTE as of today? [LB946]

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CRYSTAL RHOADES: This would be for new money coming in. [LB946]

SENATOR COUNCIL: Okay. But in terms of how the percentage... [LB946]

CRYSTAL RHOADES: Correct. [LB946]

SENATOR COUNCIL: ...division is, it's based on what those numbers look like today,... [LB946]

CRYSTAL RHOADES: Uh-huh. [LB946]

SENATOR COUNCIL: ...which could vary in the future. [LB946]

CRYSTAL RHOADES: Correct. [LB946]

SENATOR COUNCIL: Okay. Thank you. [LB946]

SENATOR SEILER: Ma'am...oh, excuse me. [LB946]

SENATOR HOWARD: Senator Seiler. [LB946]

SENATOR SEILER: Ma'am, I recognize that you may not have had the exact numbers that Senator Adams had, but you had \$87 million. He had \$87,870,147. Do you perceive any type of a problem where your resolution is actually below that, because then you take off \$500,000? [LB946]

CRYSTAL RHOADES: No. No. [LB946]

SENATOR SEILER: Okay. Thank you. [LB946]

SENATOR HOWARD: Thank you, Crystal. [LB946]

CRYSTAL RHOADES: Thank you. [LB946]

SENATOR HOWARD Next proponent. Welcome to the Education Committee. If you could state your name and spell it. [LB946]

JACK HUCK: Thank you, Senator Howard. My name is Jack Huck, H-u-c-k. I serve as president of Southeast Community College and it's a pleasure to be with you this afternoon as we have been on many occasions previously. One of the things I think many of you know, but certainly Senator Seiler would not at this point, is at this point in my career I've been with Southeast Community College 37 years and I've served as president for 19 years. That makes me the longest of tooth in terms of serving

administrators of the community college system and I probably now actually have more experience talking about funding formulas over those 19 years than perhaps anyone else in the room. I want to share with you, first of all, the gratitude that we have for Senator Adams, for Senator Flood, for Kris Valentin, for members of this committee for supporting this process. As many of you know, we were in a position where we were not easily able to resolve this ourselves and it caused great discord amongst the community colleges, and without the intervention of those folks particularly and their facilitation we never would have gotten to this point. So thank you for sharing them with us and thanks to them for all they did to make this happen. A couple of points I would make with you, first of all, Southeast Community College, as being the other largest community college in the state of Nebraska, very similarly situated to Metropolitan Community College, fully supports LB946. We...our particular board of governors voted 11 to 0 to support this proposal. I would suggest to you that that reflects the vision of an enlightened board of governors that understands the importance of community colleges to the state of Nebraska and understands the importance of participating as a member of the group of six community colleges to resolve this issue. The other point I might just quickly make with you, since the lights are quickly flashing, is that the importance of...as you talk about this I've heard a great deal of discussion about the \$87 million and its distribution and so on, which obviously is an important cornerstone of the legislation. But I think it's equally important that you understand in all of our discussions about this, we, at least as six community colleges, made it very clear that it would be our intention that we continue to seek recognition from the Legislature for the work that we do, particularly in terms of state aid appropriations, and that for this proposal to work its very best it will require additional investments in state aid by this body in the future, not the same investment or reduced investments. And so I would simply ask you to keep that in mind and, quite frankly, I would ask for your collaboration. We'll be back here this session talking with the Appropriations Committee and all of you and others in the body about the importance of your commitment to those state aid outcomes and we will be asking you for additional state aid and that makes this process work the very best. [LB946]

SENATOR HOWARD: Thank you, Mr. Huck. Do we have questions? No, we don't. [LB946]

JACK HUCK: Thank you. [LB946]

SENATOR HOWARD: Next proponent. Welcome. [LB946]

TODD HOLCOMB: Welcome. My name is Todd Holcomb. I'm president of Western Nebraska Community College and chair of the CEO council of the Nebraska Community College Association. [LB946]

