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Education Committee
March 25, 2014

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The Committee on Education met at 12:30 p.m. on Tuesday, March 25, 2014, in Room 1525 of the State Capitol, Lincoln, Nebraska, for the purpose of conducting a public hearing on the 2014 Nebraska Higher Education Progress Report presented by the Nebraska Coordinating Commission for Postsecondary Education. Senators present: Kate Sullivan, Chairperson; Rick Kolowski; and Les Seiler. Senators absent: Jim Scheer, Vice Chairperson; Bill Avery; Tanya Cook; Al Davis; and Ken Haar.

SENATOR SULLIVAN: Good afternoon, everyone. We will begin the hearing now. It is being held by the Education Committee for the purposes of receiving and hearing the report for the Coordinating Commission for Postsecondary Education. So we thank you all for being here. We don't have quite a full house today. Senator...I'm Kate Sullivan from Cedar Rapids, Chairman of the committee representing District 41. Senator Kolowski, will you introduce yourself?

SENATOR KOLOWSKI: Rick Kolowski, District 31 in southwest Omaha.

SENATOR SULLIVAN: To my immediate left is LaMont Rainey, legal counsel for the Education Committee. And at my far right is Mandy Mizerski who is committee clerk for the committee. And also coming in and joining us will be Tammy Barry, another legal counsel for the Education Committee. So with that, we will begin. And we may be joined by other members of the Education Committee as we continue. But we are working on somewhat of a tight time line. So I would like to open the hearing and ask the two of you to introduce yourselves.

CARNA PFEIL: I'm Carna Pfeil, and it's C-a-r-n-a P-f-e-i-l, and I'm the interim executive director with the Coordinating Commission.

JILL HEESE: And I'm Jill Heese, J-i-l-l H-e-e-s-e, and I'm the new research coordinator at the Coordinating Commission.

CARNA PFEIL: And we are here today to present the report. And as you know, it's in statute. And it was put in statute after about two years by former Senator Don Pederson and his task force, the LR174 task force. And so it's a requirement that we be here. And we're...love to be here and share our data. And Jill Heese is going to present all the data to you.

JILL HEESE: (Exhibit 1) Thank you. So again, I'm Jill Heese, and I'm brand new to the commission. I just started six months ago. And I'm very excited to be here to present this information to you. There is a lot of data in this report. It's about 400 pages long. So I will go rather quickly, and I won't be able to cover everything that's in the report. But if you have any questions, feel free to interrupt me or you can save them until the end if

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you like. So really the report focuses on three key priorities that were recommended by the 2003 LR174 Higher Education Task Force. The first priority is to increase enrollments in higher education. The second priority is to increase the percentage of students who complete degrees. And the third priority is to reduce, eliminate, and reverse the net out-migration of Nebraskans with college degrees. And these three priorities correspond to the three sections of the report. So section 1 covers priority one and so on. A question came up last year about where we get our data. And the main source of data for us is IPEDS, the Integrated Postsecondary Education Data System which is maintained by the National Center for Education Statistics and the U.S. Department of Education. We do supplement that with a lot of other data sources. So as I mentioned the first priority is to increase postsecondary enrollment. Enrollment at Nebraska's postsecondary institutions has increased steadily since baseline of 2003 through 2010. Total fall enrollment, however, has declined each of the past 3 years for a decline of 5.1 percent since 2010. Now this has been reported the last couple of years, but we're really seeing a trend now with the decline of total fall enrollment. And at the bottom of the screen, you can see total first-time freshmen enrollment. And despite an increase of 3.1 percent over the last year, fall first-time freshmen enrollment is down 3.3 percent since 2010. So we're seeing the same trend with first-time freshmen enrollment. If we break this out by sector, we can see that all sectors have actually increased since baseline with the community colleges increasing about 5 percent, and the independent institutions increasing approximately 39 percent. However, since 2010, steep declines at the community colleges, almost 15 percent, and the for-profit career schools, over 31 percent, have really overshadowed the gains that have been made in the other sectors. And this is going to be a trend that you'll see as we move forward on this report.

SENATOR SULLIVAN: Is this a trend nationwide?

CARNA PFEIL: It is in some states. Depending on their community colleges. The economy has improved, and usually when that happens then they leave the community colleges and go right into the workforce. Even if they haven't completed, you know, their degrees. And so, while you may have seen it as enrollment, they may not be retaining those. And this enrollment is for the fall which includes everybody.

SENATOR SULLIVAN: So are you attributing the decline in part to the economic circumstances of the last four or five years, or do we know?

CARNA PFEIL: No. About...well, we saw an increase when the economy was quite down. And now that the economy in the last two to three years is starting to improve even nationwide, you'll see that we have fewer students in the community college system.

JILL HEESE: Yes.

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SENATOR KOLOWSKI: Have the for-profit schools been under a lot of scrutiny, especially from the feds, and their loan practices and everything else? So that's really...that was a huge decline.

