

Executive Summary

This report provides the Nebraska Legislature with comparative statistics to monitor and evaluate progress toward achieving *three key priorities* for Nebraska's postsecondary education system:

- Increase the number of students who enter postsecondary education in Nebraska.
- Increase the percentage of students who enroll and successfully complete a degree.
- Reduce, eliminate, and then reverse the net out-migration of Nebraskans with high levels of educational attainment.

These priorities were developed by the 2003 LR 174 Higher Education Task Force and are incorporated in subdivision (3) of Neb. Rev. Stat. § 85-1428 (2008).

This summary highlights the comparative analysis used to measure and evaluate performance in respect to each priority. Throughout this analysis, the latest available statistics are compared to the quantitative baselines established for the LR 174 Higher Education Task Force in 2004. The complete report and its appendices, which are online at www.ccpe.state.ne.us, provide a detailed and fully documented analysis.

Overall Progress and Challenges Facing the State

The results of the research for the *2009 Nebraska Higher Education Progress Report* reflect modest annual changes in the state's postsecondary education system.

While the changes measured each year are relatively small, *progress is generally in the right direction with respect to the first and second priorities* recommended by the 2003 LR 174 Higher Education Task Force.

Since 2003, total postsecondary enrollments have increased and statewide freshmen retention and college graduation rates have improved slightly.

Unfortunately, estimates of net-migration that are currently available do not clearly indicate whether Nebraska is gaining or losing more college-educated adults than it has in the past.

Even though Nebraska's colleges and universities continue to increase statewide enrollment, retention and graduation rates, increasing first-time freshmen enrollments is going to continue to be a challenge for the state's postsecondary institutions.

The numbers of students who will graduate from Nebraska high schools are projected to decrease between now and 2014–2015 before increasing to a number equal to or only slightly higher than the number of graduates in 2007–2008.

Consequently, it will be difficult to increase freshmen enrollments without significantly increasing the college continuation rate or, in other words, without dipping more deeply into the annual pool of students who graduate from the state's high schools. In addition, Nebraska institutions will continue to face the challenge of attracting first-time freshmen from other states.

Based on the findings of this report, Nebraska continues to face challenges in its efforts to:

- (1) increase the percentage of Nebraska high school students in all racial/ethnic groups who graduate and go to college with sufficient preparation,
- (2) reverse the decline in the enrollment of freshmen who delay going to college for more than a year after high school,
- (3) increase the number of out-of-state and foreign students who are attracted to Nebraska institutions,
- (4) increase state-funded grants and scholarships to aid low-income students, and
- (5) improve college retention and graduation rates across all sectors of higher education in Nebraska and for students in all racial/ethnic groups.

Priority 1

Increase the number of students who enter postsecondary education in Nebraska

Total and freshman fall enrollments

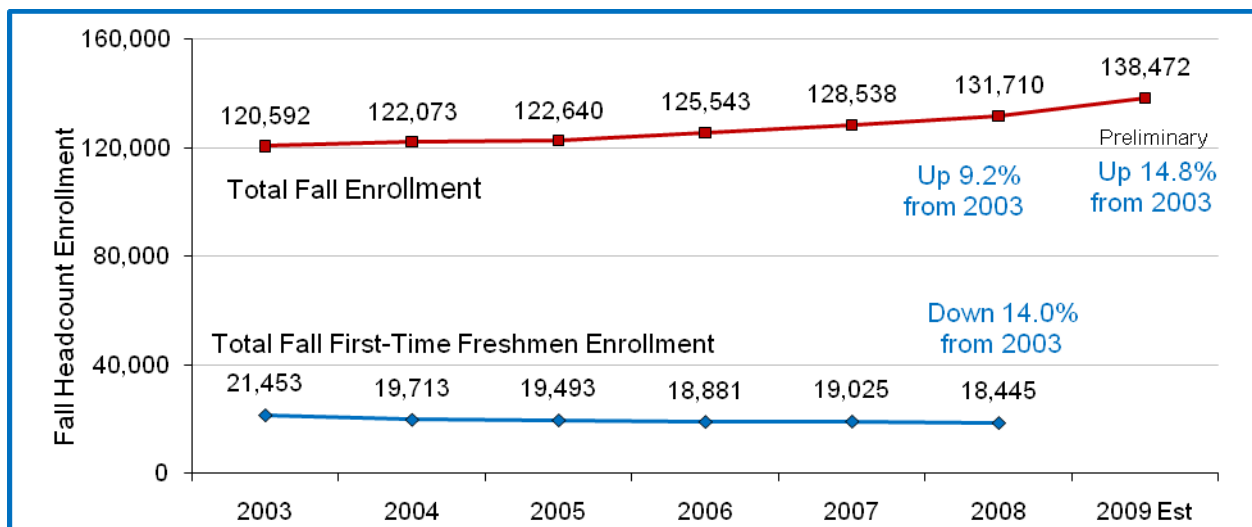
Nebraska's total postsecondary headcount enrollment increased 9.2% from the fall 2003 base-line of 120,592 to 131,710 in fall 2008.

