



MEETING MINUTES
Coordinating Commission for Postsecondary Education
State Capitol
Room 1113
Lincoln, NE
Thursday, December 9, 2010
8:30 a.m.

PUBLIC NOTICE:

Public notice of the time and place of the regular meeting was posted to the state's public meeting calendar and was given to Commission members, institutional representatives, news media, the Legislative Fiscal Office and the Department of Administrative Services. A copy of the Open Meetings Act was made available at the meeting and its location was announced.

Commissioners Present:

Colleen Adam
Clark Anderson
Dr. Dick C. E. Davis
Dr. Ron Hunter
Mary Lauritzen
Eric Seacrest
Dr. Joyce Simmons
John Winkleblack
Carol Zink

Commissioners Absent:

Riko Bishop
W. Scott Wilson

Commission Staff Present:

Angela Dibbert, Executive Assistant
Dr. Kathleen Fimple, Academic Programs Officer
Katherine Green, College Access Challenge Grant Program Director
Dr. Marshall Hill, Executive Director
Jason Keese, Public Information and Special Projects Coordinator
Dr. Carna Pfeil, Associate Director for Finance & Administration
Mike Wemhoff, Facilities Officer

I. CALL TO ORDER

Commission Chairman Joyce Simmons called the meeting to order at 8:34 a.m. at the State Capitol, Room 1113, Lincoln, Nebraska on December 9. Attendance is indicated above.

II. WELCOME

Introductions

III. MINUTES

A. Action item Approve the October 14, 2010 meeting minutes

Motion Motion by Commissioner HUNTER and second by Commissioner ZINK to approve the October 14, 2010 meeting minutes as presented.

Result A roll-call vote was taken, with all Commissioners present voting yes. Motion carried.

IV. CHAIRMAN'S REPORT

A. Updates and other reports

Chairman Simmons stated that there will be a public hearing on December 28 at 9:30 a.m. at the State Office Building in Omaha for the purpose of receiving testimony regarding the request by National American University to offer degrees in Nebraska.

V. NOMINATING COMMITTEE

A. Committee Chair Lauritzen will announce the Committee's nominations for Commission Chair, Vice Chair and two other members to make up the 2011 Executive Committee.

Commissioner Lauritzen announced the nominating committee's recommended items:

1. Action item Elect a Commission Chair to serve from January 1 through December 31, 2011.

Motion Motion by Commissioner LAURITZEN on behalf of the Committee to approve Joyce Simmons as Chair to serve from January 1 through December 31, 2011.

Result A roll-call vote was taken and the motion passed 8-0 with Commissioner

Simmons abstaining.
Motion carried.

2. Action item Elect a Commission Vice Chair to serve from January 1 through December 31, 2011.

Motion Motion by Commissioner LAURITZEN on behalf of the Committee to approve Ron Hunter as Vice Chair to serve from January 1 through December 31, 2011.

Result A roll-call vote was taken and the motion passed 8-0 with Commissioner Hunter abstaining.
Motion carried.

3. Action item Elect two members to serve on the 2011 Executive Committee, along with the newly-elected Chair and Vice Chair.

Motion Motion by Commissioner LAURITZEN on behalf of the Committee to approve Colleen Adam and Dick Davis as the two members to serve on the 2011 Executive Committee, along with the newly-elected Chair and Vice Chair.

Result A roll-call vote was taken and the motion passed 7-0 with Commissioner Adam and Commissioner Davis abstaining.
Motion carried.

VI. EXECUTIVE DIRECTOR'S REPORT

A. Out-of-service area authorization

1. Offered by Central Community College via two-way video originated from Cozad High School in Cozad, NE, delivered to Anselmo/Merna High School in Merna, NE:
 - *MATH 1150, College Algebra (3 credits) (January 3 to May 19, 2011)*
2. Offered by Central Community College via correspondence format for inmates at the Lincoln Correctional Center:
 - *ENGL 098, Basic Writing (3 credits)*
 - *HIST 201, American History to 1877 (3 credits)*
 - *MATH 091, Basic Math I (2 credits)*
 - *MATH 092, Basic Math II (3 credits)*
 - *MATH 094, Pre-Algebra (3 credits)*
 - *MATH 113, Elementary Algebra (3 credits)*
 - *MATH 114, Intermediate Algebra (3 credits)*
 - *MATH 115, College Algebra (3 credits)*

- *PSYC 181, Introduction to Psychology (3 credits)*
 - *(January 10 to May 6, 2011)*

B. Legislative update

Dr. Marshall Hill reported on LR 542, which requires the Legislature's standing committees to identify cuts in funding. Possible cuts recommended by the Education Committee include a total elimination of need-based aid (through the Nebraska Opportunity Grant) for all students for the next biennium.

Senator Adams has agreed to carry a bill which will allow the Commission to do a study on dual enrollment with assistance from the Nebraska Department of Education.

The Commission is proposing to modify statutes to have new institutions be approved for a five year period. Second, the Commission proposes to streamline/clarify the distinction between what is approved by the Commission and the Nebraska Department of Education.

C. Update on College Access Challenge Grant sub-grantees

Ms. Katherine Green reported on the progress of the College Access Challenge Grant sub-grantees. There has been one sub-grantee that has withdrawn, but all the others are doing well.

D. Updates and other reports

No comments.

VII. PUBLIC COMMENT ON MATTERS OF GENERAL CONCERN

Dr. John Lopez, Vice President of Government Affairs, University of Phoenix, gave a brief background of the University of Phoenix. Mr. Jason Pfaff, Vice President-Omaha, University of Phoenix, gave an update of how the University of Phoenix is doing in Nebraska. They both answered questions from Commissioners.

Dr. Tim Hodges, Executive Director, Gallup University, presented information on Gear Up-Colorado and answered questions from Commissioners.

VIII. EXECUTIVE COMMITTEE

A. Action item Change to TIAA-CREF Retirement Plan

Dr. Carna Pfeil updated the Commissioners on the changes to the TIAA-CREF Retirement Plan.

Motion Motion by Commissioner SIMMONS on behalf of the Committee to approve

the proposed changes to the TIAA-CREF Retirement Plan.

Result A roll-call vote was taken, with all Commissioners present voting yes.
Motion carried.

B. Action item Amend the list of sub-grantees funded under the College Access Challenge Grant

Ms. Green updated the Commissioners that Central Community College/ Grand Island Public Schools has withdrawn from the grant program.

Motion Motion by Commissioner SIMMONS on behalf of the Committee to approve the amended list of sub-grantees funded under the College Access Challenge Grant.

Result A roll-call vote was taken, with all Commissioners present voting yes.
Motion carried.

IX. PUBLIC HEARING ON BUDGET, CONSTRUCTION, AND FINANCIAL AID PROGRAMS COMMITTEE ITEMS

Mr. Stan Carpenter, Chancellor, State College System, commented about the Nebraska State College System operating budget deficit request.

X. BUDGET, CONSTRUCTION, AND FINANCIAL AID COMMITTEE

A. Recommendation on public postsecondary education institutions' FY 2011 budget deficit requests:

1. Action item Nebraska State College System operating budget deficit request

Dr. Hill briefed the Commissioners on the Staff Draft of the Operating Budget Deficit Appropriation Request. Dr. Hill suggested that the last sentence on page 2 be taken out.

Commissioner Seacrest suggested using the word "national" instead of "geographically based" on page 5.

Motion Motion by Commissioner SIMMONS and second by Commissioner DAVIS to approve the Nebraska State College System operating budget deficit request with the two noted changes.

Result A roll-call vote was taken, with all Commissioners present voting yes.
Motion carried.

NOTE: Change in the agenda order due to an institutional representative being present on an item that will be voted on later in the meeting.

J.B. Milliken, President, University of Nebraska, made comments on the University of Nebraska – Water for Food Institute proposal (item XII.B.) and answered questions from Commissioners.

B. College Access Challenge Grant (CACG):

1. Action item Procedures for a new Access College Early Plus Scholarship Program

Ms. Green stated that CCPE has hired two outside evaluators to evaluate the CACG program's sub-grantees.

The ACE Plus scholarship will allow former ACE students to receive a scholarship in college.

Motion Motion by Commissioner DAVIS on behalf of the Committee to approve the procedures for a new Access College Early Plus Scholarship Program.

Result A roll-call vote was taken, with all Commissioners present voting yes.
Motion carried.

C. Capital construction project proposal:

1. Action item Southeast Community College's Lincoln Campus – classroom/student services/welcome center addition and parking expansion

Mr. Mike Wernhoff gave a brief overview of Southeast Community College's Lincoln Campus – classroom/student services/welcome center addition and parking expansion and answered questions from Commissioners.

Motion Motion by Commissioner DAVIS on behalf of the Committee to recommend approval of the Southeast Community College's Lincoln Campus – classroom/student services/welcome center addition and parking expansion.

Result A roll-call vote was taken, with all Commissioners present voting yes.
Motion carried.

NOTE: Adjourned for break at 10:35 a.m. Meeting resumed at 10:47 a.m.

XI. PUBLIC HEARING ON ACADEMIC PROGRAMS COMMITTEE ITEMS

Ms. Stacey Ocander, Dean of Health and Public Services, Metropolitan Community College, spoke about the proposed Metropolitan Community College – Medical

Assisting program and answered questions from Commissioners.

Dr. Tim Hodges, Executive Director, Gallup University was present to answer questions.

XII. ACADEMIC PROGRAMS COMMITTEE

Dr. Fimple explained the proposals and answered questions from Commissioners.

A. Proposal for a new instructional program:

- 1. Action item Metropolitan Community College – Medical Assisting (Certificate)**

Motion Motion by Commissioner ZINK on behalf of the Committee to approve the Metropolitan Community College – Medical Assisting program.

Result A roll-call vote was taken, with all Commissioners present voting yes.
Motion carried.

B. Proposal for a new organizational unit:

- 1. Action item University of Nebraska – Water for Food institute**

Motion Motion by Commissioner ZINK on behalf of the Committee to approve the new organizational unit: University of Nebraska – Water for Food institute. Approval does not constitute or imply CCPE approval of any new programs that may be proposed in the future.

Result A roll-call vote was taken, with all Commissioners present voting yes.
Motion carried.

C. Action item Annual Reports from new institutions

- 1. St. Gregory the Great Seminary**

Motion Motion by Commissioner ZINK on behalf of the Committee to accept the report, congratulate St. Gregory on its success in achieving accreditation, and discontinue all reporting requirements.

Result A roll-call vote was taken, with all Commissioners present voting yes.
Motion carried.

2. Universal College of Healing Arts

Motion Motion by Commissioner ZINK on behalf of the Committee to accept the report, with the next annual report due on September 15, 2011.

Result A roll-call vote was taken, with all Commissioners present voting yes.
Motion carried.

3. Gallup University

Motion Motion by Commissioner ZINK on behalf of the Committee to accept the report, with the next annual report due on September 15, 2011.

Result A roll-call vote was taken, with all Commissioners present voting yes.
Motion carried.

D. Action item Existing Program Review – Follow-up Reports

1. Western Nebraska Community College – Automotive Technology

Motion Motion by Commissioner ZINK on behalf of the Committee to require an in-depth review, due on September 1, 2011.

Result A roll-call vote was taken, with all Commissioners present voting yes.
Motion carried.

2. Western Nebraska Community College – Health Information Management Services

Motion Motion by Commissioner ZINK on behalf of the Committee to continue the program, with a summary of the final report from the WNCC internal review committee provided to the Commission by September 1, 2011.

Result A roll-call vote was taken, with all Commissioners present voting yes.
Motion carried.

3. Western Nebraska Community College – Information Technology

Motion Motion by Commissioner ZINK on behalf of the Committee to continue the program.

Result A roll-call vote was taken, with all Commissioners present voting yes.
Motion carried.

4. Chadron State College – Communication Arts

Motion Motion by Commissioner ZINK on behalf of the Committee to continue the program.

Result A roll-call vote was taken, with all Commissioners present voting yes.
Motion carried.

E. Existing Program Review

1. Information item Program continuations approved by the Executive Director:

- Central Community College: Diesel Technology (AAS, Diploma, Certificate)
- Metropolitan Community College: Utility Line Technician (AAS, Certificate)
- Northeast Community College: Diesel Technology (AAS); Utility Line (AAS)
- Southeast Community College: Diesel Technology-Farm (AAS); Diesel Technology-Truck (AAS); Deere Construction & Forestry Equipment Technology (AAS); John Deere Technology (AAS)
- Western Nebraska Community College: Powerline Construction & Maintenance Technology (AOS, Diploma)

2. Action item for existing program review

- a. Mid-Plains Community College: Diesel Technology (AAS, Diploma, Certificate)

Motion Motion by Commissioner ZINK on behalf of the Committee to continue the program, with a report due December 15, 2012 on SCH/FTE.

Result A roll-call vote was taken, with all Commissioners present voting yes.
Motion carried.

F. Information item Report on name changes, deletions, reasonable and moderate extensions, and other institutional activities relating to existing programs

1. Reasonable and Moderate Extension

- a. CCC – Business Technology – Paralegal Specialization (AAS, Diploma, Certificate)

XIII. PUBLIC HEARING ON PLANNING AND CONSUMER INFORMATION COMMITTEE ITEMS

No Testimony.

XIV. PLANNING AND CONSUMER INFORMATION COMMITTEE ITEMS

- A. The Planning and Consumer Information Committee approved the 2010 Biennial Report at its November 22, 2010 committee meeting. To meet

statutory requirements, the report was delivered to the Governor and the Legislative Clerk prior to December 1, 2010. The Committee recommends that the full Commission approve the report and authorize its broad distribution.

1. Action item Approve the 2010 Biennial Report

Motion Motion by Commissioner LAURITZEN on behalf of the Committee to approve the 2010 Biennial Report.