CARNA PFEIL: Right, right.

SENATOR KOLOWSKI: And that dings everybody when they go down that much.

CARNA PFEIL: Right.

SENATOR KOLOWSKI: Maybe they should have.

CARNA PFEIL: Right.

SENATOR KOLOWSKI: But there was a lot of problems in that.

CARNA PFEIL: And our...we don't have a huge number in our for-profit schools. So it doesn't make a big difference. But they have gone down, too, just like the community colleges.

SENATOR KOLOWSKI: Thank you.

JILL HEESE: The community colleges...if you look at this graph, the community colleges are the green line. So you can really see...like at the university, they went up. The independents have been going up. Not that they've made substantial gains in the last few years, but they have increased. Whereas the community colleges, you know, decreasing by approximately 6,000 students really, you know, it takes its toll on the overall numbers. So not only do fall enrollments trend vary by sector but they also vary within the sector. So if we look at since baseline, 2003, we're actually up 15 percent. But since 2010, the last 3 years, we're down 5.1 percent. Looking at the University of Nebraska since baseline, all campuses have increased and they're up about 10 percent. However, in the past 3 years we've seen some mixed results with UNK, UNMC, and UNO increasing while NCTA and UNL have decreased. At the state colleges, all campuses have increased since baseline. And again, we've seen mixed results. Chadron has increased in the past three years whereas Peru and Wayne State have decreased. But the gains made by Chadron, over...made up for the losses at Peru and Wayne State. So they're still positive since 2010 but only 1.5 percent. At the community colleges, it's really a different story. Since baseline, Mid-Plains and Western have decreased substantially, 19 percent and almost 26 percent. The others are up ranging from about 1 percent at Southeast to almost 23 percent at Metro. But in the past three years, all of the community colleges have decreased. And they're actually down almost 15 percent in 3 years. At the independent institutions, they're up quite substantially over the...since baseline. Four have increased...four decreased, fourteen increased, and one

closed. What we've seen at the independents is the largest growth was really seen at the institutions that focus solely on programs for the healthcare industry, so Bryan and Clarkson and Nebraska Methodist. And that same trend is seen if you look at the last three years. So on the independents, 6 decreased while 11 increased over the last 3 years, and 1 was identical. And for the for-profit career schools, while they're up 11.5 percent since baseline with about half being up and half being down, over the last 3 years they're down over 31 percent. In fact, 16 decreased, 1 was identical, 1 opened which is good news, and 1 we have insufficient data for. So they've decreased really substantially. If we look at fall first-time freshmen enrollment by full-time and part-time status, full time is really pretty flat...the total is really pretty flat, about .3 percent since baseline, though we are up a little over 3 percent over the last year. Full time of course kind of mirrors that because it accounts for about 88 percent of the students. Full time is up about 1 percent since baseline and 3.3 percent over the last year whereas the part time is actually down 5 percent since baseline. Though it has increased slightly, 1.3 percent, in the last year. Fall full-time first-time freshmen enrollment varies by sector. All sectors except for the independent institutions and the for-profit career schools have increased since baseline. And since 2012, gains were present within all sectors except for the community colleges which are down 8.1 percent for full-time first-time fall freshmen. We can see these same trends if we look at the 12 month unduplicated head count by public sector. So fall enrollment is an important measure, but this is really only a snapshot of the year. Many students are served by the postsecondary institutions at other times of the academic year. So at the University of Nebraska, fall enrollment for 2011 accounted for about 87 percent of 12 month unduplicated head count whereas at the state colleges it was about 77 percent, and at the community colleges, 55 percent. So we can see that they're serving different students at different times of the year. However, at the community colleges we're seeing that same trend that we saw with fall enrollment. Section 1.1.A covers high school graduation rates. One way to increase the students that go on to college is to increase the pool of students that are eligible to continue on to college.

SENATOR KOLOWSKI: Jill, can I ask a question?

JILL HEESE: Yes.

SENATOR KOLOWSKI: Briefly, before we get into this deeply, there's been a tremendous increase in the number of high school students taking college courses, community college linkages and all the rest. That's an interesting blend. How do you count who they are, where they are when you're counting college students, and they're getting college credit, paying for that college credit but they're still in high school?

JILL HEESE: If they continue on to college, they're still considered first-time freshmen. So they would still be included in that pool. But as far as I know, we don't receive any kind of count for the total number of students who are taking college courses. Isn't that

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correct, Carna?

CARNA PFEIL: Right, the only information that we have is on the ACE students who we pay for them to take college courses. And we monitor that information. The Department of Ed, Nebraska's Department of Ed does have some information, and they mark which students...they have a flag, which students take dual-enrollment or AP courses. We haven't asked for that. And we probably could get that information so that we could see how many are actually taking those courses. But at this point we don't know. We do know that we count them even as first-time freshmen. But we don't know how many are taking those courses.