Enrollment is estimated to have increased by another 5.1% to 138,472 in fall 2009. This significant increase is primarily the result of higher enrollments at Metropolitan Community College, Southeast Community College, Bellevue University in the independent (not-for-profit) sector the

University of Nebraska-Lincoln, Central Community College, and the University of Nebraska at Omaha.

Total enrollment of first-time freshmen at the state's postsecondary institutions decreased 14.0%, from 21,453 in fall 2003 to 18,445 in fall 2008, the latest year for which data are available. This decrease illustrates that Nebraska continues to face a significant challenge in increasing the numbers of students who enroll in college.

Fall Total Headcount Enrollment and First-Time Freshmen Enrollment at Nebraska Postsecondary Institutions: Fall 2003 – Fall 2009



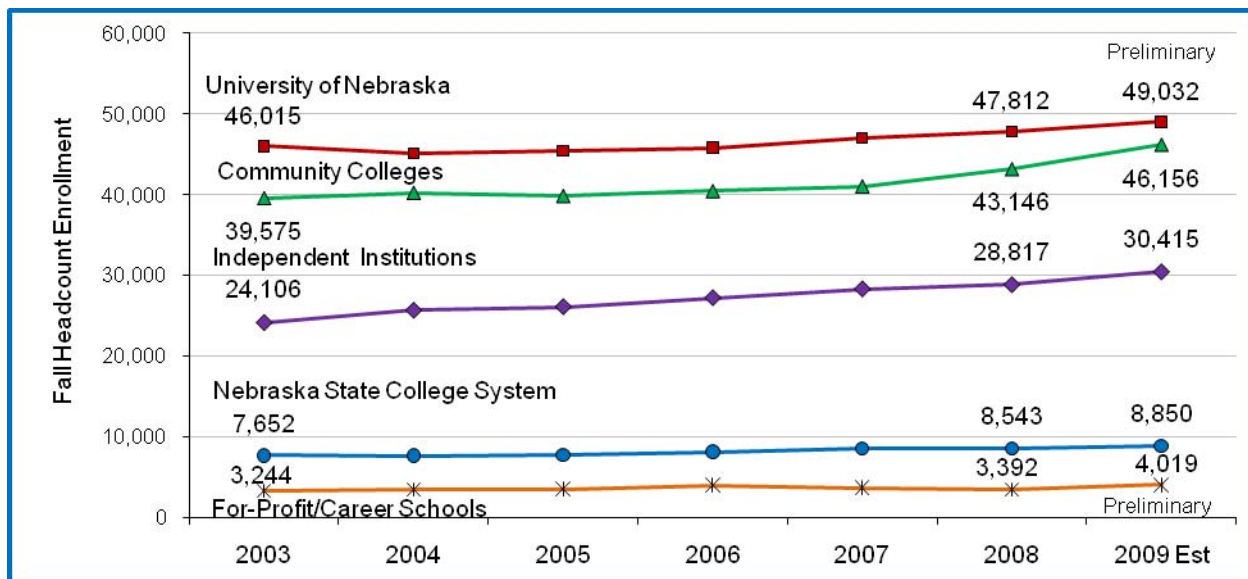
National Center for Education Statistics, Integrated Postsecondary Education Data System

By sector: Total and freshmen fall enrollments

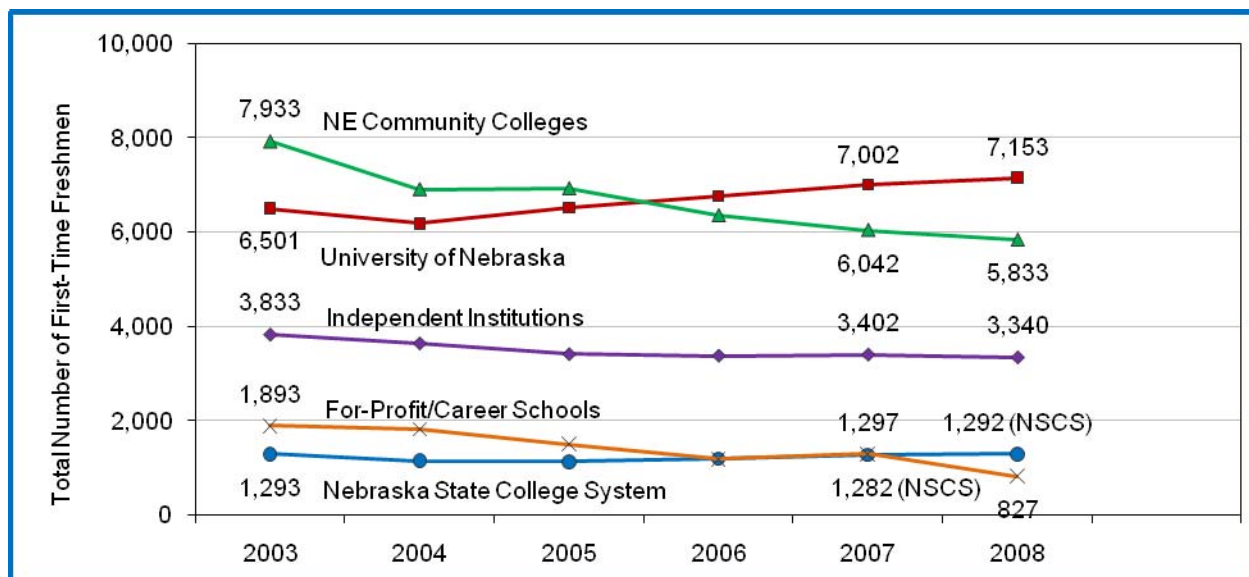
Since fall 2003, total headcount enrollment has increased across all sectors of Nebraska's postsecondary education system, but the highest enrollment increases have been at the community colleges and within the sector of independent colleges and universities.

