

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

Education Committee
March 03, 2015

[LB36 LB102 LB232 LB380 LB401 LB410]

The Committee on Education met at 1:30 p.m. on Tuesday, March 3, 2015, in Room 1525 of the State Capitol, Lincoln, Nebraska, for the purpose of conducting a public hearing on LB102, LB410, LB380, LB401, LB36, and LB232. Senators present: Kate Sullivan, Chairperson; Rick Kolowski, Vice Chairperson; Roy Baker; Tanya Cook; Mike Groene; Adam Morfeld; Patty Pansing Brooks; and David Schnoor. Senators absent: None.

SENATOR SULLIVAN: Good afternoon, everyone, and welcome to the Education Committee. I'm Senator Kate Sullivan, Chair of the committee. I am from Cedar Rapids and representing District 41. I'd like you also to meet the members of the committee that are here. We'll start with the Vice Chair.

SENATOR KOLOWSKI: I'm Rick Kolowski, District 31 in southwest Omaha. Thank you.

SENATOR SCHNOOR: David Schnoor, District 15, Dodge County.

SENATOR GROENE: Senator Mike Groene, Lincoln County.

SENATOR COOK: I'm Senator Tanya Cook, District 13 in Omaha, Douglas County.

SENATOR BAKER: And I'm Senator Roy Baker, District 30, Gage County, part of southern Lancaster County.

SENATOR SULLIVAN: We have a couple other senators who are not here but chances are they are introducing bills in another committee so they will join us later on. We also have some support staff that help us. To my immediate left is LaMont Rainey, legal counsel for the Education Committee. And to my far right is Mandy Mizerski who is the committee clerk and will make sure that we have an accurate record of today's hearing. We have two pages that are helping the committee, Seth Thompson of Ogallala and Tobias Grant of Lincoln. So we thank them for their assistance as well. On the agenda today are six bills, LB102, LB410, LB380, LB401, LB36, and LB232. If you are planning to testify on any of these bills, we ask that you pick up a green sheet that is on the table at entrance of...either entrance. And if you do not wish to testify but would like your name entered into the official record as being present at the hearing, there's a separate form on the table for you to do that as well. Regarding the green sheet, please fill it out in its entirety. Please print. And when you come up to testify, give the completed green sheet to the committee clerk. If you have handouts, please make sure you have 12 copies for the pages to hand out to the committee. Perhaps I don't need to remind you of this but, please,

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

Education Committee
March 03, 2015

do shut off cell phones, beepers, anything that makes noise so as not to distract from our testifiers. The introducers of the bill will make the opening statements followed by proponents, opponents, and neutral testimony. Closing remarks are reserved for the introducing senator only. We are using the light system. You will have three minutes for your testimony. When the yellow light comes on, that means you have one minute left. When the red light is on, we ask that you conclude your remarks. I think that is probably it. So with that, I will turn the Chair over to the Vice Chair.

SENATOR KOLOWSKI: Thank you, Senator Sullivan. And now we'll move on to LB102, and our presenter is Senator Sullivan, please. [LB102]

SENATOR SULLIVAN: (Exhibit 1) Thank you, Senator Kolowski and fellow members of the committee. For the record, my name is Kate Sullivan, K-a-t-e S-u-l-l-i-v-a-n, representing the 41st Legislative District and here today to introduce LB102. LB102 is a bill that was brought to me by the Coordinating Commission for Postsecondary Education that would place into Nebraska statute the Access College Early, ACE, Plus Scholarship Program which is a very successful scholarship program that provides low-income college students with up to \$1,500 in financial assistance during their first and second years of college for educational expenses. The commission currently administers the ACE Plus Scholarship Program as part of the federal College Access Challenge Grant. Federal funding for the ACE Plus scholarship is set to expire in 2016 and because of that, the commission is looking to place the program in Nebraska statute and to fund it with General Funds. I should mention that the commission is requesting the funds for the ACE Plus Scholarship as part of their budget request to the Appropriations Committee. The ACE Plus Scholarship would be available to a Nebraska student who received an ACE Scholarship while attending a Nebraska high school, graduated with a 2.0 grade point average from high school, enrolls in a qualified Nebraska postsecondary institution full time, and maintains a minimum 2.0 grade point average while receiving the scholarship. Based on data provided by the commission pertaining to ACE Plus Scholarship recipients, during the 2011 through 2015 school years, 80 percent of recipients receiving a scholarship in their second year of college maintained a grade point average of 3.0 or higher on a 4-point scale. I should note that you have been given a packet of information that provides data on the success of the ACE Plus Scholarship Program so I will not go into it in thorough detail at this time. For your information, a member of the Coordinating Commission is here today to testify on LB102 and would be able to answer any technical questions that you might have about the ACE Plus Scholarship Program. I would appreciate your support on the advancement of LB102 and will answer any questions that you might have. [LB102]

SENATOR KOLOWSKI: Anyone on the committee, questions for Senator Sullivan, please? Senator Groene, please. [LB102]

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

Education Committee
March 03, 2015

SENATOR GROENE: Am I overlooking it? Oh, there it is. It's out of General Funds? Excuse me, thank you, Chairman. [LB102]

SENATOR KOLOWSKI: Yes, sir. [LB102]

SENATOR GROENE: Senator, is that...it comes out of General Funds, or... [LB102]

SENATOR SULLIVAN: Well, the...and you will hear more about this when the individual from the Coordinating Commission comes forward. But they have that in their budget request from their commission to the Appropriations Committee. [LB102]

SENATOR GROENE: Can the lottery funds...can they get this plus the lottery fund for low income? [LB102]

SENATOR SULLIVAN: No. This does not leverage any lottery dollars. [LB102]

SENATOR GROENE: But can they do both? If they're low income, going to a college, can they qualify for that because they're low income and then also get...compete for these scholarships? [LB102]

SENATOR SULLIVAN: Not necessarily, no. No. [LB102]

SENATOR GROENE: All right. Thank you. [LB102]

SENATOR KOLOWSKI: Any other questions from the committee? Thank you. We'll now have the...start with proponents for the bill. Please come forward if you are in support of this bill. And everyone, please, introduce yourself and spell your name? Thank you. [LB102]

MIKE BAUMGARTNER: (Exhibit 2) Thank you, Senator Kolowski. My name is Mike Baumgartner, M-i-k-e B-a-u-m-g-a-r-t-n-e-r. I'm the executive director of the Coordinating Commission for Postsecondary Education. First, I want to thank Senator Sullivan for bringing this bill forward. The Coordinating Commission believes that the ACE Plus Scholarship Program has proven that it's an important piece of the overall package of financial aid available to Nebraska's low-income students. I've distributed a handout that offers an overview and history of the program. Particularly, I wanted to draw your attention to the section at the bottom--it's coming around now--that illustrates the success of ACE Plus recipients in college. As you can see, and as Senator Sullivan just noted, when ACE Plus students finish their first year of college,

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

Education Committee
March 03, 2015

80 percent of them have earned at least a 3.0 GPA and 51 percent earned grades in the range of 3.5 to 4.0 during the 2013-14 academic year. As you've heard, ACE Plus Scholarships are rewarded to college students who receive an ACE Scholarship, Access College Early, while in high school. The ACE Scholarship pays for low-income high school students to take college courses. More than 82 percent of the high school students who receive ACE Scholarships go on to college compared to only 53 percent of low-income students who don't receive ACE Scholarships. The ACE Plus Scholarship builds on that momentum and helps kids succeed as they move on to college. The ACE Plus Program is currently funded entirely through a federal grant which is being eliminated after the 2015-16 school year. Neither the Governor's budget nor the Appropriations Committee's preliminary budget includes the state General Funds that would replace the program's federal funds. However, LB102 takes an important step by putting this program into statute and hopefully will be able to make that transition from federal funds to state financial support. Thank you, and I'd be happy to answer any questions. [LB102]

SENATOR KOLOWSKI: Thank you. Any questions from the committee? Seeing none, thank you very much for your time. Continued proponents, please? Good afternoon. [LB102]

JODI KUPPER: Good afternoon. Senator Kolowski and the members of the Education Committee, my name is Jodi Kupper, J-o-d-i K-u-p-p-e-r, and I am vice chancellor for academic partnerships and planning for the Nebraska State College System which includes Chadron State, Peru State, and Wayne State Colleges. I'm here today on behalf of Chancellor Stan Carpenter to testify in support of LB102. LB102 codifies the Access College Early Scholarship Plus Program, or better known as ACE Plus. We understand the federal funds are ending for this program and in order for the program to be considered for state funding, the program must be established in statute and this bill is the vehicle to do that. In 2013-14, the Nebraska State College System had 50 students who participated in the ACE Plus Program and received a total of \$34,000 in aid from the program. This is an important program for students who participate and it's a valuable connection for students who begin with the ACE Program in high school taking dual enrollment courses. We support this program and also support the provision of state funding for the program. Thank you. [LB102]

SENATOR KOLOWSKI: Thank you. Any questions, please, from the committee? Seeing none, thank you. Next proponent, please? Good afternoon. [LB102]

CARNA PFEIL: Senator Kolowski and members of the Education Committee, my name is Carna, C-a-r-n-a, Pfeil, P-f-e-i-l, and I used to be the associate director and interim executive director of the Coordinating Commission. I retired last October. This is a program that I am intimately involved in because I actually started this program. We used federal funds for this program because we had...we applied for federal funds and it was for subgrantees. We used most

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

Education Committee
March 03, 2015

of it for subgrantees to do programs to encourage high school students to go on to college. We had some money left over. We had a subgrantee that didn't continue. And so I decided this was a good way to start a program that I had interviewed ACE students and talked to them about what would encourage them to go on. Those students said, we don't know that we have money when we're going on to college. And so with this federal money, we decided to do a pilot because that's how we started the ACE Program. We did it with a pilot. The pilot has been wildly successful, as the figures will tell you. And so we probably could have come in a year or two ago and asked that it be put into state statute and not used the federal funds. But we decided to continue until the federal funds ran out. Part of that reason that we used that is that I think the actual federal government benefits from this also. And I'll...let me explain that. The...once these students graduate, they actually end up being very productive young adults. And they get jobs that pay taxes to Nebraska and taxes to our federal government. So when we started this, I felt this was a good way to have the federal government be part of this whole process. And so I'm here to ask you to support this, put this in statute because it's a very, very good program. And there are four things that I want you to take away from this. This really helps break that cycle of poverty. These kids will know now that they have some other model that they can use. It also decreases the reliance on welfare and it's going to cut our costs when these...and they had, you know, a number of students. I think there are about 350, something like that. When they are out earning and having a good job, they will not have to rely on our welfare service. It also increases our tax revenues both federal and state. They are providing taxes to our coffers for the state. And it also provides our educated, productive young adults. And we give them a chance to do that. Thank you for your time. [LB102]

SENATOR KOLOWSKI: Thank you very much. Questions for Dr. Pfeil? Anyone from the committee? Seeing none, thank you. [LB102]

CARNA PFEIL: Thank you. [LB102]

SENATOR KOLOWSKI: Any additional proponents, please? Seeing none, opponents to LB102, please? Also seeing none, anyone of a neutral capacity? Also seeing none, Senator Sullivan, back to you, please. [LB102]

SENATOR SULLIVAN: Thank you, Senator. And just to remind you of what LB102 does, the ACE Plus Scholarship is not currently in statute. LB102 puts it in statute. The funding for it is represented in the budget request from the Coordinating Commission for Postsecondary Education. [LB102]

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

Education Committee
March 03, 2015

SENATOR KOLOWSKI: Senator, do you have the number of students that were impacted by it, not dollar amount totals but just the number of students that...impacted by the ACE Scholarships last year? [LB102]

SENATOR SULLIVAN: Last year, about...nearly 380 students. [LB102]

SENATOR KOLOWSKI: (See also Exhibit 3) Thank you. That's great. Any other questions for Senator Sullivan? Thank you very much. Close and move on to...at this point, we'll move on to LB410, Senator Sullivan again, please. [LB102]

SENATOR SULLIVAN: (Exhibit 1) Thank you, Senator Kolowski and members of the Education Committee. For the record, my name is Kate Sullivan, K-a-t-e S-u-l-l-i-v-a-n, here today to introduce to you LB410. LB410 is a bill that was brought to me by Lincoln Public Schools and would expand eligibility for the Access College Early, the ACE, Scholarship Program Act. The ACE Scholarship Act is a program which provides scholarship dollars to students for the purpose of covering tuition and fees for postsecondary education credit. LB410 would provide up to \$250 per semester, or \$500 a year in scholarship dollars, to students who are seeking a certification, diploma, or college credit as part of a career plan of study at a Nebraska high school provided that the student's family has an annual income level at or below 250 percent of the federal poverty level. For purposes of LB410, a career plan of study means at least three high school courses that (a) can include dual credit or college credit courses; (b) are part of a career pathway program of study aligned with the rules and regulations of the Department of Education's Rule 47; a professional certification requirement; or a requirement for a postsecondary certification or a diploma; and have at least one local member of business or industry partnering with the program. Members, I feel that, as part of the state support available to students in Nebraska, a program that would assist students to obtain various professional certifications and diplomas is not only a benefit to the student but is also a benefit to the state by increasing the number of skilled and qualified individuals available for our work force. I would like the pages to hand out an amendment. And what the amendment does to the bill, it would strike, at the beginning on page 3, line 15, the word "does" and ending in line 18 with the word "and." This language was placed in the bill originally when a General Fund request specifically for the purposes of LB410 was contemplated. However, General Funds are not now being sought under this bill and so that language is no longer needed. AM591 also changes the poverty limit for eligibility in LB410 from 250 percent of the federal poverty level to 200 percent. I ask for your support on LB410 and AM591 and for their advancement to General File. I'll answer any questions if you have them. [LB410]

SENATOR KOLOWSKI: Thank you. And do you have the number of students that were impacted by this scholarship this last year just to get an idea? [LB410]

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

Education Committee
March 03, 2015

SENATOR SULLIVAN: I'll look those up while the testimony is going on and give those back to you. [LB410]

SENATOR KOLOWSKI: Very good. Thank you. Any other questions for Senator Sullivan, please? Seeing none, thank you. Could we have proponents for this LB410, please? Welcome again. [LB410]

MIKE BAUMGARTNER: (Exhibit 2) Thank you, Senator Kolowski and members of the committee. My name is Mike Baumgartner, M-i-k-e B-a-u-m-g-a-r-t-n-e-r, and I'm the executive director of the Coordinating Commission for Postsecondary Education. As for the other bill, I would like to thank Senator Sullivan for introducing this bill. You heard me testify earlier about the proven academic success of Nebraska high school students who receive ACE Scholarships to pay for their dual enrollment courses, particularly the rate at which they continue on to college. LB410 would build on the success of the ACE Program through a limited change in eligibility that would target resources for high school students of moderate means who enrolled in dual enrollment courses as part of a career path of study. By doing so, this bill attempts to expose additional students to career options they may not otherwise have considered and address the increasing need for an educated work force specifically in the state's high-demand fields. While we support the bill, we do want to raise a potential funding issue. Since 2008, the ACE Program has benefited from the opportunity to supplement state funds with federal funds. For the current academic year, \$300,000, or nearly one-third of the program's funding, comes from a federal grant. That federal grant, which also pays for the ACE Plus Scholarship, is going to disappear after the 2015-16 academic year. The commission has requested that the state replace those federal funds with General Funds. However, neither the Governor's budget nor the Appropriations Committee's preliminary budget includes replacement funds. The loss of \$300,000 would result in about 600 eligible students not receiving ACE Scholarships. Programmatically, however, we believe LB410 has the potential to encourage postsecondary education among a subset of our high school students that is increasingly important to our state's future. And for this we heartily support it. Thank you, and I'd be happy to answer any questions. [LB410]

SENATOR KOLOWSKI: Thank you. Do you happen to know how many students were partaking of this in the last year? [LB410]

MIKE BAUMGARTNER: One thousand, eight hundred sixty-six, I believe. [LB410]

SENATOR KOLOWSKI: 1,866? [LB410]

MIKE BAUMGARTNER: Yes. [LB410]

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

Education Committee
March 03, 2015

SENATOR KOLOWSKI: And how many schools across the state? [LB410]

MIKE BAUMGARTNER: I believe, actually, over 200. 217. [LB410]

SENATOR KOLOWSKI: Thank you. And again, these are only high school students that are applying for this money... [LB410]

MIKE BAUMGARTNER: Yes. [LB410]

SENATOR KOLOWSKI: ...and being involved in this particular way? [LB410]

MIKE BAUMGARTNER: That's right. [LB410]

SENATOR KOLOWSKI: And it could be a course either by technology delivered or any other way as far as a local community college or a college connected with the area? [LB410]

MIKE BAUMGARTNER: Yes, as long as it's a dual credit course offering both college credit and high school credit. [LB410]

SENATOR KOLOWSKI: Dual credit? [LB410]

MIKE BAUMGARTNER: Yes. [LB410]

SENATOR KOLOWSKI: Wonderful. Thank you, appreciate that. Senator Groene, please. [LB410]

SENATOR GROENE: Thank you, Chairman. Sir, what's your total budget then? [LB410]

MIKE BAUMGARTNER: Our total budget for this program? [LB410]

SENATOR GROENE: No, for everything. [LB410]

MIKE BAUMGARTNER: Everything? About \$18 million including the lottery funds. [LB410]

SENATOR GROENE: You include those lottery funds... [LB410]

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

Education Committee
March 03, 2015

MIKE BAUMGARTNER: Yeah. [LB410]

SENATOR GROENE: ...because you manage those and then this would add \$300,000? [LB410]

MIKE BAUMGARTNER: Well, currently this program is funded at about \$960,000 of which \$300,000 is a federal grant. [LB410]

SENATOR GROENE: So the state has been putting \$660,000... [LB410]

MIKE BAUMGARTNER: That's right, about that, um-hum. [LB410]

SENATOR GROENE: Thank you. And that was General Fund dollars? [LB410]

MIKE BAUMGARTNER: That's right. [LB410]

SENATOR KOLOWSKI: Other questions from the committee? Thank you very much, Mike, appreciate it. [LB410]

MIKE BAUMGARTNER: Thank you. [LB410]

SENATOR KOLOWSKI: Additional proponents, please? Good afternoon. [LB410]

RANDY NELSON: (Exhibit 3) Good afternoon. My name is Randy Nelson, R-a-n-d-y N-e-l-s-o-n. I am the director of the SENCAP program which is Southeast Nebraska Career Academy Partnership. I've got a handout that's coming around and any chance I have to promote our program and tell you about what we're doing, this is...I love the opportunity to do that. Basically, in a nutshell, our program is providing career education opportunities along with dual credit for all the high schools in the 15-county service area of Southeast Community College. So basically everything outside the area of LPS, we're providing career education opportunities for our young people. Again, I'm here in support of LB410. Just real quickly again, SENCAP, which is a program supported through Southeast Community College and also Perkins funds, has been providing career education opportunities for high schools...high school juniors and seniors for the past six years. This current school year, we have 37 high schools within the 15-county service area of Southeast Community College that are participating in our program. And we have over 500 students and these are primarily juniors and seniors in high schools that are taking dual credit courses in eight different career pathways. Our goal is to help students become college and career ready. Like other career academy programs across the state of Nebraska and throughout

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

Education Committee
March 03, 2015

the entire country, we are continually looking for ways to allow students to participate. Since our program began six years ago, Southeast Community College has provided a half-tuition waiver to every student enrolled in our career academy. This has allowed many of our students, who otherwise would not be able to be involved because of costs, to take dual credit classes and experience opportunities that help them be career ready. However, even with the financial support from Southeast Community College, we continue to have students who are not able to afford the cost of tuition, fees, and books and thus miss an extraordinary opportunity to get focused on and a jump-start on preparing themselves for a world of work and career that they are passionate about. While some scholarships, such as the ACE Scholarship that we're talking about and Learn to Dream, have provided options for some students, there are many others who could benefit from additional funding opportunities that are there. This is why I believe it is extremely important that you would give strong consideration to supporting LB410. This bill would provide a broader option, an avenue for our high school students who qualify and that come from families that do not have the means to provide the needed resources for college tuition and other costs. The support for career academies, and I will also say for dual credit classes, and the efforts being made to get students prepared earlier for their years beyond high school is very strong in Nebraska and the nation. This is the time where we need to give serious consideration to providing specific funding options for students and families in financial need. LB410 provides a viable option and broadens that option for our young people and those...particularly those that cannot afford college tuition and other career opportunities. Again, I ask you for your support for LB410. If I can answer any questions at this time, I will do so. [LB410]