SENATOR KOLOWSKI: But they're not counted into your rolls of Metro Community College or Northeast Community College or anything else. They're just like in limbo land right now.

CARNA PFEIL: When they become first-time freshmen, they are counted.

SENATOR KOLOWSKI: But they're not counted as high school students.

CARNA PFEIL: That's right.

SENATOR KOLOWSKI: And that's a considerable number in this state right now.

CARNA PFEIL: Yeah, it would be nice to have that information.

JILL HEESE: Moving forward, I can definitely see what other information we can have. I'm fresh to this, so there's a lot of information that I've been absorbing, even over the last week just finding new information that I'm presenting here that I actually wasn't about to include in the report because it's brand new information.

SENATOR KOLOWSKI: Thank you.

JILL HEESE: We've increased since baseline about 3 percent in total by 669 graduates. So it's really remained relatively flat since baseline. We've decreased by 37 students over the last year which is really insignificant. Some institutions, postsecondary institutions may say that their enrollments are down because of a decreasing number of college...high school graduates, but we can see here that that's really not the case.

SENATOR KOLOWSKI: Is that a four-year projection with their freshmen class through senior class?

JILL HEESE: Yes, this is on-time graduation. And I will talk about extended graduation rates in here. It's not in the progress report because it was something that I just found

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over the last week. A question came up to our financial aid advisor, and so then I happened to research it. And I was able to find it on the Nebraska State of the Schools report.

SENATOR KOLOWSKI: And what about three year graduates or three and a half year graduates?

JILL HEESE: They just changed the way that they compute graduation rates. So they changed to the cohort four-year graduation rate, and they changed to that in 2011. So right now in the State of the Schools report, we have the fifth year for 2011, we have the sixth year for 2011. I don't know if NDE will put out the seventh year. If they put out the seventh year for 2011 next year, I would be happy to include it because I think it tells a more complete picture because I don't know whether or not those students are continuing on to college at that same rate as on-time graduates. I don't know their reasons for why they're taking longer. However, if our goal is to increase the number of students who are going on to college, taking those students into account is an important consideration.

SENATOR KOLOWSKI: Then are early graduates counted within the four year or they're not counted at all?

JILL HEESE: They're counted within four years.

SENATOR KOLOWSKI: Okay, for sure.

JILL HEESE: Yes. If we look at projections, on the left side of the screen we have our actual number of high school graduates. And on the right side of the screen we have our projected number of high school graduates which comes from WICHE. Now you'll see that there's a little gap here. And it's not because we actually expect that anything is going to decrease. It's just that the projections were put out by WICHE in December of 2012 and so they're a little bit dated. I'm hoping for next year we'll have some more up-to-date information on this. But we are expected to increase over the next 10 years by about 3 percent. And minorities are projected to account for all of this increase. So at baseline, we were at...89.5 percent of our students were white non-Hispanic. This last year, we were at 77.2 percent. And you see that all minority groups have increased at least a little bit. However, most of the increase is in the Hispanic population, so increasing from 4 percent of the graduates to 13.4 percent of the graduates. And we're going to continue to see this as we move forward. So the projections for 10 years, about 71 percent white non-Hispanic, 18 percent Hispanic. So this is important as we move forward because we do see disparities between the different racial groups. So as I mentioned, the four-year cohort graduation rate, they changed their definition. That's why you only have three years data here. The good news is is that we have been increasing. Even just in the last 2 years, we increase from about 86 percent to about 89

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percent. And in fact in 2012, we tied with the rates of 3 other states for the second highest graduation rate among the rates reported by the 47 states and the District of Columbia. Now rates for Hispanics, Native Americans, and black non-Hispanics are improving, but they continue to be much lower than the rates for white non-Hispanics. Except for Asians, rates for all racial and all ethnic groups have increased over the last year. I do not know...Asian students are the red line. I do not know the reason for that decrease over the last year. One of the commissioners asked if it could be possibly due to an increase in English Language Learners. And I looked into that. And the ELL population actually decreased from approximately 800, 850...decreased about 100 students from 2012 to 2013. Now, I don't have that broken down by race. But just looking at that data, I don't think that that's really the reason for this; or not the whole reason for it. We'll continue to monitor it. Hopefully this isn't a trend. What is very encouraging though, is that these rates have really increased dramatically for many of these minority groups. For Native Americans, only 60 percent were graduating in 2011 compared to 72 percent just last year.

SENATOR KOLOWSKI: Do you have a breakdown of southeast Asians compared to Chinese, Korean...?

JILL HEESE: I do not. I do not.

SENATOR KOLOWSKI: You don't have a breakdown.

JILL HEESE: I don't know if I could get that from NDE. I don't know if they track it or not.

SENATOR KOLOWSKI: Thank you.

