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Appropriations Committee September 27, 2019
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STINNER: Good morning and welcome to the garage, or the Appropriations hearing. My name is John Stinner. I'm from Gering and I represent the 48th District. I'd like to start off by having members do self-introductions starting with Senator Clements.

CLEMENTS: I'm Rob Clements from Elmwood. District 2 is Cass County and part of Sarpy and Otoe.

McDONNELL: Mike McDonnell, LD5, south Omaha.

HILKEMANN: Robert Hilkemann, District 4, west Omaha.

STINNER: John Stinner, District 48, all of Scotts Bluff County.

BOLZ: Senator Kate Bolz, District 29.

DORN: Senator Myron Dorn, District 30, from Adams, which is part of-- all-- I-- I cover all of Gage County and the southeast fourth of Lancaster.

STINNER: We also have sitting in Kathy Tenopir from the Fiscal Office. Brittany Bohlmeier is our clerk. And our page is Kenny Pancake. On the cabinet on your right, you will find green testifier sheets. If you are planning to testify today, please fill one out and hand it to the page when you-- when you come up. If you have any handouts, please keep those until you come up to testify and then hand them to the page. We will need ten copies. If you do not have enough copies, raise

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your hand and the page will make additional copies for you. We will begin the testimony on each interim study today with the introducer's opening statement. Following opening statements, we will first hear from invited testimony, if there is any on which resolution, followed by others who would like to testify. We will finish with a closing statement. We ask that you begin your testimony by giving your first name and last name and spelling them for the record. We will be using a five-minute light system. When you begin your testimony, the light will be green. Yellow light is the one-minute warning. With the red light comes-- when the red light comes on, we ask that you wrap up your final thoughts. As a matter of committee policy, I would like to remind everyone to use-- that use of cell phones and other electronic devices is not allowed during public hearings. At this time, I would ask for all of you to silence your cell phone and make sure that they're on vibrate. With that, we will begin today's hearing with LR181, Senator Dorn.

DORN: Thank you. Thank you very much for allowing me to have LR181 and be in front of the committee. Good afternoon-- or good morning, members of Appropriations Committee. My name is Senator Myron Dorn, M-y-r-o-n and D-o-r-n. Last session, I introduced LB666, which had-- would have provided some funding to the University of Nebraska in the amount of \$200,000 in each of the next two fiscal years from the Health Care Cash Fund for stimulation-in-motion [SIC] Nebraska program

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to train first responders, emergency medical technician, nurses and doctors in rural areas. The Health Care Cash Fund is not a viable option. LR181 was introduced to look at possible sustainable funding sources from the state. I called a meeting in early August of interested parties, some of whom you will hear from today. We discussed the benefits of the SIM-Nebraska, the need to keep it available as a training tool for rural emergency responders and hospitals, and what state funding sources we could possibly use. There will be-- there will be people who will testify after me who will go into detail about the SIM-Nebraska trucks, what they are, how they are used as training tools, and the benefits to rural Nebraska. Make no mistake, these trucks are essential to the ongoing quality training for first responders and hospitals in rural Nebraska. If you believe in keeping our rural communities viable, livable, and safe, this is a primary and cost-effective tool. I will get to the crux of the issue: sustainable funding for SIM-Nebraska. LB666 asked for \$200-- \$200,000 out of the Health Care Cash Fund, which we all know is not a sustainable source of funding. Also to truly support SIM-Nebraska and keep it running at the levels it is currently at, the state funding may need to be closer to the million dollars. That is what-- and I didn't put it in my notes that you have in front of you, but that is what the University of Nebraska is currently in their budget and using for a number for what it is costing for this program and to cost-- an ongoing cost for the program. So far, we identified two possible

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options. First is a straight-up General Fund appropriation, and the other is increasing the 50 Cents for Life fee, which was a yearly fee paid on each and every motor vehicle registration. In 2001, Senator Dennis Byars, who also happened to be from District 30, introduced LB191 and initially asked for a dollar per registration. It was lowered to 50 cents and has not increased since. The 50 Cents for Life cash fund is used for the statewide Trauma System Act and the Emergency-- Emergency Medical Services Practice Act. There is a handout that gives a good overview of the program. Increasing the fee to a dollar will add 50 cents a year to a person's motor vehicle registration. This program is tailor-made to fund a program like SIM-- SIM-Nebraska. The extra 50 cents would raise approximately \$1.2 million. I believe this may be a way to fund SIM-Nebraska. An extra 50 cents per registration is a bargain for a lifesaving service to rural Nebraskans who need highly trained and qualified first responders in our rural communities. We are not as fortunate in Linc-- as Lincoln and Omaha to have 24/7 paid paramedics. Rural areas rely on volunteers who leave their jobs, their families, and their communities to train, to respond, and to help when someone is having a medical emergency. Volunteer EMTs already offer their services for free. Please help fund this lifesaving service in rural communities. I will be working with this committee and others to develop a reasonable proposal for the 2020 Session. Take any questions at this time. Otherwise [INAUDIBLE]

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STINNER: Questions? Senator Hilkemann.

DORN: Yeah.

HILKEMANN: For-- Senator, for people who get the training in the rural areas, is there any fee per person that gets the training?

DORN: Right now, from the SIM-Nebraska, there is not. There are, if we-- me, as an EMT, I have to-- every two years, I have to have 20 hours of credits, training credits to keep my license up to date. Some of those sometimes are classes that do require some fees. Generally, they do not. We-- there are other trainings on just individual certain aspects that squads will host or whatever. What the SIM-Nebraska trucks does, and-- and I find it very interesting. In the Lincoln Journal Star this morning, they actually have this same type of thing at one of the hospitals. There's an article on this that they have these mannequins and they are in the trucks and they can come in and they can regulate the blood pressure; they can stop the heartbeat; they can do different things in a control room. They control all of that so you as an EMT, especially in rural areas where, our squad, we go out to 80 calls a year-- that's what we average, so we don't see it every day like a Lincoln and Omaha and some of these different situations that they're presented. So what these simulation trucks do is they give us that experience that you can't have with a normal mannequin. A normal mannequin just sits there or whatever. But these,

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they can regulate so many other things and they can put you in situations that you might see out in the field that help you with-- I call it being more prepared because when you see something and you may not see it again for another year on a call, it's kind of hard sometimes to remember exactly and have everything kick in and do what you need to do.

HILKEMANN: So like it-- so you're on the Adams--

DORN: Adams squad.

HILKEMANN: --EMT squad. Does the Adams fire department or the EMT, you receive some funding from the county? Am I correct? Or you have-- you have some taxing authority?

DORN: We-- our-- our county does. Our county does assist with some of that. There is no requirement that the counties give anything to the local squads. Local, I call it the rescue squads because in Adams, our fire department and the rescue squads are different. The fire departments can levy up to-- I believe it's 3 cents. In Gage County, they can, but our rescue squad, there is no requirement that the county has to fund that because that was a big discussion in our county board meetings as the budget got tight, several years of why we were funding that. I even made a proposal one time to reduce it. Oh, boy, I got visited by all the squads in the county that they needed that funding to keep their squad going.

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HILKEMANN: Right. So-- so now are EMTs expected to pay any kind of tuition? You say you have to have 20 hours a year--

DORN: Year.

HILKEMANN: --for continuing education.

DORN: Yes.

HILKEMANN: Do-- as an EMT, are you expected to pay for any of that 20 hours personally?

DORN: Personally, I haven't, no. I have not paid for any over the years. Now we are-- when we take the initial class, though, the initial class and the-- it's up to 200 hours now you have to take of class time, and then the other programs, that is-- that cost is coming out of your pocket. Our squad does pick that up in Adams. I don't know how some of the others do it across the state. Our squad does pick that up if you agree-- if you agree to join the squad because we've had-- over the years, we've had two people that have gone through the training with us and then they became Lincoln EMTs or whatever. They paid for their own class. Otherwise, normally, the 20 hours of training they-- there's enough squads that in the-- in the general area that will have training over-- over those two years that you can get those credit hours. Me, personally, this year, because of the

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Legislature, I'm not near 20 hours yet, so I have to, by the end of the year, have 20 hours, so.

HILKEMANN: So is-- is that the-- is-- what you have at Adams, is that the norm across the state where the-- where the squads pick up the-- or the fire districts pick up the-- the-- the-- the 200 hours of training, that cost?

DORN: I would say that would depend on their finances.

HILKEMANN: OK.

DORN: I know some others do, but I don't-- I cannot tell you everyone does that. I don't know that.

HILKEMANN: OK. Thank you.

STINNER: Additional questions? Senator Clements.

CLEMENTS: Thank you, Mr. Chairman. Thank you, Senator Dorn. I had a question about the-- the staff in the SIM truck. Are they University of Nebraska employees?

DORN: We'll have somebody later that will-- Doug here will be able to answer those questions-- that question when he comes up so--

CLEMENTS: All right.

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DORN: --and stuff, so I-- that I could not tell you where-- I know when the SIM was originally set up, it was set up for-- that the funding had to go through some source, so it was set up to go through the universities.

CLEMENTS: And-- and--

DORN: And this all came from a \$5 million grant from the Helmsley family, so.

CLEMENTS: And how long has that truck been in operation, or these trucks?

DORN: That will be another good question for somebody else with that expertise or whatever.

CLEMENTS: OK.

DORN: Yeah, I apologize for that, but I don't know--

CLEMENTS: That's OK.

DORN: --the exact details.

CLEMENTS: We'll just wait for that.

DORN: Yeah. Yep.

CLEMENTS: Thank you.

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STINNER: Additional questions? The \$200,000 that you're requesting is now being provided by the University of Nebraska, or is it still part of the grant of the Helmsleys?

DORN: Part of what we've had through this whole process is a discussion of that funding. That \$5 million grant is running out. I do not know. Hopefully somebody else will be able to tell you that as that goes forward or has-- how much has started to come out or not. I do know in one of the conversations we had this summer, that in their budget it's somewhere between \$900,000 and a million dollars that they are using or that is a number that they put out there that the ongoing cost will be for this SIM trucks.

STINNER: And you as an EMT, you need 20 hours, but that's a volunteer position, is it not--

DORN: Yes.

STINNER: --or do you actually get paid?

DORN: It's volunteer; it's all volunteer.

STINNER: So--

DORN: In our-- in our squad, we don't pay. Some squads around, I know in Cass County, their county actually is set up-- in the last several years, they've set up so they had one full-time EMT and they were trying to go to two full-time EMTs, and I don't know where they're at

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right now. But the cost for that originally, setting up that for the first year, was over \$300,000 when we visited with them. In-- in Gage County, we have the Beatrice, who is-- theirs is through the city budget, so they are with the fire department and they are paid EMTs. All the rest of the squads in the county are volunteer, so, yeah.

STINNER: Any additional questions? Seeing none, thank you, Senator.

DORN: Thank you.

DOUG DEKKER: Good morning, Senators. Thank you for taking time to listen to our testimony today. Good morning. My name is Doug Dekker, D-o-u-g D-e-k-k-e-r. I live at 303 Corral Circle in Papillion. I'm the program manager for Simulation-in-Motion-Nebraska, a program at the University of Nebraska Medical Center, but I do not speak for the university today. I've proudly served my fellow Nebraskans as a first responder for over 38 years. SIM-Nebraska received startup funding from the Leona M. and Harry B. Helmsley Charitable Trust. This \$5.5 million, three-year, step-down grant was to purchase four mobile simulation trucks, stock the trucks, and provide high-fidelity simulation training to the world, emergency medical services agencies, and to critical-access hospitals. Once ordered, the mobile simulation trucks were custom-built and took approximately 18 months to complete. After receiving the trucks, they were stocked. Staff received instruction on the technology used to deliver the training. The first

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official SIM-Nebraska training event took place on August 2 of 2017 at the Carl T. Curtis Health Center in Macy. Other entities in the state deliver much-needed quality continuing education to both EMS agencies and critical-access hospitals. Much of the training is delivered at the agency or facility at their location. However, SIM-Nebraska is the only program in the state, to my knowledge, that delivers high-fidelity simulation training at the agency or facility's location. Since August of 2017, the program has delivered 316-- excuse me, 367 training events in 87 of Nebraska's 93 counties. Training has been delivered to 51 of the 64 critical-access hospitals in the state. And of the proximity 375 rural ambulance services in the state, SIM-NE has visited 175 of them. Some critical-access hospitals and EMS agencies have requested and received as many as four SIM-Nebraska training events. SIM-Nebraska has had over 6,300 training contacts and provided over 18,800 hours of continuing education. SIM-Nebraska asks trainees to complete an evaluation after each training. Almost 600 evaluations have been returned. On a 1 to 5 scale, with 5 being excellent, all responses to questions asked rate from 4.8 to 4.93. In the evaluation, we also ask for additional comments. We received 194 comments. Positive responses are overwhelming. Some of the comments include: thank you; I enjoyed the helpful, high-quality training; this is an amazing service; it would be nice to take an entire day to be able to do more scenarios; the job-delivery mannequin was amazing in real life; it was an amazing learning opportunity; I can't even put

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into words how valuable this training was; we learned so much; this truck provides a lot of valuable training that we are not exposed to; keep up the good work; this is a great training tool, one of the best I've been to in 35 years. This training is a great way for critical-access hospitals to receive training on difficult events. This level of training is essential to having good outcomes. In addition to the value of training and improved patient care and providing confidence, SIM-Nebraska provides a monetary value to the trainees. If an agency or facility were to send just one EMS volunteer or critical-access hospital employee to a one-day conference, cost could easily reach \$3,000. The costs include lost wages or vacation time taken by volunteers or shift coverage for critical-access hospital staff, conference registration fees, lodging, meals, and mileage, all of this for one employee. The hard cost for SIM-Nebraska training, including wages, mileage, travel, and prep time, ranges from about \$1,000 to \$3,000. This hard cost for training would be for an entire EMS unit or critical-access hospital emergency room staff. The benefit of training the entire team together cannot be understated. As I'm sure you all understand, smooth teamwork is vital in times of emergency. Training as a team is a benefit of Simulation-in-Motion-Nebraska. All training that SIM-Nebraska has developed is done so with statewide delivery in mind. Additional offerings are always being looked at, so offerings that have already been through a pilot phase include training for school nurses and

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school emergency response personnel, disaster training events, concussion training, neonatal resuscitation and difficult childbirth training, to name a few. Other training opportunities are in the development stage. As part of the iEXCEL department at the University of Nebraska Medical Center, delivery of augmented and virtual reality content is possible; the use of standardized patients or actors to deliver training in such things as first responder care of Alzheimer's or mentally ill patients is possible. SIM-Nebraska staff continue to look to our customers and advisors for ideas on how to grow and expand our program. As SIM-Nebraska looks to the future of improving healthcare in the rural areas in the state, I would respectfully ask the Legislature to consider funding the program in the future. SIM-Nebraska is in the unique position to provide a service that can literally touch every citizen in the state. Thank you.

STINNER: Thank you. Questions? Senator Clements.

CLEMENTS: Thank you, Mr. Chairman. Thank you, sir. Back to my question--

DOUG DEKKER: Sure.

CLEMENTS: --are the SIM-NE staff university employees?

DOUG DEKKER: Yes, they are. Our staff consists of six full-time people. There are three administrative staff and three staff that work throughout the state. Our trucks are located in Omaha-- or, excuse me,

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Lincoln, Norfolk, Scottsbluff, and Kearney. The Kearney, Lincoln, and Norfolk folks have a full-time coordinator that works there, and then we have about 30 part-time employees that are paramedics and nurses that live and work in the areas that go out and deliver the training. And the reason that we have the people that live and work in the area deliver the training is because if I were to go to Mullen, Nebraska, and deliver a training, I'm originally from Norfolk, I understand what it was like to be a paramedic in Norfolk. I don't understand the nuances of having to travel 60 miles in the back of an ambulance by myself with a patient. So our instructors know those things because they live and work in those areas.

CLEMENTS: And so how many trucks are there?

DOUG DEKKER: There are four.

CLEMENTS: All right.

DOUG DEKKER: And when I say they're in Norfolk, Lincoln, Kearney, and Scottsbluff, that's where they live at night. That's not where they work. They work in Adams at Senator Dorn's fire station there. You know, we deliver the training right to the folks so they don't have to travel or leave two people back in town while everybody else goes to get training. They all are able to train as a team right in their hometown, right in the parking lot of their critical-access hospital, things of that nature.

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CLEMENTS: And have you charged a fee to those people for being trained?

DOUG DEKKER: We've never charged a fee to the actual trainees. Ninety-nine percent of the training we have done, we have not charged anyone. There are some one-off things that we have done. The state department of rural health had a grant they gave to the Nebraska Perinatal Quality Improvement Collaborative to deliver training on newborns and difficult delivery. So we charge back to that grant for those trains that we deliver. But to actually train-- or, excuse me, charge a facility, emergency squad, or charge a critical-access hospital, we have not done any of that to this point.

CLEMENTS: All right. Thank you.

STINNER: Additional questions? Senator Hilkemann.

HILKEMANN: Yeah. On this, you've got here the hard cost of the SIM training is-- you have in a range of \$1,000 to \$3,000. Is that a per-day cost?

DOUG DEKKER: That is-- it depends on how far we travel. It depends on how long the training is. Trainings last anywhere from two to eight hours, or currently we are-- actually have training going on in Brown County, in Ainsworth. It's actually a two-day training. It started yesterday. We trained some school kids or gave tours to some school kids to talk about recruitment and retention for healthcare careers.