SENATOR HOWARD: Todd, could you spell your name? [LB946]

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TODD HOLCOMB: H-o-l-c-o-m-b. [LB946]

SENATOR HOWARD: Thank you. [LB946]

TODD HOLCOMB: Western Nebraska Community College is in support of LB946. This bill moves community colleges forward. It recognizes growth while providing flexibility for the current community colleges. The debate has often been framed as rural versus urban, Western versus Metro, but the community colleges' boards decided for Nebraska, not rural over urban or urban over rural but the students of Nebraska community colleges. We have far greater similarities than differences. We need to highlight those similarities and support our common goals. LB946 does that. The Western Nebraska Board unanimously supported this bill. We believe that this bill is something that all community colleges can and will and do support. Thank you. [LB946]

SENATOR HOWARD: Thank you. Good keeping within your three minutes. Do we have questions? No. Thank you. [LB946]

TODD HOLCOMB: Thanks. [LB946]

SENATOR HOWARD: Next proponent. Seeing no more proponents, we'll move to opponents. Welcome, Mr. Newell. [LB946]

DAVID NEWELL: (Exhibit 3) Madam Chair, my name is Dave Newell. I'm from Omaha and I'm representing myself in this regard. However, I am a member of the Metropolitan Community College Board of Governors. [LB946]

SENATOR HOWARD: Could you spell your name? Not everyone knows you as well as I do. [LB946]

DAVID NEWELL: N-e-w-e-l-l, like a new well as opposed to an old well, although the old well might be fairly irrelevant also. I'm going to try to be brief. What we're passing out is a little bit of an understanding of where the money goes. In simple terms, I'd like to just point out that the essence here is that under this formula, the old formula which has been agreed to, it was supposed to be a short-term deal. This is now being extended, if there's new money, and the difference is that under the old deal Metro got 26.51 percent of the total, even though we have 40 percent of the students; under the new deal we get 31.41 but that's only of new money if there is new money. The very last page of this thing points out that the four-county area that makes up the Metropolitan Community College pays in 48.7 percent of the income tax, individual income taxes to the state, and 47.5 percent of the sales tax. We're not getting our fair share back under the old deal, under the new deal, under any deal. And the real problem comes is that when this funding formula was created they decided to try to subsidize those smaller schools. Western is one-sixth the size of Metro, as is Mid-Plains. If you look at this you

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can see expenses per FTE. The expenses are much higher. In addition to that, you can look at property valuations. The truth of the matter is, is that property valuations per FTE are quite advantageous for those rural schools. Six years ago there was a revamp of the funding formula and it pushed a lot of money, it added...it doubled the amount of foundation aid, which TEEOSA doesn't have, even though TEEOSA really isn't relevant to this, but there's no foundation aid, but there is in community colleges. That's what's spent...sent a lot of money west to other schools. This continues that same sort of proposal, not quite as Draconian, not quite as negative, but it does in fact continue the old foundation aid giving Metro the same number of dollars, even though we're six times larger than the two smaller schools. There's nothing fair for our taxpayers in this whole process and we really believe, "we" meaning me and a number of other Metro board members, really believe that funding ought to be about education. It ought not be about property tax relief. It ought not be about keeping institutions open or trying to make sure their administrators get the same salary as ours. It ought to be about trying to educate students. That's what the funding formula ought to really be about. And it's on that basis... [LB946]

SENATOR HOWARD: Well, let's...okay, thank you. Let's ask you some questions and that will give you a chance to explain... [LB946]

DAVID NEWELL: Sure. [LB946]

SENATOR HOWARD: ...some more information to us. Do we have questions? Yes, Senator Avery. [LB946]

SENATOR AVERY: Thank you, Madam Vice Chair. If we were to accept your argument, then why not apply this to all the aid programs that the state has, K-12 for example, TEEOSA? Why not say, okay, if the Metro area contributes 48.7 percent of the income taxes then that's how much of TEEOSA money the schools in that area ought to get? You wouldn't go that far, would you? [LB946]