The University of Nebraska reported a 10% increase in total first-time freshmen enrollments between 2002 and 2008, and the Nebraska State College System enrolled the same number of first-time freshmen in 2008 as it did in 2003. However, community colleges, the independent institutions, and the for-profit/career schools had lower first-time freshmen enrollment in 2008 than in 2003.

Fall Total Headcount Enrollment by Sector: Fall 2003 – Fall 2009



First-time Freshmen Enrollment by Sector: Fall 2003 – Fall 2008



National Center for Education Statistics, Integrated Postsecondary Education Data System

Nebraska high schools—Nebraska's primary source of college students

Since 2002–2003, the number of students graduating annually from Nebraska high schools has decreased 1.6%, and the number of graduates 10 years from now is projected to be only 4.1% higher than the number who graduated in 2008–2009.

In 2008–2009, 21,615 students graduated from Nebraska high schools. Based on available projections, Nebraska high schools will graduate 800 to 900 more students in 2018–2019 than in 2008–2009.

Shifting high school demographics

The demographic profile of Nebraska's high school graduates is forecast to continue to change significantly over the next decade.

Even though Hispanic students graduate from high school at a lower *rate* than white non-Hispanics and Asians/Pacific Islanders, they are projected to account for 18% of Nebraska's high school graduates by 2018–2019, compared to 8% in 2008–2009. The total of other minorities is projected to increase from 8% of the state's high school graduates in 2008–2009 to 10% in 2018–2019.

High school graduation rates

The graduation rates at Nebraska's public high schools have improved for all of the major racial and ethnic groups since 2002–2003, and the state's public high school graduation rate is still among the top ten in the United States.

The graduation rate for the state's public high schools has risen from 84.7% in 2002–2003 to 89.1% in 2008–2009.

Among minorities, the greatest increase in graduation rates has been for Hispanics. However, the graduation rates for Hispanics, black non-Hispanics and Native Americans continue to be 15% to 25% lower than the rates for white non-Hispanics and Asians/Pacific Islanders. Furthermore, black non-Hispanics and His-

panics continue to account for disproportionately high percentages of the students who drop out of Nebraska high schools. Consequently, Nebraska needs to continue to strengthen efforts to reduce and eliminate these disparities.

Preparation for college

The average ACT® composite score for Nebraska high school students has increased slightly since 2004 and continues to be above the national average.

More of Nebraska's high school students are taking the college-preparatory "core or more" curriculum.

Still, data from ACT, Inc. for the class of 2009 suggest that less than 30% of Nebraska's ACT-tested high school graduates are sufficiently prepared to succeed in all four common areas of entry-level college coursework: algebra, biology, English, and social science. Furthermore, compared to their white non-Hispanic and Asian/Pacific Islander classmates, even lower percentages of the state's Hispanic, Native American and black non-Hispanic high school graduates are adequately prepared for entry-level college coursework.

College continuation rates and the college choices of Nebraska's high school graduates¹

A college continuation rate or college-going rate is defined as the percentage of high school graduates who go to college within a specified period of time after high school graduation. Based on college enrollments in fall 2008, about 66% of Nebraska's high school graduates in the class of 2007–2008 enrolled in college *within 12 months of graduation*. Of these students, about 82% enrolled at in-state colleges, while the remaining 18% went out of state to school.

In addition to attracting a high percentage of the state's high school graduates, Nebraska's colleges and universities attract more than 3,000 first-time freshmen from other states and foreign

¹Data source: National Center for Education Statistics, fall 2002, 2004, 2006 and 2008 IPEDS surveys.