Result A roll-call vote was taken, with all Commissioners present voting yes.
Motion carried.

XV. FUTURE MEETINGS

The next regular Commission meeting will be January 20, 2011 and will be held by videoconference. Videoconference locations will be announced on the Commission's website in January.

XVI. COMMISSIONER COMMENTS

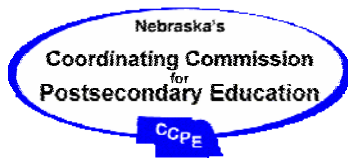
Dr. Hill updated the Commissioners on the budget cuts that the Commission may have to face in the future.

XVII. ADJOURNMENT of regular Commission meeting

There being no further business, the meeting was adjourned at 12:01 p.m.

Coordinating Commission General Fund - Program 640

	2010-2011 General Fund Budget		2010-2011 Current Expenditures		% of Budget Expended Time Elapsed 50.41%
PERSONAL SERVICES					
Permanent Salaries	\$799,000		\$393,918		49.3%
Temporary Salaries	\$0		\$0		
Overtime	\$0		\$0		
Subtotal	\$799,000		\$393,918		49.3%
PSL	\$799,000		\$393,918		49.3%
Benefits	\$236,344		\$120,762		51.1%
Subtotal	\$1,035,344		\$514,680		49.7%
OPERATING EXPENSES					
Postage	\$3,000		\$1,883		62.8%
Communication	\$15,000		\$7,837		52.2%
Freight	\$100		\$0		0.0%
Data Processing	\$2,000		\$999		50.0%
Publication & Printing	\$11,000		\$4,552		41.4%
Awards Expense	\$150		\$0		0.0%
Dues & Subscriptions	\$12,000		\$11,867		98.9%
Conference Registration Fees	\$2,000		\$1,005		50.3%
Electricity	\$2,700		\$1,543		57.1%
Rent Expense	\$38,680		\$20,996		54.3%
Repair & Maintenance	\$100		\$0		0.0%
Office Supplies	\$1,500		\$1,151		76.7%
Food Expenses	\$1,200		\$949		79.1%
Education Supplies	\$250		\$227		90.8%
Account & Auditing Services	\$7,363		\$7,363		100.0%
Other Cont. Svcs & Travel Exp.	\$0		\$0		0.0%
Other	\$1,600		\$1,029		64.3%
Subtotal	\$98,643		\$61,401		62.2%
STAFF TRAVEL					
Board & Lodging	\$4,000		\$1,119		28.0%
Commercial Transportation	\$1,750		\$495		28.3%
State-Owned Transportation	\$1,500		\$998		66.5%
Mileage	\$750		\$112		14.9%
Other	\$250		\$27		10.8%
Subtotal	\$8,250		\$2,751		33.3%
COMMISSIONER TRAVEL					
Board & Lodging	\$1,750		\$1,010		57.7%
Commercial Transportation	\$0		\$0		0.0%
Mileage	\$7,500		\$4,975		66.3%
Other	\$25		\$0		0.0%
Subtotal	\$9,275		\$5,985		64.5%
CAPITAL OUTLAY					
Office Equipment	\$0		\$0		0.0%
Hardware	\$0		\$0		0.0%
Software	\$1,000		\$0		0.0%
Subtotal	\$1,000		\$0		0.0%
MHEC Dues	\$90,000		\$90,000		100.0%
TOTAL EXPENDITURES	\$1,242,512		\$674,817		54.3%
General Fund Appropriation	\$1,219,698		\$1,219,698		
Cash Fund Appropriation	\$10,768		\$10,768		
Federal Fund (old acct)	\$12,046		\$12,046		
Encumbrances & Carryover	\$0		\$0		
TOTAL APPROPRIATION	\$1,242,512		\$1,242,512		
Remaining Balance	\$0		\$567,695		45.7%



OUT-OF-STATE INSTITUTION PROPOSAL To Offer Programs in Nebraska

Institution: National American University, Rapid City, South Dakota

Program: Associate of Applied Science (AAS) in Applied Information Technology, Information Technology, Business Administration, Criminal Justice, and Medical Assisting

Bachelor of Science (BS) in Applied Information Technology, Information Technology, Business Administration, Criminal Justice, and Healthcare Management

Institution's Existing Degree in Same or Similar Discipline: All degrees and programs are offered at other National American locations

Proposed Site(s) for Delivery: Bellevue, Nebraska

Proposed Start Date: 2011

Introduction

National American University (NAU) was founded in 1941 in Rapid City, South Dakota, as National School of Business. The school expanded its offerings and its facilities and changed its name to National College. It earned accreditation from the Higher Learning Commission (HLC) of the North Central Association of Colleges and Schools in 1985. In 1997 the college changed its name to National American University. During this same time period NAU began development of online courses.

NAU, a for-profit institution, currently enrolls approximately 1,550 full-time and almost 6,200 part-time students on 17 campuses in eight states. The university offers three master's degrees, baccalaureate degrees in 12 fields, associate degrees in 17 areas, and four diplomas. Program areas are primarily in business and technology and allied health fields.

A public hearing on NAU's proposal was held in Omaha on December 28, 2010 (as specified in Nebraska Revised Statutes Section 85-1103.02).

REVIEW CRITERIA

A. Demonstrated Need and Demand for the Program in the Area to be Served

High-----Low				
		√		

National American University's research on the need and demand for the programs utilized the *U.S. Bureau of Labor Statistics Occupational Outlook Handbook* and the Nebraska Department of Labor *Long Term*

Industry Projections. Figures for estimated jobs and/or projected percentage increase from each source were cited as evidence of need. Neither source was specific to the Omaha area.

NAU quotes Governor Heineman's state of the state address in which he says "The road to economic prosperity for us as a state and for individual students is good education." Also cited is the *Comprehensive Statewide Plan for Postsecondary Education*: "As more adults remain in the workforce, there will be a continuing need for access to life-long learning and retraining opportunities." The need and demand section of NAU's application concludes with a quote from President Obama and notes his goal that by 2020 America will once again have the highest proportion of college graduates in the world. (The US currently ranks behind ten developed countries in the percentage of its 25-34 age population that holds a postsecondary credential.)

The enrollment projections provided by NAU and shown in the table below were based on historical data from other NAU locations and upon the "increasing demand for post-secondary education in today's evolving global economy." There was no other basis provided for the figures and some of them appear overly ambitious.

NAU's Enrollment Projections

Program	Degree	2011	2012	2013	2014	2015
Applied Information Technology	BS	4	5	10	18	30
	AAS	3	4	8	18	34
Information Technology	BS	4	4	6	18	30
	AAS	3	7	11	20	40
Healthcare Management	BS	3	18	25	35	58
Medical Assisting	AAS	2	5	10	18	25
Criminal Justice	BS	5	7	15	28	48
	AAS	4	5	10	15	35
Business Administration	BS	15	40	50	60	85
	AAS	7	25	35	45	65
Total		50	120	180	275	450
NAU projected total		30	120	175	275	450

The proposal notes that while there are several institutions in the Omaha area that provide the same programs NAU is proposing to offer, the metropolitan area is the most densely populated part of the state and it continues to experience population growth. In addition, the proposal states that economic growth is limited by a shortage of technically-trained workers.

The table on the following page, compiled by Commission staff, shows the number of graduates from Omaha area institutions in program areas related to those proposed by NAU. Figures are based on the classification of programs reported by the institutions and may not be an exact match to the programs proposed. Therefore, the numbers should be considered only a rough indicator of possible need for the programs. The bottom line is the number of projected annual openings in the Omaha area, as estimated by the Nebraska Department of Labor (DOL).

2010 Graduates from Omaha Area Institutions and Projected Openings

	Information Technology		Healthcare Management	Medical Assisting		Criminal Justice		Business	
	Bac	Assoc	Bachelor's		Assoc	Bac	Assoc	Bac	Assoc
Bellevue	180		9					895 ¹	
Clarkson								4	
Creighton	5		22					19	
Grace								20	
Kaplan	1	10			73	6	26	12	26
MCC		42			²		61		131
Phoenix	1							7	
St. Mary			20					15	
UNO	52		12			138		126	
Vatterott					19				
TOTAL	239	52	63		92	144	87	1098 ¹	157
Projected openings	436	98	37 (w/masters)		80	24 ³	⁴	⁵	⁵

¹ Includes a significant number of degrees earned online by out-of-state-students

² As of fall 2011, MCC will be offering an associate degree in medical assisting

³ DOL only gives openings at the state level for these occupations

⁴ All occupations requiring less than a bachelor's degree are listed by DOL as requiring a high school diploma or GED

⁵ There are too many occupations related to business to accurately state the number of openings

Sources: IPEDS and Nebraska Department of Labor (DOL)

Summary of observations:

- The numbers suggest that there will be a need in the Omaha area for information technology employees.
- The DOL does not have a listing for a baccalaureate level healthcare management occupation. Given the number of master's level employees needed and the rapid growth of the field, it is likely that there will be a need for this occupation as well.
- Medical assisting graduates exceed the estimated number of job openings. Starting in 2013 there will be additional graduates from the newly-approved program at Metropolitan Community College. Medical assistants also are not generally required to hold an associate degree—there are four diploma/certificate programs available in the Omaha area. Although there is an aging population and an increased demand for allied health fields, it appears that there will be more graduates in medical assisting than job openings.
- Criminal justice has been a popular major for college students in recent years. The occupations requiring a baccalaureate degree in the field, however, have limited openings. Other positions, such as police officer, bailiff, and correctional officer, require only a high school diploma. Some cities in Nebraska may require law enforcement officers to have an associate degree as a condition of employment or for advancement. The latter is the case in Omaha.
- There are many jobs that might be filled by a person holding a degree in business. That makes it impossible to accurately retrieve information from the DOL regarding projected openings. We do know that jobs in certain aspects of business, such as bookkeeping and accounting clerks, will be in demand.

It should be noted that even in fields where supply appears to equal or exceed demand, there are other factors at play. A student may select a new institution, for example, because it offers a schedule more convenient to that of the student, it is closer to the student's home, it has lower tuition, offers courses online, or has some other advantage specific to an individual student's circumstances.

B. Quality of Program of Instruction to be Offered in the State

High-----Low
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The proposed programs are identical to those offered on the NAU home campus in Rapid City or other NAU locations. NAU states that students in Nebraska would use the same course syllabi, textbooks, and other instructional materials, and participate in the same assessment activities as students on other NAU campuses.

The university has a basic general education curriculum, although some programs deviate from it slightly. For a bachelor's degree, there are 66 quarter credit hours (44 semester credit hours) of general education requirements. The courses include communication, science, math (college algebra and business statistics), humanities, behavioral/social science, computer literacy, and success/career management. There are 39 quarter credit hours (26 semester credit hours) of general education requirements for the associate degree. These are appropriate and common requirements for associate and baccalaureate degrees.

All bachelor's degrees require a capstone course or major capstone project. Where appropriate, internships are required. Some of the bachelor's degrees are designed to allow transfer of associate degrees into the baccalaureate program. Some also provide for credit for students with significant work experience in the field. The requirements for each of the proposed degree programs are summarized in the table below. All are within the commonly accepted range of credit hours for the respective degrees.

Program Requirements

Program	Degree	Total Hours	Major Hours	Option/Emphasis Hours	Support Hours	Elective Hours	General Education Hours	Other Requirements
Applied Information Technology	BS	186	49.5	43.5	18	18	57	
	AAS	93	18		36		39	
Information Technology	BS	187.5	49.5	31.5	36	4.5	66	
	AAS	93	40.5		13.5	39		
Healthcare Management	BS	187	48		67		72	Research or internship
Medical Assisting	AAS	101.5	55				46.5	Extra science in gen ed
Criminal Justice	BS	187.5	67.5		54		66	Internship or experience
	AAS	93	40.5		9		43.5	
Business Administration	BS	186	79.5	31.5		9	66	6 hr practicum
	AAS	93	54				39	

The current catalog lists several options or emphasis areas for some of the programs. NAU reported at the public hearing that all of the options would be available in Bellevue. For the BS in business, the emphasis areas are accounting, financial management, human resource management, information systems, international business, management, marketing, pre-law,

and tourism and hospitality management. For the BS in information technology the areas are internet systems development, management information systems, network administration/Microsoft, and network management/Microsoft.

NAU intends to offer courses on-site in Bellevue as well as online. Students would be able to choose face-to-face or online delivery.

C. Quality of Teaching Faculty

High-----Low
<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
Faculty would be hired after approval

The university provided its Faculty Qualification Guidelines. For faculty teaching courses in a major, support core, or emphasis area, a doctorate or master's degree with professional certification, experience in the field, or additional course work is required. Faculty teaching general education courses must hold a minimum of a master's degree in the area of their assigned teaching responsibility.

The 2010-11 university catalog lists the full-time faculty and core associate faculty at all of the campuses in the NAU system. Commission staff selected two of the smaller campuses and examined the qualifications of faculty at those sites. The Austin, Texas, campus has eleven faculty members listed. Of those, six hold a master's degree, three a Ph.D., and two hold JDs. On the Colorado Springs, Colorado, campus, seven faculty hold a master's degree, one has a doctorate, and one a JD. While this is not a listing of the faculty who would teach in Nebraska, it is representative of the types of credentials typically held by faculty employed by National American University.

NAU currently has a leadership development program for employees. Anyone completing the program and interested in the Bellevue campus would be considered for a leadership position. Other personnel would be hired locally.

D. Quality of Library and Support Services

High-----Low
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Students would have access to the National American University library's electronic resources. The proposal provided a list of all the databases and services currently available. The list includes nine databases each for business and allied health, ten databases for general education, six electronic book collections, three electronic catalogs, and three library service resources. The latter includes an online full-text database (EBSCO) and Interlibrary Loan.