SENATOR KOLOWSKI: Mr. Nelson, thank you very much. From the numbers that we were given by Dr. Baumgartner, 1,866 students, 217 different schools, do you know what the spending pattern is with those schools as far as picking up any of the costs of the credit or the books or tuition fees or anything else with the range of those schools? [LB410]

RANDY NELSON: A couple things, Senator: I can tell you, with the 37 schools that we have, probably a little over 50 percent of those schools pay the other half of the tuition as part of our program. [LB410]

SENATOR KOLOWSKI: Okay. [LB410]

RANDY NELSON: So they have a significant investment as...and also they also provide Perkins dollars to help support our program. I'll also say that within this current school year, we have had just over 125 students that have been taking part in the ACE scholarship as well. And that equates to a little over \$36,000. So that is a...the ACE certainly is a scholarship that is well needed and the opportunity to broaden that opportunity for students...we're always looking for those opportunities. [LB410]

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

Education Committee
March 03, 2015

SENATOR KOLOWSKI: Very good. Do you know if any districts are using foundation support within their own district or community to help with this payment as well? [LB410]

RANDY NELSON: Yes. In fact, I think Norris was a school that was using, where Senator Baker used to be. And we probably have three or four of our other schools. We also, though, Senator, have several businesses that have come forward. I'll use Waverly, for example, where Pinnacle Bank has come forward and is giving them, I believe, \$10,000 every other year to help pay for tuition. So we've been given a lot of support both from business and from foundation. So again, we're always out there looking for various options to support kids. [LB410]

SENATOR KOLOWSKI: Absolutely. Wonderful. Thank you. Other questions from the committee, please? Seeing none, thank you. [LB410]

RANDY NELSON: Okay. Thank you for your time. [LB410]

SENATOR KOLOWSKI: Appreciate it very much. Additional proponents, please? [LB410]

JOHN NEAL: Good afternoon, Senator Kolowski, members of the Education Committee. My name is John Neal, J-o-h-n N-e-a-l, and I'm assistant to the superintendent for Lincoln Public Schools and my testimony is in support of LB410. I'd like to begin by thanking Senator Sullivan for bringing this forward for your consideration. Over three years ago, I joined a team that was researching the feasibility of starting a career academy in Lincoln. And the team included members of Lincoln Public Schools, Southeast Community College, and our local business...representatives from our local business and industry. We visited career academies all across the state of Nebraska as well as several other states. And in our visits and in our research, we found three key components to a successful career academy: (1) is that the coursework of the career academy be based on the needs of the business and industry in the community in which the career academy is going to be located; (2) that the career academies have flourished because of the ongoing partnership between the secondary school, postsecondary school, and the local business and industry; and (3) that the courses at the career academy include not only high school but also dual credit courses which are a combination of classes that include both high school and college credit. And when we talk about those programs being successful, it's important to look at how we measure that success. And the success of students that attended career academies with those three components had higher graduation rates in high school but also higher graduation rates in college than their peers and went to the work force with a higher level of skill for high-demand, high-paying jobs in their local communities. The...most of the postsecondary partners for these career academies were local community college. Students are much more likely to stay in their local community when they graduate from the community colleges. So career academies are good for students, they're good for communities, they're good

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

Education Committee
March 03, 2015

for the state. But what we also learned from talking to students during these visits was how impactful the cost of tuition can be in their decision to even pursue a career academy experience. High school students are not eligible to receive federal assistance for postsecondary classes. While some programs exist for students who qualify for free and reduced lunch, some students just miss that qualification and thus they miss taking part in the career academy thus losing the potential benefits of the career academy for those students but also for their communities. Considering the benefits for the students, the local communities, and the state, again, in higher graduation rates in high school, in college, and a higher skilled citizenry, it's important we do not unintentionally lose those benefits. LB410 provides a critical level of support for students and their families who may otherwise not be able to take advantage of the full career academy experience. For this reason, Lincoln Public Schools supports LB410. I'm happy to try to answer any questions. [LB410]

SENATOR KOLOWSKI: Thank you, Mr. Neal. One question I had was, when you talked about high school students not being eligible for the college assistance, is there something we need to do on the national level, because the blend of that 11, 12, 13, 14 years is becoming a blurry line in our society so heavily influenced by students taking courses earlier and earning college credits in that way? [LB410]

JOHN NEAL: I think that would be a great tract to happen at the federal level because that is starting to blend which is so important in the transition of students from secondary to postsecondary to have that be a seamless transition. [LB410]

SENATOR KOLOWSKI: Thank you. Additional questions, anyone? Thank you very much. [LB410]

JOHN NEAL: Thank you. [LB410]

SENATOR KOLOWSKI: Appreciate it. Additional proponents, please? Afternoon. [LB410]

ANDREW LONG: Good afternoon. I'm Andrew Long, vice president...oh, A-n-d-r-e-w L-o-n-g. I'm vice president of student affairs at Mid-Plains Community College and I'm based out of the McCook Community College campus. And I was a high school social studies teacher for six years in Big Springs and Cozad and...oh, this is my first time testifying. It's just a thrill to be here. So thank you for being here. But I came back to Nebraska about a year and a half ago after working for a community college in Colorado for 5.5 years. And overall, I just want to thank the legislative body for their support for higher education in Nebraska. Tuition, fee, room, and board at a two-year school in Nebraska is about \$3,000 less than a comparable school in Colorado. So thank you for that support. With that, I do want to speak on behalf of LB410. You know, you

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

Education Committee
March 03, 2015

heard a lot of great facts from the previous speakers. We've talked to a few of our students that have benefited from ACE Scholarships. One of those students was a junior in high school at North Platte who was looking to drop out and go to cosmetology school. If she dropped out from high school she would not have qualified for federal financial aid, meaning she would have had to borrow probably \$15,000 to \$25,000 to pay for her schooling for an education that would not have started with a high-paying job. She took ACE Scholarship classes in high school and that led her to now pursuing a bachelor's degree program. Another school (sic) currently benefiting from the ACE scholarship program in North Platte High School wrote a persuasive essay to his teacher for his dual credit English composition class on the benefits of the ACE Program. And he wrote, when I applied through ACE, I almost thought it was too good to be true. I was getting a class offered for free because they realized my financial struggle. The program gives students the ability to move ahead. To get class out of the way, students take them in high school for more reliable prices and can plan ahead their classes in college. With this program, students save time and money. Some of the offered courses even let students find out what field they want to go into. I like math and can see algebra as a potential subject in my future studies. The curriculum taught me better time management skills. I needed to take notes and study. I even did all my homework for the class and that's rare for me. Thus, I don't have to worry about failing through college because I learned a potential college habit. In the Mid-Plains area we represent about one-third of the geographic area of the state with about 5 percent of the population. So some of the career academy, career plans and studies look a little different for us. But through our Career Pathways, we're able to work with the local high schools through distance learning, through qualified high school instructors, and sometimes by our college instructors going to different high schools to be able to provide some of the Career Pathways to the students at their local location. So even though we don't have a building they go to for career academy skills, we do offer the Career Pathways with healthcare being one of the top ones we offer throughout our 18-county area. Any experience in this program is a benefit as every year I hear from our high school counselors of students that just miss that cutoff level to qualify for the ACE Scholarship. The Career Pathways is a good plan because it helps give our students a direction and most of the research shows students that partake in dual credit classes attend high school...or graduate high school at a higher rate, attend college at a higher rate, and have a higher success in GPA and persistence once they get to college. With that being said, I welcome this opportunity and if you have any questions, I can try my best to answer them. [LB410]

SENATOR KOLOWSKI: Thank you, Mr. Long. Would you elaborate on...you mentioned qualified high school instructors. What are your standards as far as distance learning or any other arrangements that you make with students in that combination? [LB410]

ANDREW LONG: For dual credit classes, teachers must have a master's degree and 18 credits in the subject in which they're teaching. [LB410]

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

Education Committee
March 03, 2015

SENATOR KOLOWSKI: That's pretty universal then. [LB410]

ANDREW LONG: Yeah, I believe so. [LB410]

SENATOR KOLOWSKI: Thank you, appreciate that very much. Any other questions, please, committee? Thank you then. Thank you for your kind words about Nebraska. [LB410]

ANDREW LONG: Thanks. [LB410]

SENATOR KOLOWSKI: Appreciate that. Additional proponents, please? [LB410]

RON SEDLACEK: Thank you, Senator Kolowski and members of the Education Committee. For the record, my name is Ron Sedlacek. That's R-o-n S-e-d-l-a-c-e-k. I'm here on behalf of the Nebraska Chamber of Commerce and Industry. My comments will be brief. You did hear from the academy and just wanted to chime in and also thank Senator Sullivan on behalf of the business community for introducing LB410. We have many business members who have informed us of the value of the program and their support of these types of programs and the concepts that are within LB410. The State Chamber had an initiative over the past couple of years called Forging Nebraska (sic) Future and it looked at a number of issues that face Nebraska in the next generation: quality of life, taxation, education, just many...labor and so on. And of the many recommendations, the concepts here are certainly one that they recommended the State Chamber take a look at. Our education council met, reviewed a number of bills, and they recommended to our board of directors to support LB410. Now, the board of directors approves and we want to be here and be on the record. We certainly feel this is one other opportunity to address the skills gap, work force development, and opportunities for career pathways for college and career readiness. So thank you again for hearing our testimony and urge you to advance the bill. [LB410]

SENATOR KOLOWSKI: Thank you, Mr. Sedlacek. Any questions, please, from the committee? Thank you, appreciate it very much. [LB410]

RON SEDLACEK: Thank you. [LB410]

SENATOR KOLOWSKI: Next proponent, please? Good afternoon, Dr. Schmailzl, how are you? [LB410]

RANDY SCHMAILZL: Good afternoon, Senator Kolowski and committee. Randy Schmailzl, president, Metropolitan Community College, R-a-n-d-y S-c-h-m-a-i-l-z-l. We're here in support

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

Education Committee
March 03, 2015

of LB410 today. You've heard a lot of the testimony as to the positives in this. I'd like to give you a little testimony in terms of the long-term benefit of this. Anytime that we can open up pathways of all the students in high school to explore careers, career plans, is an exemplary model for the high school and the community colleges to land up working together on curriculum change. Too many of our students, while they're in high school right now, land up with the insufficient level of math, science, reading, but most of them do come out of high school with a great diploma. This bill allows the continuation to figure out what it is you want to do or don't want to do in your future. We have career academies at Metro that not only help students figure out they want to become a nurse, it helps students figure out that they may not want to be a nurse. And it's a good time to figure that out, while you're in high school, especially if you go into CNA training and you land up...that's not your...you don't like that. You need to get out of that before you get into school and try to make that work. There's more rigor in these classes. There's much more rigor than the high school classes. And that's by design because they're offered for college credit. And so the instruction, the level of curriculum, and the level of feel good and grit that it takes for these students to complete these classes is something that is the noncognitive skill that you don't always learn in high school unless you're in extracurricular activities. Currently at Metro, we're involved in Aksarben scholarships that will be piloted this fall. They'll be full-ride scholarships to community colleges at Metro now but across the state and they're into careers. And so to be able to be in this pathway program will help us sort out the students that will be in a fit mode for the Aksarben scholarships. I'd like to finish by...Senator Kolowski, you asked a question on federal financial aid. Right now, federal financial aid requires a GED or a high school diploma. That's the largest stumbling block. And you used to be able to get by with ability to benefit if you could take a test and show that you were ready. But until we get that barrier removed, there's not going to be any federal financial aid for these high school kids. And that's the biggest problem we have. So I'll end with that, and I really hope that you're...you can see fit to support this bill and send it out. It's good for the whole state of Nebraska. [LB410]

SENATOR KOLOWSKI: Dr. Schmailzl, on the question of dual enrollment, do you have any numbers as far as the number of credit hours that your institution would grant within a year's time with all the activity... [LB410]

RANDY SCHMAILZL: We have about...we have approximately 3,000 students in dual enrollment. And they take an average of six credit hours. So you're looking at about 18,000 credit hours right there. [LB410]

SENATOR KOLOWSKI: Those would be high school students? [LB410]

RANDY SCHMAILZL: Those are high school students. [LB410]

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

Education Committee
March 03, 2015

SENATOR KOLOWSKI: Amazing. [LB410]

RANDY SCHMAILZL: Yeah. And, you know, our career academies, we have about 200 students in 22 career academies. And that's a population that's studying a specific career at that time. We're getting ready to enlarge our dual enrollment program with Millard Public Schools into the early college program which all students at Millard South High School will have an opportunity to take dual enrollment, career academy, college for credit classes, and that will blow the roof off of how many people can earn this kind of credit. [LB410]

SENATOR KOLOWSKI: Absolutely. [LB410]

RANDY SCHMAILZL: Our credit transfers anywhere in the United States, no questions asked. It's on a college credit transcript. It's not sorted out by whether you took it on campus, off campus, or while you were in high school. So no one knows the difference. It's credit that Metro ethically and honestly can say you received in the classroom. [LB410]

SENATOR KOLOWSKI: I think it goes without saying the...thank you to yourself and...in metro area, to yourself and also UNO for the excellent ways you've opened the college experience to students where they can enroll and secure a great deal of credit before they finish high school. [LB410]

RANDY SCHMAILZL: That's a really good point. Thank you. We appreciate that. [LB410]

SENATOR KOLOWSKI: Absolutely. [LB410]

RANDY SCHMAILZL: Not often do you hear thank-yous in education, you know, so it's always good to hear that. But, yeah, that seamless transfer from high school to Metro to UNO is something that just doesn't happen. It takes a lot of work in the community and we're really thankful for the leadership at UNO to make this happen so good partnership. [LB410]

SENATOR KOLOWSKI: And your leadership. I know Millard South will also be adding Air Force ROTC... [LB410]

RANDY SCHMAILZL: Right. [LB410]

SENATOR KOLOWSKI: ...to their schedule this next year and that will be another benefit for students with a lot of options and directions in their lives. [LB410]

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

Education Committee
March 03, 2015

RANDY SCHMAILZL: That's right. [LB410]

SENATOR KOLOWSKI: Thank you. [LB410]

RANDY SCHMAILZL: Thank you. [LB410]

SENATOR KOLOWSKI: Any questions? Any other questions, please? Thank you very much. [LB410]

RANDY SCHMAILZL: Yeah, thank you. [LB410]

SENATOR KOLOWSKI: Additional proponents, please? Anyone else? And do we have opposition? Opponents to the LB410? LB410? Seeing none, and any neutral statements from anyone, please? Thank you. [LB410]

JODI KUPPER: Hello again, Senator Kolowski and members of the Education Committee. My name is Jodi Kupper, J-o-d-i K-u-p-p-e-r, and I am vice chancellor for academic partnerships and planning for the Nebraska State College System. I am here today to testify in the neutral on LB410 and will keep my remarks very brief. LB410 appears to expand those qualifying for the Access College Early, ACE, Program to include those involved in a career pathway program to participate with broader income guidelines. I again want to note how important the ACE and ACE Plus programs are to NSCS and our students. While we certainly support the expansion of the ACE program, we believe such an expansion should be done only if there are additional resources available to the program to the program to support that expansion. Thank you for your time. [LB410]

SENATOR KOLOWSKI: Thank you. And any questions, please, for her? Ms. Kupper, thank you very much. Any additional neutral testimony, please? Seeing none, back to Senator Sullivan, please. [LB410]

SENATOR SULLIVAN: Thank you, Senators. And just to review the components of LB410 as amended, it expands the eligibility for the ACE Scholarships to include students with family income of 200 percent or less of the federal poverty level and also if they are seeking a certification diploma or a postsecondary education that's part of a career plan of study. [LB410]

SENATOR KOLOWSKI: Thank you very much. Question, Mr. Schnoor, please. [LB410]

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

Education Committee
March 03, 2015

SENATOR SCHNOOR: I don't know if you know this, Senator Sullivan. What is the poverty level? [LB410]

SENATOR SULLIVAN: That is...the 250 percent was \$60,000, so 200 percent would be a little bit lower than that. [LB410]

SENATOR SCHNOOR: Okay. [LB410]

SENATOR SULLIVAN: Sorry I don't have that. [LB410]

SENATOR SCHNOOR: Um-hum. I'm thinking, like, in the \$12,000, \$12,500 range. Is that the actual poverty level? Is that... [LB410]

SENATOR SULLIVAN: Oh, the poverty level. Oh, it's...oh, excuse me. I thought you had... [LB410]

SENATOR SCHNOOR: Yeah, the poverty level itself while the... [LB410]

SENATOR SULLIVAN: ...yes, yes, around there, um-hum. [LB410]

SENATOR SCHNOOR: So but if I use that figure that's pretty close? [LB410]

SENATOR SULLIVAN: Right, right. [LB410]

SENATOR SCHNOOR: Okay. Thank you. [LB410]

SENATOR PANSING BROOKS: Single person versus a family of four. [LB410]

SENATOR SCHNOOR: Okay. [LB410]

SENATOR KOLOWSKI: Any other questions for Senator Sullivan, please? Seeing none, thank you very much. That ends LB410 and I'll turn it back to Senator Sullivan for LB380 coming up. [LB410]

SENATOR SULLIVAN: This opens the hearing on LB380 and Senator Morfeld. [LB410]

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

Education Committee
March 03, 2015

SENATOR MORFELD: Thank you. Senator Sullivan, members of the Education Committee, my name is Adam Morfeld. That's A-d-a-m M-o-r-f-e-l-d, representing the "Fighting" 46th Legislative District, here today to introduce LB380. LB380 creates the Higher Education Affordability Commission. I introduced this legislation for three primary reasons: (1) to bring all the stakeholders across higher education and K-12 in Nebraska to take a look...comprehensive look at the reasons behind the higher costs of education; (2) to begin facilitating coordination and discussion between these different stakeholders; and (3) identify innovative ways we can begin reducing the cost of higher education. Further, the commission will study best practices in other states, for example, Oregon's Pay it Forward college finance plan that allows students to go to college on a tuition-free basis with the understanding that they repay the portion of their income later. The commission shall also create a ten-year plan to address college affordability, draft a legislative proposal to create a pilot program, give recommendations to the overall issue of access to and the affordability of postsecondary education in Nebraska. The commission will include six voting members of the Legislature, four nonvoting representatives of higher education. The executive committee may appoint up to two additional nonvoting members of the commission. After discussing with some stakeholders and reading over legal counsel's notes, we may come with an amendment to the time line and composition of the commission. The commission is charged with analyzing data and information regarding the affordability of...excuse me, affordability for postsecondary education in Nebraska, to research best practices from other states, and to encourage participation from financial aid advisors and the banking community to explore strategies and solutions to decreasing the cost of higher education. The commission shall issue a report of its findings and recommendations to the Executive Board of the Legislative Council and the Education and Appropriations Committees of the Legislature. This is personally an important issue for me. As a recent student graduate from a middle-income family, I went into deep debt from student loans despite having nearly straight-A student...excuse me, being nearly a straight-A student at the University of Nebraska and receiving some substantial scholarships for which I am very grateful for. This is not just about the impact on students, though, but also our state. As a young Nebraskan with significant monthly loan payments, large student debt loads changes our abilities to be innovative, take risks, and grow the economy. It is a good thing that I founded a nonprofit because with my debt load, a bank likely would have laughed me out of the loan office if I wanted to start a business. Myself and other young entrepreneurs saddled with student loan debt have more limited options when it comes to the ability to take risk and be innovative and job creators. Further, I had not started my own...if I had not started my own nonprofit and had a very understanding board of directors to allow me to be a part-time executive director, I would have never been able to even consider serving in this Legislature. Most young people are not so fortunate, particularly those with large student loan debts. Student loan debt can stifle innovation, our economy, and perhaps even the representative nature of our Legislature. Finally, I wanted to provide you with some additional facts and figures about the increase in the cost of education to give you some perspective. According to our Legislative Research Office, over...in over ten years from 2004 to 2014, tuition and mandatory

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

Education Committee
March 03, 2015

fees for a Nebraska resident undergraduate student has increased an average of 63 percent for four-year public institutions here and 55 percent at two-year institutions. From 2003 to 2013, the median family income in Nebraska has increased, with some inflation and other figures, about 24 percent. That means that the increase in the cost of higher education has doubled in comparison to the relative increase in median household income. Such increases are, quite frankly, unsustainable and will result in students from low-, middle-, and eventually high-income...from being able to receive a higher education. In addition, from 2002 to 2013, federal student loan borrowing increased nationwide by 86 percent. And according to the Project on Student Debt, students who graduated in 2013 from a Nebraska four-year institution had an average debt load of \$26,473. Members of the committee, the status quo is bankrupting our youth's future in many cases. The purpose of this commission is to bring all the stakeholders together to take a serious look...serious and deliberative look at the cost of higher education and create solutions. Thank you and I would be more than happy to answer any questions. [LB380]