DAVID NEWELL: Well, the very first thing I want to say is that TEEOSA is about K through 12. They have a responsibility to educate students in those given areas. Yeah, our students can go to any of the community colleges, can go to the state college, can go to the university, can go to Harvard, Yale, or the Sorbonne. They can go anywhere they want to. We are there to help students get an education but not all students take advantage, and to say that we have the same responsibility is...and better ought to be divided on the same process is a big stretch. Now I got to tell you, TEEOSA is one of those things that I'm going to be smart enough not to wade into, okay? But in truth, there's no association between how community colleges are funded, in my mind, and shouldn't be. It ought to be funded based on the need to educate students. There could be factors, other factors in there, but right now what's happened is that since the big change six years ago that funneled...that threw money to western Nebraska and the

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thought was for property tax relief, not one school except for Southeast has reduced their property tax rate and farm values have gone up, in five years, doubled. Valuations are soaring in central. The bottom line here is that the justifications for trying to help out those rural schools just doesn't seem to be holding water. They're spending the money, they're bringing in reserves, it's just not what it was promised to be. And that's why we need to look at the whole thing. I mean I would encourage this committee to do a study of efficiency. I would encourage this committee to look at what the needs of community colleges are and how efficient they could be, because that's a responsibility that only the Legislature can take on. [LB946]

SENATOR AVERY: It's my understanding that the current funding formula is need based, and that what you're actually arguing for is proportionate distribution of the money based upon number of students and size of the contribution of the Omaha area to the state's economy. That seems to me not to be focused at all on the needs of students. [LB946]

DAVID NEWELL: Yeah, I... [LB946]

SENATOR AVERY: That's arbitrary and it's actually counter to your own argument. [LB946]

DAVID NEWELL: Well, Senator Avery, I want you to know that I don't believe it's needs based. Forty percent of the old funding formula, which now has been agreed to and is now confused and lost, but 40 percent of it was foundation aid. That's got nothing to do with needs. That's basically saying that a school wants... [LB946]

SENATOR AVERY: Just...that's a basic level for all colleges, right, that's foundation? [LB946]

DAVID NEWELL: Well, it's 40 percent of the total; 40 percent of the total \$87 million went to each of the schools, even though Metro is six times larger than the two smallest schools. They get the same... [LB946]

SENATOR AVERY: Was that 40 percent distributed evenly and proportionately among the six campuses? [LB946]

DAVID NEWELL: Among the six colleges? [LB946]

SENATOR AVERY: Or six colleges, yeah. [LB946]

DAVID NEWELL: When foundation aid first started out, it was even. It was for each institution. It's a little different now. It's a little more complicated now but it's still 40 percent of the total, total \$87 million. [LB946]

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SENATOR AVERY: So 60 percent is need based then. [LB946]

DAVID NEWELL: And the word...needs are wonderful. I mean I understand needs in terms of TEEOSA. I don't understand needs in terms of community colleges, so... [LB946]

SENATOR AVERY: But you said that we ought to be focusing on the needs of these colleges to educate the kids, the students. [LB946]

DAVID NEWELL: I think that what we ought to be about is trying to fund the community colleges so they can educate students, that that's the purpose of the community colleges,... [LB946]

SENATOR AVERY: Right. [LB946]

DAVID NEWELL: ...the students that they serve, not all students that could live there, might live there, whatever. And if this committee undertook that sort of thing and tried to bring some efficiency to this whole process, the money could be better distributed. [LB946]

SENATOR AVERY: If we were to accept your argument, wouldn't we undo everything that's been put into this compromise agreement? [LB946]

DAVID NEWELL: Well, my argument is simply this, that undo everything that's been put into this compromise agreement? The compromise just talks about new money. My argument is there's no incentive for the taxpayers of the four-county area that...in Metro to want to add a little money, so it's really not a compromise. It's papering over the problem. [LB946]