National American reports that students in Nebraska would have access to the same student support services as students in other locations. These include pre-admission assistance, financial aid counseling, course registration, academic advising, career advising, and technical support (available via email and telephone). NAU has indicated that about 12 personnel would staff a Bellevue location.

E. Legal Form and Ownership

National American University is owned by Dlorah, Inc., a South Dakota corporation. Dlorah, Inc. has registered with the Nebraska Secretary of State to operate in Nebraska.

F. Financial Soundness & Ability to Fulfill Commitments to Students

High-----Low
<input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>

National American University provided audited financial statements for fiscal years 2008-09 and 2009-10. The auditors reported that NAU complied, in all material aspects, with the auditing requirements. The

financials were reviewed by a Commission finance staff member, who reported that NAU has no current debt, uses its line of credit sparingly, and is paying dividends to stockholders.

The proposal included a budget for the first two years of operation. A net loss is expected for the first 18 months. NAU states that the “financial strength of the university will maintain the campus until it becomes profitable in the second year.”

The tuition for all courses would be \$299 per quarter credit hour, plus a \$10 per credit hour technology fee and a \$50 per credit hour portfolio fee. There is also a \$25 application fee, a \$50 matriculation fee, and a \$50 graduation application fee. The tuition alone for a 93 credit associate degree would be \$27,807. For a 186 hour bachelor’s degree, the tuition would total \$55,614.

While the following figures are rough estimates and not entirely comparable, it appears that NAU’s tuition is in the same range as other for-profit institutions operating or approved to operate in Nebraska.

Selected comparison tuition and fees (estimated)

Program	NAU	Baker	Herzing	MCC	UNO	Kaplan	Creighton	Bellevue
Bachelor	\$66,774	\$39,730	\$60,820*		\$23,808	\$61,308*	\$116,904	\$31,800-\$43,800
Associate	\$33,387	\$14,700	\$31,685*	\$5,088		\$30,654*		

*includes books

National American provided a copy of the college catalog, including the federal return policy for Title IV funds (financial aid), college withdrawal policy, and college refund procedures. It also provided a copy of its “Teach-out Plan” approved by the Higher Learning Commission in the event a campus would need to be closed.

G. Program Location

National American University has signed a lease for a 9,500 square foot building in Bellevue (3704 Summit Plaza Drive). The lease is contingent on NAU receiving all necessary governmental and accreditation approvals.

The building is located in a shopping center near the intersection of 36th Street and Highway 370. The highway is a major east-west artery connecting Bellevue and Interstate 80. The cross street is a through street, locating the campus at a busy intersection, easily accessible to many students.

H. Accreditation

National American University is accredited by the Higher Learning Commission (HLC) of the North Central Association of Colleges and Schools, the same entity that accredits Nebraska’s public, and many private, institutions of higher education. Accredited since 1985, NAU is authorized to offer certificates, associate, baccalaureate, and master’s degrees.

The business programs are accredited by the International Assembly for Collegiate Business Education (IACBE). The IACBE is one of three programmatic accrediting bodies for business. Although IACBE is not recognized by the United States Department of Education, it is seeking

accreditation from CHEA, the Council of Higher Education Accreditation, which is recognized by the United States Department of Education.

I. Transferability of Credits

Since National American University is accredited by the Higher Learning Commission of the North Central Association of Colleges and Schools, students should be able to transfer credits in the same manner as they transfer credits earned at any other regionally accredited institution. Acceptance of transfer credits from any institution is at the discretion of the receiving institution.

Public Hearing

A public hearing was held on December 28, 2010, in room G of the State Office Building in Omaha. Commissioner Carol Zink served as hearing officer. Commissioner Scott Wilson also attended the hearing. The Commission was represented by Marshall Hill, Kathleen Fimple, Jason Keese, and Miste Adamson-DaMoude. Several representatives from National American University were present.

Kathleen Fimple entered into the record two emails received by the Commission expressing concern over NAU's application and two letters in opposition to the application. All four are included following page 9 of this document, along with state statutes referring to Commission authorization of out-of-state institutions.

Dr. Ronald Shape, Chief Executive Officer of National American University, provided a brief history of the institution and identified its Nebraska ties (two former state college presidents serve on the Board of Governors and a former state college financial officer serves on the Board of Directors). He stated that NAU's intent was to work in cooperation with the Nebraska higher education community, with the goal of offering an additional option to students and not to be a competitor with other institutions. NAU's students are typically employed and between the ages of 24 and 34. Well over half are transfer students, some with associate degrees. The university has a long-standing relationship with the military in South Dakota and Texas and hopes to develop a similar relationship in Nebraska.

Mr. Randy Schmailzl, president of Metropolitan Community College in Omaha, spoke in opposition to the application. He noted that associate degree and baccalaureate degree education are quite different from one another and that he did not see that differentiation in NAU, where most of the people are from baccalaureate institutions. He questioned the potential involvement with Offut Air Force Base. Metro Community College has a history of offering courses there, but those have to be approved by the military for any institution proposing to offer on the base. The number of courses has decreased with the reduction of personnel at Offut. Lastly he expressed concern over the cost of attendance at NAU and the potential for students to accumulate significant debt.

Dr. Shape responded that NAU had begun as a certificate-granting secretarial school and slowly evolved into a degree-granting institution. He agreed with Mr. Schmailzl that there is a distinct difference between associate and baccalaureate degree education. He also agreed that student loan debt was a significant concern. He reported that the federal cohort default rate for NAU was low—in single digits. (Commission staff note: NAU's cohort default rate was 9.8 in FY 2008.)

Dr. Shape provided the following responses to questions from Commission staff.

- NAU courses are offered both face-to-face and online. It is up to the student to decide which mode of delivery he or she prefers.

- NAU has discovered that students want face-to-face contact initially, especially in the admission and registration process. Consequently, the university provides an average of 13 to 15 personnel on its campuses to handle a variety of administrative duties, although administrative functions can also be accessed online if a student prefers.
- Many courses are available online, but NAU has found that some, such as statistics, have better student success if offered face-to-face.
- Just over 50% of students take an online course.
- Textbooks are included in the costs for some courses, but not all.
- All options listed in the college catalog under business and information technology would be available in Bellevue.

Dr. Shape also requested the opportunity to provide more specific information in writing in response to the objections raised.

There was no proponent or neutral testimony.

On January 7, 2011, the Commission received NAU's response. A summary of their additional information follows, with the complete response included at the end of this document.

Summary of National American University's Responses

NAU currently has over 10,000 students. Expansion from a single city to the current 23 locations was accomplished steadily over 37 years.

NAU has numerous Nebraska ties, including purchase in 1962 and long-time ownership by Nebraskan, Harold Buckingham. Seven current board members or administrators have Nebraska ties.

In addition to being accredited by the HLC, NAU is a member of the HLC's Academy for Assessment of Student Learning.

Placement rates for 2009-10 ranged from 78% to 88% in overall job placement and from 51% to 72% placement in the field of study.

90.2% of students are in good standing with respect to their student loans.

The most recent US Bureau of the Census figures show an increase of over 115,000 people in Nebraska, with most of the growth occurring in the Omaha metropolitan area.

Two written comments to the Commission referenced an article that appeared in a free weekly Minneapolis/St. Paul newspaper. A letter from NAU's attorney identified the following inaccuracies in that article:

- NAU was not a subject of the recent General Accounting Office investigation, including a concern over the large amount of student loan debt. NAU has historically sought to limit student loans to tuition, fees, and books/course materials. At the direction of the US Department of Education, NAU recently modified this policy to allow loans for living expenses as well.

- NAU's tuition is not four times that of the University of Minnesota. Tuition at NAU is approximately \$14,485 per year while in-state tuition at the University of Minnesota is \$12,288.
- NAU's loan default rate of 9.8% is well within guidelines published by the US Department of Education. The Department reports that four-year public institutions had an average default rate of 4.4% in 2008 while two- and three-year programs had rates of 10%.
- The article charges that NAU spent only a quarter of its revenue actually educating students while spending four times that amount on selling, administration, and other expenses. The "administration and other expenses" category includes salaries for staff whose duties are directly related to education, such as librarians, academic deans, service coordinators, etc. It also includes the cost of owning or leasing campus facilities.
- A student profiled in the article filed complaints with both state and federal regulators. The Minnesota Office of Higher Education investigated her claims and determined that NAU acted properly.
- NAU does not have a campus in Mall of America.

While a copy of the newspaper article was not included in the letters of opposition, NAU provided a copy of the letter to the student profiled in the article, addressing her charges one by one.

Staff Comment: Staff contacted the Higher Learning Commission regarding the progress report on enrollments required from NAU and referenced in both opposition letters. The enrollment reporting has become fairly common for institutions that have recently undergone a change in ownership, in this case, the acquisition of NAU by Dlorah, Inc. The purpose is to monitor growth, so that the institution does not grow so rapidly that it cannot adequately serve its students.

Committee Comment: NAU is regionally accredited and appears to be in sound financial condition. The program curricula and university faculty qualifications meet common standards. Reasonable student support services are planned and resourced; policies for financial aid are in place and meet federal requirements.

Committee Recommendation: Approve the application of National American University, with the following conditions: prior to NAU offering courses

- 1) Commission staff conduct a site visit of the proposed facility as part of NAU's statutory obligation to demonstrate that facilities are adequate,
- 2) vitae for faculty hired for the Omaha location are submitted to the Commission to verify that NAU is following its published Faculty Qualification Guidelines, and
- 3) approval is received from the Higher Learning Commission.

Reporting requirements: Out-of-state institutions report annually to the Commission in response to a questionnaire sent each fall.

Adamson-Da Moude, Miste

From: Malcolm Russell [marussel@ucollege.edu]
Sent: Tuesday, November 30, 2010 7:51 AM
To: Adamson-Da Moude, Miste
Cc: Judy Muyskens; Miller, Ray; Roebke, Jenny; smorynski@mlc.edu
Subject: RE: Notice of Public Hearing

Dear Friends at the Nebraska Coordinating Commission for Postsecondary Education:

Being located in Lincoln, Union College will apparently not be directly affected if National American University offers courses in Omaha.

Nevertheless, I would like to note the general concerns in higher education and government circles about the general pattern of operation by for-profits, including targeting minority and disadvantaged students who often find particular difficulty in repaying loans. Is Nebraska so short of educational capacity that such institutions are needed?

I would also like to draw the attention of the Commission to the on-line evidence of great student dissatisfaction regarding at least some of NAU's programs. Please see

<http://www.guidetoonlineschools.com/online-reviews/national-american-university-online>


Thank you,
 Malcolm Russell
 Vice President for Academic Affairs
 Union College

From: Adamson-Da Moude, Miste [mailto:IMCEAEX-_O=XMAIL_OU=EXCHANGE+20ADMINISTRATIVE+20GROUP+20+28FYDIBOHF23SPDLT+29_CN=RECIPIENTS_CN=ADAMSON+5C-DAMOUE+2C+20MISTE@stone.ne.gov]
Sent: Wednesday, November 24, 2010 9:30 AM

To: mary.hawkins@bellevue.edu; maureen.franklin@doane.edu; kpagenkemper@graceu.edu; rlloyd@hastings.edu; director@myotherapy.edu; swood@nechristian.edu; ken.ryalls@methodistcollege.edu; scarper@osmt.com; Malcolm Russell; blester@york.edu; paulettegenthon@ucha.com; jkorth@mlmh.org; gilberd@rwmc.net; dona.marotta@alegent.org; jmuysken@nebrwesleyan.edu; patrickborchers@creighton.edu; woodworth@clarksoncollege.edu; cpharr@csm.edu; jenny.roebke@cune.edu; smorynski@mlc.edu; sggs@stgregoryseminary.edu; mpowell@summitcc.net; skollar@itt-tech.edu; jdobernecker@kaplan.edu; susan_p@creativecenter.edu; dr.gharzai@polytecusa.org; elizabeth.walls@bryanlgh.org; lmiller@york.edu; tellwein@kaplan.edu; roberta.worm@vaterott-college.edu

Subject: Notice of Public Hearing

Please see
 attached.



Miste Adamson-DaMoude

Nebraska's Coordinating Commission
 for Postsecondary Education
 140 N. 8th Street, Suite 300
 Lincoln, NE 68508
 (402) 471-0022
miste.adamsondamoude@nebraska.gov

Adamson-Da Moude, Miste

From: Henry Smorynski [smorynski@mlc.edu]
Sent: Wednesday, December 01, 2010 3:27 PM
To: miste.adamsondamoude@nebraska.gov
Cc: smorynski@mlc.edu
Subject: Public Hearing Comment on Application of National American University

It is important that the state provides access to enhanced and unavailable educational opportunities for its citizens. The standard for approval of out-of-state institutional educational programs must be that they meet unfulfilled needs beneficial to the states and its citizens, particularly in areas vital to the economic development of the state, the increased need for professionals in critical fields of work, or access to citizens to opportunities denied them on the basis of affordability, availability or special emphases.

The application covers many areas already done well and accessible through the state's community colleges and those institutions are both growing and providing increased access at reasonable costs. For advanced baccalaureate work there is a reasonable availability of the courses of studies offered in the application by current Nebraska institutions of higher education. This is clearly true for Business Administration and Criminal Justice and to my limited knowledge also true of Applied Information Technology. There may be limited opportunities in health care management but the question is how much more availability is needed to meet Nebraska's needs.

I do not believe the application shows compelling needs that cannot be or are not currently being addressed by current Nebraska higher education providers. In an era of concern about quality assurance and student service by educational institutions of all types, we should not proliferate choices that are not demonstrable better or more accessible than ones that already exist. Budgeting and the economic conditions of families require that we protect the interests of Nebraska citizens by only authorizing increases in educational options that are needed and justified by demand and quality performance.