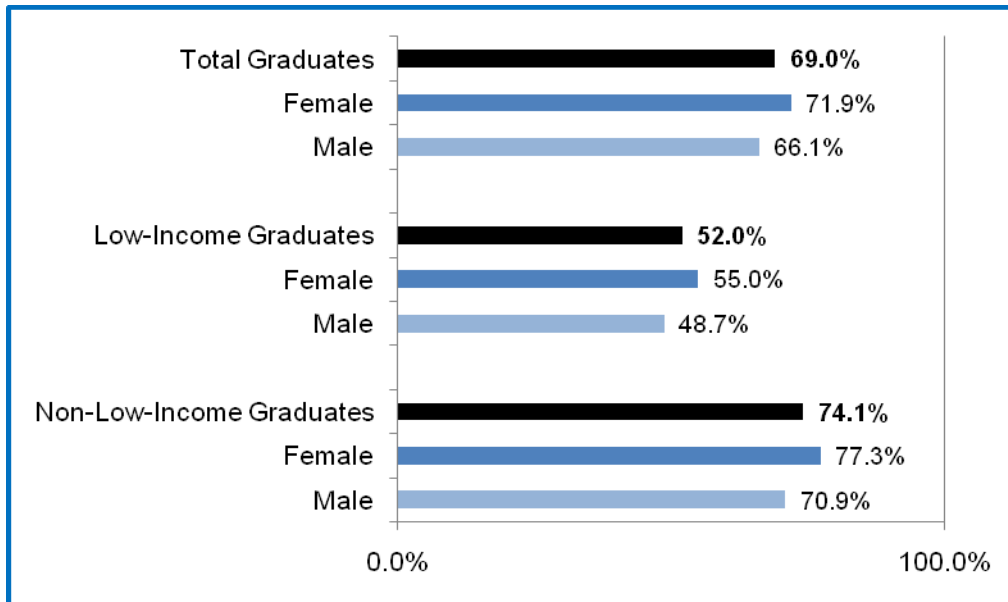
countries each year. In fall 2008, Nebraska imported about 340 more first-time freshmen than it exported.

Nebraska's college continuation rate increased from 62.9% in fall 2002 to 67.7% in fall 2006, and then decreased to 66.4% in fall 2008. In spite of the decrease between 2006 and 2008, the state's overall college continuation rate increased 3.5 percentage points between 2002 and 2008, meaning that an increased percentage of the graduates from Nebraska's high schools attended college within a year after receiving their high school diplomas. Furthermore, the percentage of these students who stayed in Nebraska and attended colleges and universities in their home state increased 3.2 percentage points between 2002 and 2008.

New Research on the college continuation rates of low-income students²

New research conducted by the Coordinating Commission clearly shows that the college continuation rate for low-income graduates of Nebraska's public high schools in 2007–2008 was significantly lower than the comparable rate for graduates from non-low income households, regardless of gender. However, the female public high school graduates had consistently higher college continuation rates than their male classmates, and the lowest college-going rate revealed by the Commission's study was for male public high school graduates from low-income households.

College Continuation Rates for 2007–2008 Public High School Graduates



Data source: Records of public high school graduates from the Nebraska Department of Education matched with college enrollment records at the National Student Clearinghouse, April 7, 2009.

²Data source: Records of public high school graduates from the Nebraska Department of Education matched with college enrollment records at the National Student Clearinghouse, April 7, 2009. Low income students are defined as students who are approved to receive free or reduced-price school lunches. Non-low-income students are students who are not approved for free or reduced-price school lunches.

Important trends in first-time freshmen enrollments

Between fall 2002 and fall 2008, all of the sectors of higher education in Nebraska attracted more first-time freshmen who started college within 12 months of their graduation from Nebraska high schools.

However, during this period, there was a 48.5% decline in the number of Nebraskans who started college *more than 12 months after high school graduation*. This decrease was concentrated primarily among the community colleges, which serve about 65% of the students who start college more than a year after they receive their high school diplomas.

Between fall 2002 and fall 2008, the community colleges enrolled 1,966, or 49.4%, fewer Nebraska-resident, first-time freshmen who started college more than 12 months after they graduated from high school.

This decline is an important trend to address because a major mission of the community colleges is to serve non-traditional students, including those who delay going to college for at least a year after they graduate from high school.

Between fall 2002 and fall 2008, the number of first-time freshmen from Nebraska who enrolled at the community colleges *within a year of graduating from high school* increased by 513 students, or 17.6%. As a result, community colleges accounted for a slightly higher percentage of the freshmen in this category in 2008 than in 2002, indicating that a larger number of Nebraska's recent high school graduates were beginning their college education at Nebraska's community colleges, rather than at the public four-year institutions within the state. Again, this is an important trend that the Commission will continue to monitor.

Changes in freshmen enrollments by race/ethnicity

Higher numbers of Asians/Pacific Islanders and Hispanics enrolled at Nebraska institutions in fall 2008 than in fall 2003, but there were fewer black non-Hispanics and Native Americans among the first-time freshmen in 2008.

More surprisingly, there was a much greater-than-expected decrease between 2003 and 2008 in the number of white non-Hispanics who enrolled as first-time freshmen. This trend may be further evidence of the decrease in the number of students who start college more than a year after high school that was mentioned previously, but the two data sets cannot be combined for analysis.

The reasons for the unexpected decreases in white non-Hispanic, first-time freshmen and the number of freshmen who start college more than a year after high school are not known. However, economic conditions, higher tuitions and federal and state grant aid not keeping pace with increases in tuition and fees may be contributing factors.

The attraction of short-term workforce preparation programs may explain why higher percentages of black non-Hispanic freshmen are attending for-profit/career schools than the freshmen in the other major racial/ethnic groups. Similarly, higher percentages of Hispanic, Native American, and black non-Hispanic freshmen are enrolling at Nebraska's community colleges, compared to the percentages of white non-Hispanics and Asians/Pacific Islanders.