SENATOR AVERY: So if it applied to old money and new money, would you find it more palatable? [LB946]

DAVID NEWELL: Absolutely. I didn't want to hesitate too long there. [LB946]

SENATOR AVERY: The current...you didn't. [LB946]

DAVID NEWELL: That's good. [LB946]

SENATOR HOWARD: Are there any other questions? [LB946]

SENATOR AVERY: I'm not finished. [LB946]

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SENATOR HOWARD: Oh. [LB946]

SENATOR AVERY: You understand the nature of compromise. [LB946]

DAVID NEWELL: I do. [LB946]

SENATOR AVERY: And I've said many times in this room and on the floor that when you have a compromise everybody leaves the room a little bit unhappy, but nobody is completely unhappy because that's the nature of compromise. You give up something to get something. If somebody leaves the room completely unhappy then they have no commitment to work with the compromise and the new policy. In fact, they might have an incentive to work against it. You seem to be completely unhappy. [LB946]

DAVID NEWELL: Absolutely. [LB946]

SENATOR AVERY: And that's why you're in that 4 that Ms. Rhoades identified. [LB946]

DAVID NEWELL: I don't see that we got anything out of this except for the fact that we can say there's a solution and we're no longer fighting, which is not how I see it at all. [LB946]

SENATOR AVERY: So if the...again, let me get this straight. If the old money came under this new proposal, you would be happy and your other colleagues on... [LB946]

DAVID NEWELL: And that would be a compromise. [LB946]

SENATOR AVERY: ...and your colleagues on the board, Metro Board, would agree with you. [LB946]

DAVID NEWELL: I think that would be the case, yes. [LB946]

SENATOR AVERY: All right. Thank you. [LB946]

SENATOR HOWARD: All right, thank you. Do we have any other? Senator Council. [LB946]

SENATOR COUNCIL: Yes, thank you. A quick question: So help me understand how the old money could have come under this formula. [LB946]

DAVID NEWELL: How it could have? [LB946]

SENATOR COUNCIL: Yes. [LB946]

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DAVID NEWELL: Well, if you agree to the new money formula, which is a little different than the old, the old one is...all you have to do if you agree to the new money based on that, the old money, being distributed on that same percentage, which is 40 percent...I mean I have it here and so do you, it would substantially increase the amount of money that Metro Community College would get. It's still, and to be perfectly honest with you, at least to be a little more rational, it sort of talks about needs better than the old formula does, which is now lost in the compromise because we compromise on a short-term deal but if we do it on...if we did that on this new formula, I think that we would have...we could have a long-term solution as opposed to what I think will be a very short-term solution. [LB946]

SENATOR COUNCIL: Okay. But when you're saying that and you're talking about the new formula, correct me if I'm wrong, you're talking about the portion of the formula that addresses any new money above \$500,000 above the \$87 million. [LB946]

DAVID NEWELL: Right, that's correct, Senator. You are correct. [LB946]

SENATOR COUNCIL: So okay. So your position is that's the formula, just that, that component of the formula... [LB946]

DAVID NEWELL: The new money formula, yeah. [LB946]

SENATOR COUNCIL: ...should be the total formula. [LB946]

DAVID NEWELL: Absolutely. [LB946]

SENATOR COUNCIL: Okay. That's it. I mean I don't know if everybody...because I was tracking what...so I understand what you're saying now. Thanks. [LB946]

SENATOR HOWARD: Any other questions? Senator Haar. [LB946]

SENATOR HAAR: Well, just wondering whether you had worked out the numbers if we applied the new...that new money formula to... [LB946]

DAVID NEWELL: No. No, I have not worked out that number. That's not what was on the table. [LB946]

SENATOR HAAR: Right. [LB946]

DAVID NEWELL: And it's difficult for me to...if I would have come in and suggested that, I think I would have been laughed at. The fact that Senator Avery suggested it makes it a much more palatable proposal. [LB946]