Henry W. Smorynski

VPAA & Dean of the University



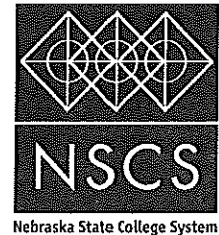
402.941.6200

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Nebraska State College System

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Lincoln, NE 68509-4605 Phone: (402) 471-2505 Fax: (402) 471-2669

www.nscs.edu



December 20, 2010

RECEIVED

DEC 22 2010

Dr. Marshall Hill
Executive Director
Coordinating Commission for Postsecondary Education
PO Box 95005
Lincoln, NE 68509

Coordinating Commission
for Postsecondary Ed.

Re: National American University's Request to Offer Programs in the State of Nebraska

Dear Dr. Hill:

On behalf of the Nebraska State College System (NSCS), I submit the following comments in opposition to National American University's ("NAU") request to offer programs in the State of Nebraska. I understand that the Coordinating Commission for Postsecondary Education ("CCPE") will conduct a public hearing on December 28, 2010 to review NAU's request. I respectfully request that the CCPE review my comments and make them a part of the official record at the December 28, 2010 hearing.

Legal Authority to Reject NAU's Request

In previous meetings of the CCPE, you have questioned whether or not federal anti-trust laws prohibit the CCPE from rejecting requests from out-of-state institutions to offer programs in the State of Nebraska. I believe that authority from the United States Supreme Court, Congress, and the Nebraska Legislature clearly establishes that the CCPE may reject such a request.

In the seminal case of *Parker v. Brown*, 317 U.S. 341 (1943), the United States Supreme Court found that federal anti-trust laws do not apply to state governmental bodies. *Parker* involved a state statute that authorized a commission to restrict private producers from distributing their products within the state. The Court found that in enacting the statute, the state acted through its legislature to suppress private producers, which federal anti-trust laws (namely, the Sherman Act) do not prohibit. The Court explained, "We find nothing in the language of the Sherman Act or in its history which suggests that its purpose was to restrain a state or its officers or agents from activities directed by its legislature." *Parker*, 317 U.S. at 350-51; *see also Hoover v. Ronwin*, 466 U.S. 558, 567-68 (1984) (stating that "when a state legislature adopts legislation, its actions constitute those of the State, and ipso facto are exempt from the operation of the anti-trust laws."). Otherwise stated, when a state enacts legislation that may have anti-competitive effects, the anti-trust laws do not apply.

As you know, the State of Nebraska, acting through the Legislature, established the CCPE to perform various duties. In particular, the Legislature vests the CCPE with the authority to accept or reject the request of an out-of-state institution of higher education ("out-of-state institution") to offer courses or degree programs in the State of Nebraska. Nebraska Revised Statute §85-

Three colleges. Thousands of opportunities.

CHADRON STATE. PERU STATE. WAYNE STATE.

1103.02(2) specifically provides, "Following the public hearing, the commission shall either approve or disapprove the application for authorization [of an out-of-state institution] to offer college credit courses or degree programs in the state." The Legislature clearly intended for the CCPE to either approve or reject an out-of-state institution's request to offer credit courses or degree programs in the State of Nebraska. Consequently, even if the approval or disapproval has anti-competitive effects, the anti-trust laws do not apply to the CCPE's approval or disapproval of such a request.

Federal statutes confirm that the CCPE is exempt from anti-trust laws. The United States Code provides that no person may recover interest on damages, costs, or attorney's fees from any governmental body established by state law for violations of anti-trust violations. *See* 15 U.S.C. §§34-35. Certainly, if a state governmental body (such as the CCPE) could be liable under anti-trust laws, the federal government would not have prohibited an award of damages against such bodies for violations of those laws. This further illustrates the fact that the CCPE can reject an out-of-state institution's request to offer programs in the State of Nebraska without violating federal anti-trust laws.

Basis to Reject NAU's Request

With the CCPE's authority in mind, I believe there are several reasons to reject NAU's request to offer courses or degree programs in the State of Nebraska. These reasons directly relate to the factors the CCPE must consider, pursuant to Nebraska Revised Statute §85-1103(1), when evaluating a request from an out-of-state institution.

Ability to Fulfill Commitments

The CCPE must first consider NAU's "capability to fulfill its proposed commitments." *See* Neb.Rev.Stat. §85-1103(1)(a). I question NAU's ability to fulfill its commitment to serve potential students in Nebraska, particularly as it relates to students' future debt and gainful employment. In a recent article, the author noted that NAU received \$82 million in tuition, most of which consisted of state and federal student loans. *See* Minnesota City-Pages article at www.citypages.com/content/printVersion/1673866/. The report also indicates that after two years of repaying loans, NAU's student loan default rate is 9.8 percent, which is five times worse than the public university average and significantly worse than community colleges. *See id.* After three years of repaying loans, NAU's student loan default rate jumps to nearly 16 percent. *See id.* With such high default rates, I am concerned that potential NAU students in Nebraska will join the 9 percent to 16 percent of students who default on their NAU student loans. Certainly, such an outcome would not effectively serve Nebraska students under any circumstances.

Moreover, I question whether NAU can provide potential Nebraska students gainful employment (and, in turn, enable them to repay their student loans). The Department of Education is especially concerned with this issue. *See Department of Education Establishes New Student Aid*

Rules to Protect Borrowers and Taxpayers Press Release dated October 28, 2010 at <http://www.ed.gov/news/press-releases/departments-education-establishes-new-student-aid-rules-protect-borrowers-and-tax> (discussing gainful employment and information regarding costs, debt levels, graduation rates, and placement rates). The following example illustrates my concern: In its application to the CCPE, NAU uses the same median weekly earnings chart for potential students in every area of study. Graduates of an associate's degree in Applied Science in Medical Assisting earn \$761 per week in average weekly wages, according to NAU's application. However, Economic Modeling Specialists, Inc. ("EMSI") reports that the average hourly wage for Medical Assistants was \$14.42 in the third quarter of 2010, or \$577 per week, which is significantly less than NAU's figure. Regardless of whether a graduate of the Applied Science in Medical Assistant program earns \$761 or \$577 per week, I question whether that graduate's salary will enable him or her to repay NAU's \$309 per-credit-hour tuition and fees (\$299 per credit hour for tuition and \$10 per credit hour for technology fees).

Quality of Teaching Faculty, Library, and Support Services

In addition to the ability to fulfill its proposed commitments, the CCPE must consider the quality of NAU's "teaching faculty, library, and support services, commensurate with tuition or fees charged." See Neb.Rev.Stat. §85-1103(1)(b). Please note that NAU expects to spend more on its admissions salaries and marketing costs than on its instructional salaries. For example, NAU's admissions salaries and marketing costs will consume 55.6 percent of tuition revenue in fiscal years 2011-2012 and 2012-2013, while instructional salaries will consume a mere 5.5 percent of that revenue in 2011-2012 and 4.5 percent in 2012-2013. I question the quality of the teaching faculty that NAU can provide when it intends to spend ten times more of its revenue on admissions salaries and marketing costs than on instructional salaries.

Demonstrated Need and Demand for the Program

An additional factor the CCPE must evaluate is "the demonstrated need and demand for the program in the area to be served." See Neb.Rev.Stat. §85-1103(1)(c). I believe that NAU has failed to demonstrate this need or demand. NAU's application lacks any data from local elementary or secondary schools, chambers of commerce, or trade and industry representatives to identify the programs needed or requested in their communities. Moreover, it lacks an accurate projection of the number of students who need or want to enroll in NAU's programs. NAU's application states, "NAU bases its projected enrollments upon historical data from its other locations and upon the increasing demand for post-secondary education in today's evolving global economy." I believe that relying on data from locations other than from the State of Nebraska is insufficient to project an accurate student enrollment in this state. Absent an accurate projected enrollment or local data, NAU cannot substantiate the need or demand for its programs.

Quality of Programs

Nebraska Revised Statute §85-1103(1)(d) requires the CCPE to consider the “quality of the program to be offered in the state, including courses, programs of instruction and degrees.” I note that NAU intends to offer certain courses in a “traditional classroom setting, while other courses will be delivered in an online asynchronous format.” Yet, NAU’s application to the CCPE does not detail the number or type of programs it intends to offer online or in the classroom. It also does not identify whether any of NAU’s current instructors who teach outside Nebraska will teach online courses to Nebraska students, and if so, whether they are qualified to do so. Without this information, I believe it is difficult, if not impossible, to evaluate the quality of NAU’s programs.

Accreditation

When considering a request to offer programs in Nebraska, the CCPE must also evaluate whether NAU and, “when appropriate, the program are fully accredited by an accrediting body recognized by the United States Department of Education.” See Neb.Rev.Stat. § 85-1103(1)(g). I direct your attention to the following notation made by the Higher Learning Commission of the North Central Association¹ relating to NAU: “Progress Report: 02/15/2011; a report by week six of each semester providing enrollment information by degree program and by location for that semester/term.” See NAU’s Statement of Affiliation Status, http://www.ncahlc.org/component/option,com_directory/Action,ShowBasic/Itemid,192/instid,1967/lang,en/. I do not know the rationale behind this notation, but can only conclude that it will negatively affect NAU’s accreditation.

Closing Remarks and Recommendation

In sum, there is little doubt the CCPE has the authority to reject NAU’s request to offer programs in the State of Nebraska without violating federal antitrust laws. For the reasons discussed above, I urge the CCPE to deny NAU’s request.

Sincerely,



Stan Carpenter
Chancellor

¹ The Higher Learning Commission of the North Central Association is one of two commission members of the North Central Association of Colleges and Schools (NCA), which is one of six regional institutional accreditors in the United States. The Higher Learning Commission accredits degree-granting post-secondary educational institutions in the North Central region.

December 21, 2010

Dr. Marshall Hill
Executive Director
Coordinating Commission for Post Secondary Education
140 North 8th Street
Suite 300
Lincoln, NE 68508

RECEIVED

DEC 22 2010

Coordinating Commission
for Postsecondary Ed.

Re: Proposal for an Out-of-State Institution to offer programs in the state of Nebraska:
National American University – *Public Hearing*

Dear Members of the Coordinating Commission for Postsecondary Education:

The undersigned college and university representatives jointly offer these written comments prior to the December 28, 2010 CCPE public hearing and respectfully request that our comments are made a part of the record at the time of the hearing. We are opposed to National American University's request for CCPE approval to offer programs in the state of Nebraska.

Legal Ability to Reject the Proposal

Before discussing some specific points of opposition, we feel that it is incumbent upon us to clarify a legal issue. In a previous meeting of the CCPE, Dr. Hill stated that he didn't think that the Commission could reject this type of proposal from an out-of-state institution due to federal restraint of trade laws. If true, then public hearings of this type are perfunctory at best. However, case law and codified statutes do, in fact, give the Commission the right to reject any proposal that comes before it as a result of its deliberations as a state entity.

There is an exception to antitrust liability for actions that are taken by state regulatory bodies. In *Hoover v. Ronwin*, 466 U.S. 558, 568-69 (1984), we find the following quote:

The starting point in any analysis involving the state-action doctrine is the reasoning of Parker v. Brown. In Parker, the Court considered the antitrust implications of the California Agriculture Prorate Act -- a state statute that restricted competition among food producers in California. Relying on principles of federalism and state sovereignty, the Court declined to construe the Sherman Act as prohibiting the anticompetitive actions of a State acting through its legislature:

"We find nothing in the language of the Sherman Act or in its history which suggests that its purpose was to restrain a state or its officers or agents from activities directed by its legislature. In a dual system of government in which, under the Constitution, the states are sovereign, save only as Congress may constitutionally subtract from their authority, an unexpressed purpose to nullify a state's control over its officers and agents is not lightly to be attributed to Congress." 317 U.S., at 350-351.

Thus, under the Court's rationale in Parker, when a state legislature adopts legislation, its actions constitute those of the State, see id., at 351, and ipso facto are exempt from the operation of the antitrust laws.

Further, in the Local Government Antitrust Act of 1984 (LGAA) 15 U.S.C. §§ 34-36, recovery, under section 4, 4A, or 4C of the Clayton Act (15 U.S.C. 15, 15a, or 15c) of damages, interest on

damages, costs, or attorney's fees for antitrust violations from any local government, or official or employee thereof acting in an official capacity is prohibited. "Local government" includes . . . a school district, sanitary district or any other special function governmental unit established by State law . . .

Comprehensive Statewide Plan

Pursuant to Section 85-1413 (4), the Commission, in developing the Comprehensive Statewide Plan, shall assess the postsecondary educational needs of the state in the following areas:

- a) The basic and continuing needs of various age groups;
- b) Business and industrial needs for a skilled work force;
- c) Demographic, social, and economic trends;
- d) The needs of the ethnic populations;
- e) College attendance, retention, and dropout rates;
- f) The needs of recent high school graduates and place-bound adults;
- g) The needs of residents of all geographic regions; and
- h) Any other areas the commission may designate.

We acknowledge that the Comprehensive Statewide Plan concerns itself with public institutions. However, we find it problematic that an out-of-state private institution is not required to at least comment on these areas in their application to the CCPE to demonstrate some familiarity with the local needs of the community, the region, and the state.

In the case of the proposal from National American University, the institution repeatedly borrows from the *2006 Comprehensive Statewide Plan for Postsecondary Education* to remind you that "Postsecondary educational institutions will have a strong, vested interest in the welfare of Nebraska's economy." Regrettably, the institution does not give us any insights on its interest or, for that matter, its potential contribution to the welfare of Nebraska's economy.

Projected Enrollments

Throughout its application in the sections for each academic program, NAU makes this statement concerning *projected enrollments*:

"The university bases its projected enrollments upon historical data from its other locations and upon the increasing demand for post-secondary education in today's evolving global economy."