JILL HEESE: I can check. So as you were asking, extended graduation rate. And unfortunately, I'm sorry this wasn't included in the report because I just ran across this information. But if we extend out the graduation rate, 4 year was 86 percent. This is 2011. Increases up to almost 90 percent when you extend it out 5 years and 6 years. You can see that minority students are much more likely to take more than four years to graduate than their white non-Hispanic classmates. So for example, Asian students had a four-year graduation rate 80.5 percent. If you extend that out to 6 years, they're all the way up to 89.9 percent. And we can also see that males are more likely than females to take more than four years to graduate. So males started out at 83.4 percent, up to 87.8 percent, whereas females increased from 89 percent to 91.6 percent. The public school dropouts for 7th through 12th grade we can see that Hispanics, Native Americans, and black non-Hispanics account for disproportionately higher percentages of the students who dropped out relative to the percentages who graduated. Now, the good news about this is that we had 1,371 dropouts in this last year compared to almost 1,900 students the year previous. So the dropout rate for '12-13 was 1 percent versus 1.46 percent for '11-12. Just a note, NDE and IPEDS are just starting to report students out who are two

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or more races. This has not been something that has been reported in the past. As I move forward with this progress report with the future editions, I will be including those students when I can. Now that I have the data, I think it's very important our demographic is changing in Nebraska and we need to look at those students too. Now I know that I will not get the information broken out as whether they're white and black, or white and Hispanic, or what have you. But at least it's another piece of the puzzle. Now males, despite accounting for about half of the public high school graduates, they account for roughly two-thirds of the dropouts. And if you look, you can see that for Hispanics, Native Americans, and African-Americans, they account for much, much higher percentages of the dropouts. And the same trend you can see with the females. White females account for about 45 percent of the dropouts while Hispanic females account for about 30 percent of the female dropouts, I should clarify. Moving on to section 1.1.B is preparation for college; so ACT and SAT. As I'm sure many of you are aware, in Nebraska ACT is the predominate college entrance exam used to measure the extent to which Nebraskans are prepared for college. In 2013, 78.4 percent of high school graduates took the ACT assessment. In comparison, only 3.7 percent of high school graduates took the SAT reasoning test. So I'm going to focus today on the ACT assessment. There is information in the report regarding SAT, and I can tell you that Nebraska consistently outperforms national averages for the scores.

SENATOR SULLIVAN: They do, but according to your report, then ACT says that we have a low percentage of those who are prepared to be successful in college. I don't get that.

JILL HEESE: We still outrank national rates for ACT.

SENATOR SULLIVAN: Right.

JILL HEESE: So for SAT, we outperform the national standards. Now whether or not those students are sufficiently prepared is another story. offhand, I don't remember exactly what those numbers are.

CARNA PFEIL: And we look at the ranking of composite score. And that's all of those areas together. And we rank a little bit higher than the national average. But when you break it down into math and science, then while some of our students do very well in math, they may do not very well in science. And so we look at each piece of that.

SENATOR SULLIVAN: I see. Thank you.

JILL HEESE: The ACT assessment, we've had some recent changes that could very likely affect the results that we're seeing with ACT. The first change is that extended time test takers are now included in national and state composite scores. So students who have a disability, and they ask for reasonable accommodation and are granted

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reasonable accommodation, they're allowed 50 percent more time to take the test. In previous years, they haven't been included. However, they are now being included. And we do know what this did. This decreased our composite score by .1 points. And that was the same for the national too. National decreased by .1 points because of this. We also have the ACT pilot project going on which I'm sure many of are aware of which requires 11th graders in eight selected districts to take the ACT during a school day in the spring '12, '13, and '14. So this increased the percent of students who were tested. In the short term at least, I would not be surprised if this helped to attribute to some of the scores, the decrease in the scores. Students who aren't necessarily preparing to take that test probably are not as prepared to take the test. And we also had two changes in benchmark scores. The reading benchmark decreased one point and the science benchmark...excuse me, the reading benchmark increased one point while the science decreased one point which could potentially increase or decrease the percent of students that are meeting those benchmarks. So only 28 percent of our students are sufficiently prepared to earn B's or C's in entry-level college courses in English, algebra, biology, and social science, which is a decrease from 30 percent from last year. If we break this down by race ethnicity, Hispanics, Native Americans, and black non-Hispanics are less prepared for these courses than their white, non-Hispanic, or Asian classmates. This was very surprising to me being from...not from the education sector, that only 5 percent of our African-American students who are taking the ACT are sufficiently prepared for college. There's definitely some work that needs to be done. We have our white and Asian students over here, about a third are prepared. And then our other minority groups are really in a different category. Last year, Senator Haar I believe asked if we had this broken down by male and female. And we didn't at that time. So I brought it along this year. What is interesting about this is while we've decreased from 30 percent to 28 percent, when we break it down by male female, the males actually are the...decrease 34 percent to 31 percent, while the females stayed at 26 percent. So our males are more prepared to go to college than our females according to this test. But the changes, the decrease that we saw over the last year, we saw with the male students. Unfortunately, I don't have this broken down by race, ethnicity, and gender. Section 1.1.C covers college continuation rates. And I may start talking a little faster. Slow me down if you have any questions. We have two ways to measure the college continuation rates. We have IPEDS, which the latest data says 65.8 percent continued on to college whereas the National Student Clearinghouse shows that 70.8 percent continued on to college for the graduating class of 2011-12. The reason for these differences is really attributable to how they look at these students. So for IPEDS, we're only looking at first-time freshmen who go to college in the fall or the preceding summer after graduation, whereas the student clearinghouse, we also include the winter or the spring term. If we break this down by the income level of the students, we can see on the green line are non-low-income graduates, 77.2 percent continuing on to college. All graduates about 71 percent is the black line versus low-income graduates are only continuing on at about 57 percent. We can also break this down by income status and male and female. So if we look at female students, non