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SENATOR AVERY: I didn't suggest it. (Laughter) [LB946]

SENATOR HOWARD: All right. [LB946]

SENATOR COUNCIL: Just real quick. [LB946]

SENATOR HOWARD: Senator Council. [LB946]

SENATOR COUNCIL: Just quickly, Senator Newell, so that I understand it, using the attachment to the Metro College Board's resolution, under the compromise for the \$88...I'm just going to round it off to \$88 million,... [LB946]

DAVID NEWELL: Yeah. [LB946]

SENATOR COUNCIL: ...Metro gets 26.5 percent. [LB946]

DAVID NEWELL: That is correct. [LB946]

SENATOR COUNCIL: And under the formula that addresses if we appropriate \$88.7 million,... [LB946]

DAVID NEWELL: Anything over, right. [LB946]

SENATOR COUNCIL: ...Metro would get 31.4 percent. [LB946]

DAVID NEWELL: That is correct. That is correct. [LB946]

SENATOR COUNCIL: So the issue for you is that 5 percent difference,... [LB946]

DAVID NEWELL: Well, that's correct, although we... [LB946]

SENATOR COUNCIL: ...I mean essentially, essentially. [LB946]

DAVID NEWELL: ...see, we educate 40 percent. I mean we... [LB946]

SENATOR COUNCIL: I understand. [LB946]

DAVID NEWELL: Yes, you're right. [LB946]

SENATOR COUNCIL: Okay. Thank you. [LB946]

SENATOR HOWARD: Senator Avery. [LB946]

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SENATOR AVERY: Let me see if I get this right, and I'm following up on Senator Council's question. If you have an increase in the overall amount of aid then you or Metro would get 31.4 percent of that new money. [LB946]

DAVID NEWELL: Only the new money after the \$500,000. Five hundred thousand goes to this new... [LB946]

SENATOR AVERY: Yeah. Yeah. [LB946]

DAVID NEWELL: Yeah, okay. [LB946]

SENATOR AVERY: Yeah, I get that. But the \$86.7 million that's already in the funding formula, that's not affected. [LB946]

DAVID NEWELL: That's correct. [LB946]

SENATOR AVERY: Oh, okay. Thank you. [LB946]

SENATOR HOWARD: Looks like we've quizzed you enough. Thank you. [LB946]

DAVID NEWELL: Thank you very much. [LB946]

SENATOR HOWARD: Any more opponents? Opponents? Any neutral? Welcome. It's good to see you back at the Education Committee. [LB946]

MARSHALL HILL: (Exhibit 4) Good to be here, Senator Howard. Thank you. Members of the committee, my name is Marshall Hill, H-i-i-l. I'm executive director of Coordinating Commission for Postsecondary Education. I'm going to plow through this material very quickly and try to beat your lights here. We at the commission certainly understand the historic toxicity of the community college funding in Nebraska and we very much appreciate that LB946 is an attempt to get past that. We are especially appreciative of Senator Adams' long-suffering attention to this issue and we believe we absolutely must get past this long war. However, in 2009 this committee asked the Coordinating Commission to conduct a study of several aspects of Nebraska's community colleges. The study addressed certain funding issues and some of my comments today reflect what we learned then and what we've observed since. We're providing you another copy of the executive summary from that report. I have just reread it. I'm tooting our own horn here. I'm proud of that work. I think it's the best analysis of this issue that you'll find produced by anyplace in the country. It's, frankly, been widely cited in several other states that are wrestling with these issues. We cannot say what we believe any better than what we said in that document. About 40 states use funding formulas to allocate the state funding they provide to their community colleges. The background work for those formulas usually involves determining how much it costs colleges to offer the