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But we also teach-- or show kids that are interested in STEMs because our mannequins have three computers in them, a lot of wiring, things like that, so science, technology, engineering and math folks, you know, we need all of those people to build the stuff that we use. So we spent time with the school kids yesterday. We did a-- a town health fair. That evening, we trained their EMS folks. And then today they're currently, as we speak, training their hospital folks. So trainings depend on what we're asked to do.

HILKEMANN: As I understand this is, is that the Helmsley Foundation has been funding it up until recently. Is that--

DOUG DEKKER: Sure.

HILKEMANN: And I-- I know they-- they've certainly funded the trucks, but they also funded the training, am I correct, or help for the ongoing expense--

DOUG DEKKER: Sure.

HILKEMANN: --for a period of time?

DOUG DEKKER: The grant itself was \$5.5 million. It was a step-down grant: 100 percent the first year, 66 the second year, 33 the third, and then we were-- the program is on its own after that, as far as the Helmsleys are concerned. We were-- at the event-- or the grant ended December 1 of last year. We were frugal enough with our money, we

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rolled over about \$350,000, give or take a little bit, and that sustained us until May of this year. Once those funds ran out, we've been working off bridge funds that were raised by the Nebraska-- or University of Nebraska Foundation, or NU Foundation. They've been cooperative and-- and great supporters of us since day one back in 2016 when we announced the program. And so they have raised enough money that will get us through until about May or June of next year.

HILKEMANN: So all the Helmsley funds, that's gone.

DOUG DEKKER: Those are gone. Yep, those are gone.

HILKEMANN: OK. Thank you.

STINNER: Additional questions? Seeing none, thank you.

DOUG DEKKER: All right. Thank you.

JIM SMITH: Good Morning.

STINNER: Morning.

JIM SMITH: My name is Dr. Jim Smith, J-i-m S-m-i-t-h, one of those easy names. Senators, thank you for inviting me here today. I want to thank you for allowing me to testify in support of SIM-NE program. I'm a board-certified emergency medicine physician with 31 years of practice experience. I'm the medical director for 80 EMS agencies ranging from critical-care flight programs to nontransport first

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responder agencies and all the levels in between. I'm currently the chair of the Nebraska State EMS Board, and I've been on since 2006. I'm not here authorized to speak on their behalf. There are 365 EMS agencies in Nebraska that utilize volunteer providers. Currently, there are a total of 7,491 licensed EMS providers throughout the state of Nebraska; somewhere between 65 to 70 percent of those are being volunteers. That's approximately 5,250 volunteers who sacrifice countless hours away from home, work, and families to provide EMS services for free to their communities. At our last strategic planning session that we had on the EMS Board in 2016, it was calculated, according to the Bureau of Labor Statistics, that the total dollars-- dollars it would cost the state of Nebraska to staff just the volunteer agencies in Nebraska with one squad, two providers, 24/7, 365, would be in excess of \$113 million. This does not include the cost of training, which makes up a majority of the total volunteer hours that they have to spend. I have included in my document there for you an outline of a-- of the hours that Senator Dorn spoke-- spoke to. An EMR is 14 hours; an EMT is 20; an advanced EMT is 26; an EMTI is 30; and a paramedic is 40 hours and [INAUDIBLE] and I can-- I can address some of the questions you had about how they pay that here a little bit later, after the end, if you'd like. A vast majority of these training hours require travel to distant sites on evenings and weekends in order to maintain their licensure. It is estimated to cost an EMT volunteer approximately \$500 annually, not counting missed

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revenue if time off of work is not reimbursed. I have personally observed the SIM-Nebraska program successfully bring high-quality education closer to home so as to limit the burden on our volunteers. The program provides state-of-the-art training scenarios that are designed to simulate real-life situations that these providers are likely to encounter and are designed to prepare them for the next real life-and-death call they are expected to manage. Fifty Percent [SIC] for Life, what does it support now? Currently it supports the office of emergency systems. Funding supports EMS, EMS licensing, EMS investigations, trauma systems of care, critical incident stress management, and EMS education and training agencies' compliance staff. This includes full support 14 staff, or approximately 47 percent of the total budget, leaving 50 percent for an operating-- 53 percent for an operating budget. Out of that operating budget, 41 goes to licensing and investigations, with a remaining 59 percent being the actual operating budget. Fifty Cents for Life took effect, as Senator-- as Senator Dorn said, in 2001. According to the Bureau of Labor Statistics Consumer Price Index, today's, in 2019, are 40-- the prices today, the costs today, are 44.87 percent higher than the average prices were in 2001, yet there's never been increase in these fees that we've ever had. What can't be done now? We cannot-- what cannot be done at this time is to offer assistance for equipment for EMS-- EMS agencies. Many states who have kept up with increasing costs are able to provide like mini-grants to assist EMS services, purchase

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equipment. I put in some-- some statistics in there to-- to answer some of your questions relative to expenses on training. The education budget-- budget, there is one; it's separate from the 50 Cents for Life Budget. These funds are designated by the Legislature biennial budget. The budgeted amount is approximately \$325,000 a year and the primary use for these funds: to reimburse education tuition. The funds are used to reimburse initial education, providing continuing education, EMS conferences, EMS leadership training, etcetera, those type of things. Of those three graphs that I put in there, the top one is what they have done with this budget for continuing ed; the middle one is the initial classes that Senator Dorn talked about. If you're going to be an EMR, you can be reimbursed for some of those tuition. The bottom one is the important one. The total amount that three- they reimburse is \$347,000 leaving them a shortfall of almost \$19,000. In closing, it is apparent-- it is apparent the fiscal value of services the state benefits from our volunteers annually is staggering, and the financial, temporal, and personal sacrifices they make are countless. It is my opinion that we need to do everything in our power to support our volunteers' efforts, if not only for the financial aspect alone, but the residents of Nebraska depend on them for emergency care. The SIM-NE program is one of those things the state of Nebraska can do to aid these efforts. I ask the committee to consider recommending either an increase in the 50 Cents for Life fee or appropriating funds from the General Fund to support the SIM-NE program. Lastly, I'll just

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close, but having said that, you know, I think there's-- obviously, I don't think we should just write a check for nothing. I think there should be oversight and that oversight should come from the EMS office with input from the EMS Board. One of the things that I'd like to see-- I have eight agencies, so annually I have to go out there and prove competencies for my providers, right? So if there's 40 or 50 of them or 60 of them, what I'd like to see is the SIM's truck-- there's four of them-- if they were to go out to every volunteer squad-- there's 365 of them at four trucks-- that's 1.75 squads a week that they could go out and help me do competencies through scenarios, just my agencies alone. That's one of the ideas that I would have as a-- as a board member. I'd be happy to field any questions. Sorry about the typo there. I'd fire my secretary, but I don't have one. It's me, so it's my fault.

STINNER: Senator Hilkemann.

HILKEMANN: Doctor, this program, now it's been five years, about. Have there been any-- have you done any-- has the effectiveness-- in other words, have we-- are we seeing fewer-- are we seeing better results from our EMTs that have taken this training over this five years? I mean, it would seem to me that that would be a logical yes. But have there been any actual, formal studies that--

JIM SMITH: So terribly difficult to quantify, as can imagine.

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HILKEMANN: Yeah. Right.

JIM SMITH: Anecdotally, of course, when we talk to the-- my folks, anyways, when they go through this, it's amazing because, as Doug was saying, as an EMT that has 80 runs a year, you may have one or two cardiac arrests a year and going down the back of a highway with a Lucas device going on at 80 miles an hour. So to tell you-- answer your question, it would be very difficult to quantify. We do have e-NARSIS, which is a whole nother discussion to have with you all someday, and there's data in there and I'm sure we can pull pre- and post-data and do some studies on that to see if there's been an effect. Whether they're directly related to SIM-NE, that would be a hard reach, probably, to-- to make.

HILKEMANN: Again, as I'll say, but the common sense would tell you that it would.

JIM SMITH: Sure.

HILKEMANN: But I just wondered if [INAUDIBLE]

JIM SMITH: And all I get is anecdotal in my squad, just say, oh, my gosh, you know, because these things cry, talk; they can sweat; they are in the back of an ambulance. I don't know if you've ever been in one of these, but it's the-- it's really-- it's set up to be a back of an ambulance and they're phenomenal. To answer your questions relative to training [INAUDIBLE], it's very dependent across the state. For

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example, my hospital last Wednesday did a trauma symposium, four hours, and we didn't charge them for that, but they came from Imperial, Callaway, McCook, all the way to Lexington, everywhere. So they still had to travel on their own expenses to get there to do this. And it was a PowerPoint lecture, OK, a lot different than having them roll up in-- into your parking lot, go in there and have a scenario: OK, you just rolled up on the scene of a 65-year-old gentleman who's complaining of chest pain-- go! And then you have to interact and use your physical exam skills, do procedures on them. It's a lot different interactive than death by PowerPoint that unfortunately I have to inflict upon people often, so.

HILKEMANN: Well, it's-- I've been through your-- your SIM trucks. They're outstanding. We need to do what we can to-- to--

JIM SMITH: You know, it's expensive; the budget is tight. I know the Governor is-- doesn't want to raise fees or anything at all. But just since 1991, this is the same fund. And for 50 cents annually, for \$1.2 million, that would support just an amazing project. You know, we struggle with volunteers; our volunteerisms are going down, the numbers that we have. And we need to do everything that we can, and we appreciate the tax credit that you folks did previously. But in my opinion, these are tremendous individuals who give away countless hours, and I would love to see us do everything we can to support them

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because, you know, by-- out in Mullen, Nebraska, there's nobody else out there, you know, to-- to take care of you.

HILKEMANN: Do you have-- with the four trucks, is that adequate?

JIM SMITH: Do I believe it's adequate? That would probably be a better question to ask Doug. If you look at me, just for if they went to each squad annually and went through a day of scenarios and competency trainings, it would be less than two a week, so. But that doesn't take into account CAH hospitals. I know they go to critical access hospitals and do some things, so they'd probably be humping it a little bit. So I guess-- I would think perhaps-- I like the way they have them set out throughout the state because there is a lot of regional variability in-- in standards of care, if you will, because we have-- sometimes you have just an EMT that's-- I don't mean "just," but an EMT taking care of me where, like in Omaha and Lincoln or my flight crew, you'll have a, you know, a critical care-trained paramedic, so we need to tailor these education to what they're likely to experience in that region. It's-- it's very adaptive, which is what is kind of cool about it, and this-- each scenario could be different, which is nice. I think if I was a medical director, I'd say, my gosh, we do a crappy job taking care of asthma, I could potentially talk-- reach out to Doug and say, hey, when you come out and you do my scenarios this time, hit asthma hard, make sure they know how to put the nebulizer machine together, signs and symptoms, physical exams. So

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that's the other thing about it is they can interact with the medical directors of each of these squads and you could tailor this to what we perceive as the weaknesses of our own squads.

STINNER: Senator Bolz.

BOLZ: I just wanted to take a beat and thank you for your service and ask you to please express our gratitude to the members of your association.

JIM SMITH: You, as well.

BOLZ: You [INAUDIBLE]

JIM SMITH: You guys do fabulous things. But thank you very much. I'll do so.

STINNER: Additional questions? Senator Clements.

CLEMENTS: Thank you, Mr. Chairman. Thank you, Doctor. The-- you mentioned \$325,000 in the biennium budget. What agency does that come through? Is that HHS?

JIM SMITH: So that goes through, into DHHS, into the EMS office that Tim Wilson manages, is-- is my understanding. I got those figures from Tim, so I'm-- I'm sure that's where they come through.

CLEMENTS: Thank you.

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STINNER: Additional questions? Seeing none, thank you.

JIM SMITH: Thank you for your time.

STINNER: Good morning.

MICHEAL DWYER: Good morning. My name is Micheal Dwyer, M-i-c-h-e-a-l D-w-y-e-r, and I'm here to testify, I think in support. I'm not sure with an LR, LR181 specifically, the impact and potential future impact of continuing the SIM-Nebraska program. I'm a 36-year member and fire-- of-- a firefighter EMT of Arlington Fire and Rescue and I ran-- so far this year, I've responded to 74 calls and 13 trainings this year. I want to pause for just a second. I was tempted to come up and just say, hi, what he said. Dr. Smith did an incredible job and quite frankly pulled stole of my thunder in-- in expressing the struggles that we as voluntary EMS providers struggle with in Nebraska, specifically training and being able to recruit other people to help us. As the-- for an EMS provider, the Simulation-in-Motion program is awesome. In communities across Nebraska, just the presence-- just the presence of this big, beautiful, bright, shiny object in our communities creates excitement in and around local fire and EMS services. It brings state-of-the-art, realistic, in-depth clinical training for EMS providers directly to our door without having the cost, the time, and the challenges of making trips to metro areas for similar kinds of extensive training. In my area, three of the five

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departments in our county, in Washington County, have taken advantage of SIM-Nebraska. During Arlington's training, my department, we experienced the highest turnout for a drill that we had had in over three years. Families and community members enjoyed tours with eight Arlington volunteer fire department members getting hands-on training and experience with multiple teams, multiple situations. We simply cannot get this kind of training and experience anywhere else. In the bigger picture, nothing happens in EMS without people. As Dr. Smith pointed out, approximately 72 percent of Nebraska, and many of your districts, are exclusively served by volunteer fire and EMS providers. The numbers of volunteer providers continue to decline. The state of Nebraska can come up with creative, fiscally responsible ways, like SIM-Nebraska, to support, encourage, and ultimately recruit and retain EMS providers, or the EMS system in Nebraska is in danger of failing. One of the key indicators of how deep the problem is will come in January when the number of EMS license renewals is released. This will give the body, this committee, data about the number and trend of providers. In addition to LR165, to be heard in Urban Affairs-- I believe it's next Friday-- will look at a number of things, particularly in urban areas, but specifically response times and standards for fire and emergency medical services. In the real world that I live in, those times are critical both in terms of patient care and as a gauge of our response capabilities. I would encourage this committee to request and reflect on those two statistics-- excuse me.

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If provider numbers are up and response times are effective, we're OK. But if they're not, and the trends have not been good, Nebraskans, specifically EMS responders, need your help. And funding for SIM-Nebraska is a piece of that; it's not the whole pie, but it's a significant piece. Thank you for the opportunity to testify and I would welcome any questions.

STINNER: Questions? Seeing none, thank you.

MICHEAL DWYER: OK. Thank you.

DAVE HUEY: Good morning.

STINNER: Good morning.

DAVE HUEY: My name is Dave Huey, D-a-v-e H-u-e-y, just like the duck. I am testifying today on behalf of the Nebraska Emergency Medical Services Association, or NEMSA, which is an organization that represents not only career and volunteer EMS providers across the state, but promoting free hospital EMS care at any level that we can provide for anyone. NEMSA is grateful, first off, to Senator Dorn and this committee for, you know, your efforts to support the work of the SIM trucks and the training they provide across the entire state of Nebraska. We're glad someone is, you know, at least looking at it and trying to preserve it for us. As an organization representing EMS providers across the state, we definitely have a concern for the SIM survival, the SIM trucks. It is costly for training. There is the

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problem of travel for EMS providers. As a volunteer myself, you know, trying to maintain those hours, maintain a full-time job, have a family, yada yada, all that other good stuff that goes on with life, you know, it's hard to do. And as testified earlier, the hours required to maintain our license within the state of Nebraska, our certifications, you know, it takes a lot of our time away from our family, our jobs, you know, and our interests in life. Because these trucks can go just about anywhere, they're a valuable tool to us to provide that training and a realistic aspect that they bring to the training is just huge because they take the patient from the scene into the back of the ambulance and then progress even further to show how the care can be provided for that individual, which lots of times in the classroom, you know, can't be-- can't be done. I'm the vice president of NEMSA and also the vice president of the Nebraska Instructors Society for EMS providers. Currently we only have about 250 EMS providers in the state of Nebraska, which, you know, runs us pretty ragged and pretty short. In addition to the hours of training, we have to maintain our hours for instructorship as well, while trying to provide not only initial training but recertification training throughout the state as well. The trucks allow that training to be done close to home, which allows the EMS providers to be within their area of operation, not taking them away. There are several opportunities for training provided by our organization and other organizations at conferences. This year the SIM's training was huge

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for us because of the flooding that happened in our state. We have a conference that we conduct in Columbus in March. You know what occurred in that time frame, all that flooding. We normally have well over 300 individuals that attend our conference. This year, we were down significantly because of the flooding. People couldn't get there or they were busy providing relief for their communities. In July, there's usually a conference called the Statewide EMS Conference, and it's held in Kearney, and you know what happened in Kearney in July. They had huge flooding there, as well, which that wasn't able to be conducted. So we had a-- a big hole in the state of Nebraska to provide continuing education for the EMS providers that is normally filled by these, you know, conferences. The SIM truck was able to go out and provide that training to the communities and to those providers to help, you know, fill that gap for them to get their hours. Currently, as stated before, there's roughly around 7,000 EMS providers in the state of Nebraska. Three years ago, we had over 8,000 EMS providers, so the trend isn't going up; it's going down. It's hard to be a volunteer. You know, as well as I have heard testimony, that volunteerism is on the decline. It's hard to get these young kids to stay in communities. They want to go to the big cities; they want to go to the big action. There's a lot of departments that have shut their doors over the last few years, so we-- we need to help that out and training is a big tool for that. The SIMs also help with recruiting, getting people interested. NEMSA strongly supports

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increasing the 50 Cents for Life fee with the additional funds going directly to the SIM truck support. That said, NEMSA is also willing to work with this committee and residents of Nebraska to find other viable means of supporting this statewide training tool. I'd like to thank you for your time and would answer any questions that you have at this time.