SENATOR SULLIVAN: Thank you, Senator. I think it's probably safe to say that the concern over affordability of higher education is probably something that's on the minds of all in higher education. So what's the uniqueness of something like this commission that would be different than all of the independent groups studying it themselves? [LB380]

SENATOR MORFELD: Well, the problem right now is that this is a systemic problem. And I am also not naive to think that this is only an issue that can be solved on the state level. It's going to require some federal-level reform as well. But there are things that different states are doing. And to answer your question, since it is a systemic problem, we need all the institutions not working together to solve this problem in silos which largely is, I think, what is happening now. Now, the Coordinating Commission provides some great higher-level data and then also some coordination on not duplicating different services and different higher education...excuse me, different higher education services. However, I want to bring all the stakeholders, and particularly members of the Legislature, because I think there's a big disconnect between...maybe not members of this committee because we see the higher cost of education, but I've been talking to some of our colleagues and there's many of them that believe that the reason why people are going into debt is because people aren't working hard enough over the summer to pay off and save up enough to be able to afford paying for tuition rather than taking out loans during the school year. And if you look at how much it costs particularly for a four-year institution, which is around \$13,000 or \$14,000 a year for resident tuition, a student working for three months in a temporary job isn't going to be able to save up enough to pay for that and then also room and board expenses throughout the year. So to answer your question, Senator, I think that a lot of different institutions are kind of operating in silos. I want to look at some comprehensive, systemic reforms that we can look at much like Oregon has done with their Pay it Forward program--I don't know if that would be a good program, that's something that

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

Education Committee
March 03, 2015

would have to be looked into--to create some systemic solutions not just operating in our own little silos. [LB380]

SENATOR SULLIVAN: I believe you mentioned something to the effect of the amendment. Is that going to pertain to the makeup and membership of the committee? [LB380]

SENATOR MORFELD: It will. I think legal counsel brought up some good points about the makeup of it and then also some questions as to, how do we select and how do we pick and choose different institutions and different representation? I think those are good points. This is a new idea. I didn't take this idea from anybody else. So I'm willing to work with the committee and vet it out and change it around if we feel comfortable with a different composition or direction. [LB380]

SENATOR SULLIVAN: Thank you. Any other questions for Senator Morfeld? Senator Kolowski. [LB380]

SENATOR KOLOWSKI: Senator Morfeld, thank you for bringing this forward. You and I have talked about those student loan issues over time and I shared with you from my perspective, in my age, back in the 1960s, the country had NDEA loans, National Defense Education Act loans. And if you went into education, you had forgiveness, for every year you taught, a percentage of your amount of indebtedness that you had. And we have nothing like that available today. I don't think there is anything out there of that nature. But would those kind of programs into needed areas within our society be part of the thinking that you'd bring forward out of a commission like this? [LB380]

SENATOR MORFELD: Well, I think that that could be one. Obviously that's on the federal level, as you know, Senator. [LB380]

SENATOR KOLOWSKI: Right. [LB380]

SENATOR MORFELD You know, I think that one of the...I alluded to it just a little bit in my response to Senator Sullivan's question. I understand that the cost of higher education is not just a state-level issue. In many cases it's a federal-level issue. And I say this with a little bit of hesitation because I think some people take it the wrong way when I first say it but in my family we didn't have enough money or anything saved away or, you know, really the resources to save anything away for higher education for the five kids in my family. And so federal loans...I wouldn't have been able to go to a four-year institution without federal loans--it just would have been impossible for me--and particularly been able to get it done in four or five years. But with

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

Education Committee
March 03, 2015

the availability of federal loans and how available they are, I think it creates disincentives for the Legislature and states to fully fund their universities in a way that would keep down the cost of higher education because those loans are so available. So what we don't see is students being turned away because there's a high availability of federal loans. So there's less of an incentive to keep the cost of higher education down. Now, I think it's a little bit more complex than that. But I think that, just to give you an example of...that's one of the higher-level issues that's going on in the background. And it's a double-edged sword because, to a certain extent...or not to a certain extent but on one hand, I wouldn't have been able to go to a four-year institution if those federal loans hadn't been available. On the other hand, I think there are some disincentives that are sometimes created on the state level by the availability of those students loans. So I think it's a double-edged sword. But there are things such as the state of Oregon that other states are doing to be able to fit the needs of different students. Maybe the Pay it Forward program works well for a certain set of students. Maybe it doesn't work so well for some other students. And maybe there's some other students that don't need it just simply based on their scholarships and other things. [LB380]

SENATOR KOLOWSKI: You've heard today in this hearing and in other hearings at different times about some of the blend going on as far as junior, senior, freshman, sophomore year of college, some things that are happening in that capacity. That wasn't always that way in Nebraska. [LB380]

SENATOR MORFELD: Certainly. [LB380]

SENATOR KOLOWSKI: We've worked long and hard, many people over time, to open those doors, to make those passages possible where students could accelerate if they had the desire to do those things and earn college credit while still in high school. The climate and the culture has changed along with radical changes, sometimes, in some of the acceptances of the colleges toward that...toward those credits. I hope we look at the whole systemic aspect of what you're talking about and not just the dollars. It's also the systems they're trying to earn those credits within... [LB380]

SENATOR MORFELD: Yeah, and Senator... [LB380]

SENATOR KOLOWSKI: ...that need to be open. [LB380]

SENATOR MORFELD: Sorry to interrupt you. [LB380]

SENATOR KOLOWSKI: No, go ahead. [LB380]

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

Education Committee
March 03, 2015

SENATOR MORFELD: Senator, that's the other reason why I alluded to changing the composition a little bit, because I think K-12 needs to be at the table, too. And I think that we've done a good job, K-12 and some of the higher...postsecondary schools in starting to work together on, how do we connect the dots and create pipelines? And I think that's part of this. That being said, I think we all need to be sitting down at the table and looking at this in a really comprehensive way. I also want to emphasize...you know, and compared to other states, Nebraska does pretty good with college affordability--in comparison to other states. However, I think as a nation, we're failing. And we may be doing well in comparison to some of our peers in other states, but when our peers are doing just as bad as, I think, everybody else is--and again, that's kind of a systemic problem--then I think that we need to still sit back and look: How can we do even better? And how can we be kind of a state that there's a spotlight on? Look at what Nebraska and some other states, maybe like Oregon, are doing to be innovative and keep the cost of higher education as low as possible. [LB380]

SENATOR KOLOWSKI: Thank you. [LB380]

SENATOR SULLIVAN: Any other questions for senator? Okay. Senator Groene. [LB380]

SENATOR GROENE: Thank you, Chairman. How about just...have you thought about doing an audit of why it's so expensive, why we go up 5, 6, 8, 10 percent a year in cost of operating our higher education and maybe doing a comparison of cost per credit hour of the expense of operating a university? It seems we give them a free ride that...of these huge cost increases. Would you consider putting something in there where they do a study of why costs are going up so much, because nobody wants to address that? They just want to find more money. But I like your principle here. [LB380]

SENATOR MORFELD: Yeah. [LB380]

SENATOR GROENE: But I would like somebody to do an audit on it and find out why. [LB380]

SENATOR MORFELD: Certainly. That could be a component of the commission, Senator. And I think that we need to be looking at all aspects. And I know that you've alluded that to me, I think on some other stuff before, a little bit about that issue and that concern of yours. I think that's something that we should look into. I think everything is fair game for this commission. If we want to add in a few different things that they specifically look at, I would be open to that. [LB380]

SENATOR GROENE: Thank you. [LB380]

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

Education Committee
March 03, 2015

SENATOR SULLIVAN: One other thought that just occurred to me because we are in a pattern right now of holding tuition...we have a tuition freeze. So we are taking some steps to sort of reign in... [LB380]

SENATOR MORFELD: Absolutely. I think that's good. I think it's also short term, the tuition freeze. And so I think that that's a great step and I applaud the past Legislature and the past Governor for taking that step. But again, I think it's kind of a stopgap and we really need to look at the long-term, systemic issue. [LB380]

SENATOR SULLIVAN: Okay. Thank you. We will now hear proponent testimony. Welcome. [LB380]

AUBREY MANCUSO: (Exhibit 1) Good afternoon, Senator Sullivan. Members of the committee, my name is Aubrey Mancuso, A-u-b-r-e-y M-a-n-c-u-s-o, and I'm here on behalf of Voices for Children in Nebraska. We're in support of LB380. Nationally, there's a growing recognition of the importance of addressing the issue of accessibility to higher education and LB380 would be an important first step toward addressing this issue in Nebraska. A confluence of factors has led to a growing problem of access and affordability in higher education and Senator Kolowski...or I'm sorry, Senator Morfeld mentioned some of this in his opening testimony. The cost of higher education is increasing at a rate much faster than family incomes. Over the past five years, the average tuition and fees at a public four-year institution in Nebraska increased by 16 percent. And over that same time period, median income in the state by increased by only 2.2 percent. State budgets have also remained tight, limiting public investment in higher education. Over that same five-year time period, per-student state spending on higher education decreased by 17 percent. This creates challenges on two fronts. One is that our economy needs educated workers. Some current projections indicate that by 2020, 71 percent of all jobs in Nebraska will require some form of postsecondary education. And if our current trends continue, only 47 percent of the population would have some form of higher education by that time, leaving a significant gap between work force needs and the pool of available workers. Young adults are also increasingly burdened by student debt. Approximately 62 percent of students in Nebraska graduate with some student debt. An average individual debt burden for a four-year degree is over \$26,000. There's been an ongoing cost shift in higher education not only from the state to the consumer but also from the family to the individual student. And this becomes problematic not only for the individual but for the larger economy. Significant amounts of student debt can hinder the purchasing power of young workers who are often significant consumers of durable goods. Debt can also hinder the ability of young workers and families to make purchases that lead to longer-term financial security like a home. According to a recent survey by the National Association of Realtors, 49 percent of respondents described student debt as a huge obstacle to affording a home. LB380 would give Nebraska the opportunity to examine the issue of affordability in higher education and come up with state-specific interventions

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

Education Committee
March 03, 2015

designed to address this issue. We'd urge the committee to advance this bill. And I thank you for your time today. [LB380]

SENATOR SULLIVAN: Thank you, Ms. Mancuso. Any questions for her? Thank you for your testimony. [LB380]

AUBREY MANCUSO: Thank you. [LB380]

SENATOR SULLIVAN: Further proponent testimony on LB380? Welcome back. [LB380]

JODI KUPPER: Thank you. Thank you, Chair Sullivan and members of the Education Committee. My name is Jodi Kupper, J-o-d-i K-u-p-p-e-r. I'm vice chancellor for academic partnerships and planning for the Nebraska State College System. I'm here today to speak in support of LB380 on behalf of Chancellor Carpenter. LB380 creates the Higher Education Affordability Commission. Chancellor Carpenter is included in the bill as a nonvoting ex officio member of the executive committee of the commission. Affordability is something that is critical to the Nebraska State College System. Our mission statement says, "The Nebraska State College System serves our students, communities, and state by providing high quality, accessible educational opportunities." We cannot be accessible if we are not affordable. One of the core values is to maintain affordable tuition and fees. The challenge, of course, is to maintain affordability while still assuring high-quality educational opportunities. LB380 sets forth an ambitious plan to encourage participation, review best practices, find innovation, and set forth a ten-year plan to address affordability. We welcome the conversation. I again thank you for the opportunity to speak and will address any questions. [LB380]

SENATOR SULLIVAN: Thank you, Ms. Kupper. Is it fair to say that your institutions talk about affordability and how to deal with it on a regular basis? [LB380]

JODI KUPPER: Regularly, yes. [LB380]

SENATOR SULLIVAN: And have you come up with some issues to look at that might be addressed by this proposed commission? [LB380]

JODI KUPPER: I can't speak for Chancellor Carpenter on that but I know that we're always trying to find ways to assist those first-generation students or students who want to have access to affordable education to be able to select one of our colleges. That may be restricting or freezing tuition if possible, looking at different ways to provide services to students to make sure that they're more successful and can be retained and continue in their program and get the

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

Education Committee
March 03, 2015

support structures that they need and those sorts of things that can negatively impact the cost of an education for those students. [LB380]

SENATOR SULLIVAN: All right. Thank you. Any other questions? Senator Kolowski. [LB380]

SENATOR KOLOWSKI: Yes, ma'am, thank you very much, ma'am. I haven't asked this before. I wish I would have. Have we...do you have any figures on number of students that have gone through or are working their way through on the GI bill as far as service related? [LB380]

JODI KUPPER: I do not have that right now but I can certainly look into that. [LB380]

SENATOR KOLOWSKI: I wonder if the private and public also don't have that information. It would be interesting to see how many we have in those capacities. Thank you. [LB380]

SENATOR SULLIVAN: Any other questions? Thank you for your testimony. [LB380]

JODI KUPPER: Thank you. [LB380]

SENATOR SULLIVAN: Welcome. [LB380]

MIKE BAUMGARTNER: Thank you, Senator Sullivan. Members of the committee, my name is Mike Baumgartner, M-i-k-e B-a-u-m-g-a-r-t-n-e-r. I'm the executive director of the Coordinating Commission for Postsecondary Education. From me and other people, you've heard a lot in the past two days about the cost of college, student debt, and potential financial aid programs to ease the burden for students. We support LB380 because it offers a vehicle to examine those issues specifically in the context of Nebraska postsecondary education. The Coordinating Commission would welcome the opportunity to serve as a resource for this effort. The commission has experience administering multiple need-based financial aid programs, as you're well aware after numerous testimonies. We have a staff with decades of experience in financial aid and college affordability issues. And by statute, we publish an extensive report on college costs, financial aid, and Nebraska's investment in higher education every other year. I'd be happy to answer any of your questions. [LB380]

SENATOR SULLIVAN: Thank you, Dr. Baumgartner. Do you think that what's being proposed in this commission to a certain extent includes some of the responsibilities that your commission currently has? [LB380]

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

Education Committee
March 03, 2015

MIKE BAUMGARTNER: It does. But it's good to have as many people as possible around the table to look at this from time to time just like I believe that you did the state a great service with the lottery funding commission and the statewide vision. I think it's good to pull people together from time to time to look at larger issues because it doesn't happen every day. [LB380]

SENATOR SULLIVAN: (Exhibit 2) Okay. Thank you. Any other questions? Thank you for your testimony. Any further proponent testimony? I would like to read into the record a letter of support for LB380 from Dennis Baack of the Nebraska Community College Association. Anyone wishing to speak in opposition to LB380? Anyone in a neutral capacity? Senator Morfeld. [LB380]

SENATOR MORFELD: Thank you, members of the committee. I'll make this very brief. You know, again, I think this is important for looking at the long term, getting all of the different players and stakeholders around the same table and talking about a systemic approach to keeping the cost of college education more affordable. And I'd be happy to answer any final questions. [LB380]

SENATOR SULLIVAN: Thank you, Senator. Seeing none, thank you. [LB380]

SENATOR MORFELD: Thank you very much. [LB380]

SENATOR SULLIVAN: This closes the hearing on LB380. We will now move on to LB401. Welcome, Senator. [LB380]

SENATOR KOLTERMAN: Thank you, Senator Sullivan, members of the committee. Are you ready to go? Appreciate the opportunity to visit with you today. LB401 would create a College Tuition Equalization... [LB401]

SENATOR SULLIVAN: Senator, can you introduce yourself first? [LB401]

SENATOR KOLTERMAN: I'm sorry. I'm Mark Kolterman, M-a-r-k K-o-l-t-e-r-m-a-n. [LB401]

SENATOR SULLIVAN: Gotcha. [LB401]

SENATOR KOLTERMAN: (Exhibits 1 and 2) I should get used to that, shouldn't I? LB401 would create the College Tuition Equalization Grant Program Act. This bill would create a program that would provide financial aid for resident students attending Nebraska private

Education Committee
March 03, 2015

nonprofit colleges and universities. Nebraska as a state has not provided significant resources for students who wish to attend these colleges, and as a result students often attend out-of-state colleges or universities or a public college Nebraska where the student may not have a positive or...a positive educational outcome. LB401 would take advantage of the fine Nebraska private nonprofit college and universities sector by giving students a real choice of where to continue their college education. It also makes sense to utilize the capacity of an existing infrastructure rather than building new capacity in the public sector. So it benefits the taxpaying public. Ultimately it's all about where particular students have their best chance for educational outcomes. What this tuition equalization act does, it allows a resident student who's enrolled full or part time at a private nonprofit college or university to receive a state grant up to the amount that he or she would otherwise receive going to a Nebraska public college. In 2013, there were more than 19,247 full-time and 3,700 part-time undergraduate students that attended nonprofit private colleges and universities in Nebraska. Private nonprofit colleges or universities employ more than 4,800 people in Nebraska. And they also provide a huge fiscal impact on the state. In 2006, it amounted to \$1.42 billion. And if you want to talk about impact, you don't need to look far but to look at Dana College where we had a college fail not too many years ago. And it was devastating to that community. This bill gives Nebraska residents seeking their first bachelor's degree more options of institutions of higher learning to attend by providing state financial support they would automatically receive by attending a public college or university. The maximum amount of money that these students would receive will not exceed the average taxpayer subsidy for a fellow undergraduate student attending a state college. And in 2013 and '14, the average was \$6,255, and that's consistent with Chadron, Peru, and Wayne State. That's where we're using our comparison. In 2013, of the four-year and advanced degrees, private nonprofit colleges and universities awarded 57 percent of the business degrees, 33 percent of education degrees, and more than 50 percent of the degrees in health and sciences in the state of Nebraska. Ultimately as you analyze this, it's really a student choice bill. As I've thought about this bill over the last 30 days and how I would present it, in one of my committees we heard about dyslexia and the challenges that brings to students both on a K-12 as well as in higher education. And I discovered that one of our independent colleges has a special program at Hastings College that deals with people that have dyslexia and it actually gives them extra resources in helping them graduate. We don't know if there's any other programs like that in the state but we do know that if there's a program like that available we should have the opportunity to have our students utilize that because ultimately we want what's best for the students. Also, I'd like to pay special note to the fiscal note that's attached to LB401. When we started putting this all together, we didn't know where the money was going to come from or what kind of a fiscal note this was going to have. And at this time if this were enacted we still don't know what that would be simply because we don't know how many students would choose to use an independent, nonprofit college in the state. But you can see from the fiscal note, at the present time we're only talking about \$11,000 over the biennium. Now does that mean that it could only cost \$11,000? No, it doesn't. But what we are asking you to do is to consider maybe a pilot

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

Education Committee
March 03, 2015

program as we go forward. But we can't do a pilot program if we don't have a plan in place to utilize. So we're asking you to give serious consideration to this bill and we'd ask that you give it a very strong debate about moving it to the floor. I'd be glad to answer your questions, but I would like to have the people come behind and speak because they're going to be able to answer more of your questions about funding, and then I could clean up when we close. Is that fair? [LB401]

SENATOR SULLIVAN: (Laugh) Thank you, Senator Kolterman. But I just have one question for you. [LB401]

SENATOR KOLTERMAN: Yes, yes. [LB401]

SENATOR SULLIVAN: So are you thinking that right now with the Nebraska Opportunity Grants--granted, that is...their status is a little up in the air--but up until this point there have been students from these institutions that you're referring to who have received support from the Nebraska Opportunity Grant. Is that correct? [LB401]

SENATOR KOLTERMAN: Absolutely. But the problem is it's been very limited in scope. [LB401]

SENATOR SULLIVAN: So you are, under this proposal of LB401, proposing a funding stream specific to these institutions? [LB401]

SENATOR KOLTERMAN: Yes, ma'am. [LB401]

SENATOR SULLIVAN: Okay. Thank you. Any other questions? And so per your comment you will be here for closing? [LB401]

SENATOR KOLTERMAN: I will be here, yes. Thank you very much. [LB401]

SENATOR SULLIVAN: Okay. Thank you. Welcome. [LB401]

MARYANNE STEVENS: Thank you. Good afternoon. I'm Dr. Maryanne Stevens, M-a-r-y-a-n-n-e S-t-e-v-e-n-s, and I'm currently serving as the president of College of St. Mary in Omaha. One of these, I want to just correct the senator, it's a not-for-profit not a nonprofit institution. That's an important distinction for us as we try to roll our revenues back into what we provide for students. Thank you. I'm also currently serving as the chair of the Association of Independent