The importance of state-funded financial aid

For Nebraskans with limited financial resources, increased state funding for the Nebraska State Grant Program can help to improve access to higher education. In addition, the new state-funded Access College Early (ACE) Scholarship Program, which was initiated in 2007–2008, enables some low-income students to take college courses while they are still enrolled in high school. However, additional financial aid is needed to enable more of Nebraska's low-income and moderately low income students to go to college, stay enrolled and complete degrees.

As a point of reference, Nebraska ranked 36th among the states in the amount of need-based financial aid available per full-time undergraduate student in 2007-2008. (Source: *39th Annual Survey Report on State-Sponsored Financial Aid, 2007-2008 Academic Year*, National Association of State Student Grant and Aid Programs)

Research on the College Continuation rates of ACE Scholarship Recipients

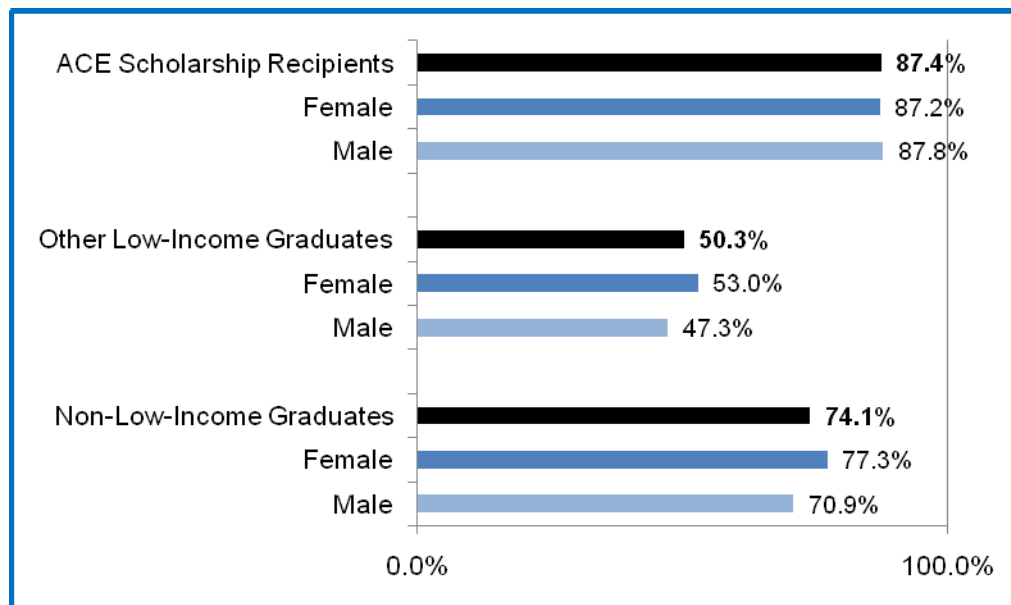
Of the 220 Nebraska high school seniors who received ACE scholarships in 2007–2008, 87.7% were enrolled in college during the 2008–2009 academic year, ending May 31, 2009. All five of the students who attended nonpublic (private) high schools continued to college, while 87.4% of the 215 public school graduates were enrolled in college the year after they left high school.

Although females accounted for almost two-thirds of the seniors who received ACE scholarships in 2007–2008 and males received only slightly more than one-third, the college continuation rates of the male and female scholarship recipients were almost equal: 87.2% for the females,

87.8% for the males. This is an important finding because male high school graduates generally have lower continuation rates than their female classmates.

Another important finding is that the overall college continuation rate for the public high school seniors who received ACE scholarships in 2007–2008 was 37 percentage points higher than the college-going rates for other low-income graduates from Nebraska’s public schools. Furthermore, the ACE scholarship recipients had an overall college continuation rate that was 13 percentage points higher than the non-low-income students who graduated from Nebraska’s public high schools. Given these findings, the ACE Scholarship Program is clearly a very effective tool for increasing Nebraska’s college-going rate.

College Continuation Rates for 2007–2008 ACE Scholarship Recipients Compared to the College Continuation Rates of Other Public High School Graduates



Data source: Records of public high school graduates from the Nebraska Department of Education and ACE scholarship recipients from the Coordinating Commission for Postsecondary Education matched with college enrollment records at the National Student Clearinghouse, April 7, 2009 and July 15, 2009.

Priority 2

Increase the percentage of students who enroll and successfully complete a degree

Success is measured not only by the number of freshmen who enroll in college, but by those who stay in college beyond their freshmen year and earn degrees.