STINNER: Questions? Senator Bolz.

BOLZ: It's OK if you don't know the answer to this. I'm just curious. Senator Dorn, I'm sold, like I'm-- I'm on your team. I think the question is really, what are our options for funding it? Have you-- has your association explored-- I'm just curious what you've explored. Have you-- is-- are there any opportunities to fund training through Medicaid, through insurance, through partnerships with managed care organizations? Have you-- have you found dead ends with those things or have you found opportunities there?

DAVE HUEY: Well, a couple-- couple issues on that. One of the sad facts that I don't know if the senators understand, when you give money to fire districts and fire departments, it's assumed that the money is shared 100 percent between EMS and fire, and in some instances that's not always the case. OK? EMS doesn't always get some of that funding, although, you know, it's tried to provide that funding to them but not always the case in some-- some departments.

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OK. So that tax revenue doesn't always get where we think it's going.

Couple years ago, NEMSA put forth a bill for \$300,000 of training funds. That is to be administered by DHHS and dog-eared for EMS provider training. And as an organization, we've offered to, you know, with some of that money, to share and help with the cost of the SIMs truck because it does the same thing that-- that we do with free hospital training as well. You know, it's the same, same money, whether you pay me or you pay the SIMs truck. It's the same instructions, same type of instructors that are doing the training and providing the same opportunities. Does that answer your question?

BOLZ: Not really.

DAVE HUEY: OK.

BOLZ: Yes, I understand that--

DAVE HUEY: I tried to beat around that bush but--

BOLZ: I understand that context, but so-- I-- and maybe it's an off-line conversation. I just-- I'm-- I want to make sure that if there are opportunities out there, we're exploring them. If any of these services could be matched with Medicaid dollars, that's more bang for our buck. If there's opportunities to partner with the managed care organizations because we know that EMT service is going to help keep the costs of emergency room services down, I think those are important things to-- to try to understand. And maybe it's not a

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fit for the-- for the SIMs project specifically. I just-- I think we need to kind of look behind every bush and-- and see where we can find the resources.

DAVE HUEY: I agree.

STINNER: Additional questions? Seeing none-- oh, excuse me, Senator Vargas.

VARGAS: This is more of an ask-- I had that same question. And I-- again, I'm supportive of this as well. I, in college, served as a volunteer EMT and-- but the question I have is, what are other states doing in this-- you know, in similar scenarios and if it's that route or if it's, I don't know, another type of fee structure that's different than ours. I mean, I was looking at the sustainability of the fund, and we're trying to figure out a way to make it more sustainable. I'm just-- I would love to see any examples of what's happening in other states to fund, make this sustainable.

DAVE HUEY: Iowa currently is going through the process of getting their SIMs trucks--

VARGAS: OK.

DAVE HUEY: --from what I understand, and finding funding as well. I know talking with South Dakota individuals, they have come up with some solutions. Exactly what they are, I don't remember off the top of

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my head and would have to research that more. I know North Dakota's program has taken off pretty well. I know there's several states that have programs.

_____ : There is. I would certainly be happy to sit down with you or anybody else from the committee and just [INAUDIBLE] those other states for [INAUDIBLE]

VARGAS: That's great. Thank you.

_____ : I'll tell you that they're all completely different than what we do.

VARGAS: That's what I figured, yeah.

DAVE HUEY: Yeah.

VARGAS: Fine.

_____ : But I can let you know what it is.

VARGAS: Thank you.

STINNER: Additional questions? Seeing none, thank you. Morning.

ANDY HALE: Good morning, Senator. My name is Andy Hale, A-n-d-y H-a-l-e. I am vice president of advocacy for the Nebraska Hospital Association. And we've heard from the EMS side and I kind of wanted to talk about it from a hospital's perspective, particularly to our

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critical-access hospitals. As many of you are aware, we have 64 across the state, and this program delivers quality education to hospital employees who otherwise would not have opportunities to attend simulation training. Whether it's travel distance from our facilities or the inability to provide time off for staff to attend this training, this training is unique as it will come to our hospitals. And as Mr. Dwyer indicated, these trucks, if you haven't seen them, are very impressive. And we noticed at our hospitals, once they pull into our parking lot, the people signed up for training increases dramatically, just because they know not only is the truck impressive on the outside, it's a lot more impressive on the inside. And we look at this from an investment standpoint. We think this is a great way for the staff to invest in helping staff and support our critical access hospitals and the Nebraskans they serve. We support the idea of General Fund dollars, but we also support increasing the 50 Cents for Life up to 50 cents. As-- as Dr. Smith had mentioned earlier, we think that's a good avenue for funding these as well. When you look at numbers, 78 of our critical-access hospitals-- now there's 64, but they've been to 78 of the critical-access hospitals and delivered training, again, directly to them in the parking lot. Over 1,500 employees of our hospitals have participated in the training during these events and over 7,000 number of hours of continuing education have been delivered at no cost to the attendees to these training events. So as you can see, these are extremely important for us. I

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think we're all aware of the workforce shortages we have in our rural areas, in particular in our nursing, and this is a good way to train them as well. And so this is a big benefit for everyone, and I want to thank Senator Dorn and his staff for examining ways to keep this program going. And then Mr. Dekker and the people at UNMC should be commended as well because the surveys that we've seen from our facilities, he echoed them-- and we'll echo them, as well-- excuse me-- that they've been perfect. These trainings are so essential to our-- to our critical-access hospitals that we have to find ways to keep it going. And with that, I'll take any questions.

STINNER: Questions? Seeing none, thank you.

ANDY HALE: Thank you, Senator.

STINNER: Morning.

CHANCE EARNHART: Morning. I'd like to thank you all for-- I didn't know this was going on today. I'm here as a job shadow for Senator Dorn.

STINNER: Give your name.

CHANCE EARNHART: Oh. My name is Chance and Hart, C-h-a-n-c-e E-a-r-n-h-a-r-t. And my father was the Bryan trauma survivor of the year this year. And I just-- volunteer firefighters and the EMS services are now a big part of my dad's life, as well as mine, and

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it's-- funding them and any way to help them is something that my dad now goes out and speaks for, advocates for. And I just-- any way to help them possible is something I view that is important to look at. And I know you guys said you support it, you too. I'm extremely thankful for that. And without their help, I would have lost my father last year. And this-- this program would be an awesome opportunity for these rural fire departments and EMS services because, like some of them said, they don't get the day-to-day experience of what Omaha and Lincoln EMS services experience. And I don't know how I would have gone through life without my father. And I just wanted to thank you guys for having this hearing and possibly helping out more fire departments, so thank you.

STINNER: Appreciate that. Questions, anyone?

BOLZ: Senator Dorn, it's not fair to bring a ringer. [LAUGH] Thank you.

VARGAS: That job shadow--

BOLZ: Thank you for sharing your side.

VARGAS: I was-- I was kidding.

STINNER: Additional testifiers? Seeing none, Senator, would you like to close?

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DORN: You bet. Thank-- thank you for allowing me and this committee to have a hearing on this resolution, appreciate it very, very much. We did meet; my staff and I did meet. That was during session. We met with the Department of Health Human Services who handles the funding for the 50 Cents for Life. We did go over those dollars amounts. That funding at 50 Cents today is able to support those programs that they're currently supporting. There is not enough in that budget extra for drawing out additional funding because we even talked about just the \$200,000 coming out of that funding. There was concern about the fact that that is slowly drawn down over the years. It's a little bit like the Health Care Cash Fund. You can only draw down so low and pretty soon it can't sustain the-- the ones that it's trying to sustain. We also did, as I said in my opening statements, we did have a meeting this-- this summer with about approximately 12 to 15 people just throwing out ideas. A lot of the people that are-- spoke here today were at that meeting and also some others and also from the Governor's Budget Office, and from the Governor's Office was also here as we had the discussion about other possible sources. Open to any ideas. I-- a lot of good ones thrown out here today. Very much appreciate some of these questions, some of those things for us to look at. I will be continuing to visit with members of this committee and anybody else who wants to about maybe coming up with a source of funding for this; 50 cents for life is out there. There also is General Fund, Health Care Cash Fund, I think, because we went through

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it in Appropriations last year; then, as we went through it on the floor, that is getting more and more-- I don't know. Protect it ain't the right word, but basically protected that we don't want to overuse that fund also. So we will be working on different things or trying to come up with other ideas we. We hope to be able to come to the floor or to session this year end, have something in place for another thought process or another process for funding of this program. Thank you very much. And I did not bring the ringer in. We actually-- we actually were very, very fortunate at Adams-- at Adams to have his dad down about a month ago to talk to us about what they went through. I believe where it happened is about 60 miles from Adams they came down and talked to us, did not even know that he was-- the award he got later, a couple weeks later, we saw that in the paper. To hear his story, to see what he all went through, it reminds you of all the different things that can happen out there.

STINNER: Senator Bolz.

BOLZ: Thanks for bringing this forward, Senator Dorn. I was just curious, and you're the perfect person, I think, to ask this question. But, you know, I'm open to a number of possibilities. I think General Funds are-- are on the table. There's a million ways to do this. I'm curious, is it practical to consider a local match of some sort in

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this mix or is that impractical? What-- what are your thoughts from your county commissioner about that?

DORN: You know-- you know, that's-- that's definitely an op-- an option. I'll speak from-- I think a few of them talked about it. In Adams, our fire department is separate, total separate entity from our rescue squad. I know in our county of Gage County some of them are-- the fire department and the rescue squad are the same. We fund-- the county down there funded our-- our rescue squad because we had an ambulance at \$15,000 thousand a year Cortland did not have any incidents six thousand a year. They fund-- I don't remember the dollar amount for Beatrice. It was a considerable amount also. Part of what we need to do, and we have-- since we have an ambulance, we're able to charge for equipment. People talked about the equipment and such. When we need a new ambulance, and ours is getting eight to nine years old again and at what time do we need a new one, new ambulances are over \$200,000. We had the discussion when we got the one we had-- our other one basically was shot-- how do we fund that, and do you go raise fundraisers, and all of those different things. That is something we sure can visit about. It is a possibility, you know, how much matching fund. I do know that a lot of them, though, funding is an issue. Cortland, their fire department and-- and their-- like I said, they're together. Our squad there in Adams, we do not get any of the money from the fire department. They're allowed 3 cents of levy and they do

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levy 3 cents. Rescue squads, if they're on standalone or not, there's no requirement from the state that they be funded. So our county, like I said, our county, we-- we picked it up over the years. When I tried to end that, boy, I-- yeah.

BOLZ: Thank you, Senator.

DORN: I got to hear about it, yeah, so.

BOLZ: Yeah. Thank you.

DORN: But that is-- that is an interesting topic you bring up and I-- that's something we'll-- we'll visit with some people about.

STINNER: Any additional questions? Is there any way I can get my hands on the total budget that supports the SIM trucks?

DORN: We will make sure you get that, yes.

STINNER: OK. I just want to see where it--

DORN: Yep.

STINNER: --how it all comes together. Additionally, I have two letters of support on LR181: Alzheimer's Association Nebraska Chapter; and Ryan Daly, finance officer at DHHS. That concludes our hearing on LR181. I will now open LR210 and I'll turn--

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BOLZ: If we could get settled, that would be great.

STINNER: Good morning, Senator Bolz and the Appropriations--

BOLZ: Good morning, Senator Stinner. Would you like to get started?

STINNER: --Committee. Yes, I would. For the record, my name is John Stinner; it's spelled J-o-h-n S-t-i-n-n-e-r, and I represent District 48, all of Scotts Bluff County. I introduced LR210 earlier this year to continue conversations surrounding a mission-critical unmet need for future-- for the future of our state, addressing our workforce shortage and bringing high-quality jobs to the state. Nebraska Department of Labor projects that over 34,000 openings in high-demand, high-skill, high-wage, or H3, occupations will occur each year through 2026. In addition to meeting workforce demand, H3 jobs usually have wages above county med-- medians, a key to economic prosperity. As I look at projections in my region, for an example, there are 125 annual openings in accounting, finance, bookkeeping professionals; 100 annual openings for K-12 educators; 63 annual openings for registered nurses; and 17 annual openings in computer science-related occupations. I do want to stress that's annual openings. Currently, our public postsecondary educational institutions are unable to produce enough graduates each year to keep pace with the H3 openings. LR210 intends to dig a little deeper into the demand for specific jobs sectors and how our institutions are attempting to address that need. Next, LR210

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will examine how we can fill that demand and support the educational programs that have proven successful at moving us toward our goal of filling that demand. Before we hear from testifiers behind me, I'll give you a little bit of background. Last session, I introduced LB639, which would appropriate \$10 million in fiscal year 2019-20; \$20 million in fiscal 202; and \$30 million in the fiscal years thereafter to the Department of Labor to offer full scholarships to students at community colleges, state colleges, or the University of Nebraska pursuing majors that would lead to careers in H3 occupations. The Department of Labor would set ACT scores at a certain level to reward high-achieving students with full scholarships. In other words, we're trying to retain the best and brightest; we're losing them right now to out-of-state schools. And that's the idea behind it. Recipients of the H3 scholarship would also be required to complete an internship with the-- with a Nebraska business prior to graduation. Both requirements are included to increase the probability that we will retain Nebraska's best and brightest to live and work in our state after completing their education. While the state's current fiscal situation posed significant challenges to getting LB639 implemented this year, I introduced a bill to begin a conversation. LR210 is a continuation of that conversation and will provide us with more in-depth look at how-- how we can fill critical demand for H3 careers in our state. Fostering our public-private partnerships in the meantime and gleaning best practices from this study will help fill

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the gap, mitigating the strain on our budget from other priorities.

Just like to close by reiterating the workforce talent development is quickly becoming an arms race that Nebraska can't afford to lose.

States that get the workforce and talent-- talent development right will outpace Nebraska in terms of growth, creation of good-paying jobs, and economic prosperity. I appreciate your time and attention as we examine how we as a state can support our postsecondary educational institution in this mission. Thank you, and I will welcome any questions.

BOLZ: Thank you, Senator Stinner. Any questions for Senator Stinner?

DORN: Just what-- brings us up to date on--

BOLZ: Go-- go ahead, Senator Dorn.

DORN: Oh, sorry. Thank you, Senator.

BOLZ: You're OK.

DORN: LB636 is sitting still in committee?

STINNER: It is in committee, yes. Yes. And it is a work in progress-- progress, I will tell you that. There's a lot of pieces I'd like to adjust and change before it becomes final.

BOLZ: Go ahead, Senator Vargas.

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VARGAS: Thank you very much, Chairman Stinner, Chairman. You talk about the arms race with-- with competition over students. Can you-- can you tell me a little bit more about that?

STINNER: The arms race, if you listen to some of the testimony from last year's hearing, I think it was President Bounds that offered some examples of what's going on in other states. Mississippi, which he's-- was very familiar with, gives a full ride. That means not only tuition, like the Regent's Scholarship does, but it also provides for room and board, some stipend. You know, it's-- it's like the University of Nebraska right now and Regents can offer a \$40,000 scholarship. They're offering more like \$100,000 with all of-- with all of the amenities, everything around it included. So those-- that's kind of what we're looking at with this type of-- of legislation is to provide those types of scholarships that takes-- takes the total amount in.

VARGAS: So I remem--

STINNER: And I think Iowa's in the same boat, by the way.

VARGAS: Yeah. So I remember the conversation about that. I just wanted to get a little more color on the arms race. The questions I have, this is a question for the people that are going to come up and testify as well, is, if we are competing for people, what data or research do we have that shows that increasing scholarship aid, merit

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aid, essentially, is indeed going to enable us to be more competitive?

And the reason I ask that is I have-- I've seen more research that this is-- this can-- if-- if we have a finite set of resources and less resources are then going to need-based aid or to those students that could afford it the most, and over the last ten years in public universities we've seen a shift in less-- less need-based aid, a little bit more merit-based aid in terms of the percentage of aid overall, I'm trying to get a sense of if the research is telling us that doing this will indeed make us more competitive or, like an arms race, we're just trying to compete and we're not exactly entirely sure if it's going to get us the bang for our buck. I mean, an arms race is just who has the most and you're trying to compete with having the best artillery, right, not necessarily whether or not it's the most effective. So I'm trying to figure out whether or not we have data showing us that is this the right strategy to then increase retaining high-skilled individuals in our state or recruiting them from out of state and that-- that's what I'm really trying to get to. So that's-- that's like a frame for people that are coming up, those questions that I have for--

STINNER: Yeah. I'll pass it to people--

VARGAS: [INAUDIBLE]

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STINNER: --who are smarter than I am about that, but I'm sure there's data in the states like Mississippi who have this, or Texas who has similar programs, taking a look at their-- their-- their population and retaining those-- those people. Right now I just hear from businesses across the state that says, hey, we're losing our best and brightest. Well, this is hopefully something that focuses on getting them to stay here and get educated and hopefully, with the internship, we've got some ability to-- to retain those folks. But I'm going to defer to-- to the other panelists, so, or testifiers.

BOLZ: OK. Very good. Thank you, Chairman Stinner.

STINNER: Thank you.

BOLZ: Take testifiers. Good morning, President Fritz.