Taken verbatim, one needs to conclude that no research about Nebraska high school students or Nebraska's employers was undertaken. Nor can one assume that potential K-12, trade, industry, chambers of commerce partners were consulted. How does one know how NAU determined the need for its programs?

We also believe that the Commission must ask NAU additional questions about the enrollment growth that it is projecting. Has NAU determined that the collective capacity of existing public and private institutions to provide academic instruction been exhausted? Are NAU's proposed programs so unique that its enrollment goals do not affect the enrollments at other institutions in the area? In other words, does NAU make the enrollment "pie" larger so that each institution's share of the pie is bigger or will the whole pie stay constant and NAU's entry into the marketplace reduce everyone's share of the pie? And lastly, what supporting evidence does it have?

National American University's application sections concerning its programs in Information Technology and Applied Information Technology, NAU quoted Governor Heineman's comments about the Nebraska Health Information Initiative. What's missing, however, is how NAU plans to directly assist in the effort.

You will recall that recently Metropolitan Community College proposed, and you approved, a very specific program in Health Information Technology that is directly aligned with the Nebraska Health Information Initiative.

Section 85-1103: Out-of-state institution of higher education

Pursuant to this section, the Coordinating Commission for Postsecondary Education shall consider the following factors in determining whether to authorize an out-of-state institution of higher education to offer courses or degree programs in this state:

- a) The financial soundness of such institution and its capability to fulfill its proposed commitments;
- b) The quality of teaching faculty, library, and support services, commensurate with tuition or fees charges;
- c) The demonstrated need and demand for the program in the area to be served;
- d) The quality of the program to be offered in the state, including courses, programs of instruction and degrees;
- e) The specific locations where programs will be offered or planned locations and a demonstration that the facilities are adequate at the locations for the programs to be offered. When an out-of-state institution of higher education designates a planned program location, approval shall be contingent upon designation of a specific location or locations where programs will be offered within a reasonable period of time following commission approval;
- f) Adequate assurances regarding transfer of credits earned in the program to the main campus of such institution and to other institutions located in Nebraska and elsewhere; and
- g) Whether such institution and, when appropriate, the program are fully accredited by an accrediting body recognized by the United States Department of Education.

With respect to *financial soundness* of the institution, it is obviously the business of a for-profit institution to earn a profit. However, as we think about the economic well being of our state and its citizens, it is difficult to comprehend the fact that *admissions salaries and marketing costs* exceed the tuition revenue in *Fiscal Year 2011-12*. In *Fiscal Year 2012-13*, *admissions salaries and marketing costs* consume 55.6 percent of tuition revenue. At the same time, *instructional salaries* consume 5.5 and 4.5 percent respectively in FY 2011-12 and FY 2012-13.

With respect to the *quality of faculty*, we understand that NAU cannot offer anything more at this time than the faculty qualifications guidelines. What is of interest to us is NAU's statement in the application sections for each of the proposed programs that "certain courses will be offered in a traditional classroom setting, while other courses will be delivered in an online asynchronous format." We think that NAU needs to provide more information about this including what courses potentially can be delivered online and what are the faculty qualifications of its instructors who are already facilitating the online courses. And lastly, do the projected enrollment figures include online students or just on campus students?

With respect to the *demonstrated need and demand for the program in the area to be served*, what specific research and/or data does NAU have to support its projected enrollment numbers above and beyond the general data already provided?

With respect to the issue of *adequate assurances regarding transfer of credits earned in the program*, what conversations has the institution had with in-state institutions concerning potential articulation and transfer agreements once they are given the approval to locate in Nebraska? What kinds of articulation/transfer agreements does the institution currently have in place in South Dakota and the region?

With respect to *accreditation*, NAU's Statement of Affiliation with the Higher Learning Commission of the North Central Association indicates the following:

Progress Report: 02/15/2011; a report by week six of each semester providing enrollment information by degree program and by location for that semester/term.

We believe that NAU should provide the Commission with information that provides some background on the reason why this report is being required by the HLC.

Also, just last month an article was published in City Pages (see www.citypages.com/content/printVersion/1673866/) that gave the following information . . .

Last year, National American University cleared \$10 million in profits. And how it got there is telling: The company pulled in \$82 million in academic revenue—most of it in the form of state and federal student loans. On its Minnesota campuses alone, National American's students received \$9.2 million in public loans last year.

But National American only spent a quarter of that \$82 million actually educating its students. The company spent nearly four times as much on selling, administration, and other expenses. It put \$6.5 million—again, most of it brought in through student loans—toward expanding the business in new locations. Another \$7.6 million in government money went to advertising. After all, to keep growing and making its shareholders millions of dollars, the university needs to keep new students coming in the doors and signing them up for student loans.

The article also reported the following about NAU and its student loan default rates . . .

After two years of repaying their loans, National American's students default rate is 9.8 percent—five times worse than the public university average and significantly worse than community colleges too.

Things only get worse for graduates as time goes on: After three years of trying to pay back loans, National American's student default rates jump to nearly 16 percent.

Could this also happen in Nebraska?

Debt, Placement and Gainful Employment

Most of you have heard about "gainful employment" in the press. The stories are all about the Department of Education establishing new student aid rules to protect borrowers and taxpayers. In its October 28, 2010 press release, DOE said that the definition of gainful employment is still evolving but at the present goes something like this:

Gainful Employment: In order to provide students and families with better information about the value of programs subject to the requirement they lead to gainful employment in recognized occupations, institutions are required to report information about students who start and complete a program. This information includes costs, debt levels, graduation rates, and placement rates.

An example at this juncture might be appropriate. While NAU inserted the same median weekly earnings chart in each section of the application, a more in-depth and specialized review needs to be undertaken. If one checks the application section that deals with the Associate in Applied Science in Medical Assisting, one finds that the median weekly earnings for a graduate possessing an associate degree were \$761 in 2009. However, if one consults data from EMSI, one finds that the average hourly wage for Medical Assistants was \$14.42 in the third quarter of 2010. That translates to \$577 per week. The average NAU student will be paying \$299 per credit hour for tuition plus another \$10 per credit hour as a technology fee. It would be of interest to know how well, or not, the student is able to handle the debt load if, in fact, a large amount of borrowing was used to finance his or her education.

And remember that the economic well being of the State of Nebraska ought to be of paramount importance.

Concluding Remarks and Recommendation

We do not believe that the economic well being of the State of Nebraska is enhanced by approving the application of National American University to operate in Nebraska. You have the right to reject the application without violating federal antitrust laws. We oppose the application and recommend that you reject it.

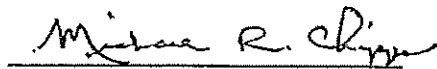
Respectfully,



Dennis G. Baack
Executive Director
Nebraska Community College Association



Patrick J. Borchers, J.D.
Vice President Academic Affairs
Creighton University



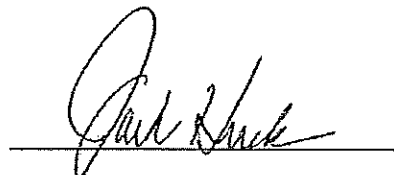
Dr. Michael Chipps
President
Mid-Plains Community College



Dr. Mary Hawkins
President
Bellevue University



Dr. Todd Holcomb
President
Western Nebraska Community College



Dr. Jack Huck
President
Southeast Community College



Thomas "Tip" O'Neill, Jr.
President
Association of Independent Colleges and Universities of Nebraska

Christine Pharr

Dr. Christine Pharr
Vice President for Academic Affairs
College of Saint Mary

Randy Schmailzl

Randy Schmailzl
President
Metropolitan Community College

Greg P. Smith

Dr. Greg Smith
President
Central Community College

85-1103.02. Out-of-state institution of higher education; courses or degree programs; application; hearing.

(1) Out-of-state institutions of higher education shall make application for authorization to offer college credit courses or degree programs within the State of Nebraska on forms prescribed by the Coordinating Commission for Postsecondary Education. Following receipt of a complete application, the commission shall set a time and place for a public hearing and shall cause notice of the hearing to be published in one or more newspapers of general circulation in the affected county or counties not less than thirty days or more than sixty days prior to the date set for the hearing. The hearing shall be held as provided in the Administrative Procedure Act.

(2) Following the public hearing, the commission shall either approve or disapprove the application for authorization to offer college credit courses or degree programs in the state. If approved, the commission shall specify in its approval the level and range of courses or degree programs which the applying institution is authorized to offer in the state.

Source: Laws 1999, LB 816, § 4.

Cross References

Administrative Procedure Act, see section 84-920.

Out-of-state institution of higher education; authorized to offer courses or degree programs; conditions; fee; rules and regulations.

(1) The Coordinating Commission for Postsecondary Education shall consider the following factors in determining whether to authorize an out-of-state institution of higher education to offer courses or degree programs in this state:

- (a) The financial soundness of such institution and its capability to fulfill its proposed commitments;
- (b) The quality of teaching faculty, library, and support services, commensurate with tuition or fees charged;
- (c) The demonstrated need and demand for the program in the area to be served;
- (d) The quality of the programs to be offered in the state, including courses, programs of instruction, and degrees;
- (e) The specific locations where programs will be offered or planned locations and a demonstration that facilities are adequate at the locations for the programs to be offered. When an out-of-state institution of higher education designates a planned program location, approval shall be contingent upon designation of a specific location or locations where programs will be offered within a reasonable period of time following commission approval;
- (f) Adequate assurances regarding transfer of credits earned in the program to the main campus of such institution and to other institutions located in Nebraska and elsewhere; and
- (g) Whether such institution and, when appropriate, the program are fully accredited by an accrediting body recognized by the United States Department of Education.

(2) The commission may charge a reasonable fee based on its administrative costs for registration and authorization and may also adopt and promulgate rules and regulations as may be necessary to carry out this section.

(3) The commission may revoke or suspend any authorization of an out-of-state institution of higher education to offer a course or degree program in this state upon violation of this section or any agreement submitted for authorization.



NATIONAL AMERICAN UNIVERSITY

Supplement to Request to Offer Programs in Nebraska

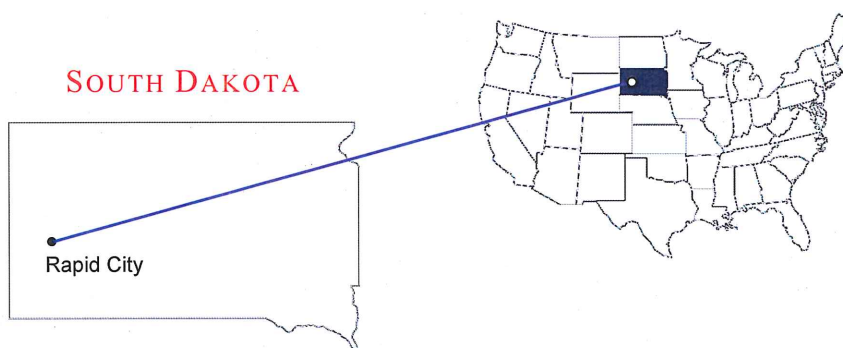
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|------------------------------|----------------------|
| 1. Introduction | 5. Newspaper Article |
| 2. The University | 6. Online Forum |
| 3. Quality Academic Programs | 7. Serving Students |
| 4. Demand for Programs | 8. Conclusion |

1. Introduction

National American University respectfully submits the following supplement to its Application to Offer Programs in Nebraska previously submitted to the Nebraska Coordinating Commission for Postsecondary Education. This supplement provides additional information about the university and addresses comments received pursuant to the notice of the public hearing, which hearing was conducted December 28, 2010.

2. The University

During the past 70 years, National American University has prepared students for successful careers by responding to the changing needs of students, employers, and their communities. Founded in 1941 as the National School of Business, the university expanded from a single campus located in Rapid City, South Dakota, into an effective university system serving over 10,000 full-time and part-time students, the majority of whom are working adults.



Throughout its history, the university has had strong ties to the region and to the state of Nebraska. In 1962, Nebraska native Harold Buckingham purchased the institution from founder Clarence Jacobsen, a graduate of the University of Iowa College of Law. The seventh of eleven children, Mr. Buckingham was born in 1910 near Morrill, Nebraska, and graduated from Chadron State College (then Nebraska State Teachers College of Chadron) in 1932. Although his goal was to become a teacher, he was unable to find a teaching position during the depths of the Great Depression. Nevertheless, he remained a passionate advocate

for higher learning. He firmly believed that quality educational opportunities and a better quality of life should exist for every person who desired it.¹

Mr. Buckingham's commitment to providing quality educational opportunities continues today through the efforts of the Buckingham family and dedicated university leaders, faculty, and staff, many of whom have close ties to Nebraska, including the following:

Mr. Richard Halbert
Board of Governors
National American University

Mr. Richard Halbert resides in **Falls City, Nebraska**, and is a senior partner in the law firm of Halbert, Dunn & Halbert, LLC, with offices in Falls City. Mr. Halbert has served as a public member of the university's Board of Governors since 1996 and as president of the National American University Foundation since 2005. Mr. Halbert served on the **Board of Trustees of the Nebraska State College System** from 2001-2006. He earned both his B.A. and J.D. degrees from the **University of Nebraska-Lincoln**.