The overall freshmen retention rate and college graduation rate* at Nebraska institutions have increased slightly since 2002–2003, and significant percentages of students who transfer from Nebraska colleges persist in their studies and earn degrees at other institutions. However, improvements in retention and graduation rates have not been consistent within or across all

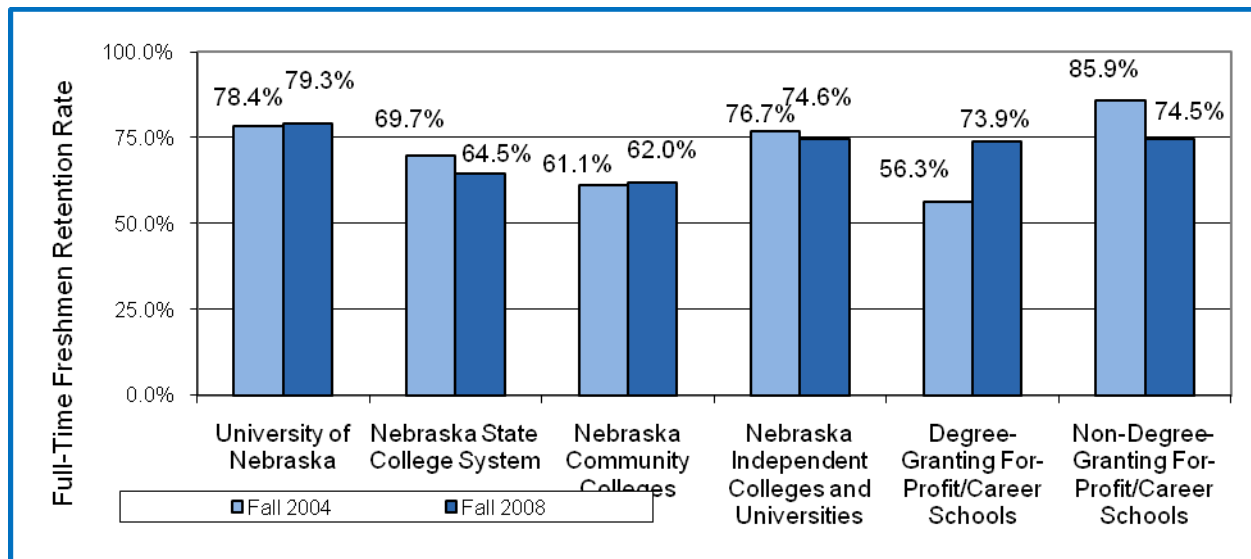
types of institutions, or for all categories of students.

Freshmen retention rates

Between fall 2004 and fall 2008, the statewide freshmen retention rate for full-time, first-time freshmen increased from 71.4% to 72.7%.

Retention rates for full-time students in fall 2008 varied between the public sectors, ranging from 62.0% at the community colleges to 79.3% at the University of Nebraska.

**Full-Time Freshmen Retention Rates of Nebraska Postsecondary Institutions by Sector
Fall 2008 Compared to Fall 2004 Baseline**



National Center for Education Statistics, Integrated Postsecondary Education Data System

*The freshmen retention rate is the number of freshmen who are enrolled at the same college one year later. The college graduation rate is the percentage of full-time, first-time freshmen who complete their degree programs at the same college within 150% of the time specified for the programs. For example, the specified time frame for four-year programs is six years, while the time frame for two-year programs is three years.

The independent colleges and universities also had a relatively high retention rate of 74.6% in fall 2008. Similarly, the freshmen retention rates for full-time students at the degree-granting and non-degree-granting for-profit career schools were 73.9% and 74.5%, respectively.

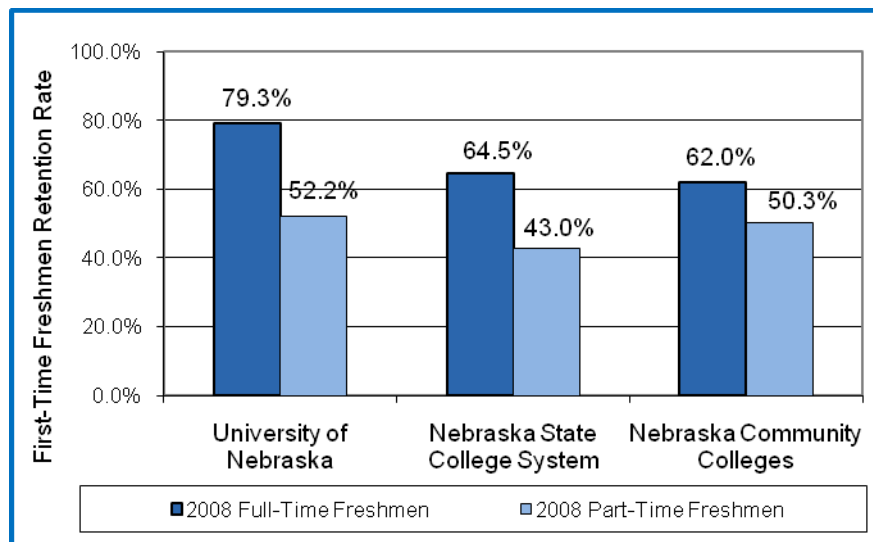
Nebraska's community colleges enroll about 80% of the first-time freshmen who start college as part-time students. The colleges' retention rate for part-time freshmen was 50.3% in 2008, which is noticeably above the estimated national average of 47.7% for two-year public institutions.