SUSAN FRITZ: Good morning. Chairman Stinner and members of the committee, I am Susan Fritz, S-u-s-a-n F-r-i-t-z, and I am the interim president of the University of Nebraska. And thank you for this opportunity to be with you this morning. I am grateful to Chairman Stinner, Vice Chairwoman Bolz, and this committee for your leadership in addressing the workforce issues facing our state. You have been strong champions of economic growth in Nebraska and the important role of higher education in that. Mr. Chairman, your support for greater investments in scholarships for young people has been especially important in moving this conversation forward. I think there is a

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reason that government, higher education, business, and K-12 are all coming together around the topic of workforce development. The reason is that Nebraska, as the Omaha World-Herald declared in a front-page headline a few months ago, is facing a workforce crisis that is growing more urgent by the day. We have all heard the statistics by now, and Chairman Stinner has certainly articulated them well. In the years ahead, Nebraska will have 34,000 annual openings in high-skill, high-demand, high-wage jobs, like engineering, IT, nursing, teaching, and accounting. Most of these will require a four-year degree. This is not an urban or rural problem. The need exists across the state. Nebraska has a choice to make. Are we going to take the steps necessary to close the gap or not? My colleague Bryan Slone, from the State Chamber, has been clear in describing the challenge before us. There will be a 50-state competition-- competition for workforce and there will be winners and losers. I know all of us in this room want Nebraska to be a winner, but that will require us to be decisive, creative, and collaborative in developing new strategies to solve the workforce crisis. H3 scholarships are, in my view, one such strategy. Right now, Nebraska is simply not competitive when it comes to financial aid. We are in the bottom ten nationally in state-supported grant aid. We are losing too many students to institutions in other states, students who should be staying right here in Nebraska to fill the H3 jobs that are key to our future prosperity. For example, we know that only half of Nebraska students who score 28 or higher on the

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ACT enroll at the University of Nebraska. Certainly, we will always lose some of these high-ability students to the Ivy Leagues, but there is no excuse for losing them to neighboring states. Full cost-of-attendance scholarships would put us in a more competitive position. And this isn't just about attracting students with the highest ACT scores. When I look at our enrollment numbers, it is clear to me that we need new strategies to attract all students. Only one-third of Nebraska students with 20-27 ACTs currently enroll at the university. Across all of public higher education, there is a significant opportunity to expand access for these students and grow enrollment in our H3 programs. More financial aid would add to the investments the university is already making to build our STEM programs and grow the workforce. Now you may have seen our announcement last week of a \$20 million gift from Kiewit toward a new facility for the College of Engineering. All told, and with the partnerships of the Legislature and the Governor, we are making a nearly \$160 million investment in engineering. This is our highest programmatic priority. Nebraska is about to see double-digit job growth in fields like electrical engineering, computer and information sciences management, and software development. We can't not afford to grow the College of Engineering. We have similarly bold goals of the College of Information Science and Technology at UNO. I've heard the dean say that our students are so in demand that they get hired without even having to prepare a resume. We literally can't produce

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graduates fast enough. At UNK, the job placement rate in computer science, information technology, and management information systems programs is 100 percent. At UNMC, our nursing programs are growing but not quickly enough to meet the demand. The needs are especially acute in rural parts of the state, and they will continue to grow as the population ages. Scholarships are not the only solution to our workforce crisis, but I am convinced that a significantly greater investment in financial aid would make Nebraska more competitive, more accessible, and better positioned to build the workforce of the future. And this is exactly the type of idea we should be considering as we think about what we want our state to look like in 10, 20, and 30 years down the road. Before I wrap up, I want to draw your attention to the data packet that I've distributed-- has been distributed to each of you with additional information about H3 majors and ATC-- ACT scores at the university. I would be pleased to answer questions about the data or any portion of my testimony, and I thank you again for your time.

BOLZ: Thank you, President Fritz. Go ahead, Senator Hilkemann.

HILKEMANN: Thank you, Dr. Fritz, for being here today. I think this is absolutely critical that we start looking, that we really try to address this brain-drain problem we have. Obviously, you know, you-- you can-- you-- you can use a billion dollars; you could \$2 billion, whatever. What's sort of a minimum number that we would need to direct

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to start making some gainful-- seeing some actual improvement in--
in-- in regaining these students. Is this a-- is this \$25 million? Is
it \$100 million? What-- what-- what-- have you-- have you thought what
number it might take?

SUSAN FRITZ: Well, Senator, I appreciate your understanding and
support. And, yes, I have given some thought to that. One of the
things that I would like to quickly say is I think it's a multipronged
approach for the conditions now. But we will need to have this
investment for a very long time and it will need to shift. So we will
need to pay close attention to the data from the Department of Labor
and the trends that we were seeing in enrollment across the K-12 and
the community college, state college, and university to look at how we
move this so that we-- we don't think that it's one and done, so to
speak. But. As far as numbers go, I think-- I think that it's going to
take-- it'll take \$20 or \$30 million. If we are really going to impact
things right away, if we're going to see a difference within the next
five to six years, it's going to take that, that kind of funding.

HILKEMANN: So-- and-- and to kind of follow up a little bit on the
Senator Vargas' question to Senator-- did-- what's the data that you
see, the difference that that-- the Illustration was used, the
University of Mississippi. How are they able-- what sort of percentage
of kids do they-- their students would be over the 20-- the variable

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to retain that we're not retaining? Do we have that data for other surrounding states or--

SUSAN FRITZ: I think you're going to hear some of that from one of the people who follow me, Senator.

HILKEMANN: OK.

SUSAN FRITZ: But what I would say is if you take a look at the table of Nebraska high school graduates and NU Nebraska resident ACT composites for distribution-- it's a lot to say-- I'll quickly say that this represents, you know, a total-- a total of 24,516 students in Nebraska. And we look at the array. We've got 2,765 students in 2018 who-- who scored a 28 or higher on the ACT. At the University of Nebraska, we picked up about 1,540 of those students; 1,225 of those students we cannot account for. It is possible they went to another-- some of them went to other institutions in the state. But when we look at the total number of enrollment in the other institutions beyond the university, we can be assured that those students went somewhere and it was not in Nebraska, but I do not have that number for you today.

HILKEMANN: OK.

SUSAN FRITZ: Someone else may provide it.

HILKEMANN: OK.

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BOLZ: Dr. Fritz, I've got a couple questions for you. One is I think there's been some conversation and some tension around this issue in this committee, around H3 and talent strategies as compared to needs-tested strategies; in other words, are we focusing on talent or are we focusing on access? I don't think that those two things have to be contradictory to each other, but I wondered if you could talk a little bit about those two themes, talent vis-a-vis access and affordability.

SUSAN FRITZ: Well, thank you, Senator, for the questions, by the way. I would say, first and foremost, I don't see-- I don't see access and talent as mutually exclusive. I see that those would be two circles and they're concentric circles because there is some crossover. And so I think that the strategy-- the strategy to look at merit-based, for example, so that the talent side of this is important; I think it's also important that we look at access so that when we talk about what the criteria would be for these kinds of scholarships, I think we need to broadly look across the students and see how we address both of those.

BOLZ: I'd agree. I think that's important. I think the other argument you're making here is that this is a two-pronged strategy. It's a-- it's a higher education scholarship, talent-related strategy, and it's an economic development strategy. And could you just talk a little bit about the economic development side of this? How do you see these H3

scholarship strategies flowing into those high-demand tech jobs? How will those dots be connected?

SUSAN FRITZ: Well, Senator, another good question, but first I would like to say that there is another project that I'm quite passionate about, and I'm pleased that I have like-minded, passionate professionals joining in those conversations, and it's around a longitudinal data system. We are having conversations with the Department of Education, the Department of Labor, state colleges, community colleges, and the university. All-- all believe that we could do a better job if we had the facts to consider as we look at strategies. And so one of the things I know from a pilot that we did with the Department of Labor, we match data for students who graduated from one of our university campuses who were at least five years out, so think five, six, and seven years out, and we were able to look at the kind of salaries that they are making by major and in which industries we could look at, which regions of the state that they were in. Now, granted, we were only able to access Nebraska Department of Labor data, but that gave us a very clear understanding of where our graduates were going and what they were doing. Now I say all that, Senator, because I think it is-- it is extremely important for us to be able to educate our students, our future students, and their parents to help them understand with a particular degree, what is the kind of-- what are the kind of opportunities that exist in the

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Nebraska labor landscape for them, what kind of salary range could they expect to make, and base that on real data of students who have gone before them and are in our workforce.

BOLZ: Great. Senator Vargas, did you have a--

VARGAS: Yeah.

BOLZ: Go ahead.

VARGAS: Thank you very much for being here, President.

SUSAN FRITZ: My pleasure.

VARGAS: And I don't know. You may not have this data, but it would be helpful to see, to get as a follow-up, the current percent of-- of need-based aid that is provided from the University of Nebraska system versus merit-based aid, and any data on how that might have changed and how it's changed, at all, in terms of the percent of the pie in the last five years. Looking at like the Education Commission of States data, you know, there has been significant fluctuation and changes all across the country in different states and I can't really parse out just Nebraska. There was like-- you know, they might a little bit lower, in the middle of the pack on that data, but I'd rather just get it from University of Nebraska itself. And the reason is, like I think we've seen upward trends in some need-based aid, but I'm really trying to get us-- how does that compare to how we might

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have increased merit-based aid in some way, shape, or form in the University of Nebraska system? I'm of a similar mind as Senator Bolz. I think it's-- I want to support what we're seeing as a-- I guess I'll call it a little bit of a job crisis. We can't fit people into these jobs that we have. It is a crisis, right? At the same time, I view all the data on our growing lower-income population, our rates in six-year graduation rates-- they've been getting better, but we still have room to grow-- and specifically how this affects low-income and minority populations and-- and people in poverty. And as a-- as a public university system, I know we're all committed to making sure we're keeping it affordable. But I want to make sure that it's not at the expense of more lower-income families, more lower-income students, making it more affordable for them to finish their college, because I-- unfortunately, I see this as a-- I still see it as a pie. Every time we-- we are talking about diverting resources to somebody that is more affluent, maybe able to afford college, I am afraid that means less resources for somebody that may not be able to afford college or is less affluent. And I-- like myself, growing up, and was it a change-- maybe the difference in not giving funding to somebody that couldn't afford it that could then help them, if we did invest in them, they could have gotten into these same careers? So that data would be helpful. And then the other question, the question I have, is, have there been conversations on targeting these funds and in the way that policy may be drafted for lower-income, high-needs students

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that also happened to be some of our higher ACT individuals, because I think that's-- that's sort of doing both things, which I would really love to see. What have-- what have conversations been regarding that?

SUSAN FRITZ: You know, I will say quite-- by the way, thank you again for the question, Senator Vargas. I will say that we haven't spent a great lot of time thinking-- thinking about the socioeconomic piece of this. I've been very fixated on thinking about my ACTU distribution. But your points are very well taken. I will tell you, as I think about what is called nationally the "murky middle," so if you look at the table that I referenced earlier on Nebraska high school graduates, the murky middle would represent those students who have a 20 to 27 ACT. And many national proponents would suggest that those individuals have the capacity to be very successful in a four-year institution. There are 9,468 students represented between 20 and 27 there. Only 3,391 of those students came to the University of Nebraska. I will quickly tell you, I wish I knew the answer to where the other 6,077 went. I don't know that. There is lots I'd like to know about those students. I'd like to know across the whole array information about, you know, their socioeconomic status and how we could address that. As I look at what I call that murky middle, I think in structuring a scholarship, if we were only to look at the top ACTs, I think we would miss something fundamentally, and that is that we have students that are in that what I'll call second range that could be very successful. I would also say

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very quickly that we have many students who start at the community college and they transfer, they intend to transfer to a four-year institution. And I've provided you some data with regard to that information, as well, and let me see if I can connect you to that.

Well, suffice it to say-- here we go. It would be H3 transfer students by discipline, so that's in your packet. And we see that in 2018, we had 284 students who transferred to a university campus in an H3 area. Now I do not know what the statistic is for Nebraska, but I have seen national statistics that indicate about-- about students who intend to transfer to a four-year that started at community college.

Unfortunately, only about 27 percent are able to act on that, and I surmise that some of that could be related to finances. I think that for me, the strategy could include the possibility of scholarships for students who are transferring so that they could complete a four-year degree in an H3 area as well.

VARGAS: Thank you. One-- one other question? So the other-- so in thinking about policy things that make-- make this, the conversation we had last year was about these scholarships. You know, I've been wondering and trying to do some my own research about how do we actually keep them here. That's-- so if we-- right? Like, so we're giving them an incentive--

SUSAN FRITZ: Right.

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VARGAS: --and we're making it more affordable, and so let's move, move beyond they graduate. You know, I think about how ROTC in some places work. You know, you get tuition covered and you spend-- every year of tuition, you spend a year committed to then serving, you know, in the military, armed forces. And there are some states that have some sort of scholarship or grant-funded programs that then would require you to stay a year for every year that you get some sort of aid. Have there been conversations about that? Because I think that there is a benefit. I think when Nebraska students see that they have a job right out of college here and it's one of these jobs that are-- you know, not only provide them with a good salary, but then they get to then spend time here postgraduate. I think people will want to stay. I do believe that. But, you know, as an investment, have there been any conversations about looking at policies that would-- would do that, sort of a requirement?

SUSAN FRITZ: Senator, another good question, and I would say that, similar to the RHOP program, I would think of that as you're asking the question and I will quickly tell you that I'm told that we cannot require students to give us three years, for example, after they complete the RHOP program. So we'd have to look into that and see exactly what kind of parameters we might be able to put on. But I'd like to turn that a little bit and say that we know that at about a 70 percent rate, if students have an internship experience, about 70

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percent of the time they're likely to go back to that employer as a full-time employee. That is a statistic I was given by Intern Nebraska-- the Intern Nebraska administrator several years ago. I doubt that that's changed and that really is quite similar to other data I've seen in other states. I think there are two things that we also need to work on. We need to be hand-in-hand with business and industry to provide those high-quality internships that allow students to get emotionally and intellectually invested in those businesses so that they want to stay and they want to be part of Nebraska. And so we would like to see, where practical, every one of our students have a high-quality internship in Nebraska. I think that would be fantastic. I think that that would help us keep those students. I also think that having career paths for students in business and industry when they graduate, so that we have robust opportunities for our graduates, is also another solution waiting to happen.

VARGAS: Thank you.

SUSAN FRITZ: Certainly.

BOLZ: Go ahead, Senator Hilkemann.

HILKEMANN: Thank you. I-- I wanted to--- this is sort of a question, but it's also a little bit of a statement because I-- a scenario that-- that is very important to me. We have a marvelous philanthropic community in the state of Nebraska and they've been wonderful. But you

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kind of used the term to start off this program would be-- actually have 20 to 30-- let's use the word \$25 million. What efforts have been made to contact our philanthropic community about trying to raise a-- you know, like a scholarship fund or through the foundation, have there been any efforts specifically done for this program yet that you're aware of?

SUSAN FRITZ: Thank you for the question, Senator Hilkemann.

Specifically, we have not begun to raise money for this program. I think it's certainly an opportunity that we would explore, I would hope, in our next NU Foundation campaign. And we would certainly hope our philanthropic community that has been wildly generous to this state would also see the need and be interested in-- in getting on board with us. But we have not specifically-- I have not specifically gone out and made asks for this.

HILKEMANN: This is-- I-- I have served on-- my professional podiatry, I've been on-- on one of our boards, we have-- we've tried to raise a lot of money to help our students here to fund-- these are not sexy things to sell. These aren't-- these are not naming rights. And-- and so I-- I-- it's a difficult sell on your part. I just wondered if it had happened and if those efforts could be made through the foundation.

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SUSAN FRITZ: Not specifically, Senator, but again I would say that if we think about the majors related to some of these H3 areas, certainly there have been requests made, but not a unified effort to go pursue H3 scholarship support.

HILKEMANN: Um-hum.

BOLZ: Thank you. Go ahead, Senator Dorn.

DORN: Thank you, Senator Bolz. Thank you for being here today. My question, you talked a little bit about the-- the students, some of the higher ACT scores and some of the others, maybe they're leaving and we're-- part of why we're here today is because of the funding issue with that. What do you hear-- I mean what-- besides funding, why are they leaving? And then the other part of my question is, why are the students attending NU? Do you know some of that data? Is it, you know, cost, cheap cost-- cheaper cost or-- or why are the students that are coming, why are they choosing you? Have you had any feedback from the group that is staying, why they chose NU?

SUSAN FRITZ: Well, Senator Dorn, good to see you this morning. Thank you for the question. So I would say that I have not personally sat down with students recently to ask those questions. But I will say that that is part of our enrollment management strategy, to always keep our finger on the pulse of why students came and why students didn't come because, as you might imagine, the students-- students

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visit an awful lot of campuses, contrary to when I was looking at which undergraduate school would I go to. There was only one that I looked at and now there's-- students are inundated with a lot of opportunities. Last night, I talked to a young person from Overland Park, Kansas, who is in the Raikes program. And I asked, why did you come to the University of Nebraska? And some of it was the Raikes program, without question. But when he came here, he said, you know, I had never been to Lincoln, Nebraska. And he said, Lincoln is really a fine town. And he even worked here this last summer at Hudl and is-- is thinking that, you know, he would like to stay in Nebraska. That's very exciting. So some of it's livability; some of it, they don't know about us. And so we need to-- to get in front of the students. Now as far as our resident students, I would hope that many resident students are aware of the University of Nebraska and the state colleges and our community colleges. I do-- I do think that if I hearken back to my parental experience with my children, I certainly impressed upon them that-- that my husband and I support, with our tax dollars, public higher education and I am an advocate for public higher education, as you might imagine, and we are able to provide for our Nebraska resident students a fine education that is affordable.

