

July 8, 2009

Senator Greg L. Adams  
Chairman, Education Committee  
District 24, State Capitol  
PO Box 94604  
Lincoln, NE 68509-4604

Dear Senator Adams:

Thank you for convening this hearing on LR 262. I regret that my schedule did not permit me to be with you in person today, and I hope there will be a future opportunity for me to appear before the committee. Public higher education is widely recognized as one of the most critical factors in shaping the economic future of our state and nation, and I appreciate the committee's exploration of some of the issues faced in higher education today.

Educational attainment is an important metric in any discussion about economic growth and societal well-being. It is strongly correlated with higher personal income, increased civic engagement, better health, lower rates of reliance on public assistance, and higher employment rates. Simply put, the higher our level of educational attainment, the better off our economy and our society.

The impact of the knowledge-based economy on jobs is evident. According to the Bureau of Labor Statistics, 70 percent of the fastest-growing jobs in the next decade will require some education beyond high school. And increasingly, high-demand, high-salary jobs require a post-secondary degree. Unfortunately, at a time when Nebraska and our nation is most in need of preparing more people for the innovation economy, the U.S. is falling behind in educational attainment compared to other countries.

Recent statistics from the Organisation for Economic Co-operation and Development show that the United States is losing ground to other nations on college enrollment and completion. While the education level of U.S. adults over age 35 is second only to Canada, between 2006 and 2008 the U.S. slipped from 7<sup>th</sup> to 10<sup>th</sup> in the percentage of young adults (ages 25-34) who have at least an associate's degree. It is notable that the reason for our decline in this ranking is not that our percentage has dropped, but that other countries are passing us in the race to the top in terms of knowledge and skills.

President Obama, joined by a number of leading foundations and education associations, has set a national goal to reclaim its position of global leadership in the proportion of college graduates by the year 2020. This is a major initiative that would require our nation to educate hundreds of thousands of additional students each year as well as increase graduation rates significantly. The effort is worth it, because the impact on competitiveness if successful would be significant.

This initiative is mirrored in Nebraska by our Governor's often-stated goal that Nebraska be among the top states in the nation in its college-going rate. I applaud this goal and hope it is one the committee shares. While Nebraska has one of the highest high school graduation rates in the country, only 27 percent of Nebraskans have a bachelor's degree or advanced degree. We have fewer than 300,000 people in the workforce in our state who have the level of education required to fill the highest-paying jobs. We also have 140,000 people in the state who have attended college, but did not complete their degree.

One of the best ways we can prepare young Nebraskans for success in this knowledge economy is to encourage them to get a college education, including providing a system that prepares them, provides financial assistance when necessary, and graduates them. The University of Nebraska is working to prepare students in a number of ways, including by making college more affordable through student financial aid programs like Collegebound Nebraska, partnering with organizations such as the Buffett Foundation on programs to support first generation student success, and by making college more accessible through expanding our wide range of distance education degree and certificate programs.

Many of our academic programs are geared to addressing workforce needs—with recent examples including the expansion of our nursing education capacity to help meet the growing shortage of nurses in Nebraska, and new degree programs in high growth technology-driven disciplines. High quality academic programs are also important in attracting new talent to the state, enhancing our success in recruiting high-caliber out-of-state students who increase the talent pool in Nebraska.

Nebraska's ability to maintain its relative position of strength in today's difficult economy, to recover quickly and to be competitive in the future depends on our ability to keep and attract talent, including our ability to ensure that students have affordable access to a high quality education that will prepare them to stay and work in Nebraska.

In addition, our research activities add tremendously to the economic vitality of Nebraska, both in terms of direct expenditures in our state of hundreds of millions of dollars of externally generated funds, as well as the indirect benefits to Nebraska farmers and ranchers, businesspeople and our health care. Much of our most successful research is in areas of great importance to Nebraska, such as agriculture, water and natural resources, cancer treatment, information technology and many others.

We also provide direct support in the form of entrepreneurship and business development services to individuals across the state who want to start, expand or transfer a business. And, we are moving forward aggressively with plans for Innovation Campus, a public-private partnership the primary goal of which is to increase the number of high-paying jobs in the state—and thus opportunities for Nebraska's most talented young people.

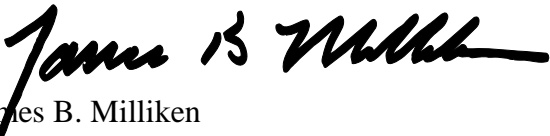
Page Three  
July 8, 2009

Through our extension and many other outreach activities from all four campuses, we literally reach across the state of Nebraska, providing educational programs and application of university research.

But as the University plays an increasingly important role in Nebraska's ability to compete in the global marketplace, it continues to decline as a percentage of the state's budget. In the past 20 years, NU has gone from being 21 percent of the state's budget to 14 percent. Of course this is only one measure of the state's support for its public university, but if we are to maintain the University's significant momentum and continue to contribute at a very high level to the state's economic growth, we must ensure that state support is adequate. I encourage the committee to study the positive impacts that result from maintaining a stable and healthy level of support for public higher education, including the University of Nebraska. It is certainly one of the best investments you can make in the future of our state.

I would be pleased to follow up with any additional information or responses to questions that arise during your hearing today, and I reiterate my hope that I will have an opportunity to meet with in the future to continue this important discussion. Thank you.

Sincerely,



James B. Milliken  
President

JBM/dt