When students who transferred to other institutions are added to the freshmen who were retained by the Nebraska's public institution where

they started college, 83% of full-time freshmen and 65% of part-time freshmen continued their studies beyond their first year.**

A statewide retention rate for part-time, first-time freshmen cannot be calculated due to insufficient data from some institutions. However, the freshmen retention rates for full-time and part-time students at the state's public institutions can be compared as shown in the chart on this page. This comparison clearly indicates that students who start college full time are much more likely than part-time students to continue college beyond their freshmen year. Conversely, freshmen who attend college only part time are less likely to continue their studies and, therefore, are less likely to earn degrees.

**Fall 2008 Freshmen Retention Rates
for Students in Nebraska's Public Colleges and Universities**



National Center for Education Statistics,
Integrated Postsecondary Education Data System

**Estimated retention rates based on research conducted by the University of Nebraska, the Nebraska State College System, Nebraska's six community colleges and Commission staff using National Student Clearinghouse data for the 2007 Nebraska Higher Education Progress Report.

College graduation rates

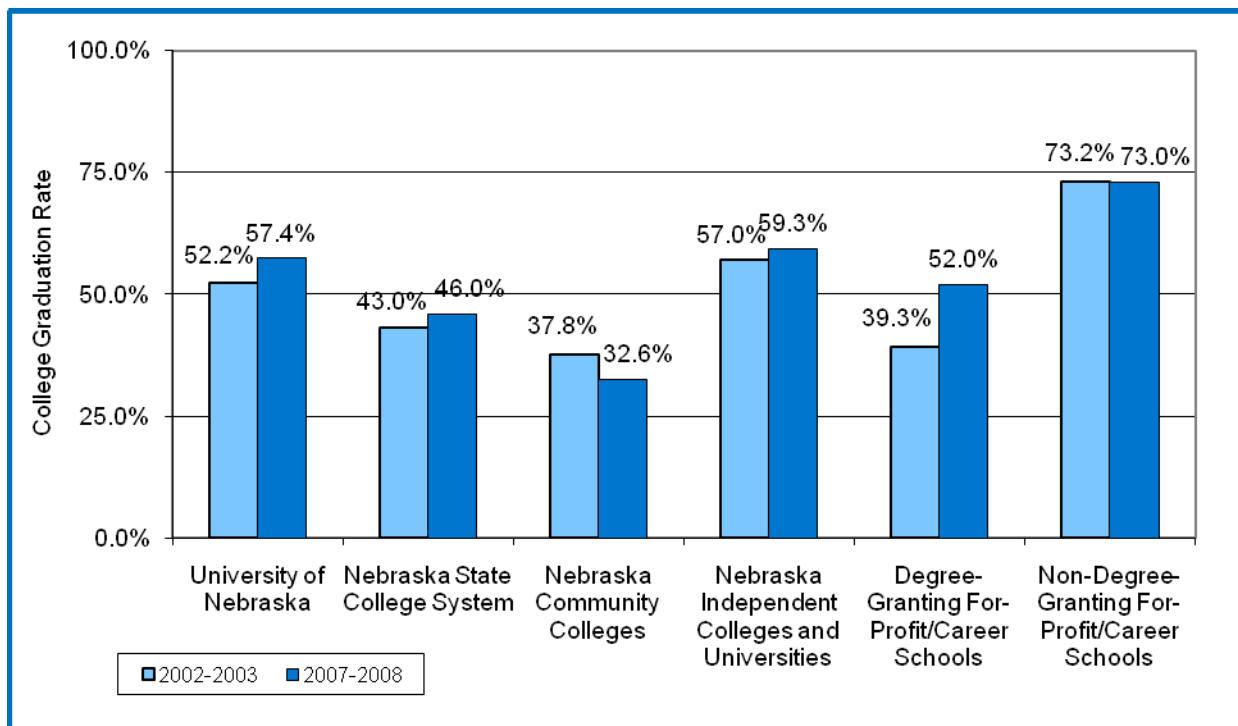
Graduation rates based on data collected by the National Center for Education Statistics (NCES) are calculated only for full-time students who graduate from the same college where they started as first-time freshmen.***

Based on NCES data, the statewide graduation rate for Nebraska institutions increased slightly from 48.4% in 2002–2003 to 50.9% in 2007–2008, the latest year for which data are available.

The non-degree-granting, for-profit schools have had the highest graduation rate among the sectors of higher education in Nebraska since 2002–2003, followed by the independent institutions.

Between 2002–2003 and 2007–2008, graduation rates remained stable or increased by varying degrees across the sectors of higher education in Nebraska, except for the community colleges, where the graduation rate decreased from 38% to 33%.

**Graduation Rates for Nebraska Postsecondary Institutions by Sector
2007–2008 Compared to 2002–2003**



National Center for Education Statistics, Integrated Postsecondary Education Data System

***See the 2007 *Nebraska Higher Education Report* for research conducted by Nebraska's public institutions and Commission staff to estimate the graduation rates of students who transferred from the institution where they initially enrolled as first-time freshmen.