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

Education Committee
March 03, 2015

Colleges and Universities in Nebraska. It's the consortium of the 14 not-for-profit private institutions here in Nebraska. As many of you might know, College of St. Mary is a Catholic college for women. It was founded by the Sisters of Mercy, a religious order of women, in 1923. Our college integrates a liberal arts education with professional and career preparation. We're proud of the long record of service to women who have barriers to educational success. For example, we in particular have a residence hall for single mothers and their children where single mothers who are students on our campus may live as a resident student, if you will. They pay regular tuition and board, room and board, as they would if they did not have a child but their child can live and eat there free because how much does a two-year-old eat in your dining room, but anyway. It's a way for us to reach out to what I like to call niches of women. And in addition to that, 20 percent of our students are women of color and over 60 percent this year of our students are first-generation college students. And often it's first-generation college students, that is students whose parents have not gone to college, who thrive in these smaller environments that the Nebraska private colleges almost all are. I thank Senator Kolterman for his vision in introducing this bill which will assist many students who would attend these colleges. And I also applaud Senator Nordquist and want this committee to know that I strongly support LB232 which will also be heard this afternoon. The College Tuition Equalization Grant Program would be an important tool for our colleges to use in helping financially needy students go to college. Often if your parents didn't go to college there is not the same kind of family money to help provide for a college education because college attainment or the attainment of graduation from college, as we all know, correlates with income. So the not-for-profit colleges even though they do very, very well with first generation colleges...students, we receive less money in student aid now than we...now than we did 15 years ago from the state. I can guarantee you that the financial need of our students has not diminished during this time. And as you also know, these are very precarious times for colleges and universities, particularly for independent ones in states like Nebraska. The demographics has changed considerably. Families and students are less wealthy than they were a generation ago. That is because, I think, of inflation. Our dollar doesn't go as far. And our colleges almost...as almost most colleges in the United States are very tuition driven. Prospective students and their families will need additional resources from the federal government, from the state, and from our own institutions if they are to enroll in colleges like ours. Family incomes of students in the independent sector are very similar to the incomes of students in the public sector. At College of St. Mary, I know that our median family incomes are lower than for our students at the University of Nebraska campuses. Fifty-seven percent of College of St. Mary students this year are Pell Grant eligible, and those same students borrow from federal loan programs, of course. Ninety-five percent of our graduates will graduate with some debt. [LB401]

SENATOR SULLIVAN: Doctor, I'll have to remind you that the red light is on. [LB401]

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

Education Committee
March 03, 2015

MARYANNE STEVENS: Oh, sorry. Does that mean I'm supposed to finish right away?
[LB401]

SENATOR SULLIVAN: We'd like you to if you can wrap up. [LB401]

MARYANNE STEVENS: Okay. I can. We did have a student aid program that served only students from independent colleges and universities for many years. Our students do not receive any other assistance from the state. I think it makes good sense to implement LB401. Thank you.
[LB401]

SENATOR SULLIVAN: Thank you, Doctor, for your comments. Can you give us an idea about the average aid package that a student at College of St. Mary receives? [LB401]

MARYANNE STEVENS: They receive in aid...our tuition is about \$27,000 for the year right now and we try to provide our students at least \$10,000 to \$12,000 in aid. [LB401]

SENATOR SULLIVAN: Okay. All right. Senator Kolowski. [LB401]

SENATOR KOLOWSKI: Thank you, Madam. Dr. Stevens, it's good to see you again. [LB401]

MARYANNE STEVENS: Thank you, thank you. [LB401]

SENATOR KOLOWSKI: Also from the package that Senator Sullivan was asking about, a combination of scholarship, loan, and do you have work study all across your campus also?
[LB401]

MARYANNE STEVENS: Yes. [LB401]

SENATOR KOLOWSKI: Would you tell us something about those opportunities? [LB401]

MARYANNE STEVENS: Yes. Our students, all of our students, are afforded the opportunity for work study. Some of that is federally funded. Some of that is what we call campus jobs, you know, so we fund them independently. And students can work up to 15 hours per week in serving the college in some way. So in the library, in an office, in the dining hall, in the residence halls, etcetera. [LB401]

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

Education Committee
March 03, 2015

SENATOR KOLOWSKI: Is that earning a small stipend salary or is it just taken off the top of the bill? [LB401]

MARYANNE STEVENS: No. We actually give the students a check and it's their choice whether or not to return that to the college. So we try not to say, well, that's ours, you know. [LB401]

SENATOR KOLOWSKI: What percent of the students would be on that kind of an... [LB401]

MARYANNE STEVENS: I would say probably 90 percent of our students would be working on the campus in addition to many of them working off the campus as well. And we pay minimum wage for those jobs unless they're evening jobs, then we pay a differential for working through the evenings. [LB401]

SENATOR KOLOWSKI: What percent are on campus living students compared to off campus? [LB401]

MARYANNE STEVENS: A fourth of our students live on campus. [LB401]

SENATOR KOLOWSKI: Thank you. Thank you very much. [LB401]

SENATOR SULLIVAN: Any other questions for Dr. Stevens? Thank you for your testimony. [LB401]

MARYANNE STEVENS: Thank you. Thank you very much. [LB401]

SENATOR SULLIVAN: Welcome. [LB401]

PRESTON HARRIS: Welcome. Thank you. My name is Preston Harris, P-r-e-s-t-o-n H-a-r-r-i-s. Thanks for having me. It's very nice to meet all you senators. I run a nonprofit organization called Men With Dreams here in Lincoln and surrounding communities. What our goal is is to get youth to realize that their dreams are possible and that they have all the tools necessary to achieve those. And so we just challenge them to take a step forward. I'm from Lincoln, Nebraska. I went to Concordia University. As a kid coming from Lincoln going to Concordia, it was quite a culture shock for me, especially being a black guy, because there wasn't a lot of people who looked like me and there was...it was very different in a very different environment for me. And I was very sheltered as a kid, so I kind of needed a smaller environment to grow and to continue to focus on my schooling. I played football. I was a football player there for four

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

Education Committee
March 03, 2015

years, played with Kenny (phonetic). And it was different because it was such a camaraderie and there was such a family atmosphere that you don't get at a lot of schools. I visited a couple of bigger schools and it wasn't there. And so at Concordia, I had the ability to kind of see those things. And that culture shock and the football was rough for me, I'm not going to lie. I didn't like Concordia for a long time because I was working during my football...after my football games to pay for school and I hated that because I thought if I was a football player I should focus on football and I should focus on school and I shouldn't have to worry about money. And that was tough, you know. And I think for me the biggest thing was that toughness, that tough environment created a toughness in me that I knew I could get through anything. And so living in a small town when I'm from Lincoln and going through those experiences helped me become a man and it helped me see that, you know, I can make it through any situation that comes in front of me. And so after I got done playing football, I played football for four years, and my scholarship was taken away because I was done playing football. And I was an education major and I was trying to complete my teaching degree and I wasn't close. And so having that scholarship taken away really caused me to make a decision. I ended up leaving school early and working at National Research Corporation in healthcare. That was based on the skills that I had from Concordia, learning and being in those type of classes I was able to be successful in that type of environment, a high level business environment in healthcare. And then from there I moved on to starting my own nonprofit. The main point of my speech is I'm about \$40,000 in debt right now and I'm starting a nonprofit, but I never regret and I never would take back the time that I spent at Concordia University and I feel that it's necessary that other students like me have the opportunity to go, attend these private institutions where they can really focus on their schooling, focus on their development, focus on their learning instead of being at some of these larger institutions where there's a lot more distractions. Thank you for your time. I think this bill helps dreams come true I am a proponent for it. Thank you. [LB401]

SENATOR SULLIVAN: Thank you, Mr. Harris. In addition to your football scholarship, did you...were you provided any additional financial aid? [LB401]

PRESTON HARRIS: Yes, I was. I had quite a few academic scholarships. I had some scholarships going in this college but they were one-year scholarships. So after that first year, they dropped off very significantly and it was a balancing act trying to get those back together. I worked in the summertime. I worked all the time. It was just trying to pay those bills. [LB401]

SENATOR SULLIVAN: In your current nonprofit, Men With Dreams, who's your clientele? [LB401]

PRESTON HARRIS: Our clientele, we serve everyone. We have an elementary school program that works on youth with their reading skills to help strengthen and develop those. We have an

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

Education Committee
March 03, 2015

after-school club that works to get middle schoolers ready for high school and get them prepared. So we work with a lot of tribal students there. We work at the prison, the youth services center, JDC, with students that have been locked up because we just want them to see that it's not the end of the road for them, that it's just a major setback and they can come back and live their dreams as well. And then we're just starting a high school leadership program called All Around Athlete that will be in most every high school around here. But it's a prevention and leadership club to help high schoolers reach their dreams as well. [LB401]

SENATOR SULLIVAN: And what are the funding streams for your group? [LB401]

PRESTON HARRIS: We've received two grants currently by we don't have any sustainable funding, but I feel like it should be coming hopefully here in the near future. [LB401]

SENATOR SULLIVAN: Okay. Thank you. Any other questions? Senator Morfeld. [LB401]

SENATOR MORFELD: Well, first, thank you for coming and testifying today. [LB401]

PRESTON HARRIS: Thanks for having me. [LB401]

SENATOR MORFELD: It sounds like you and I are in the same boat. So you worked throughout college. [LB401]

PRESTON HARRIS: Yes. [LB401]

SENATOR MORFELD: You received other financial aid beyond the scholarship... [LB401]

PRESTON HARRIS: Yes. [LB401]

SENATOR MORFELD: ...or the football scholarship, and then you're still \$40,000 in debt. [LB401]

PRESTON HARRIS: Yes. [LB401]

SENATOR MORFELD: Yeah. That's the same thing that happened to me after undergrad. Worked hard, sometimes worked two jobs full time during the summer and... [LB401]

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

Education Committee
March 03, 2015

PRESTON HARRIS: Yeah, it's rough. [LB401]

SENATOR MORFELD: Yeah, unless you have a bunch of money saved away before you go to school which isn't a reality for a lot of families. [LB401]

PRESTON HARRIS: No. In high school, you don't realize the importance of...I never realized the importance of those scholarships and I never realized how far \$500 can go towards your college experience and towards those bills. And so that's one of the main proponents of our high school program is to make sure that high school students understand that and go attack those scholarships and go get them so that they can go to school and have some money so they're not as far in debt as maybe your or I was. [LB401]

SENATOR MORFELD: And so, you know, for my family my father actually graduated from college a year before I graduated from college, so it was almost first generation. But was there anybody in your family that was in college before? [LB401]

PRESTON HARRIS: Both my parents went to college. [LB401]

SENATOR MORFELD: Okay. [LB401]

PRESTON HARRIS: My mom works at UNL, my dad works there. I was just, you know, it was the first time I had done anything like that and, you know, we didn't have the money. I'm the oldest of four kids. We didn't have the money to just give it all to me, you know. We had to...they were trying to figure it out as well. And so, you know, it would have helped out to have a little bit more scholarships available and grants available for that. [LB401]

SENATOR MORFELD: Thank you for your testimony. I'll be in touch with you. [LB401]

PRESTON HARRIS: All right. Thank you. [LB401]

SENATOR SULLIVAN: Senator Kolowski. [LB401]

SENATOR KOLOWSKI: Thank you very much, Madam. Mr. Harris, thank you for your presentation today and for your work and I hope things go well with your organization. Strange question but I wanted to ask you. From the perspective of small college myself and the high school that you attended, how many students were at Concordia when you attended it? [LB401]

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

Education Committee
March 03, 2015

PRESTON HARRIS: When I started, there was about 1,200 students and the high school I attended had about...it was Lincoln High, it was probably about 1,600 to 1,800. [LB401]

SENATOR KOLOWSKI: Sure. Just wondered what the difference would have been. [LB401]

PRESTON HARRIS: Yeah, it was different to say the least. Yes. [LB401]

SENATOR KOLOWSKI: Thank you. Good luck. [LB401]

PRESTON HARRIS: Thank you. [LB401]

SENATOR SULLIVAN: Any other questions? [LB401]

PRESTON HARRIS: All right. Thank you very much. [LB401]

SENATOR SULLIVAN: Thank you and good luck. Welcome. [LB401]

JESSICA RILEY: Senator Sullivan and the members of the Education Committee, I'm Jessica Riley, J-e-s-s-i-c-a R-i-l-e-y. I'm a senior nursing student at Nebraska Methodist College in Omaha and I'm here today in support of LB401. I actually...I live in Blair so I've seen a community that has been affected by a...losing Dana College, a private college. But, anyways, Nebraska Methodist College is a private institution which conferred approximately 350 health profession degrees between July of 2013 and July of 2014. NMC has nearly 4,000 alumni living in Nebraska and 11 percent of the student body is from minority population. When choosing a nursing school, I wanted to obtain my degree from somewhere that was confident that I would be able to have a great education from. Actually I started school at Metro College, Community College, in Omaha, and did all my pre-reqs to save money so that I could afford to go to a nursing school such as Methodist. When I researched Methodist, I wanted to look for a smaller class size. When I went to high school, I'm originally from Iowa, I moved here to go to school, I graduated in a class size of 21. There was 300 students in our school K through 12 in one building. It was nice and small, so I was used to the small classrooms, so I really wanted, you know, a facility that was small enough where I didn't feel overwhelmed. So I looked at the class sizes. I also looked, NMC has a NCLEX pass rate of over 90 percent consistently. I looked at many schools in Omaha, such as UNMC which is the only public school for nursing in Omaha. Their instructor-to-student ratio is 1 instructor to 75 students per class. And then UNMC also has video lectures where the instructor gives the lecture over the video to multiple colleges, where NMC student-to-faculty is about 9 to 1. Retention rate at NMC is 95 percent. And then I also was referred by other students to go there because it was such a great college. So cost was a

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

Education Committee
March 03, 2015

focus when I was looking and NMC was more cost-effective for me. NMC's average undergraduate loan debt is just over \$40,000. Seventy-two percent of the undergrad students at NMC receive some type of financial assistance. Thirty-four percent of the undergrad students receive Pell Grants and eighty-four percent receive federal student loans. In addition, NMC provides nearly \$2.3 million in grant aid every year to students from private funds. My financial experience at NMC has been a stressful go-around. I received multiple federal student loans and a couple of scholarships. However, the amount of federal loans and scholarships were not enough to cover the cost of my tuition. So I've actually obtained private student loans to pay for college and I have over \$40,000 in student loan debt to pay back. I know I'm not the only student at NMC that has the loan debt like I do and they also have private loans and paid out of pocket. I think anybody who wants to pursue a degree in healthcare whatever their interest may be should have a choice of colleges where to attend and cost should not be a barrier as to why someone does not get to choose the college they want to. So creating a tuition equalization grant program in Nebraska will help students to be able to attend the institution of their choice. I feel I've received an excellent education from NMC and I hope that potential students will be able to have the same opportunity. Thank you for your time and I'd be glad to answer any questions. [LB401]

SENATOR SULLIVAN: Thank you, Ms. Riley. What is the annual tuition at your institution? [LB401]

JESSICA RILEY: I'm not exactly sure. I know there's another student from NMC if she could...if she knows. [LB401]

SENATOR SULLIVAN: Okay. All right. Okay. Very good. Any other questions for Ms. Riley? [LB401]

JESSICA RILEY: I know credit hours about \$515, between \$515 and \$550. [LB401]

SENATOR SULLIVAN: Okay, okay. All right. Senator Kolowski. [LB401]

SENATOR KOLOWSKI: Thank you. Ms. Riley, thank you for your presentation today. From the small school in Iowa that you attended... [LB401]

JESSICA RILEY: Right. [LB401]

SENATOR KOLOWSKI: ...did you...were you able to have all the coursework you needed and felt adequate coming into your first year of nurses training, the chemistries, the biologies, the... [LB401]

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

Education Committee
March 03, 2015

JESSICA RILEY: I feel so. I did advanced, like, biology classes through high school. I mean, having the small school wasn't...I think it was more advantage to me because, you know, the instructor was right there to help. [LB401]

SENATOR KOLOWSKI: Sure. [LB401]

JESSICA RILEY: And you could be more involved. At Methodist, I'm involved in student government and the Methodist Student Nurse Association. So I feel that, you know, the smaller class sizes gives you an advantage. I felt really... [LB401]

SENATOR KOLOWSKI: All prepared? [LB401]

JESSICA RILEY: Yeah, I felt prepared to go on, so. [LB401]

SENATOR KOLOWSKI: Thank you. [LB401]

JESSICA RILEY: Yeah. [LB401]

SENATOR SULLIVAN: Any other questions? Thank you for your testimony. Welcome. [LB401]

JOEL WEYAND: Good afternoon. My name is Joel Weyand, spelled J-o-e-l W-e-y-a-n-d, and I'm the vice president for enrollment services and marketing at Doane College. I grew up in Wahoo, Nebraska. I now reside in Crete, Nebraska, with my family. I'm testifying on behalf of Doane College where we have 14,000 alumni in Nebraska alone, over 750 of which are teachers in Nebraska. Doane College's mission is to provide an exceptional liberal arts education in a creative, inclusive, and collaborative community where faculty and staff work closely with undergraduate and graduate students, preparing them for lives rooted in intellectual inquiry, ethical values, and a commitment to engage as leaders and responsible citizens in the world. To echo the previously stated, in 2013, independent colleges and universities awarded 41 percent of all bachelors and advanced degrees in Nebraska of which it includes more than one-third of the teacher education degrees, one-half of the degrees in health sciences and business. However, state support per student in 2013 was less than 100 and the total taxpayer investment per degree conferred was just more than \$300. We are incredibly effective and financially responsible. In fact, we've done this while state appropriations of need-based funds have decreased to us by 20 percent since 2001, while they have increased by over 600 percent to UNL and even almost 300 percent to for-profit institutions. Independent colleges and universities employ more than 4,800 full-time employees and have a fiscal impact on Nebraska of \$1.42 billion. Each year, Doane

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

Education Committee
March 03, 2015

College enrolls a new first-year class of which approximately are 80 to 85 percent of which are from Nebraska high schools, typically more rural communities within 100 miles of Crete. And each year, we compete fiercely with community college and public universities for good students who need the support of an educational environment and community that we provide but often are unable to make the investment. We recognize that cost is a factor, which is why we provide substantial aid for our students. Last year alone, up to 60 percent on average for our new students. This is very typical of many of the independent colleges and universities. This translates into substantial free aid that we provide a loan which ultimately impacts a student's long-term debt. But even at that rate it's not always enough and a student will be forced to enroll at a larger environment, many of...which may not be beneficial to them in the educational perspective. Over 30 percent of our students are Pell eligible. Despite what some may think, independent colleges and universities educate all classes. I'm also concerned about independent colleges and universities from outside the state taking our students, namely Iowa, who as a result of the competition in their state have decided to come into Nebraska and pull students away with significant institutional aid. They can do this because their state, their students receive significant aid from their state, up to about \$4,000 for needy students annually. As a result, they invest more in institutional aid in our Nebraska students. We need a program such as this that helps to encourage these students to stay in their home state and earn their degree. This works well in Iowa and Minnesota as examples. I'm here to seek your support in moving LB401 out of the committee. Any questions? [LB401]

SENATOR SULLIVAN: Thank you, Mr. Weyand. Any questions for him? Thank you for your testimony. Welcome. [LB401]

PAULA KOHLES: Thank you, Senator Sullivan. I'm Paula Kohles, P-a-u-l-a K-o-h-l-e-s, and I'm here today in support of LB401 on behalf of Creighton University. I currently serve as the financial aid director. I've been at Creighton for over 20 years. Creighton University supports LB401 because it is important that the state of Nebraska supports all students seeking postsecondary education. Brief background on Creighton University, we were founded in 1878 and for the 12th year in a row Creighton has been named the number one Midwest regional university by U.S. News and World Report. We're the only university in the country that offers eight health professions programs, dentistry, nursing, medicine, pharmacy, occupational therapy, physical therapy, emergency management services, and public health, along with our arts and sciences business and law programs. Creighton's graduate outcomes have a tremendous impact on the state of Nebraska and they also...they further our brain gain. Creighton graduates have an overall success rate of over 95 percent. About 55 percent of our graduates are employed, about one-third of them move on to grad and professional school programs, another 7 percent volunteer in federal programs. Historically, over 50 percent of our graduating classes have stayed in Nebraska and considering 62 percent of our population comes from outside the state of Nebraska, we are contributing to Nebraska's brain gain. We believe there's room for