Dr. Samuel H. Rankin
Board of Governors
National American University

Dr. Samuel H. Rankin has served as a public member of the university's Board of Governors since April 2010. Dr. Rankin served as president of **Chadron State College** from September 1986 to July 1998 and is currently President Emeritus and Board of Trustee Professor for that institution. Among his many activities, Dr. Rankin has served the following organizations:

- **Nebraska State College System** Executive Council from 1986 to 2008
- **Nebraska Council on Economic Education** Trustee from 1986 to 1998
- **Nebraska Educational Communications Consortium of Higher Education** from 1986 to present
- **Nebraska State Historical Society** Board of Trustees

Dr. Jerry L. Gallentine
University President

Dr. Jerry L. Gallentine has served as president of National American University since 1993 and as the university's chief executive officer from 1993 until April 2009. Prior to joining National American University, Dr. Gallentine served as:

- President of **Peru State College** from 1982 to 1990
- Assistant professor of biology at **Midland Lutheran College** (now Midland University) in Fremont from 1965 through 1968
- President of the Board of Directors of the **Nebraska Educational Television Council for Higher Education**
- Chairman of the Council of Presidents of the **Nebraska State College System**
- Member of the Board of Directors of the **Nebraska Humanities Council**
- Founding member of the **Nebraska Foundation for the Humanities**

Mr. Jerry Joy
Assistant to the
Chief Executive Officer

Mr. Jerry Joy resides in **Stella, Nebraska**. Mr. Joy served as vice president of the university's Student Services/Distance Learning Operations from 1999 to 2009 and currently serves as the assistant to the university's chief executive officer. Prior to joining the university, Mr. Joy served as the Athletic director/Head Football/Vice President of Student Services for **Peru State College** from 1975 to 1990.

¹Guy Tillet, Milestones, The 70-year progression of National American University (National American University, 2010)

Among his numerous recognitions and honors, Mr. Joy has been:

- Named the **Nebraska State College Coach of the Year** by the Omaha World Herald in 1981
- Inducted into the **Doane College Sports Hall of Fame** in 1989 as coach of their 1968 football team
- Inducted into the **Nebraska Football Hall of Fame** in 1999
- Inducted into the **Peru State College Athletic Hall of Fame** in 1999 and again in 2002 as part of their 1980 football team

Dr. Thomas D. Saban
Board of Directors
National American University
Holdings, Inc.

Dr. Thomas D. Saban has served as a member of the board of directors of National American University Holdings, Inc., since November 2009. He served as the Vice President for Finance and Administration/Chief Financial Officer of **Chadron State College** from July 1990 to September 1996.

Dr. Samuel D. Kerr
Provost, Secretary, and
General Counsel

Dr. Samuel D. Kerr has served the university in various capacities since 2001. Dr. Kerr earned his J.D. from the **University of Nebraska-Lincoln College of Law** and an Ed.D. from the University of South Dakota.

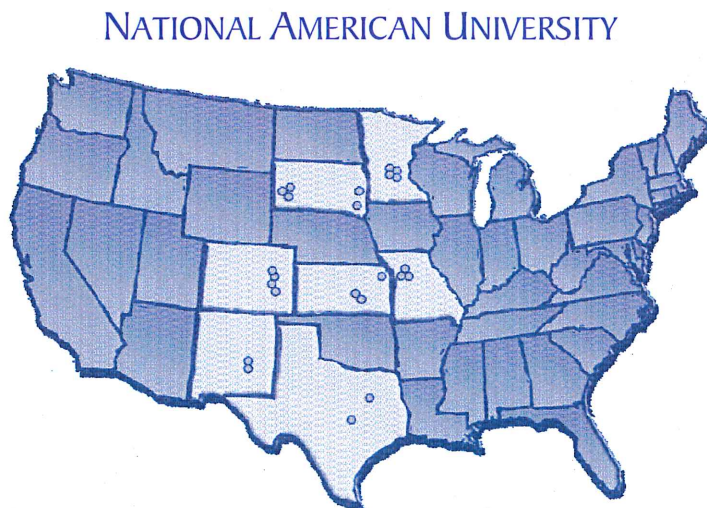
Dr. Marilyn Holmgren
Associate Provost and
System Vice President for
Curriculum and Instruction

Dr. Marilyn Holmgren has served the university in various capacities since 1989. Dr. Holmgren earned her Ph.D. from the **University of Nebraska-Lincoln**.

The university employs several other persons originally from Nebraska, as well as graduates of the University of Nebraska-Lincoln, the University of Nebraska at Kearney, and Chadron State College.

Through careful planning by the above-named leaders, their predecessors, faculty, and staff, the university has steadily expanded its academic programs and locations during the past 37 years to provide greater learning opportunities for students in the region. As reflected in the following map, the university has received state approvals to serve students in South Dakota, Minnesota, Kansas, Missouri, Colorado, New Mexico, and Texas.

NAU Locations	
Rapid City, SD	1941
Sioux Falls, SD	1974
Ellsworth AFB, SD	1974
Colorado Springs, CO	1974
Denver, CO	1974
Roseville, MN	1974
Albuquerque, NM	1975
Independence, MO	1990
Distance Learning	1996
Bloomington, MN	1997
Rio Rancho, NM	1997
Brooklyn Center, MN	2000
Overland Park, KS	2001
Zona Rosa, MO	2005
Watertown, SD	2006
Wichita, KS	2007
Austin, TX	2007
Minnetonka, MN	2009
Lee's Summit, MO	2009
Colorado Springs, CO (2nd)	2010
Centennial, CO	2010
Allen, TX	2010
Wichita, KS (2nd)	2010



Central Administration offices are located in Rapid City, SD.

Although the university has grown since opening its first campus in 1941, it remains true to its historical roots embedded within its long-standing core values, which are reflected in its mission statement.

Core Values

- Offer quality instructional programs and services
- Provide a caring and supportive learning environment
- Offer technical and professional career programs

Mission Statement

National American University welcomes students of diverse interests, cultures and abilities and prepares them for careers in health care, business and business-related fields by providing quality higher education in a caring and supportive environment.

The university builds learning partnerships with students and other institutions and organizations locally, nationally and internationally through its private, regionally-accredited system of campuses and education centers offering courses in traditional, accelerated and distance learning formats.

As a comprehensive technical and professional institution of higher learning, the university responds to the changing needs of students, employers, and their communities by providing undergraduate and graduate programs and continuing education opportunities to serve our evolving global society.

3. Quality Academic Programs

In accordance with its mission, the university develops and offers quality academic programs that respond to the changing needs of employers. Curriculum is developed and updated with the assistance of program advisory committees, which include members employed in various industries. Courses focus on the achievement of competencies required in industry and are taught by qualified faculty, many of whom practice and remain actively engaged in their professions.

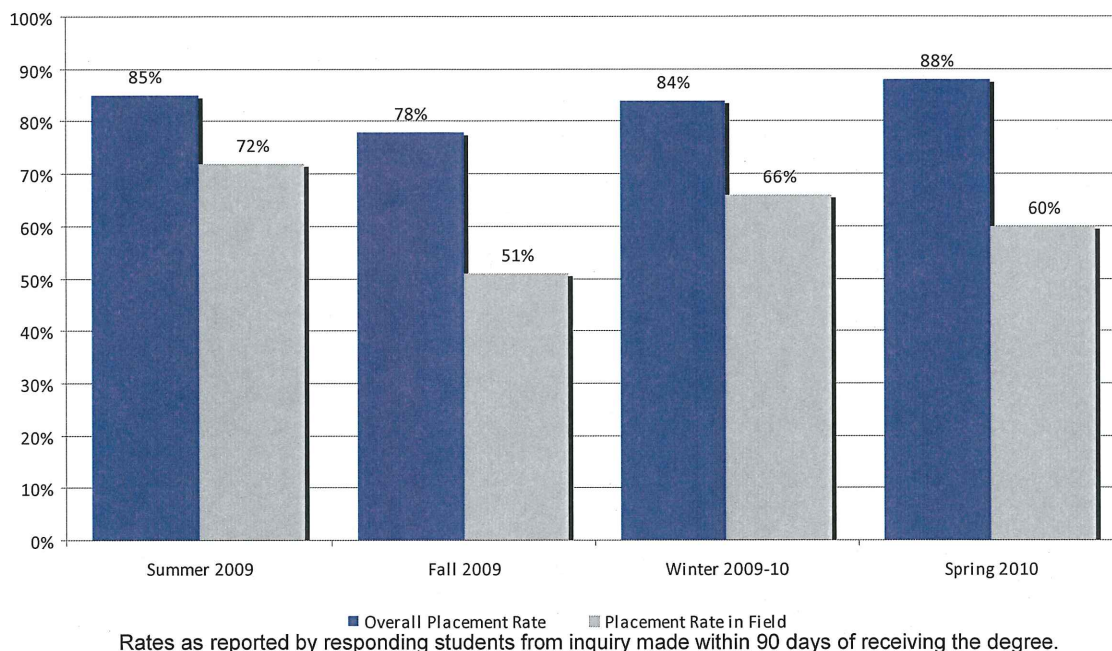
Several programs are separately accredited or approved by national educational and professional associations, including the American Bar Association (ABA), the American Society of Health-System Pharmacists (ASHP), the International Assembly for Collegiate Business Education (IACBE), the Commission on Accreditation of Allied Health Education Programs, the Committee on Veterinary Technician Education and Activities (CVTEA), and state boards of nursing.

As an institution, the university is regionally accredited by The Higher Learning Commission (HLC), which accredits numerous other public and private institutions in Nebraska.² The university is also a member of the HLC's Academy for Assessment of Student Learning, which is intended to develop institutional culture and increase institutional commitment to assessing and improving student learning.

The university's programs prepare students for success by providing them with the knowledge and skills necessary to secure employment after graduation.

²The Higher Learning Commission, a commission of the North Central Association of Colleges and Schools, www.ncahlc.org, (312) 263-0456

Graduate Employment Rate – Quarterly Average



90.2% of students are in good standing with respect to their student loans. Only 9.8% of students are in default, which is significantly lower than the national average for proprietary schools.

4. Demand for Programs

Demand for the university's programs is demonstrated by the projections of the Nebraska Department of Labor and the U.S. Bureau of Labor referenced in the university's application. Since submission of the university's application, the U.S. Census Bureau has released census figures showing that the population of Nebraska increased by over 115,000 people during the past decade, with much of that growth occurring in urban areas, including Bellevue and Omaha.³ As the populations of Bellevue and the Omaha metro area continue to grow, demand for the programs will continue to increase, as well.

Governor Dave Heineman recognizes the critical need to provide opportunities to a growing number of Nebraska learners, who seek to acquire the knowledge and skills necessary to succeed in this increasingly competitive environment. During his *Nebraska State of the State Address 2010*, Governor Heineman specifically referenced the vital role of a college education in the future growth and success of Nebraska and its citizens:

The road to economic prosperity for us as a state and for individual students is a good education. In a 21st Century global economy, we must recognize that today's students need

³Table 5. Resident Population of the 50 States, The District of Columbia, and Puerto Rico: 2010 Census and Census 2000, US Census Bureau, 7 January 2011 <http://2010.census.gov/news/pdf/apport2010_table5.pdf>

more than a high school education. Today's jobs require at least two years of college, and in many cases, four years of college. Now is the time to focus our attention on building an education system that meets the needs of modern students competing in a modern world.

In its *Comprehensive Statewide Plan for Postsecondary Education*, the Nebraska Coordinating Commission for Postsecondary Education indicated, "Postsecondary educational institutions will have a strong, vested interest in the welfare of Nebraska's economy."⁴ The Commission determined, "As more adults remain in the workforce, there will be a continuing need for access to life-long learning and retraining opportunities."⁵ The CCPE further concluded, "Postsecondary institutions will need to respond rapidly to employer needs and become increasingly flexible in course content and in the use of technology in delivery of instruction."⁶

During his keynote address delivered at a policy forum in Washington, "The 2020 Imperative: College Attainment and U.S. Workforce Development," U.S. Secretary of Education, Arne Duncan, confirmed the vital role of for-profit institutions in meeting the educational needs of this country:

Let me be crystal clear: for-profit institutions play a vital role in training young people and adults for jobs. They are critical to helping America meet the President's 2020 goal.⁷

To assist students in achieving their educational goals, the university intends to cooperate with other institutions in Nebraska in accordance with its mission statement, which provides:

The university builds learning partnerships with students and other institutions and organizations locally, nationally and internationally through its private, regionally-accredited system of campuses and education centers offering courses in traditional, accelerated and distance learning formats.

5. Newspaper Article

Two written comments submitted to the Commission reference an article that recently appeared in City Pages, a free weekly newspaper distributed in Minneapolis/St. Paul and available online at the newspaper's Web site. Although National American University has the greatest respect for the persons who submitted those comments, the article is not a

⁴Nebraska's Coordinating Commission for Postsecondary Education, *Comprehensive Statewide Plan for Postsecondary Education*, 6 Apr. 2006, 9 Aug. 2010

<<http://www.ccpe.state.ne.us/PublicDoc/CCPE/CompPlan/compPlanRev0407.pdf>>.

⁵*Id.*

⁶*Id.*

⁷"U.S. Education Secretary Arne Duncan Keynotes DeVry Policy Forum," Bloomberg, 11 May 2010, <<http://mobile.bloomberg.com/apps/news?pid=conewsstory&tkr=DV:US&sid=aloTQ.iS0JvE>>

reliable source and contains numerous inaccuracies about the university, which are refuted in a letter from the university's attorney to the City Pages reporter. A copy of that letter is attached to this supplement. Attached also is a copy of the letter from George R. Roedler, Jr. of the Minnesota Office of Higher Education to Diane Leef, the student profiled in the City Pages article.

6. Online Forum

Written comments also reference an online forum in which anonymous persons post unsubstantiated complaints about the university. Unfortunately, no institution is immune from assertions made in these types of forums. Many comments are inaccurate, unsubstantiated, and potentially libelous. Readers are not provided the whole story by the anonymous writer. Even if the person's identity is known, an institution cannot adequately respond because of privacy restrictions imposed by the federal Family Educational Right and Privacy Act (FERPA), which prohibits an institution from providing education records without the student's consent.

Many of the online forum posts appear to relate to financial aid. Although the university is unable to address the claims of the unknown complainants, the most recent audit submitted to the Department of Education, dated October 12, 2010, concludes that "National American University complied, in all material respects, with the aforementioned requirements for year ended May 31, 2010."