BOLZ: Very good. Thank you, Dr. Fritz.

SUSAN FRITZ: Thank you very much.

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PAUL TURMAN: Good morning members of the committee. My name is Paul Turman. I'm the chancellor of the Nebraska State College System. I'm very excited to be here this morning to have-- I think this is an important conversation. I think it's also relevant to note that being able to do that following President Fritz, as well as members from the Community College System, as-- as well as the chamber and business industry. It's evident that we have a collective who really see the value of making sure that we're doing the right things, whether it's financially, but also public policy to ensure the workforce for the future. So a long list of questions that you had, or at least topics, I'm going to try to focus on three of those here in my testimony this morning.

BOLZ: Oh--

CLEMENTS: Could you spell your name, please?

PAUL TURMAN: I'm sorry. It's P-a-u-l; last name is Turman, T-u-r-m-a-n. I apologize for that. Interim President Fritz talked very quickly there about the RHOP program. And I think in reference to item number two, agency initiatives to address workforce and talent shortages, that's a particular program that has been extremely successful for the state colleges over the last two decades, actually dating back to 1991 when that program was put in place on a very small partnership between UNMC, as well as the State College System, where

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both Wayne and Chadron were involved in providing tuition remission scholarships to students in exchange for slots for a variety of different programs. That initially started, it was just simply medicine and dentistry, and that's grown to right now ten different programs with UNMC. We, this last year, had about-- our board policy specifies that we do not provide more than 22 percent of remissions to any of the students, so the dollars that we collect, to try to keep that at a place so that our tuition rates are kept low. We provided roughly about \$650,000 worth of RHOP-related scholarships or waivers to students to cover the full cost in alignment with the partnership agreement to get those dollars. It's about 9 percent of the total dollars that we have available. I'll emphasize that because I think it shows, when you look at the growth that we've had in that particular program, it's extremely significant. So we've decided that these partnerships are important. We believe that students, if they stay at one of those three campuses, those locations, that ultimately they'll go into UNMC and then return afterwards. You get to the questions that Senator Vargas had posed about placement and what is the impact. Right now, roughly about 44 percent of the graduates, about 600 in that program since it started, have gone back to rural communities in Nebraska, and just over 60 percent of them are in Nebraska in some form after they've graduated. And so I think we've found a very successful program that is achieving the workforce development needs for the state. When we look at hist-- dating back about ten years ago,

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we had 128 students in the rural-based health programs, and that's grown to about 211 this last year, so it's about a 64 percent increase which is then also-- when you compound that against the number of students who are placed in rural areas, we have found a strategy, funded by our programs and in great partnership with the university system, to make sure that we're serving a workforce need for the state. We've also, now most recently, put in place what we refer to as the RLOP program, so it's the Rural Law Opportunities Program, where Chadron and Wayne have slots that are dedicated to UNL's law program. And in the next few years, we'll see the impact of being able to have those students eventually return back to rural communities in the state. One of the, I think, significant-- and it's a-- to answer, I think, Senator Vargas' early question about is this an arms race, in some regards, I think-- I'll give you data here in a second-- that denotes that we always have to be constantly looking at what it is that other states around us are doing, and if we're not evolving our practices to keep up with them or at least be ahead of them in their thinking, that we five years, ten years down the road, certainly may be in a bad position. And so one of the things that we have seen with a-- we have a cooperating schools-- schools scholarship program, as well, where we give a half tuition to schools who provide assistance in mentoring our teachers when they go off for student teaching. And right now, they've been given the authority to give those scholarship dollars to any students that they have without them having to go into

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teacher education, and we've been having conversations with them to try to change that over time. One of the most, I think, glaring issues when we look at the total number of people that we have in an H3 program for education, that number has dropped by almost 35 percent. We've gone from 2,200 enrollments in teacher education just ten years ago and we have only 1,400 this most recent year. And so our goal is to constantly look at the different things and the practices, how do we change that pattern. And I think as you look at the "all in," you know, the seven programs that we feel aligned with H3 Department of Labor needs, our numbers have gone down from 4,100 enrollments down to 3,700 enrollments here this last year. So we've seen about a 9 percent decrease, which means that the curve needs to start to change in a different direction. I'll end there with my time and I'll be happy to answer any questions that you all have about my testimony or anything else. Thank you.

BOLZ: Thank you very much. Go ahead, Senator Clements.

CLEMENTS: Thank you, Senator Bolz. Thank you, sir, for coming. I didn't catch-- on the RHOP program, what percentage of tuition is assisted to those students?

PAUL TURMAN: It's-- it's provided full tuition to a student who is-- participates in that program. So it's roughly about, this year, \$5,400

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per student that we have enrolled in any of those ten different programs that we have slots for with UNMC.

CLEMENTS: And we were discussing how do you-- what method do you have to make sure that they do stay in the rural area?

PAUL TURMAN: The-- the agreement has just simply been try to identify students from rural communities and, if we do that, keep them locally in their first few years at Chadron, Wayne, and Peru, hopefully, that they will come back. So I think an-- an important piece is how you use those scholarship dollars and what would be the-- the outcome if you begin to indicate to a student you're going to get the slot, we're going to give you 40-- or \$5,400 a year to cover your tuition, but if you choose not to stay in Nebraska, then you will have to repay those dollars. So essentially, what that becomes is not a scholarship or a waiver; it's a loan. And so when you take that into context of what President Fritz was noting, how you compare that against other states, so if-- if it's Iowa, if it's South Dakota, it's-- it's Kansas that's trying to steal our students, when a student is trying to make a decision between the University of Iowa and the University of Nebraska-Lincoln or Wayne State and you've-- the \$20,000 difference between their offer is something I may have to pay back, I think you look at what's the-- the-- the end gain that we get by simply hoping--

keeping the students here is going to entice them to stay here, and especially that will happen with your resident students or--

CLEMENTS: Thank you.

BOLZ: I'm just curious, is there any opportunity to require a community service component to something, like a program-- you know, like the programs you're talking about, in order to get them engaged-- engaged in the community in a "have to" rather than a "request to" way?

PAUL TURMAN: It's a very good question and I think the-- the choice is whether or not it's community service, and so kind of the engagement that would come from that, or is it better to engage them in the internship cooperative experiences somewhere in Nebraska, because then we know that 70 percent of them oftentimes are-- are employed eventually at that location. And so right now we have not oftentimes thought about our placements really need to be targeted specifically here in Nebraska. And I think the discussions around whether it's the talent scholarship or H3 last year, tying the internship and field experience component into it, I think, is one of those critical linchpins that will help ensure that more students are likely to stay in Nebraska because our employers have had the opportunity to work with them. But similar to what President Fritz had noted, I would say the meaningful internship is critical. So if all I do is take an

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internship where I'm assigned a job or set of tasks that I don't see how this is the type of activity I want to do when I finish my degree, then we're going to lose those students. And so the business and industry will need to be along with us in this dialogue to make sure they are redefining what internships and cooperative experiences are. And I think that will achieve the kind of citizenship engagement that comes with the community that those event-- the students eventually go to.

BOLZ: Are internships required in most of your H3 programs?

PAUL TURMAN: The vast majority of ours are, yes. I would say Wayne State, as an institution, within three years, they believe that every one of their degree programs will require an internship or co-op. And the other two institutions are determining the best way to integrate that into the curriculum. Teacher education, all the RHOP programs, the vast majority of the business programs that we have, all have required internships. And so I think the-- an important question is, do we have enough internships across the state for us to make this significant push? And if we don't, I think it's our challenge to try to find a way to increase those, yes.

BOLZ: Go ahead, Senator Clements.

CLEMENTS: I'll wait. Go ahead.

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HILKEMANN: No, you should call on him.

CLEMENTS: All right. Thank you. One more question: Regarding Chadron, I know that the math and science building is being remodeled has expanded, and I wanted to know how that project is going and what the effect of-- in this area will be.

PAUL TURMAN: A very good question. I'm happy to give you the update. We've-- we're far along in the building project. We're beginning and have the design firm identified. Our goal is to go to bond here next March with the construction beginning in summer of 2020. And I think in relation to this program, facilities oftentimes are a critical piece of that. Not having, I think, the STEM-based facility at Chadron has hindered their ability to attract a lot of the top students in that Panhandle area and also in the upper western portion of Nebraska. And so I think one of the data points that I provided to the committee when I was talking about that this last year, as you were making that decision, was that you just compare it against rangeland management. That facility, when it was put in place, when you compare the enrollments in rangeland-related fields in ag, grew by almost 28 percent over the last seven years. We're expecting and hoping that we would see that same type of impact with the goal that we're feeding more into the STEM areas of the Panhandle into the future as well.

CLEMENTS: Thank you.

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BOLZ: Senator Hilkemann.

HILKEMANN: Yeah. Dr. Turman, I just-- a comment that I'm going to make here. And I know that you've had the RHOP program has going-- been going on for 15-20 years, at least, maybe?

PAUL TURMAN: About 28 years now, '91 was the first agreement, yes.

HILKEMANN: OK. OK. And the law one has just started in the last year or two?

PAUL TURMAN: Last two years, yes.

HILKEMANN: OK. Just-- and this will go a little bit to your question, Senator Clements, because I worked with some of these RHOP students that have come through my clinic when they rotated, and-- and I think it'll be-- of the things that happened, and why they don't stay in Nebraska, a lot of times with health professions is, is that health professions, once they get their basic medical degree, they will go on to their residency programs and doctors tend to stay more where they do their residency program than they do what they do their-- their basic medical training. That will be one. So the-- kind of interesting, when you do this law, since law generally is the terminal thing, they don't have to do a residency program after that, in ten years, it would be kind of interesting to see what-- if we have more of the law students stay in Nebraska percentagewise than we do the

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physicians or the-- the medical, just-- just an observation that I've made working with these RHOP students.

PAUL TURMAN: I'd maybe respond. I think a very good point. I think the goal of these programs is always to continue to monitor what the im-- what the placement--

HILKEMANN: Right.

PAUL TURMAN: --is going forward. I think we are really in the process right now of trying to evolve the-- the RHOP program to continue to meet the-- not the needs of the state as it is right now, but what we envision, 10 to 20 years, it's going to look like. What are the healthcare needs going forward? Chancellor Gold brought all of the partners together here earlier this year and we had over a day-and-a-half summit, just really having this dialogue, and we're engaged in a process of creating a shared agreement, rather than each institution having a separate agreement with UNMC, a systemwide agreement that really keeps it evolving, year in and year out, to make sure that we're meeting the needs of the state. So I think if we're not doing those activities, then we're not serving you all and use-- utilizing your dollars as effectively as possible.

HILKEMANN: Yeah. I think that a lot of the students that take these programs, they very-- they very well may think when they're there that, yes, I'm going to go back to Alliance, Nebraska, and practice--

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be a-- be a general practitioner or a primary care physician. And then they get there and they understand, wow, radiology is really fascinating to me or-- or the study of MR-- whatever, whatever it might be. And they-- and it actually changes them in their-- in their-- where their thoughts are from where they-- what-- what they there were at one point, and I think we have to respect that. And so it could be-- I don't want us to mess up our-- our RHOP program.

BOLZ: Very good. Thank you.

PAUL TURMAN: All right. Thank you so much.

BOLZ: Good afternoon. Welcome. I-- I will say briefly, we don't-- we don't usually do visual illustrations, but since this is the Chairman's interim study, you may proceed.

BRIAN McDERMOTT: Thank you. I am Brian McDermott; that is B-r-i-a-n, McDermott, M-c-D-e-r-m-o-t-t. I am the director of research and college effectiveness from Central Community College. You may be asking why you have a director of research and not a college president. Well, you will. Dr. Illich will be following me and be providing you a second part of this presentation. The purpose I'm here today is that I was tasked with collaborating with my other community colleges' research divisions to bring together the data for the three primary questions that were asked, including what is our enrollment in H3-related programs; how much scholarship money is needed to support

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those students; and to what extent foundations within our support system can assist with scholarship dollars? So that will be the primary focus of my component of this presentation. Pretty quickly, I just want to summarize what was done to collect this information. As each of the individual community colleges have their own reporting systems and recording systems, as I'm one of the more senior members of the IR staffs in any of the community colleges, I was asked to try to collaborate with my peers and pull that together using information from the H3 data system. Of course, if you've gone on to the Department of Labor's H3 site, it indicates what demand jobs there are, and that's where we started with. We also use a tool called EMSI, or the Economic Modeling Specialists Incorporated [SIC] which uses current employment data and census data to try to interpret demographics and trends, along with data that is published from Nebraska Department of Ec-- DO-- Department of Labor. To this end, we tried to put together those three primary sets of data to generate the answers to your questions. One key point that needs to be considered is that the difference in evaluation areas, Department of Labor's evaluation areas you can see, are illustrated on the screen right now, are based on multiple parameters that they have outlined, whereas the Community College System is outlined by legislation and each of their service areas don't necessarily overlap the economic regions. To this end, there is some challenge in interpreting what demand is in each service area. With that in mind, and after evaluating the available

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data that was provided by each of the individual community colleges, I felt it was best to try to represent this data as all together; in other words, combining the results of all the community colleges together to try to come up with a general answer that would answer your three questions. First of all, let's start off with the enrollment. Each of the six community colleges provided information on H3 occupations or occupational codes that were indicated as being high demand; of those, there was 252 of them. We-- I asked each of the individual colleges to cross-reference their programs of study with each of those occupational codes. To that end, we found 92 of the 252 had a direct tie to one of the programs offered by the community colleges. One of the things that we did notice throughout the time frame, I asked them to come up with their summative number of what was their enrollment. Over the past five years, there was 9,634 total students that were across the state in one of those related H3 programs. Now one proviso that you need to understand is that enrollment at any given point in time for a two-year program is somewhat challenging to indicate because it's not just people who are going to graduate. It's going to be people that started their first year; they might have been taking more than two years to complete a degree program. So this may be spread over a multitude of years. And also something the senators may want to consider is the fact that community colleges have a large number of part-time students, whereas what was mentioned earlier, a six-year completion rate for the

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four-year colleges, our part-time students may take six years also, or our full-time students may take two or three years to complete. So it's not exactly a linear model to say this number represents how much scholarships are going to be. So to that end, I-- I'll further explain where we're go-- we're going to be heading with that and how I've interpreted those numbers, try to give you a solid number. The one thing I did, at the bottom bullet here on this page, I do want to point out is that even though we had 92 occupational programs that were offered by the community colleges, we also produce a large number of academic transfer students. This was mentioned earlier with the university leadership was speaking. Keep in mind that even though those programs are not specifically geared to one of the-- the academic transfer program, I should say, is not specifically geared to a profession or an occupation. Those students will then go on to four-year colleges, in most cases, as transfer students and then potentially go into a field of H3. Another thing I wanted to bring up that's not indicated on this page that was brought up as an earlier question is the percentage of students staying in the area. Community colleges traditionally serve their students. And by legislation and by their-- when they were developed, they were based on providing postsecondary education in communities where traditional four-year colleges didn't-- was not offered. In this case, our retention is actually quite a bit higher. Our expectation in most of the colleges is near 90 percent, meaning that once they complete their program of

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study, they're going to stay in their local community. This is for multiple reasons. One thing we want to consider, too, that this is not traditional-age students in all cases. An adult worker who wants to be promoted in their job may need to come back and get a degree to be competitive in that job that-- they're not likely to leave that job if they do get promoted. That's an example of why community colleges may have that higher retention rate, but we're also in the communities and we're dealing with all age groups, so something to consider.

BOLZ: In fairness to other testifiers, I'll just note that you've got a red light, if you want to wrap up your remarks there.

BRIAN McDERMOTT: Very well. Very quickly, then, I will just quickly brief the slides. The data here indicates the total numbers of students in the top 12 H3 programs. These are all indicated as high-demand areas by Department of Labor, and these are all programs of studies offered by the community colleges. This is not all of them. This is just the top 12. As far as scholarship money, we were able to interpret, based on full-time and part-time enrollment on average across all the community colleges, that we would require approximately \$25,000-- or \$25 million to support non-financial aid-provided students right now. Now that does not mean that that's going to be indicative of them being retained. It is simply the delta, how much is not being paid for room, board, tuition, and fees for those students that are in those 92 programs indicated. Other than that, the academic

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transfer students, if we considered them included in this process, if you wanted-- if this was something we wanted to consider as part of the development of getting these students into H3 jobs and they were potentially going to receive scholarships, it would be an additional \$23 million-plus to support those students. As far as foundations, very quickly, [INAUDIBLE] foundations are donation-based organizations. All of them offer scholarships at this time. Last year, for the six community colleges, \$2.6 million in scholarships were given to students with an average rate of-- of the scholarship per period about \$1,250.

BOLZ: Very good. Are there any questions from the committee? Go ahead, Senator Vargas.

VARGAS: Thank you very much for coming and for doing what you do. It's nice to have-- focus on the research side of things. And it's really-- this is incredibly helpful for getting a sense of just the scope of enrollment and the demand. Do you have numbers on completion rates for these H3 jobs?

BRIAN McDERMOTT: We do have-- I wasn't-- didn't get a complete listing from all of the high-- or all of the community colleges, so we didn't actually utilize that. I didn't feel like it was complete enough to actually share at this time, but that is definitely available. And if you look at IPEDS reporting, in other words, the peers analysis system

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that anyone can access, it's public domain, you can see our completion rates that are reported by all of the community colleges and the state colleges and the four-year colleges. Any Title IV institution actually has to report that through IPEDS.