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

Education Committee
March 03, 2015

improvement in Nebraska's postsecondary education policy. In fact, independent nonprofit colleges and universities are the only postsecondary sector to receive less state aid in the 2014-15 school year than we did in 2001-2002. In the last five years, Creighton has experienced a reduction in the Nebraska Opportunity Grant of over \$73,000. For the 2014-15 school year, we currently are being able to fund and assist 76 students with the NOG funds, but unfortunately this is only 29 percent of what our Nebraska Pell eligible student because we choose to award those funds to the neediest students. In our opinion, LB401 would go a long way to improving that policy and give more students the opportunity to attend Creighton University. We believe with a more robust grant program, the state of Nebraska can have a larger impact on students who are not interested in attending a large, private...the large public institutions, a state college, or local community college. Creighton has been in the...over the last six years, we've been trying to increase our undergraduate enrollment. At the fall of 2018, we hope to enroll 1,200 incoming freshmen students, and that would put us at our capacity enrollment. And so we are hoping that with this, if you guys can move the LB401 forward that we could be more competitive with our Nebraska students because a lot of them are looking at the out-of-state private institutions. As you guys know, we joined the Big East last year, so now we're competing with Marquette, Georgetown, Xavier, lots of institutions we've never had to compete with before. So we would really like to be able to keep these Nebraska students in Nebraska and do this. I would like to thank Senator Kolterman for introducing this bill and I urge your support of LB401 to allow the needy Nebraska students the opportunity to attend the postsecondary institution that best fits their needs. This bill is about access and affordability for our neediest students and will allow the state of Nebraska to retain its best and brightest students. [LB401]

SENATOR SULLIVAN: Thank you, Ms. Kohles. Can you tell me what the cost to attend Creighton is? And how much of a financial aid package does your average student receive? [LB401]

PAULA KOHLES: Tuition for the '15-16 school year for the undergraduates is going to be \$34,810. A free institutional federal state money that students don't have to repay, our average is about \$19,000 aid package and then we add the loans and so forth onto it. We're closer to about \$25,000 is the average aid package. [LB401]

SENATOR SULLIVAN: Okay. Thank you. Any other questions? Senator Groene. [LB401]

SENATOR GROENE: Thank you, Chairman. I pulled up here the financial aid grants for the University of Nebraska. I'm assuming you get the Pell Grants. [LB401]

PAULA KOHLES: Yes. [LB401]

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

Education Committee
March 03, 2015

SENATOR GROENE: You get the federal Supplemental Education Opportunity Grants? [LB401]

PAULA KOHLES: Correct. [LB401]

SENATOR GROENE: You get the teacher assistance college and higher education grants. But then you get the Nebraska Opportunity Grant, right? That's the lottery money. [LB401]

PAULA KOHLES: Right. [LB401]

SENATOR GROENE: And then the tuition assistance program grant. [LB401]

PAULA KOHLES: That's the Nebraska money that... [LB401]

SENATOR GROENE: That's state money. [LB401]

PAULA KOHLES: ...state money. [LB401]

SENATOR GROENE: That's the money you'd be trying to compete with, right? [LB401]

PAULA KOHLES: Exactly. [LB401]

SENATOR GROENE: And then you have the university tuition assistance grant. Is that another one? [LB401]

PAULA KOHLES: We have Creighton University grant funds is what we call them. [LB401]

SENATOR GROENE: But are the federal money or... [LB401]

PAULA KOHLES: That's institutional money. That's not federal money. [LB401]

SENATOR GROENE: All right. And then you have the UNL opportunity grant. [LB401]

PAULA KOHLES: Well, that's still...that's state. I'm Creighton. Yes, but that's... [LB401]

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

Education Committee
March 03, 2015

SENATOR GROENE: All right. That's what I'm...but what this bill does is try to get some of that money for the parents and children... [LB401]

PAULA KOHLES: Money for the private institutions. [LB401]

SENATOR GROENE: ...that pay taxes in Nebraska. [LB401]

PAULA KOHLES: Exactly. [LB401]

SENATOR GROENE: And don't...but it'd be the UNL opportunity grant and the tuition assistance grant that are state money. [LB401]

PAULA KOHLES: Right, right. That are state money. Correct. [LB401]

SENATOR GROENE: And that amounts to about how on average the University of Nebraska student gets, do you know? [LB401]

PAULA KOHLES: I don't know. I'm not aware of that. [LB401]

SENATOR GROENE: All right. Thank you. [LB401]

PAULA KOHLES: Yes. [LB401]

SENATOR SULLIVAN: Senator Kolowski. [LB401]

SENATOR KOLOWSKI: Thank you. Ms. Kohles, thank you for your presentation and I wanted to ask about foundation help. Does Creighton have a foundation? Does that assist the students equally so? [LB401]

PAULA KOHLES: Absolutely. We have endowed and annual gift scholarships that our development office works with donors and we assist students with those funds, yes. [LB401]

SENATOR KOLOWSKI: Is that for every student or certain categories depending on what they're doing? [LB401]

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

Education Committee
March 03, 2015

PAULA KOHLES: Well, it depends upon what the donor has specified with those annual funds and the endowed. Donors can set very specific criteria depending upon, well, you've got some for Nebraska students, some people have donated money that graduates of certain high schools and certain counties, all those kinds of things. So it just depends upon who is eligible for that money. [LB401]

SENATOR KOLOWSKI: Okay. With your professional schools and regular graduates, a significant number is very impactful upon our state, so thank you. [LB401]

PAULA KOHLES: Yeah. Absolutely. [LB401]

SENATOR SULLIVAN: Any other questions? Thank you for your testimony. [LB401]

PAULA KOHLES: Thank you. [LB401]

SENATOR SULLIVAN: Welcome. [LB401]

KURTH BRASHEAR: Thank you, Chairperson Sullivan and members of the committee. Good afternoon. My name is Kurth Brashear, K-u-r-t-h B-r-a-s-h-e-a-r. I'm the vice president for institutional advancement and general counsel at Concordia University in Seward. You heard from one of our earlier graduates, Preston Harris, during this hearing. And I appear to you today on behalf of the university. Our thanks to Senator Kolterman for introducing LB401 as well as Senator Nordquist for introducing LB232 you'll hear about shortly. The College Tuition Equalization Grant Program will be a key tool in achieving the committee's vision of every Nebraskan educated for success, a vision Concordia strongly supports. LB401 would enable those Nebraskans most in need of financial aid to better access the full range of quality higher education institutions we're blessed with in Nebraska. While some students certainly would prefer our public research universities and state colleges, others would likely prefer the more personal educational setting we provide in our independent universities and colleges. By providing funds to Nebraskans who want to attend an independent college or university, LB401 would further the vision of educating Nebraskans for success. It's well accepted in K-12 education that one size does not fit all. Public, private, parochial, large, small, children learn and thrive. They succeed in different settings. The same is true in higher education. LB401 acknowledges this reality. As you've just heard, Nebraska's independents produce a number of graduates in health sciences, in business and education. At Concordia, over 50 percent of our undergraduate degrees awarded last year were in those three fields. The independents are doing our part to educate Nebraskans and our future work force. We're ready to do more. At Concordia, despite a near record 1,176 undergraduates this current academic year, we would gladly equip another 300 Nebraskans and educate them now for their future vocations, doing so at minimal

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

Education Committee
March 03, 2015

cost to the Nebraska taxpayer. That state dollars would go to students attending independent colleges and universities under LB401 does not, in my opinion, raise legal issues. I believe the committee is familiar with the 1991 Opinion Senator Kolterman has included in his packet that said a program using essentially the same model was constitutional. This Opinion has not to my knowledge been superseded since then and, in fact, the Nebraska Supreme Court has held since then that the state can contract with nonpublic institutions for educational services. LB401 rightly focuses on students while maximizing the taxpayer investment. Leveraging the existing resources of our higher education institutions, private and public. In doing so, it supports the committee's vision and serves as a model for higher education policy. By focusing on students rather than institutions not only will the state encourage a strong, robust system that increases the likelihood of our daughters and sons obtaining their education here but also staying here and doing so in the most cost-effective way possible. Thank you for considering LB401 and for the opportunity to appear before you today. I'll be happy to answer any questions you might have. [LB401]

SENATOR SULLIVAN: Thank you, Mr. Brashear. Any questions for him? I guess not. Thank you very much. [LB401]

KURTH BRASHEAR: Okay. Thank you. [LB401]

SENATOR SULLIVAN: Welcome. [LB401]

TIP O'NEILL: Thank you, Senator Sullivan, members of the Education Committee. I'm Tip O'Neill, that's T-i-p O-'-N-e-i-l-l. I'm the president of the Association of Independent Colleges and Universities of Nebraska. And I was here a lot yesterday and I don't necessarily want to spend from green to red here before you at this hearing today. But I do want to say that I appreciate Senator Kolterman introducing this bill. It's a tuition equalization grant program bill. It's similar to a program that Iowa has. What's really important though is the opportunity for Nebraska resident students to attend a college or university where that student has the best chance for educational success. And right now we as a state don't provide a lot of opportunities for students to do that. We provide a very limited amount of money for students who attend Nebraska independent colleges and universities. In fact, we provide less money now than we did 15 years ago for students to do that. And we as a state don't provide a lot of money for state grants to students compared to the amount of money that we provide for institutional operating money, as we talked about yesterday. Only 2.4 percent of the money that we appropriate for higher education purposes is spent for student grants. The rest of it's spent for institutional operations. And so that's an issue I think this committee ought to consider. But I think we have an interesting fine proposal here from Senator Kolterman. We'll have another bill later this afternoon from Senator Nordquist. We support both very strongly. And I hope this committee in

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

Education Committee
March 03, 2015

Exec Session will consider supporting a proposal that will assist students attend the college of their choice, and that would be LB401 today. And I'd be happy to answer any questions. [LB401]

SENATOR SULLIVAN: Thank you, Mr. O'Neill. Okay. There was a program similar to this. [LB401]

TIP O'NEILL: Yes, there was. [LB401]

SENATOR SULLIVAN: How long ago and when did it phase out? [LB401]

TIP O'NEILL: It was eliminated by the Legislature in 2003. It was in full force and effect from 1991 to 2003. [LB401]

SENATOR SULLIVAN: Okay. Thank you. [LB401]

TIP O'NEILL: It was called the Postsecondary Education Award Program or PEAP. [LB401]

SENATOR SULLIVAN: Okay. Senator Groene. [LB401]

SENATOR GROENE: Thank you, Chairman. Sir, how many dollars was appropriated for that program at its height? [LB401]

TIP O'NEILL: At its height, there was \$3.9 million appropriated in total. I think there was \$2.8 million of that came to the postsecondary education award program. [LB401]

SENATOR GROENE: Do you know how much if we support each Nebraska student, University of Nebraska student or state college student with grants besides the lottery on average? [LB401]

TIP O'NEILL: I think that information is reported by the Coordinating Commission and by the institutions. Are you talking about on tuition waivers or tuition remission... [LB401]

SENATOR GROENE: Comparable amount of money you...in your bill that says the maximum award would not exceed the amount of the average taxpayer's subsidy for instruction for an undergraduate student at a four-year public college. So what is that subsidy number you're looking at? [LB401]

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

Education Committee
March 03, 2015

TIP O'NEILL: I would say at the state colleges it would be approximately \$6,000 per year I would say, but it would change on a yearly basis based on the appropriation by the Legislature to the state colleges. [LB401]

SENATOR GROENE: That's how much we fund grant money towards each student? [LB401]

TIP O'NEILL: That's not grant money. It's the amount of money that...the cost of providing the education. You have to look at the difference between cost and price. Okay. Cost is what it costs to provide the education. Price is what somebody pays for it. And so it's the difference between the cost of providing it and what somebody pays for it. [LB401]

SENATOR GROENE: All right. One more question. You had told me once that on average income or family incomes the private colleges is actually lower than some of the state colleges. [LB401]

TIP O'NEILL: It depends by institution but it varies but, yes, it can. The latest data that I've seen would indicate that family income at the University of Nebraska-Lincoln, for example, is higher than it is for first-time, full-time freshmen is higher than in any institution that I represent except at Creighton University. And maybe... [LB401]

SENATOR GROENE: So perception that private colleges take the higher middle class children, kids isn't actually accurate. [LB401]

TIP O'NEILL: No. That's not...I mean, we have a higher percentage of Pell Grant eligible students than many of the public institutions. Yes. [LB401]

SENATOR GROENE: Thank you. [LB401]

SENATOR SULLIVAN: Senator Schnoor. [LB401]

SENATOR SCHNOOR: You said there's a current program that was in place, and I think I wrote down 1991 to 2003. [LB401]

TIP O'NEILL: That is correct. [LB401]

SENATOR SCHNOOR: Do you have any idea why that was stopped... [LB401]

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

Education Committee
March 03, 2015

TIP O'NEILL: Yes. [LB401]

SENATOR SCHNOOR: ...other than the Legislature just make a decision to stop it, but... [LB401]

TIP O'NEILL: That was...yes, it was repealed by the Legislature, yes. [LB401]

SENATOR SCHNOOR: That simple, just repealed? [LB401]

TIP O'NEILL: Yes. [LB401]

SENATOR SCHNOOR: Okay. Thanks. [LB401]

SENATOR SULLIVAN: Any other questions? Thank you, Mr. O'Neill. [LB401]

TIP O'NEILL: Thank you, Senator. [LB401]

SENATOR SULLIVAN: (Exhibit 3) Any other proponent testimony? I would like to read into the record a letter of support from Morgan Pusek, pharmacy student at Creighton University. Any opponent testimony? Anyone wishing to speak in a neutral capacity? Senator Kolterman for closing. [LB401]

SENATOR KOLTERMAN: Thank you once again for the opportunity to talk. I think more than anything I want to make a couple of strong points and I want to make them very clear so you understand where I'm coming from. My main goal in presenting this legislation is to help stop some of the brain drain that we have in this state. It's a lot easier to keep our students here and keep them as adults once they're here and once they've graduated. And if we can give them an opportunity to stay here through these private independent colleges I think that's very important. The other thing that I think is important for all of you to understand is this is not a bill to take away from what we're doing at the University of Nebraska, University Med Center, at any of our state colleges. We work as independent colleges, and I had the privilege of serving on Concordia's Board of Regents for nine years, we worked closely with all those institutions and we like to work in harmony with them. And many of our graduates from these institutions go on and get their master's and doctoral degrees from the universities that we support as a state institution. All we're asking for here is an opportunity to have the same choice that you would have a student coming from Bridgeport that wants to go to one of these institutions would have the same choice as if they would have if they went to one of our state colleges. So with that, I'd like to leave you with one final thought. These institutions are doing a fantastic job of educating

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

Education Committee
March 03, 2015

young people. The statistics speak for themselves. My LA, Kenny Zoeller, is a graduate of Concordia University two years ago. He also came here from Houston. He came here, he loves Nebraska. He's going to stay here in Nebraska and he wanted an opportunity to work in Nebraska. We were able to give him that. Preston, on the other hand, stayed in Nebraska and I don't need to tell you what he's doing. He already told you. He's trying to make a difference in the lives of young people. All we're asking is that you give us an opportunity to promote this on the floor and see if we can continue to work to continue to keep these young people in our state. As I said, it's a lot easier to keep them here than once they're here. So I would entertain any questions you might have. [LB401]

SENATOR SULLIVAN: Thank you, Senator Kolterman. I'm still a little unclear. So you're recommending a specific funding stream for the private not-for-profit schools for financial aid for needy students. [LB401]

SENATOR KOLTERMAN: If we get the program in place, we would like to be able then at some point in time come back and ask for appropriations as to how much we can add in the future. But we can't do anything until we have a program in place. We didn't come with a fiscal note because we can't establish a fiscal note. [LB401]

SENATOR SULLIVAN: Why not? [LB401]

SENATOR KOLTERMAN: Well, they didn't give us...we asked for a fiscal note on how this would impact the budget and they didn't give it to us. [LB401]

SENATOR SULLIVAN: Okay, okay. [LB401]

SENATOR KOLTERMAN: I can't answer why they didn't give us a higher fiscal note than what it... [LB401]

SENATOR SULLIVAN: Okay. Senator Schnoor. [LB401]

SENATOR SCHNOOR: Well, I think you explained that earlier that there's really no idea how many kids would/could possibly transfer from a state or university institution to a private institution, so it's really hard to establish a fiscal note. Is that how you kind of explained it earlier? [LB401]

SENATOR KOLTERMAN: Yeah, or even start...our intent here really is not to transfer students from one institution or another. It's to get them started early on from their freshman year going

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

Education Committee
March 03, 2015

forward and give them the same opportunity. And we use for comparative purposes the state schools. But we don't know how many students would choose to utilize a program like this. And so our next step would probably be to ask for appropriations for a certain dollar amount to start with and see how successful it would be. But we haven't gone that far yet. [LB401]

SENATOR SCHNOOR: But, in essence, the money...if one person goes from one college to another I guess on a per student basis, do you have any idea what the difference in funding would be for that student? [LB401]

SENATOR KOLTERMAN: Well, all we're asking...if you look at...and I think I've given you all charts on the postsecondary education operating budget recommendations that were in there for 2015 to '17, if you take a look it's on page 16 of your proposal. Chart 2.1 indicates that...or, excuse me, 2.2 indicates that Chadron State College as an example, the average grant there is \$6,750; Peru state college is \$5,403; and Wayne State College is \$6,613. So we tried to take an average of those three and I think we came up with \$6,700. We did not want to compare it to the university because so much of their dollars are used for higher education, things like masters and Ph.D. type of degrees and research students. And so we didn't think that was a fair comparison. So when we're looking at our dollars we're looking at on average about \$6,700 per student per year. How many of those students, we don't know, would go to these independent colleges. We honestly don't know the answer to that. [LB401]

SENATOR SCHNOOR: Okay. Thank you. [LB401]

SENATOR SULLIVAN: Any other questions for the senator? Thank you. [LB401]

SENATOR KOLTERMAN: Thank you. [LB401]

SENATOR SULLIVAN: This closes the hearing on LB401. We will now move on to LB36. Welcome. [LB401]

SENATOR BOLZ: (Exhibits 1, 2) Thank you. It is education day in Appropriations across the hall, so I'll just say that I have a renewed appreciation for the Education Committee. You're doing good work over here. I bring to you LB36 which adds to the chorus of voices who support career education and promoting our knowledge- and technology-based economy and building the education we need to remain economically competitive. [LB36]

SENATOR SULLIVAN: And could you introduce yourself, too? [LB36]

Education Committee
March 03, 2015

SENATOR BOLZ: Absolutely. I always forget. I am Senator Bolz from District 29. LB36 is the Community College Gap tuition Assistance Program which assists individuals in pursuing high-demand skill certificates that are often the first step on a path to fill real work force needs. I know that as a committee over the summer you heard all across the state this vision for career education and the needs for STEM fields and other technology-based economic opportunities for students. The Community College Gap Assistance Program addresses two important priorities for Nebraska. One, it grows the skilled work force, and two, it increases earning potential for Nebraskans. Last year, a statewide survey done by the Nebraska Chamber of Commerce found that more than half of their participants said they experience difficulty in hiring qualified employees. Moreover, one-fourth of those respondents said that the lack of available labor or skilled employees were limiting their business growth. The need for a skilled work force is important now and will only continue to grow. So let me give you an example of the type of education and the type of job we're talking about with this piece of legislation. Jobs in science, technology, engineering, and math fields are expected to grow by 25 percent by 2020. That's over 16,000 jobs here in Nebraska. Under this bill, a student could attend Northeast Community College in their diversified Manufacturing Bootcamp and earn an OSHA certification and a CPR first aid certificate. This program has led to real jobs and real growth and earnings potential for the students who have participated in this short-term program. This program could stack up with other programs and lead to the completion of a diversified manufacturing certificate which is offered at Northeast Community College. That certificate could also lead you to an associate's degree in diversified manufacturing. The boot camp has led to increased earnings for those individuals. The cost of the boot camp is \$1,850 but the income that one could earn with this type of skill set is \$46,000 a year. Unfortunately for a number of students and for a number of people who are trying to reengage in the work force, that \$1,850 investment is a lot and is what they need help with in order to take that first step into a career change or their first step into a manufacturing or skills-related career. Currently, no state or federal funds are available for these short-term educational programs. In an economy that is growing and changing, we need to develop a broader continuum of educational programming. Certificate programs have great earning potential for people who are entering the work force the first time, who have lost employment and need to reenter in a more competitive career, or individuals who are underemployed and looking for the next opportunity. High-demand fields such as financial services, bioscience, health, and other fields are included as the types of positions that could be funded under this initiative. The list in front of you in the piece of legislation is the list identified by the Department of Economic Development in their Battelle study, and that's why we've chosen that set of fields. The financial aid program would be administered by the existing Nebraska Community College Student Performance and Occupational Education Grant Committee in partnerships with the community colleges and with the Coordinating Commission for Postsecondary Education. The funds would be mostly used for aid but it is allowable under the bill to provide some of the funds for administration and for marketing in part because we know that recruiting folks to the STEM fields and to career education opportunities like welding