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low income continuing on to college about 82 percent versus low income, 62 percent. That's 20 percentage points difference. Males, the same story; 72 percent for non low income versus about 52 percent for low income. So we can see here that there's disparities between males and females, and there's disparities even when we look at income level. Nebraska's college continuation rates are higher than national rates. Unfortunately, we do not get the Nebraska rates broken down by race. And so we can use our national rates kind of as a proxy for how we're doing within the state. It's interesting about the right hand side of the screen, Hispanics are continuing on to college for the first time at greater rates than white non-Hispanics. What's disappointing about this is that for African-Americans, only 58.2 percent continued on to college. That was a substantial decrease from the previous year. Let me find this. I'm sorry. The previous year for '10-11, 67.5 percent of African-Americans continued on to college. So that was a very big drop. I don't know if that was seen here in Nebraska. Like I said, I don't get the information by race ethnicity. But I would not be surprised if it is because we do mirror really the national rates. Section 1.2 covers Nebraska high school graduates who go to school in Nebraska. Of our high school graduates, over 80 percent already go on to college here in Nebraska. In fall 2012, it was a little over 81 percent, almost 12,000 students. So it's difficult really to increase our enrollments only by increasing the percent of high school graduates who go to college in the state. So we can look outside of the state which is section 1.3. In fall 2012, we had 3,609 out-of-state and foreign first-time freshmen enrolled at Nebraska colleges. If we look just at first-time freshmen or FTF who attend degree-granting institutions within 12 months of high school graduation, we can see that we had 2,968 students coming in, 2,784 going out for a net increase of 184 students. We've seen increases since fall 2006. This is data that's reported every two years. So we don't get it for the odd years. But we've seen this trend. So it's continuing. Section 1.4 covers enrollment of first-time freshmen by race ethnicity. Minorities who graduate from high school generally tend to be represented among first-time freshmen in Nebraska to about the same degree as white non-Hispanics. So you can see, about 78.6 percent of white non-Hispanics were the high school graduates for '11-12, and they represented 80.6 percent of the first-time freshmen enrolled at Nebraska degree-granting and non-degree-granting institutions. Section 1.5 covers financial aid. To improve access to higher education for Nebraskans with limited financial means, Nebraska has increased the amount of state funding for the Nebraska Opportunity Grant also known as the NOG, and the Access College Early or ACE Scholarship program which has been very successful. The total available funding for the state grant program or the NOG has increased from \$8.8 million at baseline to \$15.2 million. Now, federal funding ceased in 2011-12. Since baseline, state funding has increased 11.7 percent whereas lottery funds have increased 338.4 percent. While Nebraska has increased the amount of state funds allocated for need-based financial aid, that state's share of need-based aid awarded to postsecondary institution has decreased. Student borrowing continues to increase. And state funding has not kept pace with the number of students who are eligible for state grants. So we can see here that 7.1 percent of the total need-based financial aid

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awarded at the public postsecondary institutions excluding loans was for the NSG or NOG, the NOG, at baseline, whereas federal funding ceased and now it's 6.4 percent. Now, borrowing has increased 59 percent. Our number of loans is up 31 percent. And our number of recipients is up 23 percent since baseline. At baseline we had 46.2 percent of our eligible students receiving a state grant. By 2012-13 only 28.2 percent of eligible students received a state grant. So you can see the blue line is the number of students eligible. It's peaked. The red line is the number who did not receive a state grant. The black line is the number who received a state grant. The ACE and ACE Scholarship program is another approach to expanding access to higher education. The Access College Early Scholarship program was initiated in '07-08. And ACE Plus was introduced in '11-12. Now, ACE Scholarships are awarded to eligible low-income Nebraska high school students who take college courses for credit while the students are in high school, whereas the ACE Plus Scholarships are available for eligible first- and second-year college students who received an ACE Scholarship during high school. The ACE Scholarship program has increased since baseline at 609 percent. So from the pilot we had about \$115,000, and it was completely state funded, whereas in '12-13 we awarded almost \$814,000. Now, the number of students has increased 480 percent. These are very large increases.