VARGAS: Yeah. It would be helpful as a follow-up if you can send that because, you know, I-- you know, given the purpose of this is to try to identify strategies to fill these H3--

BRIAN McDERMOTT: Yes, sir.

VARGAS: --jobs--

BRIAN McDERMOTT: Yes, Senator.

VARGAS: --I'm trying to get a sense of-- enrollment is good. Completion is-- is better if people are completing the programs and they're actually going to get into the-- to actual jobs themselves. And the other question I have is, given-- given the 71 percent increase in certain programs, 22 percent decreasing, have you identified any other metrics-- I'm sorry, any other barriers that are the reasons why we are not able to then fill these decreasing or no-significant-change H3 programs? What are-- you know, I don't know if one comes to mind where like this one's been decreasing for a while and where-- you know, this is what we've seen with what some of the

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data is telling us with why we can't-- why it's decreasing and what we need to do, outside of the funding, have you identified?

BRIAN McDERMOTT: Thank you, Senator, for that question. The truth of the matter is, there's much studies nationally and in-- regionally and with-- even within my college that we've done to look at why certain positions are filled and others are not. It comes down to-- some good examples would be the health science fields. Although there's been a huge push in one of our largest areas the community colleges fill is actually supporting health sciences, such as nursing and dental assisting and-- and so forth, there is a requirement that the students must meet the prerequisites to get into any of those programs. They must complete testing post-- postgraduation. All of these may be funnels that this student is pushed through that might slow down the production or increase in those students. But beyond that, there's also the competition that was-- has been men-- been mentioned multiple times today, which is if the student can-- is mobile and completes a degree, without some sort of tie, as-- as you referenced earlier, or some sort of commitment to stay in the state, it's really up to the individual to decide if they're going to go on to work somewhere else.

VARGAS: In that same vein, do you have any information on-- I could only-- again, I'm only-- I could only speak to-- I hear stories from different students on their experiences in-- in higher education and whether or not they're fully prepared, so I'm curious on any data or--

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that you have on the readiness, like whether or not that's a barrier, whether or not we're seeing some students that are entering and they're not prepared or they're struggling with the coursework and that are then not able to then complete in a timely manner, then it gets more costly. So any-- anything on readiness for these-- for-- and I ask that because we-- we have all these conversations about we have jobs that are unfilled, and then we have students that are graduating our institutions and I'd hate to think, as a broad brush, it's because they're not just prepared and that's the only reason, but--

BRIAN McDERMOTT: It's--

VARGAS: --you know, there's-- there's a look I want on-- any information on that connection.

BRIAN McDERMOTT: There are several pieces-- thank you for that question. There is several pieces of information that come to mind right off the top of my head. But first of all, you may have heard of, is the Math Readiness Project. All-- all six community colleges are part of a project called the Math Readiness Project. The intent was to look at those underprepared students specifically and to try to intervene in high school, in secondary education, and actually have a program of study that would prepare students who were demonstrating-- I should say, were not demonstrating the-- the minimum standard in mathematics so that when they did transfer to college, that they were

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able to perform at college level. The second part is, is what we call-- normally call our placement rate. We use, of course, ACT, SAT, or-- and ACCUPLACER, several other placement instruments over the years, to determine their-- their preparedness to take English or mathematics or the sciences. And this process of remediation and ongoing, you know, success and failure rate has been a monitoring point for definitely Central Community College, and I know many of the other community colleges have been tracking this as well. Remediation is a real sore point, but keep in mind that it's not part of a program of study, so it's not supported underneath Title IV, Pell and guaranteed student loan. So of course, if a student does need remediation to bring them to the level of college performance, they're going to be paying that most likely out of pocket.

VARGAS: OK. Thank you very much.

BRIAN McDERMOTT: Thank you.

BOLZ: OK. Thank you.

PAUL ILLICH: Good morning, Senators. I'm Paul Illich, P-a-u-l I-l-l-i-c-h. I'm the president of Southeast Community College. What I'd like to do is, as you heard Senator Stinner say earlier this morning, you know, what are the community colleges doing to actually target this skilled workers gap, and I'm going to go through two particular strategies. Just to give you a little information, we serve

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about 62,000 credit students every year as an aggregate of six community colleges, and about 72,000 noncredit. That includes contract training for companies. If you look over the last ten years, we've produced about 75,000 graduates in a wide range of career and technical areas you can see on the right there. And you've heard different statistics this morning about how many students actually retain. You heard Brian just a minute ago mention that almost 90 percent-- it ranges between 85 and 90 percent-- of our graduates actually stay in Nebraska once they graduate. That's very, very critical because this next slide really tells you what's going on. So if-- if almost 90 percent of our graduates stay in Nebraska and we're pushing those graduates in the high-- in the H3 areas, then we know how to solve the problem. We're not producing enough graduates, so there's two strategies I'm going to mention this morning that we're really working hard on. One is to increase our-- increase our capacity to produce these graduates, and the second one is to increase the pipeline. So we talk about expanding our capacity. For us, I heard Senator Vargas ask-- you asked, well, what are the barriers to producing these graduates? And this is not specific to Southeast Community College. This is a barrier for all of the community colleges and we're addressing it, and that is a lack of space. For example, if you wanted to go into a nursing program, one of our nursing programs at SCC, you might wait two to three years. And that's true for almost all 16 of our health science programs. That's because we lack space.

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So what we're doing is we're addressing that right now and in a number of different ways that I'm going to share with you this morning. This is just a quick look at how complex it is to expand out your capacity. We're right now working on a number of very significant capital projects. It-- it's taking between three and four years to get those projects completed. What these-- this is exactly what's going to allow us to expand our capacity, and I'm going to really focus on one in particular and that's-- that's the health sciences. But you can see we have a lot of different things that have to happen. You have to secure financing. You have to get approval from the Coordinating Commission, approval from your accrediting body, and then you have to design it and then construct it. So this is a really exciting facility.

Yesterday, I was in Falls City. We have a 15-county service area. Just like all the community colleges, we've been building out learning centers throughout our service area. Yesterday, we just had a ribbon-cutting. This space, if you look on the right side, there's high-bay space. That's going to allow us to provide welding and manufacturing training for the local companies. To the left, you can see sort of lower-bay base. There's actually two health science bays. About 200 yards from this building is the hospital of Falls City, so we're working with a partnership to direct-- directly train their-- their skilled workers. This is a new diesel technology facility on our Crete campus and you can see it's called the Crete Carrier Diesel Technology and Welding Center. We went into a partnership with the

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Acklie Charitable Foundation, very significant project. There's a massive shortage of diesel technology mechanics and diesel ag mechanics, so this is going to be a game-changer for not just the Lincoln area but for all of Nebraska. And this will be open in about six months. I'm going to skip to this one. This is a new 82,000 square foot health science facility. This facility will support all 16 programs. Right now, I think the-- the-- the-- the local economic department, I think it's 4,000 short-- there's a shortage of 4,000 nurses by next year, so this is going to really be a tremendous opportunity, again, not just for Lincoln, Nebraska, but all of our rural areas as well. There's going to be advanced distance learning technology in this building that's going to allow us to push programming out to our learning centers. And one of the things we do is make sure, when we're looking at something this complex, that we understand what the demand is, and this is just an example of one study that we did. The other thing I talked about was we need to increase the pipeline of students interested in going into career and technical skills. One of the ways you do that is you keep it very affordable. You can see at the bottom community college is about \$3,000 a year for tuition. The other thing we can do is offer very specific-- specific pipeline programs, and we have a career academy program here in Lincoln. And we have what's called Southeast Nebraska Career Academy, and that's for our rural areas, where you can earn college credit if you enroll in one of about 16 career and technical

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pathways. All of the community colleges are doing both of these things. They're building out their capacities and they're offering these types of opportunities for high school students to learn about career and technical. So what can we do legislative-- in terms of legislative strategies? Last year, we introduced a bill called LB27, has no fiscal note associated with it. But what it does, it gives us-- our boards flexibility. Right now, our boards only get 2 cents that they can apply in their property tax levy toward capital. This removes the 2 cents and allows the board to use their full 11.25 for either capital or-- or general fund, whatever is needed. The other thing is we can incentivize public-private partnerships. And then what we've been talking about most of this morning is we can provide scholarships or debt-reduction initiatives for new target, new markets that we're not currently addressing. So with that, I'll take any questions.

BOLZ: Thank you. Questions here? Go ahead, Bob.

HILKEMANN: Just a quick question, Mr. Illich. You-- you said-- particularly, you said for healthcare that one of the things that's limiting you is the lack of physical space. It would seem to me it would-- it would be more a lack of clinical opportunities. Is that-- is-- is-- is that what we're-- is that the-- a better term than physical space?

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PAUL ILLICH: Well, for us, it's physical space and-- and clinical space. And one of the great things about this new facility is we're going to have a simulation center that's basically on three of the floors. That's going to allow us to have clinical space in that building so we can do the-- do the required clinical practicums.

HILKEMANN: And is that facility being built now?

PAUL ILLICH: Yes, it is being-- it's about halfway completed. It will be open a year from now. So if you look to the right, it's coming out of the ground. It's the first building you see coming into the east of Lincoln on O Street. So that'll be operational; we'll actually bring students in January of '21.

HILKEMANN: And how many health careers will be-- will you be able to-- or will you be supporting?

PAUL ILLICH: There are 16 different health science programs, so it's going to be designed to be like a health science facility. There's almost every program you-- radiologic technology, respiratory care, nursing, medical assisting, dental assisting. It's all going to be in that building. All of our health science programs will be in that building.

HILKEMANN: Thank you.

BOLZ: Could you just briefly say a little bit more about your public-private partnership idea? Specifically, can you help me understand how tax-exempt status would be appropriate when you've got that private partnership?

PAUL ILLICH: So the other-- there's other states had-- that have specific legislation that allow a developer to come in and partner, for example, with a state college, community college, or the university, and when they do that, they wouldn't have to pay sales tax or property tax on that facility if-- if they're partnering with a local education entity. We do not have that here in Nebraska. We do have some public-private partnership initiatives, but we don't have specific legislation that would incentivize that public-private partnership. And that's becoming very popular across the United States, so that's why I put that as an option. But it would allow a developer to, one thing, partner with the community college, as an example; they would have the tax-exempt status for that particular project and allow us to spread those tax dollars out and really go after, you know, this need to build out our capacities.

BOLZ: So what you're proposing is a circumstance where, say, Kawasaki would partner with the community college and because it's a training center, that would-- that's what would make it an appropriate fit for tax-exempt status? Is that the [INAUDIBLE]

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PAUL ILLICH: Well, this-- that's actually an-- a very interesting idea that really wasn't what I was thinking about but-- necessarily like a Kawasaki. This is more like a developer that-- let's say you needed to build a new-- some sort of a new facility for, let's say-- let's say a new welding facility. So you might have a-- a developer come in and they partner with you. They can do it at a much more affordable rate if they have that tax-exempt status. So they-- what you're describing, Senator Bolz, is-- is a little bit different. What I'm sort of focusing on is, how do we leverage our situation to kind of build out our capacities in a-- in a faster way that would be attractive to developers, because otherwise, if I have a developer come in and I were to do a lease-to-purchase option, I would have to pay them-- they would have to build in that cost of having to pay the sales tax and the property tax and I'd have to pay that full cost, and that would be a hard sell to my board to be able to do that.

BOLZ: So what you're proposing is that if you're building a-- it's not-- maybe I'm not understanding fully, but it's not really a public-private partnership. It's a facility that is for community college purpose.

PAUL ILLICH: Right.

BOLZ: It just would be built with tax-exempt materials.

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PAUL ILLICH: Right. They-- in-- in the literature, they refer to that as public-private partnership. But it's really-- it's a-- it's another strategy to try to create flexibility so we-- one of the things about community colleges, we do not have state authority to receive dollars for capital construction. We have 2 cents. That's why that LB27, I think, would be a really wonderful opportunity, great flexibility. No fiscal note, but it allows you-- allows boards, gives you local control to say, you know what, SCC or another college really needs to concentrate on building out its capacity; here's some flexibility to do that. This would be the same sort of thing.

BOLZ: Thank you. OK. Thank you for your testimony.

PAUL ILLICH: Thank you.

BOLZ: Good morning.

JIM SUTFIN: Good morning. So can I start?

BOLZ: Please.

JIM SUTFIN: Excellent. All right. Thank you. Thank you for hosting this hearing. Senator Bolz, Senator Stinner, members of the Appropriations Committee, my name is Jim Sutfin, J-i-m S-u-t-f-i-n. I serve as the superintendent of the Millard Public Schools, and I'm offering testimony for LR210. I'm really grateful that we're having this conversation around workforce development. I do not believe that

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Nebraska is different from any other state in the fact that we must address issues around H3 jobs. States and communities that can get their arms around this challenge will flourish and those that don't will not receive the direct benefits that come from a highly skilled workforce. So each year in state in Nebraska, about 25,000 students graduate from high school. Nebraska students do well on their ACT. In the United States-- and I'm sorry; actually have a typo. In the United States, 17 states give the ACT to all their students. We are one of them and we rank fifth out of those 17 states. And you can see who our competitors are: Wisconsin at 20.5; Kentucky, one-- one-tenth of a point ahead of us. And the score of the ACT ranges from 0 to 36 with 36 being perfect. Now the ACT, we know that it is a good predictor of first-year college success. The higher you score, the more likely you are to earn a grade of B or C in a college-level course. High ACT, a high GPA are really excellent predictors of success. So how good is good on the ACT? The following chart that you're looking at breaks it down. If you score a 27 or better, it means you're in the top 14 percent in the country. And my testimony today is going to really focus around that top 14 percent. So if you score-- out of all the kids in the country that take the ACT, if your score is 27 or better, you're in the top 14 percent. You could build a pretty good team with that. As mentioned before, each year we graduate 25,000 students from our Nebraska high schools. No matter which way you tally up the numbers, if we want to sustain growth and jobs in Nebraska, we need a

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population base. Even with 25,000 graduates entering college and the workforce, if we keep them all, it probably isn't enough, and we know we're not going to keep them all. The Department of Ed provided me some data on the number of students scoring 27 or above graduating the year 2017-18 and according to their records, about 2,200 students in Nebraska score at the benchmark of 27 or higher. When you look at NDE data for this cohort, with a score range of 27 to 36, approximately 25 percent of the students leave the state to go to school; 68 percent stay in the state; and 8 percent do not attend college. One in four students who score in the top 14 percent of the country leave our state. This becomes more troubling when you begin to look at the highest scores on our ACT. So the following chart that you see below represents 30 and above, which puts kids in the top 6 percent of the country. It's a pretty-- pretty high watermark. And if you go down through on the right-hand side of the column, you'll see that a score of 30, 71 percent stay in state; 31 at 61 percent. When you start to hit 34, it's 53 percent; 35, it's 41 percent. And when we hit the perfect ACT scores, which we had nine last year, I believe, in the state, it's one in three. In my own district, we graduate about 1,650 kids every year; of those 1,650 seniors, roughly 15 percent of them score a 30 or better on the ACT. These-- the results are consistent with the state data. The chart that I shared with you on the paper copy of my testimony shows you the number of Millard students. On the top row of the chart is their ACT score; on the bottom of the chart,

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the percentage of students attending UNK, UNO, and UNL by ACT range.

So if you just flip the page, you'll see the percentages and it stays consistent with the state. So whether you're looking at the state of Nebraska or diving into one district, it appears you're losing some of the most talented students to other states. What is the solution? I don't think there's a magic answer here. I don't think there's one magic bullet. I think there's something-- think we have to do multiple things at one time with some level of consistency and some level of rhythm. But the H3 scholarships that target high-needs area of the students who meet high standards is one of the important ones.

Providing financial incentive for students who score in the top 15 percent in the country on the ACT could be significant. Not only does it honor their work, but it sends a message to them that you are important to the state of Nebraska. The scholarships serve as a carrot that will help students select careers in high-need, high skill, high-wage areas. And that carrot, I don't think we can forget about the family. When a student is selecting a college degree and there is opportunity to go into a high-skill, high-wage, high-demand job, and there is a financial incentive there, I believe that engages parents and I believe it engages families to have conversations about selecting careers that are in that high-skill, high-wage demand area. I think we can't overlook the importance of the family in helping us grow the economy of the state of Nebraska. I know that in my own house, if my child has scored above a 27 and they're thinking of one

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degree that is not in the H-- in the H3 area, and the other area, there is an H3 area and there is scholarship money there, we're going to have a serious conversation about what you're going to major in. That, I think, is what you guys have the ability to do is to provide the incentive and the legislative piece [INAUDIBLE]

BOLZ: You have a red light there, if you--

JIM SUTFIN: Yep.

BOLZ: --want to wrap up your remarks.

JIM SUTFIN: All right. So I'll close with this. In the past year, along with Avenue Scholars, we've piloted a competitive internship model aimed at H3 jobs. The program is called Intern Omaha. We've been focusing on business, automotive, diesel technology. This next year, we're expanding the program to middle school-- to multiple school districts in the area and growing our business participation. I want to-- I'll close with this. One of the students who was in the intern program this year scored a perfect 36 on his ACT. He only wanted to attend MIT. He interned at Mutual of Omaha, alongside his-- alongside college interns and by the end of the summer, he'd made a commitment to apply to the Raikes School, Peter Kiewit Institute, and Iowa State, pulling himself back into the region of the-- region of particularly the state of Nebraska because he saw the value of the internship and

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those folks that he was interning with. With that, I'll take any questions that you might have, and I'm sorry I ran over all my time.