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

Education Committee
March 03, 2015

or phlebotomy is sometimes necessary in order to fill those work force needs. I would note that there are also requirements around who can qualify for this type of assistance. We set the income limit at 250 percent of the federal poverty line. And we set it at that limit because we wanted someone who was currently in the work force who was hoping for an opportunity to update their skill set that they would still be able to participate and qualify. I would note that the self-sufficiency standard for Douglas County is \$50,000. So \$60,000 is still a very modest income for an individual who is raising a family. Further, the schools in partnership with the grant fund committee would be able to further define some of the rules and regulations around who qualifies. The final piece of the legislation that I want to highlight for you is that there is a common application requirement and a strong evaluation component. Performance measures would include program completion, job attainment rates, and continuing education rates. I've offered you two amendments. The first is a technical amendment that just puts in the appropriate technical requirements to create the fund in which these funds would be put into and then distributed out. And the way that we identified that was, we wanted it to be able to accept funds from other funding sources if those were offered from a philanthropic source or from another funding stream. The other amendment clarifies that the startup funding for this initiative is...we've suggested \$1.5 million. We think that's a good place to start in getting this kind of initiative going. And we do suggest that that comes from Innovation Funds. And I do think this is an innovative idea that deserves an opportunity through that funding stream to see what kind of an impact it can make for our long-term career education goals. So that is the bill in a short form and I'm happy to take any questions or address any further conversation you'd like to have. [LB36]

SENATOR SULLIVAN: Thank you, Senator Bolz. You mentioned that there is a strong accountability and evaluation piece. Can you elaborate on that a little bit? [LB36]

SENATOR BOLZ: Sure. So the committee which...for those of you members that are new, this is an existing committee that is a group of individuals, of stakeholders in the community college field, community college members. And those folks currently distribute some existing funds that are appropriated to the community colleges in a group. So that is the entity that would provide oversight. They would meet on a quarterly basis to make sure that the funds were being spent out and being spent out in an appropriate way. The performance measures include but are not limited to program completion rates, job attainment rates, and continuing education rates. So not only are they collecting that information but they are reviewing it on a quarterly basis. [LB36]

SENATOR SULLIVAN: And you've identified the high-demand areas based on the Battelle study, is that what you indicated? [LB36]

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

Education Committee
March 03, 2015

SENATOR BOLZ: That's what we used. There are certainly other ways to identify high-demand fields. We thought it made sense to align it with the Department of Economic Development. We could also look to Department of Labor studies and use the H3 jobs, the High Skill, High Demand, High Wages (sic) list, or we could provide the grant committee an opportunity to identify those high-demand fields. I thought aligning it with the Department of Economic Development made sense because it's a bigger-picture vision for what our strategic industries should be. [LB36]

SENATOR SULLIVAN: But it would be the committee then...or who decides and how are the applicants chosen? Through...by the community college or the committee? [LB36]

SENATOR BOLZ: The committee would promulgate rules and regulations with the broad parameters we've given them about income requirements and about ability to attain the completed certificate. So the community colleges need to do an assessment and the assessment should be appropriate to the education that they are pursuing. In some cases, they might do an assessment around English as a second language. They might be looking at previous educational experience. Because these programs are very industry- or occupational-specific, we wanted to make sure that those assessments were in place but that the community colleges had some flexibility to choose students that they thought could succeed. [LB36]

SENATOR SULLIVAN: Is this being done in other states, to you...that you are aware of? [LB36]

SENATOR BOLZ: It is. It is. In fact, if the committee is interested, it's been very successful in Iowa and Iowa has funded about 900 students in the last year and they've all seen very good success in increasing their wages and increasing their retention rate and employment. So we've got some outcome information from Iowa. We can pull it from other states as well. [LB36]

SENATOR SULLIVAN: And to that end, have they found that this...the people, the students who receive this, stay in that field? Or is this kind of a jumping-off point to further education and maybe going into another field? [LB36]

SENATOR BOLZ: It's a great question. And the answer is, yes. We have seen in other states...and Tracy, Dr. Kruse, from Northeast Community College, who helps to oversee the diversified Manufacturing Bootcamp I referenced, can talk about some of the outcomes here in Nebraska as well. There aren't great statistics about the outcomes for these students because it's hard to track some of these certificate programs. But what we found is that, particularly students who have some engagement in the field...say you're a nurse's aide and you want to go on and become an RN, those folks who have those career goals and who are engaged in education at the

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

Education Committee
March 03, 2015

same time that they are engaged in their career have been very successful in pursuing these degrees. [LB36]

SENATOR SULLIVAN: Okay. Thank you. Any other questions for Senator Bolz? You'll be here for closing? [LB36]

SENATOR BOLZ: Yeah. [LB36]

SENATOR SULLIVAN: Thank you. We'll now hear proponent testimony on LB36. Welcome. [LB36]

TRACY KRUSE: (Exhibit 3) Hello. Thank you. My name is Dr. Tracy Kruse, T-r-a-c-y K-r-u-s-e. And I'm with Northeast Community College. First of all, thank you for allowing me to be here today. I, too, have come from another state and have got to see other states in action and know that Nebraska serves students very well and supports education, higher education, at a high level. And I thank you for that support because it is very important. So I am testifying here on behalf of Northeast Community College in Norfolk in support of LB36 which is a bill that encourages work force development in the state and addresses the ever-widening skill gap that currently exists. The skill gap is evidenced by the fact that 70 percent of Nebraska's job requires some form of postsecondary education yet only 43 percent of the working population have more than a high school diploma. Many of these jobs being created require some form of credential beyond high school but often less than a two-year degree. At Northeast, our goal is to create stackable credentials that build upon each other where you can get both credentials and degree, float in and out of the work force, and go back to school. And they're transferable. One easy example for many to understand is in healthcare. You can be a nurse's aide or you can be a medication aide. You can be an EMT-basic or a pharmacy technician. All those go into higher-level education programs and for credit. They can be...also be used in the workplace just for that skill set. Then you look at areas of, like, truck driving, manufacturing. I recently visited one employer who talked about having trouble hiring truck drivers. These people make \$55,000 a year and are home four nights a week. This can be achieved with a six-week training program at Northeast Community College. That training program costs \$1,800. Most of these students don't have those funds to take that six-week program. There's no state or federal funds available to do that. When you look at the manufacturing industry, you heard Senator Bolz talk about the Manufacturing Bootcamp that we created. This is in direct need to this. I actually went out and partnered with employers to help create this program. So the employers partnered with us. We created--and you can see by that handout I passed around--we created the first three courses or components of the manufacturing certificate that we have, which is a 16-credit-hour program. It's industrial safety, introduction to manufacturing, and total quality management. That's a 72-hour program. So we were able to get students into that program and actually, they're now eligible to take...it was the

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

Education Committee
March 03, 2015

first 6 credits of the 16-credit-hour program. But these are students who wouldn't have gotten into this program without this. They wouldn't have signed up for that credit program. These are students who don't see themselves as college bound. These are students who are struggling, making minimum wage, bouncing from job to job. If they can get a skill set, get their OSHA certificate, get their CPR certificate as part of this then they're going to be more successful. And the manufacturers love it. You also got technology fields. And you can see on the handout, there's lots of other opportunities with networking and security and project management and application development. Those are all smaller pieces of a larger degree program. But we can unbundle them and offer them as separate components and that gets students interested. If they're successful then they might transfer on to the credit program. Senator Bolz mentioned the Iowa program. I came from Iowa. I can talk a little bit about that. That program, 22 percent of their participants in the first year transferred into a credit program as a result of this. These are students who wouldn't have considered it before but now, as a result of the success, they're able to do that. And so this really has a lot of opportunity, I think, for a really small investment in dollars. So I urge you to support this if you could. [LB36]

SENATOR SULLIVAN: Thank you, Dr. Kruse. So I'm trying to figure out who the audience is. Are these people who are already employed and then the manufacturers are identifying that they need some other skills? Or are these people that... [LB36]

TRACY KRUSE: These are people who are either unemployed or underemployed, bouncing from job to job, don't have the skills they need. Manufacturers are hiring them, in some cases, because they need bodies. But they don't have the skills that they need. So this is a great program. We're working with high school counselors to identify those high school graduates that are maybe not going to college but don't really know what they're going to do. [LB36]

SENATOR SULLIVAN: So is it...what's the bigger challenge, that the student needs the financial help or needs the direction to go into an area where there is a need? [LB36]

TRACY KRUSE: I think it's both. These are students who wouldn't go to college otherwise, right? So when they're sitting there after they graduate and they're in their parents' basement and don't know what to do, if you had this opportunity--and we've been talking to a lot of parents getting them interested in this--okay, well, it costs \$850 to take this. That's not a lot of money for some of us, but for others that is a heck of a lot of money and that's not something that they could do on their own. So...but it's a small investment from a state perspective to get them skills for a job. [LB36]

SENATOR SULLIVAN: Okay. Thank you. Senator...oh, let's start with you first. Go ahead. [LB36]

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

Education Committee
March 03, 2015

SENATOR KOLOWSKI: Oh, okay. Thank you. [LB36]

SENATOR MORFELD: I can wait. [LB36]

SENATOR KOLOWSKI: Dr. "Cruise" or Kruse? [LB36]

TRACY KRUSE: Kruse. [LB36]

SENATOR KOLOWSKI: Thank you. I wanted to...something that's really important to me is the connection that you mentioned back to the high schools, not just the counselors but if they have advisors or... [LB36]

TRACY KRUSE: Right. [LB36]

SENATOR KOLOWSKI: ...the preparation with the whole body of the faculty as far as working with students because 300 or 400 students per counselor doesn't solve problems. [LB36]

TRACY KRUSE: Right. [LB36]

SENATOR KOLOWSKI: It doesn't make the contacts, doesn't do the things we need to have done, and kids fall through the cracks. What would you hope to accomplish or would you like to see take place in high schools that would be a better connector and feeder to what you've got going in these kind of programs that aren't...that's not being done right now. [LB36]

TRACY KRUSE: Sure. Sure. We actually met with the high schools this past December to review this. This is the first year of this program for us this past year. And we sat down with them and said, how can you help us? How can we work together, because we're getting a few students but it...they're...it could be a lot more successful. There's a lot more students out there that could benefit from this. How do we work together? And some of the discussion that came about was the fact that we need to have some of these teachers, some of these people...it's not just...like you said, it's not just the counselor. It's these other faculty and other people within the school district who understand the value of career and technical education. It's not this dirty job of 30 years ago that they have envisioned in their head, you know? It's a very good-paying job and it's a high-tech, high-level, skilled job that they can't just go in out of high school. And so, you know, we've talked about partnering with "Dream It. Do it." you know, trying to get the faculty into our environment in the summertime... [LB36]

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

Education Committee
March 03, 2015

SENATOR KOLOWSKI: Right. [LB36]

TRACY KRUSE: ...to get them exposed to it to see what opportunities are available, matching them up with employers, getting employers in the classroom talking about those things. That's part of what our boot camp does too. It exposes them to the variety of jobs that are available here locally within our region. There's a lot of different jobs that you can get in Bremer Manufacturing or in Smeal Fire Apparatus, you know? There's a ton of different jobs but they just aren't aware of that. And they drive by that facility each and every day but don't know it. So if we can expose the faculty in the school districts to that... [LB36]

SENATOR KOLOWSKI: Sure. [LB36]

TRACY KRUSE: ...hopefully the students can get more exposure as well. [LB36]

SENATOR KOLOWSKI: Have you had contact with Nebraska Council of School Administrators, trying to get to the principals and others that are decisionmakers in these schools? [LB36]

TRACY KRUSE: We've been working directly with the decisionmakers. We've had principals and superintendents at our meetings from the local school districts. [LB36]

SENATOR KOLOWSKI: Excellent. And about how wide a spread do you have... (Inaudible) [LB36]

TRACY KRUSE: This...it's just a pilot project. We didn't have a lot of funds. We were working in the West Point and Cuming County area. But we're looking now to expand it to possibly with Norfolk area. We've had lots of interest from other parts of our service area. We just are looking for the funds to help us do it. [LB36]

SENATOR KOLOWSKI: Good luck. That's crucial. Thank you. Thank you. [LB36]

SENATOR SULLIVAN: Senator Morfeld, did you have a question? [LB36]

SENATOR MORFELD: Yes, well, thank you, Chairwoman. Doctor, just a quick question, and this is...may not be a quick question, actually. [LB36]

TRACY KRUSE: Okay. [LB36]

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

Education Committee
March 03, 2015

SENATOR MORFELD: And you may have to get back to me because it's very specific. First, I've heard of this program in Iowa and I've heard really good things so I'm glad Senator Bolz is bringing this today. Second, you have other examples by program cluster area. Do you have any average salaries of the cluster areas, healthcare, business information technology, transportation? I ask this not only for this program but I have other legislation... [LB36]

TRACY KRUSE: Right. [LB36]

SENATOR MORFELD: ...that would help promote employers actually hiring people in these fields and providing training for it, so that's why I'm curious. [LB36]

TRACY KRUSE: Exactly. Yeah, I don't have specifics on these different cluster areas. [LB36]

SENATOR MORFELD: Okay. [LB36]

TRACY KRUSE: I can tell you, I did have a student who took our inaugural boot camp class that we offer, which is the 72-hours. So it was eight hours a week over nine weeks. And he...it was one of these kids who'd been bouncing around from job to job making \$7.50 an hour part time and now went and worked for manufacturing for \$17 an hour. That's the kind of thing--and full time with benefits, by the way. [LB36]

SENATOR MORFELD: Yeah. [LB36]

TRACY KRUSE: And so those are the types of things...and he's excited about what he's doing and he's sticking around and showing up to work every day and being this great employee that he never was before. Those are the types we have to try to instill and that's the hard part. But this type of program starts to do that. [LB36]

SENATOR MORFELD: I agree. And that's more than some attorneys make that I graduated with, so that's a good job. (Laughter) So thank you. [LB36]

SENATOR SULLIVAN: Senator Schnoor. [LB36]

SENATOR SCHNOOR: Thanks, Doctor. Do you...are you staying...for your particular task, are you staying within Northeast Community College's area or are you trying to expand outside of that, out of that service area? [LB36]

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

Education Committee
March 03, 2015

TRACY KRUSE: We pretty much are staying within our service area although Smeal Fire Apparatus, which is in your neck of the woods, is slightly outside of our service area, but he draws from people within. So, yes, we have been mostly focused, as a pilot, in that area. [LB36]

SENATOR SCHNOOR: Yeah, because a lot of...I think a lot, if not all, the schools in my district are all affiliated with Metro, and I... [LB36]

TRACY KRUSE: We have...Scribner-Snyder has...we've had meetings with them and West Point, Beemer, and going up by Lyons. And I don't know how much further out than that we've got but in that area, yes, we've done a lot of work. [LB36]

SENATOR SCHNOOR: Okay. All right. Thank you. [LB36]

SENATOR SULLIVAN: Senator Groene. [LB36]

SENATOR GROENE: I was once told, you know, you're getting old. And then something that's old is new again. I went to school when we had shop classes and we were encouraged to look at careers of welding and go to...I grew up in Dodge. [LB36]

TRACY KRUSE: Okay. [LB36]

SENATOR GROENE: And I worked two years at Smeal to put myself through college. [LB36]

TRACY KRUSE: Great. [LB36]

SENATOR GROENE: That's why I kept going back to school because that's a hot job, welding. But anyway...it's a good job, though. But anyway, so are you working with the schools to try to get our K-12 back to the idea that maybe they ought to offer some vocational classes and... [LB36]

TRACY KRUSE: You know... [LB36]

SENATOR GROENE: Do you go into the schools and put on a presentation to, like, sophomores and say, here's some careers? You might be a C student but don't give up because if you get through with that C-plus average, you can be a welder, a truck driver? Do you try to do that? [LB36]

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

Education Committee
March 03, 2015

TRACY KRUSE: Right. We are. We are trying to do that. I know we're partnering with "Dream It. Do It." and I know Dwayne will speak to that in a little bit. He...that's one of the organizations we work with to try to get that out in high schools. But you're right. Part of the problem is that high schools have lost funding over the years as well. And some of these high-tech areas are hard to keep up with. And the funding for these dollars aren't there. And so when you end up closing some things, you end up probably limiting those choices for some students. And that's unfortunate. I took a tour of a number of our area schools and they showed me their technical areas, you know, and you might find a welding shop. You might find some other area. But they're in pretty sore shape, generally speaking, not always, some schools have invested in that. But it is hard. So where do they get that exposure? And that's exactly the work that we're trying to do more of through part of those dollars. We raised some additional dollars to do marketing. We created a video. We're trying to work with employers directly, getting them into the classroom like I was saying. So we are trying to do some of those things to our ability and what we can do. [LB36]

SENATOR GROENE: Thank you. [LB36]

SENATOR SULLIVAN: Any other questions for Dr. Kruse? Yes. [LB36]

SENATOR KOLOWSKI: Thank you, Madam. You touched on the cost for those programs which is very challenging and adding to that all the technology that is attached to it today because it's not just welding. It's not just...whatever you might be doing in any particular industrial tech class, you've got connections with computers to almost everything. Those things break down. They wear out. They need to be replaced. Have you worked with the schools as far as any combination of things as far as purchase of equipment... [LB36]

TRACY KRUSE: Sure. [LB36]

SENATOR KOLOWSKI: ...or materials in that light? [LB36]

TRACY KRUSE: Sure. Currently, the Manufacturing Bootcamp is mostly classroom activity. We have some virtual simulation stuff but it does not require a lot of equipment. And that was intentional on our part because we could do it pretty easily and roll it out without having a lot of equipment. But I can tell you now that we've had some success that employers are coming back to us and saying, we want this whole manufacturing certificate offered in West Point where we can access it locally because we want to keep our employers (sic) full time during the day working for us but we'd like to have that ability for them to go back to get that full certificate at night. And so, you know, we have our West Point facility there, our extended campus. We don't have any technical facility there. So we're talking with the employers, the city, the others, how

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

Education Committee
March 03, 2015

can we do this together? How can we work together? In some school districts, they do have some equipment and we could and we have and we do, on a regular basis, partner with them. Or if there's an employer who, in off hours, we can take over a, you know, a part of their space and use that for education, we do that. So we're always looking for creative ways to respond and meet the needs. [LB36]

SENATOR KOLOWSKI: Do you have mobile labs or trailers that can be hauled from place to place... [LB36]

TRACY KRUSE: Interesting that you ask that. [LB36]

SENATOR KOLOWSKI: ...because I've seen those in different districts in different states. [LB36]

TRACY KRUSE: Yes. We do not have...I actually have a proposal out there. [LB36]

SENATOR KOLOWSKI: Great. [LB36]

TRACY KRUSE: Part of my job is to raise money for these things. [LB36]

SENATOR KOLOWSKI: Yeah. [LB36]

TRACY KRUSE: And I do have a proposal out there that I'm seeking funders for. And we actually had grant application that we didn't get that would have helped us to start that. But, yes, that is a very good concept and we're trying to roll that out. [LB36]

SENATOR KOLOWSKI: Absolutely. Good luck. Thank you. [LB36]

TRACY KRUSE: Thank you. [LB36]

SENATOR SULLIVAN: Any other questions for Dr. Kruse? Thank you for your testimony. [LB36]

TRACY KRUSE: Thank you, appreciate it very much. [LB36]

SENATOR SULLIVAN: Thank you. Welcome. [LB36]

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

Education Committee
March 03, 2015

CHARLIE RADATZ: (Exhibit 4) Good afternoon. You people look like you need to be given an opportunity to stand up and stretch a little bit. You've done a, really, yeoman's work today. Good afternoon. My name is Charlie Radatz. I'm 2504 McLean Street, Falls City, Nebraska. The spelling of the name is Charlie, C-h-a-r-l-i-e, the last name R-a-d-a-t-z. I'm a member of the board of directors of Falls City Economic Development and Growth Enterprise, or EDGE, as we call it locally and currently serve as chairman of that group's tri-state labor basin committee and as a member of that group's product development committee. I also am currently serving as chairman of the Falls City Community Redevelopment Authority. The industrial employers in Falls City include WASP; AirLanco; Herzog rail car services; Ames True Temper; Vantec, Incorporated; and Gold Star Sausage, with the latter just announcing it will commence operations in Falls City in the early part of this year. Our committee was formed in response to difficulty being experienced by local manufacturers in their recruiting of employees, in particular welders, and difficulty experienced by CNAs, LPNs, and RNs employed by local hospitals, nursing homes, and home health agencies in providing financial and child care support for their families while upgrading their professional certifications. Of particular concern to us is the problem that manufacturers have in finding skilled workers to fill existing openings, a problem that has also delayed expansion plans and made it necessary for some manufacturing to be outsourced. Those are jobs that could be in Falls City. Quite basic welding skills are mainly what they require, but programs to provide that training need to be offered at very low cost or entirely publicly funded. A fee-based welder training program conducted in Falls City in cooperation with Southeast Community College attracted few students until the cost of tuition was underwritten by EDGE. The Community College Gap Assistance Program needs to focus on this type of work force training. The primary goal should not be to fund completion of a certificate or a degree program. The primary focus should be on providing those of limited means the opportunity to learn the skills necessary to qualify for present and future job opportunities in Nebraska's communities. Community-based work force training opportunities are needed. Richardson, Nemaha, Pawnee, and Johnson Counties are among 15 counties that make up the Southeast Community College district. A large number of families have incomes at or below poverty guidelines. SCC campuses are located 75, 90, and 120 miles from those who reside in this southeast corner of this state, perhaps okay if you are a full-time student with the financial ability to pay for housing, meal plans, and travel in addition to tuition, but not practical for a community...a commuting student from this area. LB36 needs to encourage development of outreach programs that go beyond the hobby and quality of life programs historically offered by community colleges in Nebraska to programs that bolster the economy of their districts by providing practical work force training. Few who receive training at community colleges in larger cities like Lincoln return to Falls City and other smaller cities to take jobs in local industry. Many who leave will never return, resulting in the out-migration of rural students to urban areas. Richardson County taxpayers in 2015 will provide over \$766,000 in property taxes to support Southeast Community College. While about 19 who graduate annually from Falls City