SENATOR SULLIVAN: And you will expect to expend all of the \$925,000.

JILL HEESE: Yes, yes. And actually Ben, who's in charge...

CARNA PFEIL: Ritchie.

JILL HEESE: Ritchie who's in charge of this I think had...is he almost done with awarding?

CARNA PFEIL: Yes.

JILL HEESE: Yes, yes.

CARNA PFEIL: I think we will have \$10 left.

SENATOR SULLIVAN: Okay.

SENATOR KOLOWSKI: Postage.

JILL HEESE: So for ACE since '07-08, the number of students has increased 480 percent. The number of scholarships increased 849 percent. And the number of credit hours increased 600 percent. So this last year we were able to help almost 12,000 students.

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SENATOR SULLIVAN: And you follow those students all the way through completion of their degree?

CARNA PFEIL: No, we don't. And that's one thing we want to do is...we track them now from the time they took it in high school and then the first and the second year.

SENATOR SULLIVAN: Okay.

CARNA PFEIL: And the reason we do that is because we give them funds for those first and second year. We don't have the funding to go on beyond that. And so it's difficult to get them to report to us.

JILL HEESE: To require them to report, right?

CARNA PFEIL: Yeah.

SENATOR SULLIVAN: Sorry, Senator Kolowski, did you have anything?

SENATOR KOLOWSKI: Senator Sullivan asked my question (inaudible).

JILL HEESE: Great. Now, the really great thing about the ACE Scholarship program is we can look at the results of the program. ACE Scholarships really enable low-income graduates to continue on to college at rates that are higher than or equal to the college-going rates for their non-low-income classmates. So our ACE Scholarship recipients are the black line, 82 percent continuing on to college; non-low-income graduates, 77 percent, the green line, versus low-income graduates...other low-income graduates, almost 53 percent. So big discrepancies there, but year after year they're still outperforming their non-low-income classmates. It's just great to see.

SENATOR KOLOWSKI: Do you have information on returning veterans and entering and going to college on G.I. Bill, anything like that?

JILL HEESE: This question I think was brought up last year. And I was going to ask Ritchie about it yesterday, but he was out of the office so I didn't get an opportunity. But I'd be happy to look into that.

SENATOR KOLOWSKI: Well, I was thinking back on your other data that had less males than females going to college. And depending on their choices and affordability, some might think, well, even though it's...there's some dangerous service to get into that if I go to the service, put in my three, four years, G.I. Bill. I come back. I'm older and a little more mature.

JILL HEESE: Yes.

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SENATOR KOLOWSKI: And that's a big impact on some people.

JILL HEESE: Yes, that's a great point. And like I said, I read Barbara's testimony from last year just so I'd get a feel for what was going to happen today. And I know that question came up. And I was hoping to get an answer for it. But I don't think that we have anything on it.

SENATOR KOLOWSKI: It's another track.

JILL HEESE: I think Barbara had said in testimony last year that she was thinking that not this year but next year we would have some data on it. I know she had just gotten back from a conference where they were talking about it.

CARNA PFEIL: It isn't available right now.

JILL HEESE: Okay.

CARNA PFEIL: We're hoping that that becomes available.

SENATOR KOLOWSKI: Great, thank you.

JILL HEESE: If we look at the college continuation rate broken down by income status and by gender, we can see that for our ACE recipients, males continued on to college about 81 percent. For our male non-low-income graduates, about 72 percent--that's a big difference--versus the low income, only about 48 percent continuing on to college. We see the same trend with females. Females continuing on to college are...or ACE recipients continuing on to college about 83 percent versus 82.4 percent for non-low-income, and only 57.4 percent for the low-income. When we put this all together we can see that females are continuing on to college at higher rates than males. But this ACE program is really making a difference for these students. For the ACE Plus Scholarship program, like I said, it just started in '11-12 with about \$221,000. And we have almost \$238,000 of available funding for '14-15. The number of recipients since 2 years ago increased by 10.7 percent. So we were able to give scholarships to 351 students...award scholarships, I should say. What's great about this is we can see that these students are motivated. The high school GPAs for first-year college students who receive ACE Plus Scholarships, 95 percent are coming into college with A and B averages which is great. And when we look at the freshman year GPA for ACE Plus recipients who received ACE Plus Scholarships for their second year of college, about 80 percent averaged A's and B's for their first year of college. These are very motivated students. The second priority is to increase the percent of students who enroll and successfully complete a degree. Now, while progress towards improving freshmen retention rates...it's been disappointingly slow. Since baseline, freshmen retention rates