BOLZ: Go ahead, Senator Hilkemann.

HILKEMANN: Yeah, thank you, Senator Bolz. Dr. Sutfin, could you-- I mean, you got kind of cut off. Can you tell us more about that Intern Omaha program?

JIM SUTFIN: Yes, sir. So the-- so this is a competitive process where students apply for internships. The internship is truly an internship; it is not a part-time job. So they complete a professional skills class which is dually enrolled at Metro Community College. They take that class before they step foot into the workforce, then they intern the entire summer anywhere between 20 and 40 hours a week, depending upon the business, and then that internship continues into the fall. So they are now stepped back to working 10 to 15 hours a week in the internship and they're now taking a capstone class at their high school. That Capstone class is-- so if you-- if you had an internship at auto/diesel then you are taking our small auto-- our small diesel engine course. If you interned in accounting, you are now taking one of our accounting courses. If you interned in IT, you're now taking one of our computer programming courses so that not only do they get an opportunity to develop the soft skills, have the business exposure, they then get a chance to loop back and develop some more of the hard

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skills, some of the content knowledge. It's been very, very successful. The businesses that signed up this year have all signed up again. We have a meeting coming up where we have, I think it is, 71 businesses that have now RSVPed to come learn and potentially host more internships. This-- this next year, next summer, the Omaha Public Schools will be involved; the Ralston Public Schools will be involved; Douglas County West Public Schools; Westside Public Schools; and Millard. The concept that we floated last year only involved Millard schools and then some selected students from other districts so that we could find out what we didn't know. And it has been-- it has been an incredible learning experience for all of us. But I'm telling you, you listen to the kids, you just listen to the kids, they will tell you-- they will make statements like, I get to do real work; I actually had a job in something I was interested in; if this internship could pan out for me, I'll stay here to go to school. It's that emotional connection and it's that-- them seeing opportunity right here. And I cannot begin to tell you how important that is. And we have such a great opportunity to do something around that as a state.

HILKEMANN: Competition for these internships?

JIM SUTFIN: Fierce. We-- we offered up 40 internships and we had 230 kids apply for those 40 internships. We would have offered more internships, but that's what we could get done. I'll tell you that it

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has been-- that's been the heavy lift is getting more and more businesses to sign on.

HILKEMANN: It-- so it's a matter-- so as far as having more opportunities, it's a matter of having more places to set-- to place the interns, right? You need--

JIM SUTFIN: Yes.

HILKEMANN: But it's not a matter of finances; it's a matter more of companies becoming aware of the-- of the potentially improving--

JIM SUTFIN: Yep, and committing-- and committing to it. Yes.

HILKEMANN: Do you have-- do you have a full-time administrator that's working on this program?

JIM SUTFIN: No, I do-- Dr. Phipps, who is our associate superintendent, and myself, we do most of this work in the evening. We have not spent any dollars to do this. Now we, on the other-- on the-- on the side where we're recruiting businesses, the Aksarben Foundation has stepped forward with a small grant to help us as-- and it's-- that's given us some more opportunity to have bandwidth to connect businesses. The Ave-- the Avenue Scholars program that is run by Dr. Bird has been really the-- the infrastructural support, so it's partnership.

HILKEMANN: Is there things that we can do as a Legislature to help you in your program?

JIM SUTFIN: I really-- I really-- I-- yes, sir, I do believe there are things we can do. I think-- I think incentives for businesses to participate in internships is an opportunity to move businesses forward. What-- what's in it for them? Is there-- are there incentives that would-- would bring them more to the table? This model that we have built has an unbelievable technological infrastructure to it, and it is portable. It could-- it could go anywhere in the state. Instead of it being Intern Omaha, it could be Intern Grand Island or Intern Sidney or Intern Chadron. But it's getting-- we-- I believe we are at the tip of the spear, and maybe a little bit further down that tip, of where we may never recover with the population base issues we have. We've got to be seamless between K-12 education, community college education, university and state college education, and business. It should be transparent and it should be a pathway for our kids that they know it at the time they walk into kindergarten that you, too, can have a job that will support your family and here's what you need to do to get there.

HILKEMANN: I'm sorry, is this-- I'll-- I'm-- go ahead, Senator. I'll-- I'll come back.

BOLZ: Go ahead, Senator McDonnell.

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McDONNELL: Dr. Sutfin, thank you for being here.

JIM SUTFIN: Thank you.

McDONNELL: I want to learn a little bit more about this, give you an opportunity to brag. You had 93, I believe, Millard South students this year that graduated. The day they graduated from high school, they had 60 hours of-- they had their associate's degrees.

JIM SUTFIN: Correct.

McDONNELL: Out of those kids, what was the average ACT score and how many of those kids stayed in the state to continue their education?

JIM SUTFIN: I do not know the average ACT score, but I can get that for you. It was pretty substantial though. It was-- it was-- it-- I can tell you that it was higher than what the building average was. The rate of poverty in the program matches about the rate of poverty that is in the schools. We've tried to-- we've tried to accommodate to make sure that it's equity in access. The majority of those kids stayed in the state. But I'll also tell you that Metro Community College has done a phenomenal job with their-- with their dual enrollment credits and the articulation agreements. We had-- we had some students that did go to Arizona State, Arizona, and 100 percent of their credits transferred. Fabulous-- fabulous program-- they actually graduated before we-- before our high school graduation date was, so they walked in to get their high school diploma while they had

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their associate of arts degree. And I would be remiss if I didn't thank that Peter Kiewit Foundation, who has underwritten a substantial amount of staff development cost for this program. And that program, too, was built with the idea that it is portable to any school district that would want to use it.

McDONNELL: So what's your plans for the future with that program?

JIM SUTFIN: So we're at capacity. We have right at 600 students in the program now. We have capacity for between 150 and 175 per grade level. If we can increase the bandwidth, we have more kids that want in. We cannot honor every request of students getting in the program, which is a good and bad thing, right? You want to make sure that you have-- a competitive process makes it so people put their A-game forward. But we-- we need-- we do see a need to expand that opportunity. But the-- we've just not had the resource available to do that at this time.

McDONNELL: Great job. Thank you.

JIM SUTFIN: Thank you.

BOLZ: Go ahead, Senator Vargas.

VARGAS: Thank you very much for coming.

JIM SUTFIN: Thank you.

VARGAS: This is very encouraging in a lot of different ways. First, I echo Senator Hilkemann's comment about internships at-- you know, as part of this study is to try to look at everything that is going to help us fill these H3 jobs, and one recurring theme I'm seeing is that access to internships and the-- the experience and-- and, you know, getting in and then securing a job afterwards, this is a little bit of an in-between that is going to help people and retain them and tells me we should be doing more in that arena and figuring out what-- what are the strategies there. The second piece is, you know, hearing from the Nebraska community colleges' H3 is-- this one is an observation. Seeing the H3 occupations at our community colleges-- nurses, construction managers, engine specialists, you know, electricians-- I'm-- I am particularly encouraged, looking at this data, because if this data is telling me that, you know, getting a 27 is in the top 14 percent of the country, and even if you're just looking at people's scores of 30, so according to this, scores of 30, we're retaining 71 percent of the scores of 30? Is that what [INAUDIBLE]

JIM SUTFIN: That's the data that NDE provided.

VARGAS: That is pretty-- pretty good. I think that's really great. If we're getting 70 percent of the people like at 30, and knowing that as you continually go down from 30 to 27, that's like-- you're-- there's more individuals there, right? There's going to be fewer individuals at the top end of 30 to 36 just-- just generally, obviously. That's

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really encouraging because then if we're getting people that are in this 70-- you know, the 75th to plus best-- or, sorry, the top 25 percent students, right, that are probably getting somewhere between a 25 to 29, you know, ACT score, I'm encouraged because then that means they are more than qualified to then enter what I'm seeing as some of our H3 jobs in the community colleges. So that's just more of good observation. I don't want this to be viewed as a black or white, we're either not doing it well or we are. Clearly, we are doing something really well and it leads me to believe maybe we should be trying to focus more of our efforts in a specific-- because we are talking so much about the ACT scores above a certain-- maybe we should talk about the ACT scores on what-- on the population that we're doing really well in and then just increasing in that area so that we can get them into the jobs that are truly good, a really good match. So it's just an observation. It's really encouraging seeing that, that data point, and thank you for your work.

JIM SUTFIN: Thank you.

BOLZ: Senator Clements.

CLEMENTS: Thank you, Senator. Thank you, sir. My question is-- I'm not that familiar with internships. Do any of them receive a wage?

JIM SUTFIN: They do. The program that we're running, which we call Intern Omaha Youth-Business Community Partnership, is a paid

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internship model. The kids-- the kids need to learn about the wage, right? What we have said to businesses, this is not-- this is not charity and this is not volunteerism. We don't want you to create-- create experiences with them. We want you to give them a meaningful job, push them and stretch them. It's-- it's hard to not talk in examples. We have a-- we have a young lady that interned this summer. It was one of the companies that was very skeptical, in Lozier, and which is-- which is a shelving company. And they had-- they-- they kind of reluctantly came along and they were-- they're a great company, great people, great ambassadors of our city. Their-- their goal was to have her put into production one IT project and she put in three. Now you go talk to that young lady? Holy cow, she is motivated and she is feeling engaged. She's so good and she's so busy with her other activities that at the end of the summer, she was going to have to not be able to continue the internship, but they are-- they are carrying-- they're allowing her to continue and to work remotely. So she is working ten hours a week in IT remotely, and that-- it is another opportunity of a skill development. So I-- I-- I hope that's answering your--

CLEMENTS: Yeah, it's--

JIM SUTFIN: --that's answering your question.

CLEMENTS: It is, thank you.

JIM SUTFIN: And the-- and the kids, they've-- they've been making between \$12 and \$16 an hour. They're making good money doing this and that's--

BOLZ: I've got sort of an observation and a request more than a question. I'd like to explore from a policy perspective. If we are to move forward with funding and incentivizing a talent initiative, I need to better understand what we are trying to incentivize with talent. And forgive the anecdote here, but what I'm trying to express is, you know, for example, one of the things that is on your H3 list is diesel engine specialists. My cousin Ben is a diesel engine specialist. He brags every Christmas about how much better he's doing with his degree than I'm doing with my master's degree, and that's-- that's-- touche. Good job, Ben. I'm very proud of him. He's doing great work. I guarantee you, I crushed the ACT and he probably didn't even take it. My point is-- is not family dynamics. My point is I don't think that ACT or even GPA equals talent or equals the talent that we're trying to attract and retain. And so this is less of a question for you and more of a question or request from anybody who's listening. If there are other ways to define that, let's explore that from a policy perspective.

JIM SUTFIN: Could-- could I add something?

BOLZ: Sure.

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JIM SUTFIN: I think that we put out an awful lot of graduates that have degrees, and those degrees are in the wrong areas. And having students earn degrees in the right areas is fundamental to K-12, Community College, state and university and business working together. We certainly, as a public school, provide advisements to-- advisement to students. But I will tell you, advising students, when you're using teachers to be advisors, and I have-- and even me, right? I'm a teacher by trade. We don't know what we don't know, and we don't really have a good handle on how fast the workforce is changing and what those job skills are. That's where we come back to the comment earlier about this has to be seamless. I have personal stories of this. I have a son that just graduated from the University of Nebraska with an accounting degree. He had a job before he started his senior year because he was in a high-skill, high-wage, high-demand job. I have other relatives that chose different degrees who have now graduated that are struggling to find employment that will be a livable-wage job because the degree does not match what we need in the world of business. Can I say one last thing and I'll be quiet? I know that in our family, when we have family advisement, you don't have a choice when you go to college but to take a pathway that leads to a license. Whether you want to go to a two-year school or a four-year school, we don't care, but at the end of it, you are going to have a license because that entitles you to do something that somebody else can't do. And that drives economic family development because you have

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an employable skill that has been signed off by a credentialing body.

And that-- I think that is extremely important and that's why I support the H3 scholarships because that's what it's talking about doing.

BOLZ: I-- I think that's fair. I think my point is just that I think many people can succeed in those industry-credential jobs--

JIM SUTFIN: Agree.

BOLZ: --that never take the ACT or get a 20 on the ACT or get a 32 on the ACT. I-- my comment is, I think, if we're shaping policy around this, we may need to be more nuanced than an ACT cut score.

JIM SUTFIN: Fair. Thank you very much.

BOLZ: All right. Do I have-- oh, sorry. I'm sorry, Senator Hilkemann.

HILKEMANN: Just one quick question. Dr. Sutfin, you mentioned different schools in the metro area that are-- that are trying to-- have you had any interest outside of the metro area? Are-- are some of the other school districts now contacting you about this particular program?

JIM SUTFIN: So we-- we-- friends and colleagues across the state, we've had many conversations. I will tell you that there are some places across our state that are doing it way better than what we are in Omaha right now. So we're-- we're trying to steal some of their

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ideas. It's-- there's a-- there's a whole camaraderie amongst the superintendents in our state, so I think it's a matter of sharing. And we're-- as we're getting ready to ramp up this next year, to learn what we don't know yet will be really, really telling.

HILKEMANN: Thank you.

JIM SUTFIN: Thank you.

HILKEMANN: Applaud you for your efforts.

JIM SUTFIN: Thank you guys for-- thank you for your time. Really appreciate it.

BOLZ: Do we have further testifiers? Good afternoon.

JASMINE HARRIS: Good morning, Senator Bolz and members of the committee. My name is Jasmine Harris, J-a-s-m-i-n-e H-a-r-r-i-s. I am the newly appointed, if you will, director of policy and advocacy for RISE. We are a nonprofit that works with people who are incarcerated and formerly incarcerated. We run a six-month program in some of the state correctional facilities where we focus on employment readiness, character development, and entrepreneurship. And I come and offer you a different perspective on the H3 jobs than what we've heard today. We work with individuals, as they're going through our program, on their resumes, on career trajectories and what their goals are when they are releasing from the facilities. We have them work on a reentry plan.

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And as we're working on those, we gather what their skill sets are and we look at what is available out here in the communities as they're coming home from after incarceration. Before I was put into this position, I was the program manager for the postrelease, so I worked very closely with individuals as they started coming home and I had to make connections with organizations in the community that offered services. That would assist us when it came to getting people employment. One of those early connections that I made was with the Heartland Workforce Solutions, which is in Omaha, which is where their American job center was located, and made connections with the different agencies that worked out of that building. The Nebraska Department of Labor was one of our very first connections that really drove home the H3 positions that were out there. A lot of the things that they focused on are those apprenticeship programs, those construction jobs, things like that. And so we found out that there were different funding pools that our participants could connect to and try and make waves as they started getting back into the employment area. They also had a very high focus on people who were coming back home after incarceration, so the Department of Labor made it a focus to start really looking at how do we connect our individuals with employment. Another one of the connections that we made in the community was with Metro Community College and their 180 Re-entry Assistance Program. They were one of the only-- they were the only community college in the state of Nebraska to pilot the Second

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Chance Pell Grant for individuals to get education as they were incarcerated and coming out into community corrections. And we started to make sure that we pointed our people that way. One of the things that we see, people feel like that they cannot go into the positions that they have the skills and qualifications for coming home after incarceration. These are skills that they had before going in that filled these H3 jobs, skills that they learned while incarcerated. So as we are looking at how do we maneuver around this work shortage, we've found that we have an untapped talent pool in our individuals who are coming home after incarceration. And I just come to the committee today asking that you think around that as well, not just the students who are coming through with high ACTs, things of that nature, but the individuals who don't take the ACT, the individuals who have the skillset when they're coming home, people who have the desire now, as they are coming home and seeing that they have-- they have a new outlook on life and they need those employment-- the opportunities to get back to the community, to help themselves, and to help their family as they continue to progress. One of the things with our population as we look at about 80 percent of those individuals, if they are rearrested, they are unemployed at that time of rearrest. And we have to make sure that we are looking at employment as a tactic for lowering our recidivism rates. It not only helps those individuals. What we see with our work are generational cycles of incarceration where we have parents and children who are incarcerated. So if those

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parents are able to have those skill sets and get those H3 jobs to be able to provide for their families, then those children then have someone to now model themselves after. And I thank you for listening to me today. Thank you.

BOLZ: Thank you for your testimony. Go ahead, Senator Hilkemann.

HILKEMANN: I-- I-- thank you for being here.

JASMINE HARRIS: Yes.

HILKEMANN: And it's very appropriate. I've-- I've been familiar with this particular program all the way when I was introduced to it, the PEP program down in Texas.

JASMINE HARRIS: Yes.

HILKEMANN: And I know that the Stinson Foundation started the initial funding for RISE. Are-- how is the funding for RISE right now?

JASMINE HARRIS: We are all privately funded right now. We have some-- the support from a lot of the foundations here in this-- Nebra-- in Omaha and the Lincoln area, and we continue to be privately funded and through some of our individual donors.

HILKEMANN: The-- yeah, I-- I have had the opportunity to be one of your mentors at one of your-- one of your programs. And any of you, as state senators, if you ever get an opportunity to get an invitation to

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be-- to go to see these prisoners in their-- in their work-- in their environment, in this learning environment for this entrepreneurial support, take it. It's an eyeopener, so just-- it's fabulous program that you got.