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instruction and other services they provide. Program mix, role and mission growth, student population characteristics, statewide equalization across districts, and sometimes performance funding are often factored in. The Nebraska formulas that have been previously applied were fairly typical. The funding method proposed in LB946 would allocate all current state funding for community colleges on the basis of the results of the prior formula, a formula that was not supported by all the colleges and required later negotiated funding adjustments. As such, it's not forward-looking in terms of policy. Basically, we believe that what LB946 proposes to do in regard to the allocation of any future funding increases has some elements of what you should be doing now with all of the funding you provide. Brief comments on two specific items included in LB946: We're concerned about the new language that would permit the use of local tax funds for the issuance of revenue bonds for projects such as student housing, student centers, or community college campuses. This proposed language would set a new precedent for higher education funding in Nebraska as bonds for these types of projects are currently funded from revenues generated by those facilities. Indeed, that's why they're called revenue bonds. We're talking about things like room and board and other self-generated fees. We believe that passage of this language could be followed by requests from the university and state colleges for parallel statutory authority to use state tax funds to support revenue bonds issued for residence halls, student centers, health centers, parking facilities, etcetera. We suggest that you carefully consider whether you want to start down a path that leads in that direction. As tax funds become increasingly dedicated to broad social programs such as Medicare and Medicaid, we believe it's important to keep tax funds that are provided for higher education focused on meeting direct educational costs. We're also concerned that such an approach might be used to prop up marginally viable projects and, in the case of default, lead bondholders to look to local or potentially state government to make up shortfalls. Finally, LB946 assigns the Coordinating Commission specific tasks related to reimbursable educational units and full-time equivalency enrollments. We will, of course, carry out those tasks, but we have pointed out in the past and continue to point out that we have serious reservations about the accuracy of the data that the community colleges collect and report on those issues. I'm sorry, I did not quite make the red light. I did my best. [LB946]

SENATOR HOWARD: No, I didn't want to cut you off because I knew we all wanted to hear what you had to say. [LB946]

MARSHALL HILL: Thank you. [LB946]

SENATOR HOWARD: So thank you. Questions? Senator Council. [LB946]

SENATOR COUNCIL: Yes, thank you, Mr. Hill, and I want to focus on the fifth bullet point in your testimony, in the printed testimony where it stated that the Coordinating Commission believes that LB...what LB946 proposes but it's the belief that it should

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apply with regard to all other funding in that, and I hear that as being parallel to what Mr. Newell was advocating. [LB946]

MARSHALL HILL: It has...I have not generally agreed with Mr. Newell on many aspects of this, as he is well-aware, but about that I do agree but perhaps differently than...I reach a different result than he does. The commission, on the basis of our work, believes that the colleges should appropriately be compensated or provided funding by the state on the basis of what they actually do, and the funding that they receive should reflect what it costs them to do those various things. It should also reflect the added issues of: economies of scale; the need to provide community college services throughout the state, not just in the large metropolitan districts; the importance of dealing with students who are needful of remediation; and many other things. What you have in front of you is an acknowledgement that you've been unable, the community colleges themselves, have been unable to agree on how to do that and have decided to put that in the past and move forward in a different way, and I fully understand the need to move forward. However, agreeing to allocate the vast majority of funding, in this case all of it, on the basis of a formula that was widely disputed and rested sometimes on disputed data, is to me problematic. It's a step you probably have to take right now in order to put this behind us. I would hope that in the future the Legislature and the colleges could come back to come up with a policy-based, rather than just amount of how we're going to slice the pie based, allocation of the funds. I think it's asking a great deal to have the colleges come together, to all agree on something. I think that's a role that likely the Legislature is going to at some point have to tackle. The vast majority of states do it that way. [LB946]

SENATOR COUNCIL: Okay. So would it be safe to say that your view of the formula as it relates to new money above \$500,000 is more policy based than... [LB946]

MARSHALL HILL: Yes. [LB946]

SENATOR COUNCIL: Okay. [LB946]

MARSHALL HILL: It reflects at least an awareness of some of the numerical values that each college faces as it tries to meet its goals. [LB946]

SENATOR COUNCIL: Thank you. [LB946]