have not improved significantly or consistently. And graduation rates have increased slightly within some sectors but decreased within others. So freshmen retention rates, the overall retention rate is really pretty much the same. It's a little bit higher than baseline. Fall 2004, we were at 72.1 percent versus fall 2012 at 72.8 percent. Now, you can see that there's been some variation throughout the years, especially at the community colleges. But...except for the state colleges, everybody is up at least a little bit. Section 2.2 covers college graduation rates. Our overall graduation rate at baseline was 48.4 percent versus 48.5 percent in '11-12. Now, you can see within all sectors, we've increased, except for the community colleges which have actually decreased almost 10 percentage points since baseline. Except for Asians, graduation rates have improved for all race and ethnic groups except we can see that disparities continue to exist between white non-Hispanics and Asians and Hispanics, Native Americans, and black non-Hispanics. So white students and Asian students are continuing on at about 50, 51 percent versus only 37 percent for Hispanics, 26 percent for Native Americans, and 31.4 percent for black non-Hispanics. Section 2.3 covers college graduation and persistence rates. And I'm going to go through this very quickly because this is actually a repeat from last year. There was a study done by the National Student Clearinghouse that looked at...starting with fall 2006. Section 2.3 in appendix 12 discusses this in further detail. They just released the new study I think on the 21st of this month. And so next year I will have updated information. Just a quick recap though, students are more likely...are most likely to earn degrees or certificates if they attend college full time, if they start at a four-year institution, and if they start before they're 25 years old. Students who are part time are less likely to persist in their studies. They're less likely to earn degrees or certificates. They're more likely to drop out of college. And importantly for the community colleges that were included in the study, by May 31, 2012, 38.3 percent of the students had completed degrees. Twenty-four percent were at the starting institution. About 5.5 percent were at different four-year schools in the United States, and about 8.8 percent were at four-year schools in the U.S. And 16.9 percent were still enrolled. So to recap, compared to their white and Asian classmates going to school in Nebraska, Hispanics, black non-Hispanics, and Native Americans generally have lower high school graduation rates, lower percentages prepared for college, lower college-going rates, and lower college graduation rates. The consequence of these discrepancies is a gap in educational attainment between whites and blacks...whites and blacks, Hispanics, and Native Americans. That's the second-largest in the nation. And we don't want to be on the left-hand side of the screen. This is the same trend that we saw last year. It's continuing. So nationally, the gap is 23.5 versus 34.5 percent here in Nebraska. We definitely have some work to do. Priority three is to reverse the net out-migration of college-educated Nebraskans. Now unfortunately, data are not sufficiently reliable to clearly conclude whether or not we're gaining or losing more working-age adults with college degrees than in the past. Our data now comes from the American Community Survey conducted by the U.S. Census. When this priority was first written, it was written so that we would be looking at the long form of the U.S. Census which I'm sure you all know has since went away. So we only have about 500 people

per year that report moving into or out of Nebraska within the last year; so out of the people that they survey, only about 500. The result is small sample sizes, and that results in large margins of error. So if we look at 2012 ACS, the only conclusion that can be drawn is that in 2012 Nebraska lost between 1,909 and 5,747 individuals with less than a high school diploma. This is for 22- to 64-year-olds. This could possibly be due to migration. Now this is a change from the past. Before, the only conclusion usually that we could say we could draw is that we're getting more of these less educated people coming into Nebraska. This is a shift. So as we move forward, I'm going to look for other ways for us to possibly investigate this. I know that it's the third priority, and I only have about 15 pages in the entire report that are dedicated to this because we just don't have a lot of data. So this is something that I'm going to continue to investigate because it's important. In conclusion, given the findings of the progress report, more work needs to be done in Nebraska in order for Nebraskans to enroll in college and complete degrees. So what do we need to do? At the high school level, increase the percent of students who stay in school and earn diplomas; increase the percent of students who are prepared academically for college and who take dual-enrollment courses; increase the percent of high school graduates who go to college, encouraging as many as possible to enroll full time and not delay enrollment; and for males, minorities and low-income students especially, exert more effort to increase the percent who are prepared for college academically, who take dual-enrollment courses, improve their high school graduation rates and college-going rates. At the postsecondary level, we need to increase the awareness of the range of higher education opportunities, especially at the community colleges; and reach out to those adults who started college but didn't earn their degrees or their certificates. We need to increase efforts to improve retention and persistence rates, and increase efforts to improve graduation rates for all students across all sectors of higher education in Nebraska, especially at the community colleges and for the minority students. And at the state government level, we need to continue to support and increase funding for the Nebraska Opportunity Grant Program and the ACE Program. We know this ACE Program is successful. The Nebraska Opportunity Grant Program, as of right now we don't have the data...we don't have outcome data for the NOG Program. However, we do have a Ph.D. student who is going to be writing her dissertation on this topic. So we hope to have more information about this in the near future. We need to develop and build support for clear completion targets for Nebraska's public-funded colleges and universities, and initiate incentives for the state's public-funded colleges and universities to improve their retention rates and to increase the number of degrees and certificates awarded. Any questions?