Racial/ethnic disparities

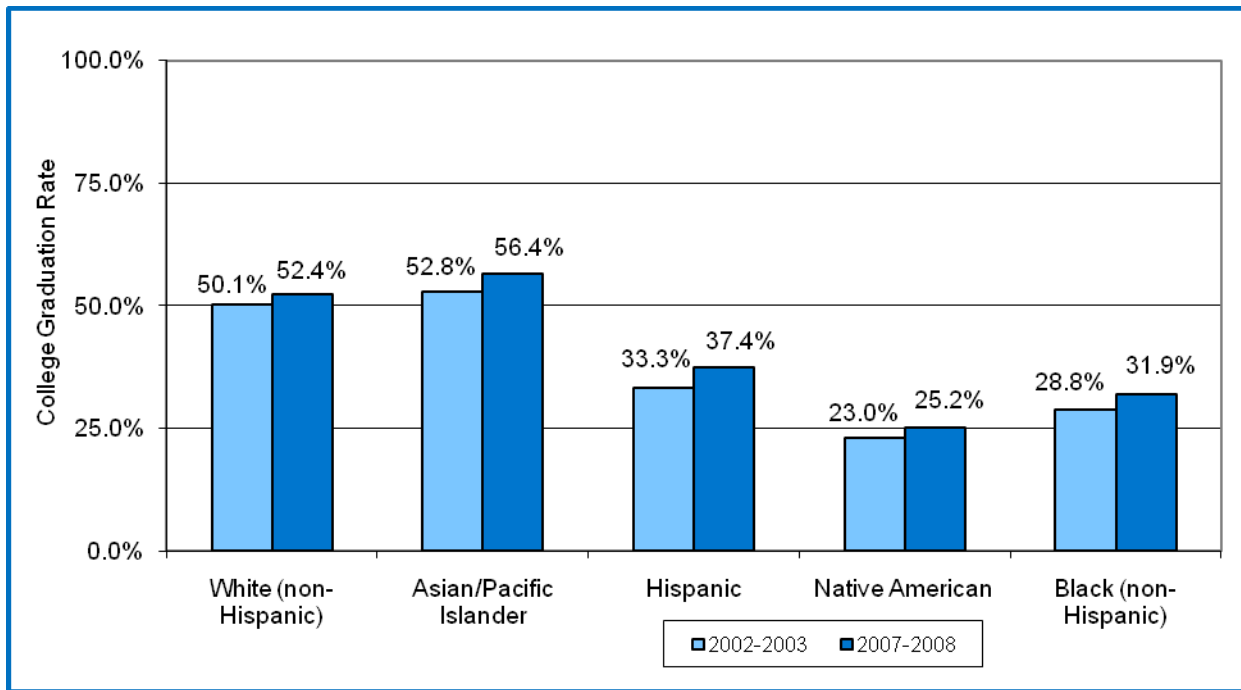
Minorities—who account for most of Nebraska’s projected population growth—graduate from high school at lower rates than do white non-Hispanics.

Minority students who graduate from high school generally tend to be represented among first-time college freshmen at Nebraska colleges and universities at about the same degree as they are represented among Nebraska’s high school graduating classes. However, Hispanics, black

non-Hispanics and Native Americans continue to have significantly lower college graduation rates than whites and Asian/Pacific Islanders who complete degree programs at Nebraska institutions.

Between 2002–2003 and 2006–2007, graduation rates for all five racial/ ethnic groups increased at the University of Nebraska. In comparison, there were no consistent increases or decreases between 2002-2003 and 2007-2008 in completion rates within the other sectors of higher education in Nebraska when these rates were analyzed by race/ethnicity.

Graduation Rates for Nebraska Postsecondary Institutions by Race/Ethnicity 2007–2008 Compared to 2002–2003



National Center for Education Statistics, Integrated Postsecondary Education Data System

***See the 2007 Nebraska Higher Education Report for research conducted by Nebraska’s public institutions and Commission staff to estimate the graduation rates of students who transferred from the institution where they initially enrolled as first-time freshmen.

Priority 3

Reduce, eliminate, and then reverse the net out-migration of Nebraskans with high levels of educational attainment

Data from the 2000 U.S. Census revealed that Nebraska experienced a net out-migration of college-educated adults at all levels of education beyond high school between 1995 and 2000. During the same period, Nebraska attracted a significant net in-migration of adults with less than a high school education.

Beginning in 2005, the U.S. Census Bureau started collecting data annually to estimate net-migration by education level for each state. Since the estimates for Nebraska are based on very small samples of the people who move in or out of the state within a year of each annual survey, these estimates are varying quite dramatically from one year to the next, making it difficult to draw conclusions about the migration patterns of the adults who are moving to or from Nebraska.

Based on the available data, it appears that Nebraska is continuing to attract working-age adults with lower levels of education. However, the data do not clearly indicate whether Nebraska is gaining or losing more adults with undergraduate and graduate degrees than it has in the past.

Although data currently available from the U.S. Census Bureau do not reveal a clear picture of Nebraska migration patterns, there is still reason to be concerned about the possible effects of migration on the size and quality of the state's labor force. Consequently, the Commission will continue to monitor the annual estimates of net-migration by education level in an effort to determine if a clear, overall picture of Nebraska's net migration pattern eventually emerges from the analysis of data from the U.S. Census Bureau.