SENATOR HOWARD: Other questions? Senator Avery. [LB946]

SENATOR AVERY: Thank you, Madam Vice Chair. Mr. Hill, in your last point you repeated a theme or a criticism, actually, that I've heard before and that is that you're not getting good information, good data from the community colleges. Do you have any comments you can make as to why you're not getting good data? Because without good

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data we can't make good policy. [LB946]

MARSHALL HILL: Right. I agree completely. The current situation right now is that in the higher education arena, Nebraska is a data wasteland. And I say that from the perspective of having chaired the committee of the national organization of my counterparts around the country that looks at data issues. I've chaired that committee the last two years. We just have historically not had a data system for higher education in Nebraska. There is hardly a month that goes by that I do not receive a report from a national organization that looks at various higher education issues and has a white, blank spot for the state of Nebraska, and the asterisk is that no data exists upon which we can make policy recommendations. That just is the fact. We have efforts going forward to try to address that, but at the present time we have less data about Nebraska higher education than virtually every state in the Union has about its higher education activities. Now in particular my comment here, we have raised concerns in the past about the matrix that the community colleges uses in regard to calculating their REUs. When we examine that, we see a lot of things in there that just do not make sense. We also have...I'll call them, once anecdotal, but ad hoc instances of irregularities. Now this is a large system. A lot happens. They do a lot that's very, very good. But we know that there are data irregularities in terms of calculating actual enrollments on the college campuses. We know that in some cases a high school driver's education has been counted as a reimbursable educational unit at some of the colleges. This has never been subject to a substantial audit. Right now, it makes up almost...it makes up no part really of what you propose in this bill for funding right now and for the next biennium, and only a very, very small part of what would happen beyond if additional funds were made. So if there is to be no formula, then almost...the data almost doesn't matter, Senator, in that regard because it plays a relatively small part in terms of that. [LB946]

SENATOR AVERY: Do you need statutory help to get the data you are asking for? [LB946]

MARSHALL HILL: Yes. Yes, and... [LB946]

SENATOR AVERY: Let's talk. [LB946]

MARSHALL HILL: ...and, frankly, when this committee and the Legislature last session or perhaps the one before considered the bill that asked the universities, the university, the state colleges, and the community colleges to come together for data sharing, I testified to you asking that we explicitly be added to that as a participant in that data, and you did not do that. So consequently, the entities adopted a memorandum of understanding amongst themselves which forbids them to share data with any state agency, and that includes us. So we have not been a part of the discussions about the creation of a data system, despite the fact... [LB946]

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SENATOR AVERY: And we are complicit in this? [LB946]

MARSHALL HILL: Yes, sir, I'm sorry to say you are. I ask you... [LB946]

SENATOR AVERY: I apologize for that. [LB946]

MARSHALL HILL: We asked you to explicitly include the Coordinating Commission as an entity that would participate in the creation of such a system and that would have access to the data, and you did not do that. I want to tell you that virtually all of the data that we provide you, and you need to remember that we are your only source of broad higher education data, comes from information the institutions report to the U.S. Department of Education, and we mine that data and feed it back to you. We collect almost no data directly from the institutions. And we should not collect any more data than we need, we should use what we collect, we should make it readily available, but we are flying blind in many ways in higher education policy development in the state of Nebraska. [LB946]

SENATOR AVERY: Thank you. [LB946]

SENATOR HOWARD: Senator Haar. [LB946]

SENATOR HAAR: Thank you. I liked "historic toxicity" and I get a little bit of the feeling that we're just saying, woo, it's over with and we can go on now. You said that unlike most states, this is not in terms of data collection but in terms of policy. Could expand on that a little bit more that we're different? [LB946]