SENATOR SULLIVAN: Thank you, Jill. With respect to tracking the recipients of the Nebraska Opportunity Grants, so what exactly will you be tracking, their completion rates for their degree?

CARNA PFEIL: Yes, we're looking at, do they stay in school? And we're trying to look at that compared to others. It becomes difficult because you have all kinds of financial aid

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available. But we know the students who receive NOG, and we're going to try and track those to see, do they graduate on time? Are they graduating in five or six years? And we're going to try and see by race ethnicity, are they doing better because these are all low-income kids. And the researcher is looking at some other things that she would like to put in her dissertation. So we are helping her to try and figure out what are some important things to know.

SENATOR SULLIVAN: Okay, very good.

JILL HEESE: One thing that could really help me to get a handle on this is if I had a student unit record, if I had individual-level data on a student. I only get what the totals are, so the total percent of minorities. I don't get it broken down at the individual level, so me as a statistician, I cannot plug this into a program and predict the probability or say what is really causing these students to go on to college or to not go on to college. That's unfortunate, but it's what we have.

SENATOR SULLIVAN: How far away are we from achieving that?

SENATOR KOLOWSKI: Is it permissible?

JILL HEESE: NDE has the data.

SENATOR KOLOWSKI: Can they release that?

CARNA PFEIL: I don't know. I think it's probably a couple years away. I know that Commissioner Blomstedt is looking at trying to get it built within NDE. And I honestly believe he will do that because he believes in data. And so...but I...it's going to take longer than I think he would probably like, but I know he's going to get there.

SENATOR SULLIVAN: Okay, very good.

JILL HEESE: And if they had that, then we could match it to the National Student Clearinghouse where all of these outcomes with, you know, IPEDS and everything else.

SENATOR SULLIVAN: Okay. Senator.

SENATOR KOLOWSKI: Thank you, for your report. And I hope you can get the data you need for the future so we have data for our decision-making as policy setters. A couple of questions, it seems like you could easily use two or three times more money for college grants and anything we could do with scholarship help or anything of that nature, it certainly is wanting in that sense. And I hope we might be able to look at that in the future. Over time, are you going to see more and more lack of silos by race because there's more blending going on with our population at all levels and between all

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racers? And that seems like that's...those are becoming less...they're becoming fuzzier and fuzzier over time and not as definitive as they used to be.

JILL HEESE: Yes.

CARNA PFEIL: That's the two races that you could...

JILL HEESE: Yes, yes. The two or more races is...you know, about 550 of the high school graduates were at two or more races which is about twice as many as Native Americans and slightly more than our Asian students. And so I don't know exactly how we're going to see that. I mean, I would hope that we would stop seeing all of these disparities as more and more of the population...I would hope. But it's hard to say. I don't know if you want to comment, Carna.

CARNA PFEIL: Don't think so.

JILL HEESE: It's something that I'll continue to watch. And like I said, I know that we haven't reported out by two or more races before. I think IPEDS just started giving us the data two years ago, and NDE just started reporting the data, too, to us. So where I can include it, I will. But like I said though, I don't know what the two or more races is of the student. I don't know if they're 10 percent African-American and 90 percent white or what their racial makeup is. And I don't know if that would play a difference either. It would be great to have that data. I don't know if NDE tracks it, if they just put them as two or more races or if they actually have it broken down in their system of what race they are. Again, if I had individual-level data on this, it would really, really help to tell...I would have all of my end puzzle pieces if you will. I would have the outside of my puzzle. It would really help me.

SENATOR KOLOWSKI: Well, it certainly is a factor that would help give us some information to look at. But the reverse of that is, all of these are our students.

JILL HEESE: Yes.

SENATOR KOLOWSKI: And everyone needs to be looked at individually to work with them and to help them be successful as a learner in our society. And that's the important thing.

JILL HEESE: I agree.

SENATOR KOLOWSKI: Thank you.

SENATOR SULLIVAN: Senator Seiler, did you have anything?

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SENATOR SEILER: Nope, I'm fine.

CARNA PFEIL: I will tell you because you asked about...or you mentioned the financing for our financial aid programs. And the ACE Program is doing well. We have about enough students to spend all the money. And every time that we're before the Appropriations Committee they ask us, do we need more money? And so we've been keeping up with that. The one program that we showed you here was the ACE Plus, and that's all federally funded. But you can see how well those students do when they go into college. So we will be asking probably in this next biennium for money to replace the federal money because we think it's important and those students really...we can't serve all of them because we don't have enough money. But they really show that they can make it in college. And they're getting A's and B's at 80 percent. So it's well worth spending that money.

SENATOR SULLIVAN: And those dollars go away after what, '15-16?

CARNA PFEIL: Yes.

SENATOR SULLIVAN: Okay, very good. Okay, well, Dr. Pfeil and Jill, thank you so much for giving us this report. And we've fulfilled our statutory obligation. And with that, I will close the hearing. Thank you very much.

JILL HEESE: Thank you.