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

Education Committee
March 03, 2015

high schools pursue a community college education, of the 1,770 who graduated recently from SCC, only eight took jobs in Richardson County. [LB36]

SENATOR SULLIVAN: Mr. Radatz, are you finishing soon? [LB36]

CHARLIE RADATZ: I'm about ready to conclude. [LB36]

SENATOR SULLIVAN: Okay. Very good. [LB36]

CHARLIE RADATZ: Our committee found a need to improve the matching of high school students with an aptitude for manufacturing skill development with vocational training opportunities. An additional appropriate use of public funds might be a public relations campaign to make career counselors and young people understand modern manufacturing is not like the sweat shops of the past but is work offering great financial and personal rewards. In summary, the goal of LB36 is to make community college work force training more affordable for financially needy students. That goal can best be achieved by aiding those students...obtain an outcome-based education providing them the skills required by employers rather than some one-size-fits-all certificates or degrees and that the education should be made more accessible to students at less cost at outreach centers within easy commuting distance of their homes. We stand at the threshold of opportunity. LB36 offers us the opportunity to join hands and work together to make Nebraska the place where the "Good Life" can be enjoyed by all. Thank you. [LB36]

SENATOR SULLIVAN: Thank you, Mr. Radatz. Any questions for him? Did I understand you correctly to say that the participation in some of these training programs increased once the aid was provided? [LB36]

CHARLIE RADATZ: Yes, indeed. [LB36]

SENATOR SULLIVAN: So...but then is the...is that the linchpin, if you will, or is getting students interested in these fields? [LB36]

CHARLIE RADATZ: Oh, because one of the problems is that the perception of students is that manufacturing is not for them. And that is promulgated, basically, by our educational institutions. And we as parents are modeling that. If I might, I have a daughter who went to a four-year college, has lots of student debt. She is now 40 years old. My son, by contrast, went to Southeast Community College, had an education in electrical. He worked for several years in the electrical industry, now employed with Burlington Northern. He left college having virtually no

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

Education Committee
March 03, 2015

student debt, had everything paid off in less than six months, and is now working at Burlington Northern for approximately, probably, twice the salary of his sister. [LB36]

SENATOR SULLIVAN: Any other questions for Mr. Radatz? Senator Groene. [LB36]

SENATOR GROENE: Thanks, Chairman. So basically, what you say is what I'd like to say, is kids get taught by somebody in a suit and tie and that's their perception that that's how you're successful. [LB36]

CHARLIE RADATZ: Yes. That's their... [LB36]

SENATOR GROENE: And they're not told otherwise. [LB36]

CHARLIE RADATZ: That's exactly right. [LB36]

SENATOR GROENE: Thank you. [LB36]

SENATOR SULLIVAN: Thank you for your testimony. [LB36]

CHARLIE RADATZ: Okay. Thank you. [LB36]

SENATOR SULLIVAN: Welcome. [LB36]

DWAYNE PROBYN: (Exhibit 5) Thank you. Had to get up here quick because Dr. Kruse was about to rob all my thunder. (Laughter) I'm Dwayne Probyn, spelled D-w-a-y-n-e, Probyn spelled P-r-o-b-y-n. I am the executive director of the Nebraska Advanced Manufacturing Coalition "Dream It. Do It." which you've heard Dr. Kruse make reference to. This is an organization that we launched in 2006 as a result of the National Association of Manufacturing (sic) talking about a grass-roots organization to get out to the individual states of their 14,000 members. They are the world's largest organizations devoted specifically to manufacturing and that kind of business. We, as Nebraska, we're the first of the statewide rollouts. And I think it's very important that we think about what that really means because there are many of the programs that are started but never finished. I call them the flavor of the month programs. And so when we wrote our business plan to develop the Nebraska Advanced Manufacturing Coalition "Dream It. Do It." activity, we wanted to make sure that whatever we offered in the east part of the state carried over and was also offered in the western part of the state. But when we put the organization together, we concentrated on area directors that were some kind of a pivotal

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

Education Committee
March 03, 2015

decisionmaker in that community. Right now, we have 13 area directors and it just so happens that our organization is oriented around the contiguous relationship of our area directors to the community colleges. Make no mistake, we are for all kinds of education, but we feel that the community colleges are really in the greatest catbird seat to address the kinds of skill gap problems that we currently face. Here I'd like to go back and refresh some of your questions and answer some of the questions rather than get into my script. Senator Sullivan, you asked about, is it for the kids, is it for the employers? It really is for the influencers, and that's the moms and dads because when I went into this program, one of the educators that I have tremendous respect for say, you've got one big problem and that is your image. Manufacturing is not the dark, grey, drab, and dangerous program that your moms and dads and grandmothers might remember. We are high tech. We pay high-tech salary. As a matter of fact, we pay on average more than most of the other technology types of businesses. And I did have an answer to your questions. We have...we've put out a little brochure that we call "Cool Careers." And there's 33 careers on here. And yesterday I just happened to do some highlighting. The lowest paid is an assembler at \$26,500. The highest paid is a plant manager at \$84,825. I also have it broken down by the color wheel that you alluded to. And I can give you all of those things but I don't want to really get that involved in those kinds of details. Just to sum it up, when I first moved to Nebraska, it was very difficult to find the kinds of skills necessary to run a business. I moved out with the Caterpillar team. This was 12 families that came in from around the world. We were joint venture with CLAAS of Harsewinkel. We then addressed that. And the way we addressed it was to have three goals. Goal number one: Change the perception of careers in manufacturing to reflect its true status as the most advanced, high-tech industry in the country. Goal number two: Reestablish the U.S. as the global leader of manufacturing education. The United States got great by making things. We've got to get back to that thought. And finally, advocate for education and job training policies that strengthen the U.S. manufacturing force. That, to me, is LB36. That means community, employers, students, moms and dads are all pulling on the same end of the oar. [LB36]

SENATOR SULLIVAN: So what...how do you see your role fitting into...your association's role fitting into this? [LB36]

DWAYNE PROBYN: The way we are fitting into it is we are identifying the career paths. [LB36]

SENATOR SULLIVAN: Okay. [LB36]

DWAYNE PROBYN: And as I said, when we first got here, those career paths didn't exist. Now I'm delighted to see these kinds of programs that are being advanced by the Northeast Community College. There's all kinds of academies now that are starting. There's one here in

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

Education Committee
March 03, 2015

Lincoln, a career path institute in Grand Island. There's a huge program that has been started by Metro. And all of these things, I would like to say that they're the result of "Dream It. Do It." making sure that these students understand, and moms and dads understand, that there are great occupations there for us, keep those talented students in the state of Nebraska, and keep them meaningfully occupied. I like to say this is an "earn while you learn" type of approach to the kids. [LB36]

SENATOR SULLIVAN: How do you reach out to the parents? [LB36]

DWAYNE PROBYN: Well, the thing that we do is, we constantly...actually, four times a year we take educators out through the four-county service area. And the reason that we do it with the educators: Somebody said, well, you got to get back with the educators because they don't really know. And these speeches that I give, I tell people, you got to come and look at this plant. Most of the kids and the moms and dads don't understand what goes on inside a manufacturing location and occupation. And the kids have a difficult time bragging to moms and dads around the dinner table when they say, I'm going to be a quality technician or I'm going to be a weld technician or I'm going to be a production manager or a logistics or I'm going to drive a truck. CDL-A programs can't get enough truck drivers. Those are the kinds of things that we have to get back and talk about it to the parents who are going to make the influence of whether they want the kids to address these kinds of...the money available for...like in LB36. [LB36]

SENATOR SULLIVAN: Okay. Thank you, Mr. Probyn. Any questions for him? Thank you for your testimony. Welcome. [LB36]

DENNIS BAACK: Thank you. Senator Sullivan and members of the Education Committee, for the record, my name is Dennis Baack, D-e-n-n-i-s B-a-a-c-k. I am the executive director of the Nebraska Community College Association. I'm here to speak on behalf of them and I'm also in another role that I have. I'm here to speak on behalf of the State Chamber because I chair the education committee for the State Chamber and they are also very much in support of this bill. I think that the senator has laid out very clearly what this bill is for. And then I think she did an excellent job of talking about how it works and who would benefit from it. And I just want to emphasize a few things. Senator Schnoor, one of the things that you were talking about was, you know, I mean, we were talking specifically about Northeast and what they're doing in that area. But I will tell you that all of the community colleges are interested in this. And they're all doing it across the state. They're all working with all of the business and stuff in their areas. And they're working towards the same goals that Northeast is doing. We're all working on these same kinds of projects, because I think it's important all across the state. As the State Chamber did their survey this last year, they found that business and industry really needs those people trained and they need a better work force out there. This is simply one tool to help a number of

individuals who would not have an opportunity to get the skills to get these kind of jobs. This will give them an opportunity to do that, and that's why I think it's important. And, Senator Morfeld, you asked about the salaries and stuff for these jobs. We do have...I sit on the Worker Training Board and I also sit on the State Workforce Investment Board. And we talk about these kind of things all of the time. And both the Department of Labor, Department of Economic Development do have a lot of data available on what kinds of jobs they are and what kinds of pay they get. And so we're trying to get that word out so people understand what you can do. One of the things that...if you would ever get a chance, one of the things that you need to do is sometime go to Milford and see the new center that they've put on that campus dealing with manufacturing. It is absolutely amazing. The technology and stuff is just astounding what they've got there and what they're training those students to do and the kinds of jobs they get. I've talked to some students and they've said that they get up to 15, 20 job offers when they get done. And all these are excellent-paying jobs. And we can do a lot of things by just taking certain pieces of the programs we have and getting people certain skills in certain areas. They don't have to complete the entire program. We can customize that for them and do all kinds of things to get people trained for these jobs. This bill would talk about some assistance for those folks because the federal money and the state scholarship money is not available to the people in those kind of programs. So with that, I'd be happy to answer questions if there are any. [LB36]

SENATOR SULLIVAN: Thank you, Mr. Baack. You referenced Milford. Are...is that program at capacity? Do they have waiting lists? Are they...do they have openings? [LB36]

DENNIS BAACK: They're pretty much at capacity. I think that they may have some openings but it's pretty full. And quite frankly, if you...you know, and they probably could expand that program if they can afford the technology to expand it and get it bigger. They have looked at doing sessions at night and weekends and other ways of trying to expand those programs if that's necessary to do. They would be able to do some of that. [LB36]

SENATOR SULLIVAN: Okay. [LB36]

DENNIS BAACK: But it's expensive stuff. When you get into those technology programs, it's very expensive. And then they're doing things...all the colleges are doing things with career academies. And we really are trying to get the word out there about the great careers and stuff that are out there. And I serve on the "Dream It. Do It." board also, and that board is...has done a lot of work for the manufacturers in this state. And they've done a lot of good work in getting that word out there for students and stuff to understand what those jobs are. [LB36]

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

Education Committee
March 03, 2015

SENATOR SULLIVAN: Are those manufacturers...you mentioned that these programs can be awfully expensive. And in a way, they are training potential workers for these businesses that are in need of these workers. So are the businesses themselves providing any support? [LB36]

DENNIS BAACK: Yes, they are. And if you look at the career center that's being put up here in Lincoln right now, they are working very closely with all of the businesses in Lincoln and they are participating. And a lot of it is in-kind contributions with technology and those kind of things to do that. If you go to Milford and you see, they have the John Deere training program. They do the John Deere training for their technicians all across the world...comes out of Milford for John Deere. And John Deere furnishes all of the technology and the equipment and stuff for them to do that but they still do the training right from Milford. So, yeah, the businesses are very anxious to be part of it, I think. You know, and they're finally...you know, we're finally getting past the point of business saying, well, we just don't have the right kind of workers. And I think we're finally getting past the point of them saying...telling us exactly what they do need. And they're being much more specific about that. And that makes it easier for us to set up training programs to match up with what they really need. [LB36]

SENATOR SULLIVAN: Okay. Thank you. Any other questions? Senator Kolowski. [LB36]

SENATOR KOLOWSKI: Thank you, Madam. Dennis, thank you for making the community college philosophy alive in our state. You...community colleges should be the PT boats of the navy of education because you can move quickly. You can change, adapt, and do things that...the battleships and the aircraft carriers just can't turn on a dime. And it's truly living the philosophy of what they're all about, responding to the communities, finding needs, filling it, and changing as time goes on. And it's making a difference in our state. And because of the flexibility they are showing with our communities, we're able to do more than we've ever done before, and I thank you for that. Let's keep it up. [LB36]

DENNIS BAACK: Well, I appreciate that. And I will tell you that I'm amazed sometimes at how quickly they can get things set up. I remember seeing, when I was at a meeting, happened to be at a Mid-Plains board meeting one night, and Union Pacific came in and said, you know, we need a certain kind of engineer trained and we need it done very quickly. They immediately put it on the agenda and they took care of it that evening yet. They claimed that an emergency, took care of it that evening, and within a couple of weeks, they were doing that training program for Union Pacific. It was something that just came up in the spur of the moment and they reacted to it immediately and were able to handle it. And that happens all over across the state. They're very willing to do those kind of things. [LB36]

SENATOR KOLOWSKI: Thank you. [LB36]

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

Education Committee
March 03, 2015

SENATOR SULLIVAN: Any other questions? Thank you. [LB36]

DENNIS BAACK: Thank you. [LB36]

SENATOR SULLIVAN: Hello. [LB36]

MIKE BAUMGARTNER: Thank you, Senator Sullivan. Members of the committee, this may be the last time that I speak to you for a while. I'm sure you're relieved, but let me tell you that I've worked in other states that don't give every bill a hearing, who don't sit attentively and ask good questions throughout the hearing. And this is such a wonderful change, the fact that you do this. Coordinating Commission supports LB36 and would welcome the opportunity to work with the committee to administer the program. For the past three years, we've served as the chair of the committee assigned oversight duties in this bill. We're the Coordinating Commission for Postsecondary Education. Postsecondary education is not just for 18- to 24-year-olds or, through ACE Program, 16- to 24-year-olds. It encompasses anything beyond high school. LB36 addresses a crucial need for the state in moving forward which is for a more educated work force. It will provide assistance to students with tuition and fees, direct training costs, required books and equipment, background checks, and certifications. It's estimated that 71 percent of Nebraska's jobs will require at least some postsecondary education by 2020, again, postsecondary education writ large. This could include everything from vocational certificates through graduate and professional degrees. This bill drills down even further to address the increasing need for an educated work force specifically in the state's high-demand fields. And it sets the stage for both immediate employment and additional education for those students who choose to pursue it. Thank you for your time and I'd be happy to answer any questions. [LB36]

SENATOR SULLIVAN: Thank you, Dr. Baumgartner. Any questions for him? Senator Groene. [LB36]

SENATOR GROENE: Thank you, Chairman. Question for you: They told me TEEOSA...I've never figured it out. I'm getting close. (Laughter) But all of these programs that are out there already for higher education and tied in, blended into the high schools, you're the coordinator. Do you have a spreadsheet to show every one of these programs that's available, all of these programs that are proposed and the amount of money that this committee could look at? [LB36]

MIKE BAUMGARTNER: We can do that. For some of the programs where there is no specific ask, for instance, the bill you previously heard, it could range from zero to millions of dollars depending on what was provided. It could be a range. But for other programs that are specific with specific requests, yes, we can do that. [LB36]

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

Education Committee
March 03, 2015

SENATOR GROENE: Even the ones the university manages themselves versus the ones you manage? [LB36]

MIKE BAUMGARTNER: The ones the universities manage themselves, no, not as readily, because, for instance, the University of Nebraska has its own need-based financial aid that it uses to fill in gaps or to reward students with certain characteristics. We do collect information on that after the fact. Every year, they tell us how much they spent in different categories. So we do have information like that, but... [LB36]

SENATOR GROENE: But that's public money? That's tax dollars? I'm not talking about private foundation money as... [LB36]

MIKE BAUMGARTNER: It's a mixture. [LB36]

SENATOR GROENE: I just want to track the state money. [LB36]

MIKE BAUMGARTNER: I will do my best to put together something to do that. Again, when it gets to the institutional level, that is not as easy for us to do because that isn't necessarily our responsibility. I just have to collect and report so that takes some classification, some talking with the institutions to figure out exactly what piece of that is state money. [LB36]

SENATOR GROENE: It would sure be helpful, because I got four-inches-deep piles of these things. [LB36]

MIKE BAUMGARTNER: Yeah. Yeah, yeah. [LB36]

SENATOR GROENE: And...but I don't have numbers on them and there's a lot of "acronyms" with programs that...it's hard to remember. [LB36]

MIKE BAUMGARTNER: Well, Senator, we'll start with the easy ones for you and work from there...easy for us, yeah. [LB36]

SENATOR GROENE: All right. Thank you. I appreciate that. [LB36]

SENATOR SULLIVAN: Any other questions? Thank you for your testimony. [LB36]

MIKE BAUMGARTNER: Yeah. [LB36]

SENATOR SULLIVAN: Welcome. [LB36]

JOAN ANDERSON: (Exhibit 6) Good afternoon. Thank you. My name is Joan Anderson, J-o-a-n A-n-d-e-r-s-o-n. I'm the executive director of Lancaster County Medical Society which is the physician membership organization here in Lincoln representing over 600 physicians and about 130-plus offices. And we're also linked with the Nebraska Medical Association. I think Senator Bolz was very surprised when we visited with her about this of how excited we were about how this might impact or how it would definitely impact the healthcare shortage. In my position, I receive calls every week, if not...well, not daily, but certainly weekly from offices saying, we really are in desperate need of a medical assistant or a coder or even a receptionist that has some background in medical operations, medical terminology. There are many things offered at this...at community college level that would make it easy for them to fit into the healthcare marketplace. In addition, at the community colleges are LPN and RN associate degrees that are available without the most costly four-year degrees that are obviously something people would like to, perhaps, work toward. But they can enter the workplace as a CMA or as an LPN or as an associate RN. We feel that LB36 clearly identifies a way to help individuals that have no other resources. These are individuals that are interested in healthcare but they know they're not wanting to be a doctor or maybe even a four-year degree nurse. And so they haven't even looked at options. We also know that there are many ways that this can be an entry level for many of our young people. And we've worked closely with a lot of our Southeast Community College people here in Lincoln to promote that. In my 30-plus years in working in healthcare in Lincoln and actually throughout southeast Nebraska, I can give you anecdotally, but I'm sure you know some as well, of individuals who are in healthcare, perhaps started as an administrative secretary or a nurse assistant, very much want to go on to a higher level of education but working ten...or working for a \$10 to \$12 an hour job and most likely working to support children, that's not an option for them. So we're very supportive of this idea. We think it's an innovative idea that will get lots of people, women and men, that maybe are supporting single families that their children are on Medicaid and they'd love to get them off Medicaid. They can get health insurance but they aren't making enough to afford to get off of governmental assistance completely. So we're extremely excited about it, feel like it's a very innovative way to help increase our work force and particularly address the shortages that will continue to come in healthcare. [LB36]

SENATOR SULLIVAN: Thank you for your testimony. [LB36]

JOAN ANDERSON: You bet. [LB36]

SENATOR SULLIVAN: Tell me again, though, if you get a call in a week, how do you link up... [LB36]

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

Education Committee
March 03, 2015

JOAN ANDERSON: Well, we have a LISTSERV. [LB36]

SENATOR SULLIVAN: ...and where do you go from there? [LB36]