MARSHALL HILL: Well, let me give you one or two examples. The community colleges in Nebraska, like community colleges everywhere, rightly talk about the challenges they face in dealing with students that need remediation. It's a big, big problem. It's a problem that ought to be much smaller than it is, but we here in Nebraska can't differentiate on that. For example, it's one thing for a student who just graduated last June to come to a community college and need remediation this past fall. That's something we ought not have. But it's another thing entirely for a mother who's been raising children to, at age 40, decide to go back to community college and earn a degree. I think we'd expect challenges there. We can't tell you...if you ask me how much we spend on remediation, I can't tell you. If you ask me how successful we are at remediation, I can't tell you. If you ask me how much of that remediation is made up of high school students and how much of it is made up of the 40-year-old mother coming back, I can't tell you. What we have heard from the community colleges, especially Metro, is that it's very expensive to offer remediation; however, unfortunately, it is in the aggregate but it's not at the student-by-student level, as verified by the data that the community colleges provided to us by their own data in 2009 and, frankly, by the data provided in other states in the country. So those are a couple of examples of the things

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we ought to be able to do. Some states are moving ahead very aggressively in how they are funding their community colleges and I think our community colleges would fare very well under that. State of Washington has adopted a very advantageous policy to identify the points that they call momentum points in a student's community college career: Where are the forks in the road that if they take one fork it leads them to drop out, and if they take another fork they're likely to continue on to graduation? And the state of Washington is providing some added incentives for moving students from taking the one track to taking the other and, consequently, their overall production is increasing and their graduates are moving into a work force. We have had...we have many opportunities to do things like that here. [LB946]

SENATOR HOWARD: Okay. Any other questions? [LB946]

MARSHALL HILL: I would like,... [LB946]

SENATOR HOWARD: Go ahead. [LB946]

MARSHALL HILL: ...if you'd indulge me one more moment, my points of criticism I hope don't overlook the very positive things we said about Nebraska's community colleges in our document. I believe those every bit as strongly as I believe these contrary points I mentioned today. Nebraska's community colleges are led by people who care about students and they want to do a good job and, by and large, they do a good job. It's not a question of moving from bad to better; it's moving from good to better. And we think that by providing focused attention on some of those momentum points, by collecting the data and by building policies around them we'd be able to get a better product. [LB946]

SENATOR HOWARD: Thank you. I appreciate the information. It sounds like you've given us yet another problem to solve. Thank you. [LB946]

MARSHALL HILL: You're welcome. [LB946]

SENATOR HOWARD: (See also Exhibit 5) Senator Adams, would you like to close? [LB946]

SENATOR ADAMS: Thank you, Senator. Maybe at the risk of being too much of a pragmatist, let me lay out my conclusion very simply. The Coordinating Commission did good work in their study, unquestionably, and this committee asked them to do that. If you recall, we gutted a bill and put that information in. In this process, I looked at other state funding formulas and I saw things that looked a lot different than what we have. I will tell you that when we started this progress in August, and you can bring every one of those presidents back up if you want to verify this, I started in a completely different direction than where we ended up because of practical implications and a need for resolution and a way to get beyond this. Is it perfect? No. Is it what I wanted? No. And

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you could probably bring every one of those six community colleges up and they had something else in mind than where we're at right now. From the standpoint of the Coordinating Commission, is it what a community college formula ought to be? Probably not. Probably not, but for practical, political reasons you have this proposal in front of you. Thank you. [LB946]

SENATOR HOWARD: Any questions, closing questions? Yes, Senator Sullivan. [LB946]

SENATOR SULLIVAN: Thank you, Senator Howard. Senator Adams, do you think ten years from now this formula will look considerably different? [LB946]

SENATOR ADAMS: Sure. I mean...yeah, I know it was somewhat of a rhetorical question, but will TEEOSA look the same way that it does ten years from now? Will we be appropriating to any of the entities in this state that we appropriate to in the same fashion ten years from now? I can't imagine. [LB946]

SENATOR HOWARD: Any other questions? No. That's it. Thank you. [LB946]

SENATOR ADAMS: Thank you, Senator. That will close the hearings for today and we are going to go into Executive Session, so if you would clear the room. [LB946]