JASMINE HARRIS: Thank you.

HILKEMANN: Thank you.

BOLZ: Go ahead, Senator Dorn.

DORN: Thank you. Thank you for coming. What-- is this something they voluntarily go through the program or do you-- are all of them specifically going to go through the program when they're released?

JASMINE HARRIS: No, we-- our program is volunteer based only. We are not a required programming for Department of Corrections.

DORN: What percent are you getting to go through the program?

JASMINE HARRIS: We've served-- the last I checked, it was like 10 percent of the state prison population, and we've only been here for three years. And right now, we currently have over 300 graduates of the program.

DORN: So hopefully that in-- keeps increasing.

JASMINE HARRIS: Yes.

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DORN: Yes.

JASMINE HARRIS: Thank you.

BOLZ: Go--

JASMINE HARRIS: Does-- do--

BOLZ: Go-- go ahead--

HILKEMANN: Do we have a little more time, Senator?

JASMINE HARRIS: Am I between you all and lunch? [LAUGH]

BOLZ: Can-- can I just get a quick show of hands of the other
testifiers we-- we have? One, two, three, four? Go ahead, Senator.

JASMINE HARRIS: And you can reach out to me for--

_____ : No, this should be--

HILKEMANN: I-- I happen to-- to know what RISE is about. Could you, in
about 90 seconds, explain it to some of the-- for example, Senator
Dorn obviously didn't even know about the program. So--

JASMINE HARRIS: Yes.

HILKEMANN: --could you in about--

JASMINE HARRIS: So our program is offered in seven of the facilities
right now. Well, we serve community corrections. We don't actually do

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the program. But it's a six- to seven-month program, depending on how they track throughout the facilities, that really drills down on employment readiness. So we're looking at resumes, personal statements, how do you talk about your incarceration when you come out to potential employers, landlords, things of that nature, character development pieces where we're really digging into-- a lot of people carry guilt and shame with them that they haven't dealt with before-- what are your self-limiting beliefs, what is that tape that plays over in your head that keeps you from moving forward, how to make a meaningful apology, things of that nature. This-- as we stepped away from our national organization and became our own, we started incorporating a lot of the Gallup strength science in there, so we want to come from an area where people have strengths and know that, what they are good at, and not what they've been told, that they've been weak and worth nothing their whole lives. And then we talked about-- teach entrepreneurship. So one of the main things that we do, we have a business pitch competition at the end of our program where individuals have worked on a business idea throughout. It not only gives them business concepts, but it also gives them those skills that can be used in regular employment where it is coming up with an idea, thinking it all the way through, and analyzing and then presenting on that idea. And what Senator Hlikemann talked about was halfway through our program, we offer what is called a coaching day where we bring in upwards from 30 to 50 volunteers into the state facilities to work

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with our individuals on coaching them around their resume, coaching them on interviewing skills, and then giving them feedback on their business ideas since we don't have access to market research capabilities, like the Internet, in the facilities.

HILKEMANN: Thank you.

JASMINE HARRIS: You're welcome.

BOLZ: Thank you for your service.

JASMINE HARRIS: Thank you.

BOLZ: Thank you.

DANA BRADFORD: Good morning, everybody.

BOLZ: Morning.

HILKEMANN: Morning.

DANA BRADFORD: My name is Dana Bradford; it's D-a-n-a B-r-a-d-f-o-r-d. I'm here on behalf of the Omaha and the State Chamber. Both Omaha and the State Chamber have worked really closely on workforce development efforts and, you know, we're continuing to do that. I appreciate-- I got here early and I-- it was nice to hear a lot of the questions that were asked. I think you guys are getting right at some of the issues. What is being handed out, I'd like to have my comments really surrounded or be connected to the slides. The attempt here is really

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to get at the numbers. There are some questions you guys have been asking, and so there are some things that we're working hard to understand and try and understand strategies that can end up with the kind of solutions that will make the impact we're looking for. So one of the big questions is, when you talk about supply, and-- and that question was asked today, what's the demand we're looking for? You know, when you-- when you look at supply, it's really kind of sitting in three areas. And I'll make this-- I'll reference this as organic supply. This is supply that sits in the state of Nebraska today. I think everybody knows, in addition, we've got to figure out how to bring people to Nebraska in order to meet our-- our workforce needs. But you've got to start with taking care of the people that are here. Those are the-- those are the resources that we can control and bring forward into the workforce. Today, you've got 104,000, approximately, in high schools across the state of Nebraska. Year in, year out, your state's graduating about 26,000. Community college might be down a little bit from this, but it's been around 65,000. There's about 8,000 awards annually. And then in the four-year undergraduate arena, there's 70,000 students enrolled and about 15,000 are-- are put out. Then the next column to the right really attempts at showing, all right, how many of those people will enter the Nebraska workforce? There's-- there's an ongoing estimate of how many kids come right out of high school and go to work. That's what this number implies. About, as I believe you heard earlier, 90 percent of the community college

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graduates will stay in Nebraska, so there's your 7,200. And then roughly 70 percent of four-year graduates will stay in Nebraska, so that's about 10,000. That totals 25,000. So let's assume that we could keep them all. That would go against a workforce demand of about 50,000. So when you look-- when you talk about demand, what are we shooting for, it's 50,000. I can tell you just quick math, and I'll get through these slides in my allotted time, then certainly allow you guys to drill down on these. If you're looking at community college, you know, this enrollment needs to go up to probably 85,000-100,000 over a period of time of probably five to eight years. And we need 12,000 awards a year, not 8,000, maybe 15,000. We think that's possible if we can get the growth. The four-year needs to be 22,000 undergrad degrees, which means you got to get up. And what's interesting about that, the only way you're going to get that enrollment up is through the University of Nebraska system. It's the big engine in the room. The other schools do great work, but they just don't have the capacity for that kind of growth. If we don't get that level of what I'll call organic output through these institutions, that means we have to go out and steal them, the workers, from other states. And that's getting harder and harder every day because all the states are doing the same thing we are; they're trying to hang on to everybody they got. So that's a good segue into the next slide, which is population. So if you go to slide 2 with the Christmas arrows, I always like looking at this stuff in gross. You guys probably tend to

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look at this data in net. It's often presented in net terms. This is grossed up to show how many people domestically leave the state, how many domestically arrive, how many foreign immigrants do we have come into our state and where does our population shake out? What's interesting is about 50,000 people leave the state, about 50,000 people come into the state every year, so we have a net migration of basically zero. What's interesting, though, is you got this-- you start to ask yourself, all right, wait, of the 50,000 that are leaving, what are we getting back? And that'll take you to the third slide, and this third slide should probably-- should be a concern to us all because this represents the third leg of brain drain that Nebraska did not previously have, and that is that graduates with a bachelor's degree or higher, 25 and older, are leaving the state, and that was never the case before. We always-- if we were fortunate to get someone to come in here and start a family in Nebraska, they tended to stay, high rate of retention. What's happened here is this isn't about a negative about Nebraska; it just goes to how competitive it's getting. Companies are walking into our employment population and they're taking our best and brightest. And so when you hear from employers around the state talking about how hard it is to find workers, this is a big part of it. And with that, I'll-- I'll turn it over to questions and I'm happy to answer any questions at all across any and all fronts, including these slides.

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BOLZ: Thank you. Go ahead, Senator McDonnell.

McDONNELL: Thank you for being here. You've sat through the testimony from this morning and-- and these-- these numbers are just shocking. What would your game plan be to-- for the state to meet this challenge with government, labor, education, and business all facing this challenge together?

DANA BRADFORD: Well, I would tell you the-- the people that spoke today, when you look at the commitment of the community colleges, we're fortunate to have that network positioned the way it is in Nebraska. I really like everything I'm seeing about the university; the outreach with the private sector is-- is significant. To a comment that Senator Vargas made, you know, the-- you've got to come at this from both ends. There-- if you took 104,000 kids in high school, and I don't disagree with your comments on ACT, by the way, but it does give you an indication, a snapshot, if you will, of how are these kids positioned to address the workforce academically? Are they prepared to read and write and do some basic things? How are they set up? If you look at the ACT scores, statistically speaking, 25 percent, or 25,000 kids, are sitting there challenged to walk their way into the workforce. And there's plenty of programs out there. The one variable that has been absent is the private sector, and I think you guys alluded to that. The private sector has to figure out how to come in and walk in and grab these kids by the hand and bring them into the

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workforce. There is a lack of belief system. There is a disconnect. You guys were in-- alluding to it earlier. I see situations where there's opportunities in north and south Omaha but nobody shows up for them, and it just doesn't make sense. And when you really drill down, it's because you got to go get these kids; you got to really educate them on that this opportunity is real, this opportunity is attainable for you. The belief system isn't where it needs to be in a lot of parts of our education system, and that's no indictment of the educators. We're fortunate to have the ones we do. We as a private sector have to step up and educate these kids on the opportunities, inspire and motivate them and make it simple. You show up at an internship; you engage; you go to a community college; you go to a four-year; and there's a job for you. The career paths have gotten pretty murky over the last 25 years and we've got to bring it back. And so it's private sector engagement. The other thing I'd say, and I think you, Chair Senator Bolz, alluded to this on the how do you incent this behavior; you know, how do we come together? You know, the state, if the state can step up and-- and make an investment in H-- in H3, for example, you've got to do it in a way that inspires the private sector to do it right with you. It's got to be hand-in-hand. This is a private sector/public sector investment. If the state pulls back on funding, so will the private sector, so will the philanthropic community. State needs to understand you step up with money, private sector money is coming, philanthropic money is coming. I think the

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leadership of the state and the opportunities with you guys to do that put some strings on it, say we're willing to do this, this, and this, but we got to see this, this, and this. I think everybody's ready to step up in that kind of a partnership fashion, but it's going to require some understanding from the state as to what the state wants to do and how it wants to do it, and I think the private sector will respond. And I think we can address these issues pretty significantly and fairly quickly.

BOLZ: Go ahead, Senator Vargas.

VARGAS: Thank you. Thank you very much for being here, Mr. Bradford. So I think it was last week the Economic Development Task Force met. These days are just like flying by. We met and we had a couple different people come and give us some presentations. And one of the presentations was on-- it was-- it was looking at-- at-- it was a survey of both employers and employees and what are some of the barriers to entry into the workforce. And I think it's nice to hear a little bit, and I want to get your thoughts on this, the number-one reason from employees that they're not able to then enter the workforce was wages. Wages weren't keeping up and that-- that coincides with some of the data we're seeing in terms of lower wages in certain jobs, which is what we're talking about. We have high-skill jobs and people aren't in them-- or high-wage jobs and people aren't in them, so that kind of matches up. And then on the employer side, it

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was-- one of the number-one or -two reasons was that people don't have the skills or are not ready to ent-- to do some of these jobs that we have. So with that, with those things, and I know the chamber has been having-- both chambers, State and Omaha Chamber, have been having this conversation, what-- what is the main priority then, because I'm trying to wrap my head-- so incentivizing these scholarships is one strategy. But given what I just said and even what you just shared, what are the other things that the chamber is trying to then focus on to then address those, that issue with wages and with skill and readiness for these jobs?

DANA BRADFORD: Yeah, there-- there's a-- there's a lot in what you just said--

VARGAS: [INAUDIBLE]

DANA BRADFORD: --and there's a lot of complexity here, and I'll attempt to approach it a couple of different ways. The first is, one of the things that's upon us is the workforce has never been more mobile on the high level. HDR, and they'll probably hate me for citing them, they could relocate to Dallas tomorrow. They could literally unplug their laptops and move. I mean, that's how easy those jobs could vacate Nebraska. When you talk about a diesel mechanic, those jobs, those companies have to-- their business is here. They've got to figure out how to get that workforce, so we've got to figure out how

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to inspire companies that can leave to stay and invest and fight here. Everybody is going to fight somewhere for their employees. The-- the workforce demand is too intense and it's intense everywhere. So we've got to encourage the mobile companies to say, I'm staying here and I'm investing here; my HR department is going to overcome these obstacles and we're going to bring these people in. By the way, on this third slide, this issue is wage. We lost these jobs because people are willing to pay more. That's-- that's why they went out; it's not anything on the education side. So we've got to step up, again, on the private sector. Then when you look down to other jobs and you look at the workforce, it's one thing to talk about kids who are getting 24 and above on the ACT. There-- there's opportunities everywhere if they're looking. It's-- there's too many kids that aren't looking. There's too many kids that don't understand what the jobs are and we-- and the numbers are huge. I mean, when you talk 25, 000 kids sitting in high school today that are going to be challenged to get into the workforce, that-- you can't lose that kind of population because, keep in mind, every single one we lose means we've got to go steal one from another state, and again, that's going to get tough. That's not a solution; it's expensive. And keep in mind, you've got to hope that this-- the companies will-- will go through those challenges. Some will just raise their hands and say, we're going to go elsewhere. So the private sector has to work closely with the schools, and this is engaging the students at a young age. You know, this is eighth or

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ninth grade. You know, Dr. Sutfin could speak to that. I can't. But I know that there is an age where you've got to begin to influence them and build hope and opportunity in their minds. And by the way, their grades go up. So-- so there's-- you got to come at this a lot of different ways, but the educators only know what they know, as Dr. Sutfin indicated earlier, and the private sector has got to educate them on where the opportunities are, what do we need in the way of workforce. And that dialogue is beginning. The chambers have done a really nice job of continuing to progress that. But I-- I can't-- I can't state enough how important it is for the state to step up and play a leadership role in this with incentives. Put strings on them, match and require people to come with additional dollars, no problem. But it's important.

VARGAS: Thank you.

BOLZ: Thank you for your testimony, and I especially appreciate the business perspective. I think that helps us build the political will for some of these necessary changes.

DANA BRADFORD: Great. Thank you. Thanks for the time.

HILKEMANN: Thank you.

LISA LEE: Hi. I'm-- oops. I'm Lisa Lee, and L-i-s-a L-e-e. I am a citizen just here in Lincoln, as just kind of a nerdy person that comes to hearings. And I'm kind of like Chance. I wasn't planning to

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talk today, but I thought I'd just give you a couple random thoughts from this morning, because both of my children fit the kind of high-ability learner-type person you were talking about. My-- I-- I wanted to just share quickly. My son Alan graduated from East High School in 2016. He does go to the University of Oklahoma in Norman, and I thought I would just share quickly why. So he-- he-- he worked really hard to-- to become a National Merit Scholar while he was in high school and that's what he became. And so he also, therefore, also had a good ACT score. He did graduate number one in his class. He-- he really thought, though, by working hard is that he would end up being able to go to a highly selective school like Northwestern. His-- myself and my husband, we took him to Northwestern. We're public school kids. We had no idea what it costs to go to a highly selective school. So unfortunately, we didn't have it in the budget. And so our son then went out looking for the best program he could get, the best scholarship he could get. He decided that if he couldn't go to that highly selective school, he was going to find the cheapest way to get his undergrad so he could come out, you know, loan free and possibly pay for a graduate program. So the University of Oklahoma, some of you might have known, has had a really phenomenal National Merit program for kids, including out of state. So his package was worth \$120,000. It was good for five years. It is good for five years, and he's in his fourth year, so he is going to stay a fifth year in an accelerated program, come out with a graduate degree also, and that's covered and

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that's paid for. The-- I thought it would help to share this because there are two themes is that if he might have been offered more money here, he would have stayed. But number two, he's actually getting a computer science degree and he is sorry that he didn't apply for the Raikes program. But when he was in high school, he ignored his math teacher's advice. When she suggested he do computer science, he thought he would do economics and math. But when he got to college, he took his sister's advice and at least took his one computer science class he had to take early on and of course fell in love with it. So that's why he's getting the computer science degree, but now too late to go back to Raikes after he's already been gone. So I think the capstone program that this gentleman was talking about from Omaha, I think getting those kids into high school to see what would fit best for them with a-- given the-- what they're talking about, what they can see in the future for their-- what they want to do. We tried as parents to try to help. We did go to UNO to that Peter Kiewit program. He knew he didn't want to do engineering after doing that. But so I think investing in those kind of things would be a good idea. And I also have spent some time looking at these business incentives and right now some of the way they're structured, there's really no limit. But I know there are limits on what we're giving for scholarships. For example, even though I think it'd be good to help these high kids, like my son, I also think it's important to support all these kids. I understand that we have a scholarship called the Nebraska Opportunity

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Grant and that's only giving money to 36 percent of the kids that are qualified for that. That is-- that's not OK. That should be fully funded. We shouldn't-- well, we shouldn't try to put a limit on that if-- well, anyway, we have some limits. There's a pie. I understand. But I would just say I'm advocating for all levels here because I think they're all important to our state's economy and to the just quality and well-being of our people and keep them-- our people here. And then my last point-- oh, two-- yep. There's a really good capstone program at the Blue Valley School District in Overland Park, Kansas. I don't know if the gentleman has checked that out before, but that would be a good model to look at. And then the last one was that my sister-- my daughter did go to K-State. Her scholarship was funded partly by private businesses. She had to write thank-you notes to those businesses that helped support her scholarship. I don't know if they do that at UNL, so that would be something to look at it that when you were talking about philanthropic, obviously, the business community would be most incentivized or want to help pay for those scholarships. So that's just my random thoughts.

BOLZ: Very good. Thank you, Ms. Lee.

LISA LEE: Thank you.

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BOLZ: Thank you for your testimony. Any further testimony today?

Senator Stinner waives closing. I think that means everybody gets to go to lunch. Thank you.