7. Serving Students

Through years of experience, the university understands the numerous challenges experienced by nontraditional learners, many of whom are first-generation college students. In addition to the apprehension of returning to school, nontraditional students face demands upon their time and energy not encountered by traditional students, including commitments to family and full-time employment.

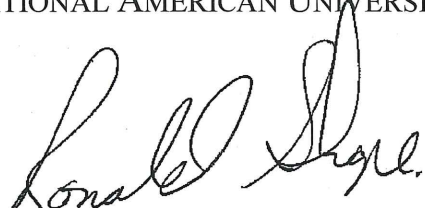
To assist students to achieve academic success, classes are offered at times and in formats that serve the needs of working adults, who are often unable to attend daytime classes. The university supports students outside the classroom through various learner services, including pre-admission assistance, financial aid counseling, course registration, academic advising, career advising, and technical support. These services are provided by individuals who genuinely care about the success of students, both in and out of the classroom. Since opening its doors in 1941, it has been the culture of the university to provide quality higher education in a caring and supportive learning environment.

8. Conclusion

National American University respectfully requests that the Commission grant the university's request to offer the programs identified in its application, dated November 5, 2010.

Respectfully submitted January 7, 2011.

NATIONAL AMERICAN UNIVERSITY

By: 

Dr. Ronald Shape
Chief Executive Officer



Quality higher education in a caring and supportive learning environment



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FAX: 612.632.4444

THOMAS L. JOHNSON
ATTORNEY
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THOMAS.JOHNSON@GPMPLAW.COM

January 7, 2011

City Pages

Attn: Nick Pinto, Staff Writer
401 N. 3rd St. Suite 550
Minneapolis, MN 55401

Dear Mr. Pinto:

On behalf of my client, National American University, I have reviewed your recent article entitled "For-Profit Colleges Get Rich From Federal Loans While Leaving Students Worse Off" (November 17, 2010). Since the article purports to offer an objective critique of proprietary educational institutions in general and National American University (NAU) in particular, I wish to point out several of the more glaring inaccuracies pertaining to NAU.

First, National American University was *not* a subject of the General Accounting Office investigation referred to extensively in your article. Yet, the article unduly paints NAU with the same brush as the institutions criticized in the GAO report. For example, the GAO report raised questions regarding the large amount of student loan debt taken on by students at the proprietary schools investigated, an issue discussed at some length in your article. By way of contrast, NAU has historically sought to limit student debt to those costs associated with tuition, fees, books and other course-related materials. This policy was intended to help students avoid larger than necessary debt loads after graduation. At the direction of the U.S. Department of Education, NAU modified this policy to allocate additional loans for living expenses, though NAU continues to encourage its students to limit their debt.

Another inaccuracy concerns NAU's tuition cost. Your article suggests that annual tuition at NAU is four times the cost of tuition at the University of Minnesota. The facts are otherwise. Annual tuition cost at an NAU campus in Minnesota is approximately \$14,885. Annual in-state tuition cost at the University of Minnesota is \$12,288, and may be higher depending on the program chosen and fees imposed for specific courses. These tuition amounts, which are readily available on the Minnesota Office of Higher Education Website, differ by 20% not the 400% (4 times) stated in your article.

Your article references loan default rates among students at NAU and other proprietary institutions. NAU's two-year default rate is well within the guidelines provided by the U.S. Department of Education, and continues to be comfortably inside the margin for preliminary trial determinations of a three-year cohort default rate. The assertion that NAU's 9.8% default rate is "five times worse than the public university average and significantly worse than community colleges" is unsubstantiated and factually in error. According to the U.S. Department of Education, four-year programs at public institutions had an average default rate of 4.4% in fiscal

City Pages
January 7, 2011
Page 2

year 2008. Shorter, two- to three-year programs had a default rate of 10%, which exceeds NAU's two year cohort default rate for the same year. It should also be noted that three-year cohort default rates are unofficial, self-reported, and based on trial sums rather than verified data. Even so, NAU's rate is better than almost 50% of reported rates for public community colleges and better than two thirds of the rates reported for proprietary institutions.

Your article also states that NAU "only spent a quarter of that \$82 million (its academic revenue in 2009) actually educating students. The company spent nearly four times as much on selling, administration and other expenses." What you don't say, and misleadingly so, is that "administration and other expenses" include the salaries for many staff whose duties are directly related to educating students (e.g., academic deans, librarians, learner service coordinators, etc.) and all of the costs associated with owning or leasing campus facilities, for example. Contrary to what a reader would think after reading your article, the largest number of NAU employees is, by far, in the "teaching" category.

Diane Leef, a student profiled in your article, filed complaints with both state and federal regulators before venting her frustrations with you. As a result of Ms. Leef's complaint to state regulators, the Minnesota Office of Higher Education (MOHE) investigated her claims and found that NAU acted properly. Ms. Leef's allegation that NAU "hung onto money longer than it ought to, collecting interest on it" was specifically investigated by MOHE auditors, resulting in a determination that the funds were "correctly and properly disbursed." While delay did result from U.S. Department of Education verification of Ms. Leef's account, the MOHE found that this delay was "not NAU's doing." As a result of Ms. Leef's complaint to the U.S. Department of Education, NAU was advised that it should modify its student loan policy to allow additional loans for living expenses. NAU did amend its policy, as previously mentioned, and Ms. Leef received additional funds.

National American University is an academic institution accredited by The Higher Learning Commission. This is the same regional accrediting body that recognizes the University of Minnesota. Like all other institutions accredited by The Higher Learning Commission, NAU's accreditation is reviewed according to the Commission's program requirements for all schools it accredits. The article suggests that the lengthy time period between reviews is a product of complicity among proprietary institutions. No substantiation is offered for this inflammatory suggestion and it is unequivocally false as applied to NAU.

Finally, your article states that NAU has a branch campus in "...even the Mall of America". This is not correct, and has not been correct for four years. NAU's Bloomington campus is located at 7801 Metro Parkway, Bloomington, MN 55425.

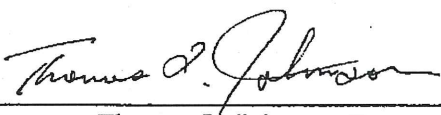
NAU works hard to expand educational opportunities for non-traditional students and working adults. Its success depends on offering quality educational programs that meet student needs. NAU has much to be proud of regarding its record of achievement and looks forward to becoming a growing part of the effort to meet the educational needs of America.

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January 7, 2011
Page 3

On behalf of my client, I request that City Pages take serious note of the above inaccuracies and the unfavorable light in which they unfairly cast NAU. We do not want this to happen again. In the event that your paper chooses to reference NAU in a future article, please contact my client in advance of publication. NAU would be happy to verify the accuracy of any statement you wish to make concerning the university. Your readers, and my client, deserve no less than fair and accurate coverage.

Very truly yours,

Gray, Plant, Mooty, Mooty & Bennett, P.A.

By 
Thomas L. Johnson, Esq.

TLJ/lph

cc: Editor, City Pages

George Roedler, Director of Registration and Licensing, MOHE

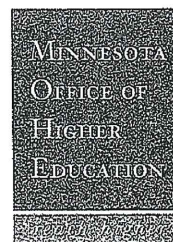
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National American University
Supplement to Application to Offer Programs in Nebraska

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March 8, 2010

Ms. Diane Leef
3743 Regent Ave. N.
Robbinsdale, MN 55422

Re: National American University

Dear Ms. Leef:

You submitted a written complaint to this office relating to the manner in which National American University, Brooklyn Center, MN (hereinafter NAU) administered and disbursed financial aid during the period September 2008 through the date of your letter of complaint, December 7, 2009.

Your letter contains a number of claims that I will try to answer separately:

1. You have claimed that you had requested your student financial aid records but had been unable to obtain them. The records have now been provided to you.
2. You have claimed that a financial aid officer told you that your financial aid would, "completely cover your costs." NAU and the financial aid office deny that you were ever told this, and specifically deny that you were ever told your living expenses would be covered by financial aid.
3. You claimed that the financial aid you did receive was inadequate and you ended up owing money "every" semester (NAU operates on quarter system). The student ledger card that contains the financial history of your attendance and finances at NAU indicates that not only did you not owe money "every" quarter, but that you actually received stipends from the financial aid that had been awarded totaling \$3,034.16, an average of about \$600.00 each quarter. (Fall 08, Winter 08/09, Spring 09, Summer 09, and Fall 09)

Our auditors have reviewed your student account records provided by NAU and have determined that the Minnesota State Grant awards you received were correct. The Federal PELL Grants you received are regulated by the U.S. Department of Education. This office has no authority to regulate those funds or how they are disbursed.

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4. You have claimed that NAU did not provide you with enough financial aid. NAU is Registered as a Private Institution pursuant to Minnesota Statutes 136A.61 to 136A.71. Registration does not require schools to participate in any financial aid programs. Schools are allowed to decide which, if any financial aid programs they will participate in and under what conditions they will participate. Not all schools participate in all programs. Specifically NAU is not required to participate in the Perkins Loan Program.

Schools are also not required to provide students with excess loan funds for living expenses. NAU's policy is to limit financial aid to "direct costs" in order to limit student debt upon graduation. This policy is not a violation of Private Institution Registration.

NAU does permit students living on campus in dorms at their Rapid City Campus to include the costs of room and board in determining their need.

5. You have claimed that your awards were reduced because you reduced your credits from 13.5 to 9. Many financial aid programs use a student's status as a full time or part time student to determine the amount of aid to be awarded. When you reduce your credit load the amounts of these grants are also often reduced. NAU is not responsible for your decision to reduce your credit load from 13.5 to 9. It is possible that by reducing your credit load you were able to receive the stipend you have indicated you needed.
6. You have claimed that your financial aid was deliberately delayed. Again, after reviewing the records our auditors found the Minnesota Grant funds were correct and properly disbursed. Any delays that were the result of your accounts being selected for verification were not NAU's doing. NAU does not select accounts for verification. Verification is controlled by the U.S. Department of Education. The delays that NAU has attributed to change over in their staffing do not appear to have been excessive.
7. Your email of 2/10/2010 claimed that NAU had not informed you as to how many credits were needed to graduate in four years. The NAU Academic Catalog includes a listing of required credits for each degree and program. NAU is not required to compute credit requirements for a student to complete a program within a certain time frame. It is expected that the student can do this for themselves.
8. Your most recent email, dated 2/17/2010 has questioned credit transfers and classes at other campuses:

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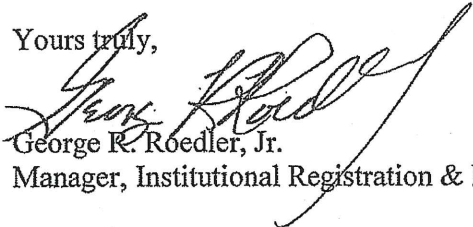
Page 3.

The receiving school is always the decision maker when it comes to transferring credits. NAU is accredited by the Higher Learning Commission of the North Central Association of Colleges and Schools, one of 6 regional accrediting bodies in the United States. This accreditation usually makes a college's credits more easily transferable than other accreditations. No college can guarantee that all its credits will be transferable.

All courses for the Paralegal program are available at the Brooklyn Center Campus. All classes, however, are not offered each quarter. If a student does not wish to wait for a class to be offered at a particular campus, it is often possible for them to find the class at one of the other NAU campuses. Students are not required to take classes at other campuses.

In summary, National American University does not appear to be in violation of Private Institution Registration requirements. This file will be closed and no further action will be taken by this office.

Yours truly,



George R. Roedler, Jr.
Manager, Institutional Registration & Licensing

cc. Paul Sedlacek, NAU Associate General Counsel
Christi Town, Regional Vice-President



PROPOSAL FOR AN OFF-CAMPUS CENTER WITH A LONG-TERM COMMITMENT

Institution:	Mid-Plains Community College (MPCC)
Facility:	Ogallala Extended Campus
Awards:	AAS, Diploma, Certificate
Programs:	Varied (including CNA, CMA, academic, EMT, ESL, ABE/GED, business/technical training, non-credit short courses)
Institution's Existing Degree(s) in Same or Similar Discipline:	All programs are offered at other MPCC campuses, centers, or sites
Proposed Site/Location:	512 East B Street, Ogallala
Proposed Start Date:	2011

DESCRIPTION

Mid-Plains Community College has been serving the area in and around Ogallala from a 1,500 square foot facility that consists of one classroom/reception area and two small offices. The city has encouraged the college to find an alternate site but the college was unable to obtain one that would meet its physical and fiscal requirements. The community of Ogallala is now proposing a partnership with MPCC to provide a facility that will meet the educational needs of this portion of MPCC's service area.

The current space is being leased for \$500 per month on a year-to-year basis. The proposed new facility would be housed in a vacated 7,500 square foot building that previously housed a call center. The space is large enough to allow MPCC to offer both academic and technical courses. The city has pledged \$600,000 for the purchase of the building by the Keith County Area Development Corporation. A portion of the funds would also pay for part of the needed remodeling. MPCC would provide \$200,000 for remodeling and furnishings. Upon completion of the project, tentatively set for August 2011, the development corporation would deed the building to MPCC. The college would pay the operation and maintenance costs for the facility.

COMMISSION RULES

Commission Rule 10 requires any institution intending to enter into a long-term commitment for a facility to seek Commission approval. The criteria for review of the request are need and demand, avoidance of unnecessary duplication, adequacy of resources, and consistency with the *Comprehensive Statewide Plan*. The approval of a long-term commitment makes no judgment regarding the cost for acquisition or construction of the proposed facility or for operation and maintenance costs. However, neither the financial commitment nor the anticipated operation and

maintenance costs for the Ogallala Extended Campus would trigger a review by the Budget, Construction, and Financial Aid Committee.