JOAN ANDERSON: Yeah, no, that's a good question. I work closely with the Southeast Community College staff for, like, medical assistants, for example. I know the director there and I will contact her. In fact, she contacts me when she has new graduates. We have...because we are so closely linked in Nebraska, 98 percent of the doctors in Lincoln belong to our organization. Anybody new coming into town will send us their resume. For example, just yesterday I got a resume from a young woman that is...has her CNA, which is a nursing assistant, which can be actually obtained while they're in high school. But that is primarily in nursing homes and she wants to work up to work in a medical office. So she's working, going through Southeast Community College, has her CNA. I put it out on our LISTSERV, and I'm pretty sure she will get a job. If not...may not be the job that she particularly wants but a job in the next direction, maybe being a medical receptionist answering the phone. At least she has some background. [LB36]

SENATOR SULLIVAN: So one of the concerns that I have is, sometimes we just don't have enough people for the positions that need to be filled. So are you thinking that there are the people out there, they just need to... [LB36]

JOAN ANDERSON: You know, you've talked a little bit about that and we were...as far as educating students in high school about healthcare careers that aren't nurses and aren't doctors. My children, when...and they're way old. Now I've got grandkids. But they all think, oh, healthcare, that's a nurse or a doctor. So we work closely with the career academy and we send out people to all the high schools to do lectures. And in fact, we've helped put together a Web site that shows, you can be a phlebotomist with very little...you could do it with on...job training almost. So it's educating those students to know, working at U-Stop or Arby's is not a bad thing. We need those people too. But healthcare is not just about being a nurse or a doctor. So I think it's educating. What opportunities are out there? Some kids don't even think about healthcare for those entry-level jobs or midlevel jobs. [LB36]

SENATOR SULLIVAN: All right. Thank you. [LB36]

JOAN ANDERSON: Yeah. [LB36]

SENATOR SULLIVAN: Any other questions for Ms. Anderson? Thank you for your testimony. [LB36]

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

Education Committee
March 03, 2015

JOAN ANDERSON: Thank you. [LB36]

ANGELA MORALES: Hello. [LB36]

SENATOR SULLIVAN: Welcome. [LB36]

ANGELA MORALES: (Exhibit 7) Welcome. My name is Angela Morales, A-n-g-e-l-a M-o-r-a-l-e-s. I am currently...I'm a single mother of three and I have worked in the healthcare for about four years working my way up. I don't have formal college training at this moment and I serve as a case worker to help uninsured individuals access medical care. Currently, my full-time position is grant based. At the end of this year, December, I will not have that option anymore. My grant is over. So I will become either unemployed or will have to look for other employment. Because I don't have any formal training, that would be really, really hard. I have been told by my supervisors that they will work with me to find a job. But because they value my work and they know I have been in the same position for about four years, it's kind of hard when I don't have that formal credentials to do that. I know that my options are going to be very limited in searching for another employment either the same or something similar to it. Now, I have explored taking community college classes but I do know that I have to, you know, work less hours and get a loan, get a lot of loans. I've been offered a lot of student loans. But I am a mother of three and I have to also consider the payments and the debt that you get yourself into when you do that. Currently, I have a part-time job and a full-time job. Even with that, I am still...my children are still Medicaid. And I would love to someday have a job that I can get off of any state benefits or any help. At this moment, even with my full-time job and my part-time job, that is not enough to be able to get insurance for all three children and myself. I am...many of my friends as well, or any other families that I know of, could benefit from this opportunity here, single mothers as well, so I do encourage that this...strongly encourage to support this bill for that reason as well. After four years of working in this position, I would love to move forward either as a medical assistant or even an associate's degree. So I am looking into the medical field, not specifically as a doctor or anything like that but also in business management. But I do feel that I need some kind of support in order for me to move forward as it is hard to just jump in there with student loans, because I see it every day. Many people have a lot of student loan debt and I don't want to be part of that. But I do see that, at the end of this year, I might have to do that if I don't have any other employment options. So just, I...that's why I'm here. [LB36]

SENATOR SULLIVAN: All right. Thank you very much for your testimony. [LB36]

ANGELA MORALES: Thank you. [LB36]

SENATOR SULLIVAN: Any questions for Ms. Morales? Thank you. Good luck to you. [LB36]

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

Education Committee
March 03, 2015

ANGELA MORALES: Thank you. [LB36]

SENATOR SULLIVAN: Welcome. [LB36]

REBECCA CROMER: Good afternoon. Thank you, Senator Sullivan and the Education Committee, for hearing my testimony today. I am here in support of the Community College Gap Assistance Program. I... [LB36]

SENATOR SULLIVAN: And could you introduce yourself, please? [LB36]

REBECCA CROMER: Oh, sorry, Rebecca Cromer, R-e-b-e-c-c-a, Cromer, C-r-o-m-e-r, and I've spent my last 15 years in work force development and most recently the last six years in economic development. So I have a lot of input for this particular program. We support this concept. I had some prepared comments but just from the questions that you've asked, Senator Sullivan, I'd like to give you an example of what's going on in Richardson County. You know, you asked, is it a financial obligation that's causing the problem or is it a lack of interest? And so what we did in Falls City is we worked with our public schools, Southeast Community College, and our industries to put together a welding program that would prepare people to enter into the welding field with a 60-hour welding course. So we put together that course. We all worked together. We thought it was great. We offered it. We didn't get one registrant. So we kind of went back to the drawing table and decided, well, we're going to go ahead and offer some grants. So our economic development organization provided grants to the eight students and we filled that class. We offered a second class. Because that waiting list was so long, we went ahead and offered a second class that we fully subsidized through grants through our economic development organization. Currently, we're in that process of offering a third class without subsidy. We're not offering grants at this time. That would start in mid-April. And we called our waiting list and we've had two people register and pay for the class. The class may or may not go. You need a minimum of eight students for the class to move forward. So I guess, from a Richardson County area, we have the jobs, the high-paying jobs in those fields. We're offering the coursework. We provided two classes that were full based on grants that we provided. And now we're trying to do an unsubsidized class and it's limping along. You know, we're not sure it's going to get moved forward. So we think it's important that this get to the floor for debate in order to help these students with some of these skills upgrade abilities. Just to give you an example, also, of what the welding class costs, it's \$565 for a 60-hour class. So you can be a full-time student at Southeast Community College for three months in a full quarter and your tuition costs \$900. Some of these classes that are being offered at...to upgrade skills, you know, I heard, I think, \$1,100 or \$1,800 for the diversified manufacturing through Northeast Community College. They are more costly. I'm not sure why that is. But it costs more to take these skills courses to upgrade your skills with short-term coursework than it does by taking a full-time

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

Education Committee
March 03, 2015

course load for a quarter at one of the community colleges. So it is a financial burden on a lot of the people. And as you've heard from many before me, our industries are growing. I have some industries that are outsourcing jobs because they can't find the workers. So we think this is a great opportunity to underwrite some of these programs that will help create a qualified work force for our area. [LB36]

SENATOR SULLIVAN: Thank you for your testimony. [LB36]

REBECCA CROMER: Yep. [LB36]

SENATOR SULLIVAN: So you have had a total of 16 students that have gone through that? Are they all employed now? [LB36]

REBECCA CROMER: Well, we've tried to follow up the best we can. Cell phone numbers change and it's hard to track people down sometimes. But just...first class, for sure, we had 50 percent that we were able to follow. So four of the students were either working...so we had a couple that were employed at one of our industries. They were...graduated from the class and then they got a \$3 per hour raise so they were able to move from, like, a fabrication job to a welding job. And then two others were also employed. So our first class, we had half we were able to follow successful and same with the second, so. [LB36]

SENATOR SULLIVAN: Okay. Thank you. [LB36]

REBECCA CROMER: Yep. [LB36]

SENATOR SULLIVAN: Any other questions? All right. Thank you for your testimony. [LB36]

REBECCA CROMER: Thanks. [LB36]

SENATOR SULLIVAN: (Exhibits 8, 9, 10, 11, 12, 13) Any other proponent testimony? I would like to read into the record several letters of support: Richard Blatny, Nebraska Medical Association; Andy Pollock, Rural Telecommunications Coalition of Nebraska; Mary Ann Harvey, Nebraska Appleseed; Terry Werner, National Association of Social Workers, Nebraska Chapter; Jean Petsch, Associated General Contractors, Nebraska Building Chapter; and Bruce Rieker, vice president for advocacy with the Nebraska Hospital Association. Anyone wishing to speak in opposition to LB36? Anyone in a neutral capacity? Senator Bolz. [LB36]

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

Education Committee
March 03, 2015

SENATOR BOLZ: I realize it's after 4:00 and it's been a long day, but if I could ask for your patience, sitting and listening to the testifiers, I realized how passionate I am for this bill. And I don't always let myself put my emotions on my sleeve. But this is a good "bang for your buck" bill. This is a win-win-win bill. This is a bill that provides new opportunities for people who really need them, including young people, dislocated workers, and people who are underemployed. It's a fiscally responsible bill because it helps people increase their earning potential and increase their own ability to pay for their further education as they move forward in their career. I wish Senator Morfeld was here because one of the things that I think is really important to articulate is that the Georgetown Center and University (sic) for Education and the Workforce has done some deeper analysis on certificate programs. Just to give you a quick list, short-term certificate programs earnings, programs that are less than a year: auto mechanic, \$41,000; construction, \$45,000; metal work, \$44,000; business administration, \$32,000. This kind of initiative has real meaning to people and it has real meaning in the work force. And I will slow my roll and finish up. But the last thing that I want to add: I just want to pull through that this is not Bob Ross watercolors. That's not what we're talking about here. All of the programs that would be approved through this initiative would be leading to a degree that has a national certification or a license examination preparation. And so I just want to pull through that piece of the legislation, that this is high-quality jobs that are leading toward certifications and degrees that really have value. So I appreciate your moment of attention and I'm happy to answer any final questions. [LB36]

SENATOR SULLIVAN: Thank you, Senator Bolz. Any questions for her? Thank you for your testimony and your bill. [LB36]

SENATOR BOLZ: Thank you. [LB36]

SENATOR SULLIVAN: That closes the hearing on LB36. We will now move on to LB232. Welcome. [LB36]

SENATOR NORDQUIST: Thank you. Chairwoman Sullivan, members of the Education Committee, I have a 25/30 minute opening written but I think I'll condense it down due to the time here. (Laughter) [LB232]

SENATOR SULLIVAN: Thank you. [LB232]

SENATOR NORDQUIST: But, no, all right, I'll keep it...I will keep it short, though. LB232 would create the Nebraska College Choice Grant Program. Funds appropriated to the program-- which we do not necessarily set out how much, but it would be most likely a General Fund ongoing appropriation funds that we do put into the College Choice Grant Program--would go to

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

Education Committee
March 03, 2015

students with financial need in Nebraska that go to privately controlled, nonprofit colleges and universities. We had a similar program in the state from 1991 to 2003 called the Postsecondary Education Award Program, or often referred to as PEAP. Since that program was repealed, students that go to this sector of Nebraska colleges have actually lost \$740,000 of state support since 2003. The state support for these kids has actually declined by almost three-quarters of \$1 million. Students in private colleges receive less than 0.3 percent of the total state and local tax dollars that support higher education. Nebraska private colleges and universities award more than 41 percent of bachelor's and advanced degrees and enroll more than 33,000 students--all statistics I'm sure you're probably familiar with--our...and also a higher percentage of minority degrees conferred. I think on LB401 you heard, in particular, about the Attorney General's Opinion that's in the binder, again, that Senator Kolterman handed out on his bill, the Attorney General Opinion that stated that the PEAP Program under Attorney General Stenberg at the time upheld...thought it was constitutional. And that opinion has not been changed or any new opinion on the matter issued since then. I believe that Nebraska Constitution does allow us to think differently about how we treat college education as opposed to K-12. We are not compelled to provide free college education under the Constitution which I believe allows us to utilize resources of...to look at all of our colleges and universities in the state to achieve our goals of higher education. And certainly the economic impact of these colleges across the state is vital to many small communities. Large communities and small communities in my district...certainly have Grace University which is a great community partner. Part of Creighton's campus is in my district. We obviously saw the negative impact when one of these institutions, Dana College, closed its doors in Blair. Certainly that community felt the impact and still to some extent certainly does. I'd be happy to answer any particular questions. As far as, and this is a discussion, should the committee choose to establish the program, at that point we could talk about funding amounts. I would say that...I mean, if you look right now, this sector under the current program is only...I'm trying to find the right tab, but it's...\$3.1 million is the current appropriation to nonprofit, private colleges and universities in Nebraska. If you look at Big 10 states, the next closest in amountwise is Iowa at \$45 million. And it goes all the way up to Pennsylvania at \$153 million. So we...this is obviously a sector of higher education that is significantly underfunded in Nebraska. And the results and the degrees that are conferred certainly have tremendous benefit to the state. Thank you. [LB232]

SENATOR SULLIVAN: Thank you, Senator Nordquist. So your thoughts are that if a program like this would be available, this would be a separate funding stream that would not be a second funding stream, if you will, to what currently exists with the Nebraska Opportunity Grants. Is that correct? [LB232]

SENATOR NORDQUIST: Right, right. I think it would be, depending on how the committee chooses to move forward with the Nebraska Opportunity Grant, I think we would need to think through that certainly. I think the fact that this sector of higher ed has seen its aid actually

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

Education Committee
March 03, 2015

reduced over the last decade would say, if we're going to keep the Opportunity Grant as-is that this would be some sort of supplemental to help restore what's been lost or it can be a complete...if the committee chooses to move in some different direction with the Opportunity Grant, it could be its own standalone, separate program too. [LB232]

SENATOR SULLIVAN: Okay. Thank you. Any other questions? Senator Groene. [LB232]

SENATOR GROENE: Thank you, Chairman. Senator, you said \$3.4 million at present, or is... [LB232]

SENATOR NORDQUIST: \$3.1 million. Yeah. [LB232]

SENATOR GROENE: What is...is that from the General Fund, because when we heard Senator Kolterman's they said that it was gone completely in 2003? [LB232]

SENATOR NORDQUIST: Yeah, so the program was eliminated in 2003. This is the amount that's going to this sector out of the Nebraska Opportunity Grant which is lottery funds. [LB232]

SENATOR GROENE: The lottery money? [LB232]

SENATOR NORDQUIST: Yep, so out of the total lottery money, this sector of higher education is getting \$3.1 million. I think private's total--and if I find the right tab, I can get the exact--private total, I think, was, like, \$5 million. So you have the for-profits in there as well and then the remainder goes to the university and the state colleges. [LB232]

SENATOR GROENE: That's the lottery money. [LB232]

SENATOR NORDQUIST: Yeah, yeah. [LB232]

SENATOR GROENE: Thank you. [LB232]

SENATOR SULLIVAN: Any other questions? You'll be here for closing? [LB232]

SENATOR NORDQUIST: I will...I have two bills in Appropriations yet. Unless they come up, I'll be here, but other... [LB232]

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

Education Committee
March 03, 2015

SENATOR SULLIVAN: Okay. Thank you. All right. Proponent testimony for LB232? Welcome. [LB232]

REBECCA SCHNEIDER: Good afternoon. Thanks. Senator Sullivan and members of the Education Committee, my name is Rebecca Schneider, R-e-b-e-c-c-a S-c-h-n-e-i-d-e-r. I am a senior student at Nebraska Methodist College of Nursing. And I am here today to support LB232. I have attended Nebraska Methodist College, or NMC, for 3.5 years and have been a grateful recipient of Pell Grants every semester of attendance. I have also been awarded various scholarships and other grants to supplement the cost of attending a private college. Throughout my nursing school career, I have received \$17,915 in Pell Grants, \$19,600 in NMC-awarded academic scholarships, and \$3,500 from the Nebraska Opportunity Grant program. Yet I have still had to take advantage of \$23,867 in student loans to help offset the cost of living to help support my family of three. As a mother of a three-year-old, I did not have the time to work as this would have utilized the only free time after completion of schoolwork. This was the decision my fiance and I had to make during my schooling. Times have definitely been difficult but we know there is light at the end of this tunnel and I'll soon be earning an income. I chose to attend Nebraska Methodist College because of many reasons including smaller class sizes, smaller student-to-instructor ratios, more hands-on clinical experience, and an over 90 percent state board retention rate. I did not anticipate the wonderful experience I would have had at NMC. I have developed some of the best relationships not only with fellow students but, surprisingly, with many of my faculty members. And these relationships I truly hold dear. I would have been another number at a larger institution like a university. By being a part of a smaller aggregate, I have had the opportunity to be recognized by faculty as outstanding student nominee as well as awarded an additional scholarship involving a community project that I organized. My project centers on an underprivileged elementary school by implementing a health fair including various resources such as WIC, dietary services, police and fire departments, along with many others. I strongly feel that I would have been lost in the sea of students had I gone elsewhere. I can confidently say that by attending NMC, I have helped make a positive difference in my community. Although the typical undergraduate loan debt of NMC students is just over \$40,000, it is the mere average and does not include the cost of raising a child. I am truly thankful for the aid I received as the amount of educational debt I will owe is significantly less than my fellow cohorts. As a student qualifying for additional aid offered by LB232, students who receive Pell Grants will have additional funds to help offset the high costs of private schooling. Any aid helps. I would have qualified for this additional aid which would have decreased my debt even further. This is why I support LB232. Please consider progressing this bill to invoke positive change for students' choice in education. Students yearning to attend college should be offered it as a choice but not limited due to funding and aid. Education is invaluable and students should attend where they will receive the best education for their particular area of interest. Thank you for your time this afternoon and I will accept any questions. [LB232]

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

Education Committee
March 03, 2015

SENATOR SULLIVAN: Thank you, Ms. Schneider. Any questions for her? Thank you for your testimony. [LB232]

REBECCA SCHNEIDER: I did, however, find the question you asked a fellow student of mine earlier... [LB232]

SENATOR SULLIVAN: Oh, sure. [LB232]

REBECCA SCHNEIDER: ...what the yearly tuition was or what the yearly cost is. Tuition alone, and this is per semester, is \$6,492, \$500 in fees, and \$1,695 in books which equates to an estimation of \$17,374 per year or just under \$70,000 for the four-year program. [LB232]

SENATOR SULLIVAN: Okay. Thank you very much. [LB232]

REBECCA SCHNEIDER: Thank you. [LB232]

SENATOR SULLIVAN: Welcome back. [LB232]

PAULA KOHLES: Thank you, Senator Sullivan. I'm Paula Kohles, P-a-u-l-a, Kohles, K-o-h-l-e-s. As you heard from me earlier for LB401, I would encourage you to incorporate my testimony from that bill into this LB232. We just ask that you guys move forward with both of these bills to give needy Nebraska students opportunity, access, as we've heard from some of our current students at the other institutions and some alums, to make it an affordable option for them if that's the choice that they choose with the private institutions so that they don't have so much debt when they graduate. Let's keep these needy students in Nebraska, make these opportunities for them, and...because they're going to be part of our future. They're going to be paying taxes and supporting the state of Nebraska down the line. So I appreciate your support and what you can do for the private institutions to move these bills forward. [LB232]

SENATOR SULLIVAN: Thank you, Ms. Kohles. [LB232]

PAULA KOHLES: Yep. [LB232]

SENATOR SULLIVAN: Questions for her? Thank you. [LB232]

PAULA KOHLES: Yep, thank you. [LB232]

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

Education Committee
March 03, 2015

SENATOR SULLIVAN: Welcome back. [LB232]

TIP O'NEILL: Senator Sullivan, members of the Education Committee, I'm Tip O'Neill. That's T-i-p O-'-N-e-i-l-l. I'm the president of the Association of Independent Colleges and Universities of Nebraska. Again, I don't want to give Senator Nordquist short shrift here, but you heard my testimony earlier on LB401. I know the committee has had a long day, long couple days, and we would just hope that you would consider Senator Kolterman's and Senator Nordquist's proposals to create a real college choice program for students, Nebraska resident students, who want to attend a Nebraska independent college or university. And we hope you could take the issue up in your Executive Sessions. I know you're going to be meeting soon to talk about these and other proposals. And I just urge the committee to give your favorable consideration to LB232 and LB401 and be happy to answer any questions you might have. [LB232]

SENATOR SULLIVAN: Any questions for Mr. O'Neill? Thank you for your testimony. [LB232]

TIP O'NEILL: Thank you, appreciate it, Senator. [LB232]

SENATOR SULLIVAN: (Exhibit 1) Any other proponent testimony? I'd like to enter into the record a letter of support from Morgan Pusek, pharmacy student at Creighton University. Anyone wishing to speak in opposition to LB232? Anyone in a neutral capacity? Senator Nordquist. Senator Nordquist waives closing and that will conclude the hearings for today. Thank you, everyone, for attending. [LB232]