REVIEW CRITERIA

Consistent with Institutional Role and Mission? √ YES NO

Consistent with *Comprehensive Statewide Plan*? √ YES NO

A. Demonstrated Need and Demand for the Facility

High-----Low				
	√			

MPCC reports that over the past two years more than 1,200 students have been served in and around Ogallala. Students have taken classes for credit and non-credit, taken placement tests, taken proctored exams for online courses, and received technical training. In addition to the small existing facility, courses have been offered at the Ogallala high school and middle school; high schools in Arthur, Paxton, and Perkins County; Indian Hills Manor retirement home; Plate River Inn; Prairie Theater; ESU #16; fire stations; government offices; and businesses in Ogallala, Arthur, Paxton, Grant, and Julesburg, Colorado.

The new facility would allow MPCC to consolidate into a single location most of the classes that have been spread throughout the city and beyond. MPCC also estimates that they would be able to enroll at least an additional 250 students because they would have adequate space to schedule more classes and add new offerings. As more classes are offered online, MPCC also anticipates an increase in the demand for proctoring exams at the extended campus.

B. Avoidance of Unnecessary Duplication

High-----Low				
√				

When the new facility is complete, MPCC would vacate the current extended campus building. The new facility would provide MPCC the ability to offer a greater number and variety of courses in Ogallala than previously possible. The college would also gain a single, stable, identifiable location.

The closest public college campus is the Mid-Plains North Platte campus, about 50 miles to the east. There is a Western Nebraska Community College center in Sidney, about 72 miles west of Ogallala.

C. Adequacy of Resources for Instruction

C. 1. Physical Facilities and Instructional Equipment

High-----Low				
	√			

The current space consists of a 1,500 square foot leased space with two small offices, a combined classroom-reception area space, storage, and restrooms. With the sole classroom also serving as a kind of reception area, there are naturally distractions and interruptions. This is especially inappropriate for placement testing and proctored exams.

Committee Draft

The new facility would have a general purpose classroom, a distance learning classroom, an EMS (Emergency Medical Services) classroom, and a large (1,600 square feet) technical training classroom. There would also be two offices, a community room, a conference room, and a kitchen/serving area. The total space less hallways and restrooms would be 5,050 square feet.

The cost for furnishings for the new facility is included in the \$200,000 the college would pay as its portion of the project.

The new facility would provide spaces appropriate to a center that serves not only a city of approximately 4,500 people along the busy Interstate 80 corridor, but also a large geographic area. The current space is small and does not provide privacy for classes and testing. The arrangement is inadequate for a community college charged with serving this region of Nebraska.

C. 2. Library, Information Resources, Student Support Services

High-----Low				
		√		

MPCC has an existing extended campus in Ogallala, so they did not directly address these items. Students would have access to the city library and there would be a college coordinator to assist with administrative issues.

Since this is a center and not a branch campus, Commission staff would not expect MPCC to offer a wide range of student support services or library resources at the site.

C. 3. Faculty and Staff

High-----Low				
	√			

Since MPCC has an existing extended campus in Ogallala, they have staff in place, including a coordinator. If they are eventually able to schedule additional courses, more faculty may need to be hired.

Committee Recommendation: Approve the proposal from Mid-Plains Community College for an off-campus center with a long-term commitment in Ogallala.

Creative Center Annual Report

Background

The Creative Center was opened in Omaha in 1993, offering two associate of occupational studies degrees (AOS). The school is accredited by the Accrediting Commission of Career Schools and Colleges (ACCSC), a body recognized by the United States Department of Education.

In 2005 the Commission approved the Creative Center as a new four-year institution offering a Bachelor of Fine Arts (BFA) degree (as well as the AOS), with annual reports as required by Commission Rule 2. Commission Rule 2 also requires that an institution's authorization to offer bachelor's degree programs be reviewed at the end of the second academic year. If the review is favorable, authorization is to be extended for five years, at which time the programs will again be reviewed. In 2008 the Commission extended authorization for five years.

Summary of Institution's Report

- In fall 2009, 27 students were enrolled in the BFA program. Twenty-two students (82%) completed the program. Of the remaining seven students, five withdrew from the program, one intended to repeat a failed course in order to graduate, and one moved to part-time status. Of the graduates, ten are employed in the graphic design field (46% placement rate) and three are continuing their studies. Combined, this represents a 59% success rate.
- In fall 2010, there were 31 students enrolled in the BFA program. All were enrolled for the semester beginning in January 2011 (100% retention).
- Two additional students are on track to graduate in 2011. These are students who started their studies with a previous cohort and are completing a needed course/s or repeating failed courses.
- There were no curricular changes made since the last annual report when one course was moved from online delivery to face-to-face and four courses were renumbered.
- There are eight faculty members teaching courses for the BFA program for the 2010-11 academic year. Five hold master's degrees, one has a doctorate, and two hold baccalaureate degrees with eight and sixteen years of experience in the courses they are teaching.
- ACCSC conducted a re-accreditation review of the Creative Center in 2009. The college was granted a five-year renewal, the maximum renewal period.

Committee Comment

The Commission has received no complaints about the school.

Committee Recommendation

Accept the annual report. The next annual report is due February 1, 2012.

**Improving Teacher Quality
State Grant Program**

**2010-2011 Allocation
to the State Agency for Higher Education**

Project Summaries, 2010-2011	2
Recommendations	3
Panel Members	7

Coordinating Commission for Postsecondary Education

IMPROVING TEACHER QUALITY STATE GRANTS: SUMMARY SHEET – 2010-2011

Projects in bold are recommended for funding by the Independent Review Panel

PROJECT TITLE	INSTITUTION/DIRECTOR	DESCRIPTION	AMOUNT
1. Going the Distance: An Interactive On Line Teacher Development Project for Teachers of World Languages	UNL / Ali Moeller	Continuation of pilot project to design online graduate course to help teachers develop technology skills while improving their target language skills and cultural knowledge	\$80,666.00
2. Coaching Science Inquiry for Middle and High School Science Teachers	UNL/DeChenne	Improve teachers' knowledge of science inquiry and methods of teaching inquiry by training 10 teacher coaches who will coach up to 20 other teachers	\$79,568.00
3. iPad Integration: Using the iPad and applications to support math and language arts instruction in grades 4 and 8 in two northeast Nebraska elementary schools	WSC/Adams	Pilot study using an iPad to identify and remediate weakness in reading and math skills of students in fourth and eighth grades; develop expertise of six teachers in two schools	\$68,439.76
4. Use of New Literacies in Elementary Classrooms Today: A Partnership to Enhance Student Learning through Teacher Preparation and Professional Development	UNL/Trainin	Collect and analyze information on teacher education programs, observe best practices in technology integration; design workshops for teachers to learn new ways to effectively integrate technology	\$115,138.00
5. Connecting for Change: Phase Two-Building Capacity through Developing Relationships	UNO / Sarah Edwards	Continue to develop and support a network of teacher leaders devoted to literacy teaching and learning in the Omaha area, especially in middle and high schools	\$82,512.00
6. Nebraska Writing Project: Writing Ways Out West 2011 Summer Program	MPCC / Anne Schmit	Improve the teaching of writing skills for 25 teachers and improve student writing proficiency via workshops and online discussion groups	\$35,124.00
7. Essential Skills for an Informed Citizen: Matching Social Science Skills to Nebraska Content Standards	NETA / Sandy Blankenship	Increase social studies content knowledge and strategies for incorporating social studies into language arts, math, and science curricula; 16 teams state-wide with 5 teachers each	\$63,577.00
TOTAL REQUESTED			\$525,024.76

The panel felt that proposal 3 had objectives that would benefit Nebraska teachers but did not meet the federal criteria.

IMPROVING TEACHER QUALITY STATE GRANT PROGRAM

The purpose of the Improving Teacher Quality State Grant Program is to increase student academic achievement by helping to ensure that highly qualified teachers, paraprofessionals, and principals have access to sustained and intensive high quality professional development in core academic subjects. The program provides grants to partnerships comprised of Nebraska institutions of higher education and high-need local educational agencies (LEAs) for projects to improve the skills of teachers, paraprofessionals, and principals.

RECOMMENDATIONS OF THE INDEPENDENT EVALUATION PANEL December 10, 2010

The evaluation panel met on December 10, 2010 at the Coordinating Commission office in Lincoln. Seven proposals were submitted by partnerships that involved four different institutions, an association, and a variety of school districts and educational service units (ESUs). The institutions were UNL, UNO, Wayne State College, and Mid-Plains Community College. The association was the Nebraska Educational Technology Association.

In recent years the Commission has routinely received 8 to 12 proposals. Projects did not receive funding for more than one year, but project directors frequently resubmitted proposals for extensions of funded projects or for funding of “new” projects that were closely related to one previously funded. At the suggestion of the 2008-09 review panel, the RFP for 2009-10 and the one for 2010-11 included a new priority (as well as additional points) for projects that “are new, creative, or innovative and, ideally, not previously or recently funded through this grant.” Three of the seven proposals submitted clearly met this priority. While it was exciting to see new ideas, it is possible that the Commission’s attempt to encourage new projects and/or project directors ultimately resulted in our receiving fewer proposals.

The total amount of funds available for awards in 2010-2011 is \$425,689. The total amount recommended for the following five projects is \$336,154. The remaining funds will be available for projects that may have more participant applications than slots funded or other unexpected costs, or will be carried forward for use in the 2011-2012 competition.

Below are synopses of the five proposals the panel has recommended for funding. The title of the project is listed, followed by the project director, the required federal partners, and any other partners. Projects that are open state-wide may not have all additional partners identified until after their recruitment phase.

Academic Programs Committee concurs with the panel’s recommendations.

Going the Distance: An Interactive Online Teacher Development Project for Teachers of World Languages

Project Director: Dr. Ali Moeller

- **Higher education partner (teachers college): University of Nebraska-Lincoln, College of Education and Human Sciences**
- **Higher education partner (arts and sciences): University of Nebraska-Lincoln, Department of Modern Languages and Literatures**
- **High-need LEA: Omaha Public Schools**
- **Other identified partners: Lincoln Public Schools**

This project was funded in 2009-10 as a pilot to develop an online graduate course for world language teachers. The goal of the project was to help teachers develop technology skills while improving their target language skills (German, Spanish, French) and cultural knowledge and eventually serve as trainers for other teachers. The first group of teachers will be starting the new class in January 2011. Funding for 2010-11 will allow the project director to offer the class a second time with adjustments made based on the feedback from the pilot course. It will also give the first group of teachers time to train others.

Amount Requested: \$80,666

Amount Recommended: \$75,103

Rational for decreased funding: reduce indirect cost to 8%

Coaching Science Inquiry For Middle and High School Science Teachers

Project Director: Dr. Sue Ellen DeChenne

- **Higher education partner (teachers college): University of Nebraska-Lincoln, College of Education and Human Sciences**
- **Higher education partner (arts and sciences): University of Nebraska-Lincoln, College of Engineering**
- **High-need LEA: Omaha Public Schools**
- **Other identified partners: Lincoln Public Schools and Lincoln Pius X High School**

The goal of this project is to improve teachers' knowledge of science inquiry as well as methods to teach inquiry. The activities will focus on ten middle and high school science teachers who will learn how to coach science inquiry. They will each then coach one to two other science teachers in a workshop (funded from an outside source) and throughout the school year. The project director estimates that 1,500 students of at least 30 teachers would benefit from the project in the 2011-2012 school year.

Amount Requested: \$79,568

Amount Recommended: \$79,568

Connecting for Change: Phase Two-Building Capacity through Developing Relationships

Project Director: Dr. Sarah Edwards

- **Higher education partner (teachers college): University of Nebraska at Omaha, Teacher Education Department**
- **Higher education partner (arts and sciences): University of Nebraska at Omaha, English Department**
- **High-need LEA: Omaha Public Schools**

Funded for the first time last year, this project developed teacher leaders and a formal network of professionals devoted to literacy teaching and learning. Funding for the current year will allow project directors to model research-based strategies proven to increase the reading success of middle and high school students. Teachers in the Omaha metro area will again be invited to a workshop on the UNO campus, have access to a Web site, and be involved in a mentoring project.

Amount Requested: \$82,512

Amount Recommended: \$82,512

Writing Ways Out West 2011 Summer Program

Project Director: Anne Schmit

- **Higher education partner (teachers college): University of Nebraska-Lincoln**
- **Higher education partner (arts and sciences): Mid-Plains Community College**
- **High-need LEAs: Southern Valley Schools**
- **Other identified partners: North Platte Public Schools, Platte Valley Christian Academy, Cherry County Schools, Ogallala Public Schools, Our Redeemer Lutheran School, St. Luke Elementary School, North Platte Catholic Schools**

Associated with the Nebraska Writing Project, this activity was funded in 2009-10. It included pre-workshop reading assignments coupled with a weeklong online discussion and an eight day hands-on work session held at sites in west central Nebraska. Funding is recommended for 2010-11 for up to 25 teachers primarily from schools that did not participate in last year's project.

Amount Requested: \$35,124

Amount Recommended: \$35,394

Rationale for funding increase: Mathematical errors in original request

Essential Skills for an Informed Citizen: Matching Social Science Skills to Nebraska Content Standards

Project Director: Sandy Blankenship

- **Higher education partner (teachers college): Doane College**
- **Higher education partner (arts and sciences): Doane College**
- **High-need LEAs: Walthill Public School, Santee Community Schools, Wausa Public Schools, Niobrara Public Schools, Greeley-Wolbach, Thedford**
- **Other identified partners: Johnson Brock, Fullerton, Doniphan-Trumbull, ESU #1, ESU #2, ESU #3, ESU #4, ESU #6, ESU #7, ESU #8, ESU #9, ESU #10, ESU #11, ESU #16, ESU #17, NETA (Nebraska Educational Technology Association)**

This project will focus on the social studies curriculum in the elementary classroom. Teachers will increase their social studies content knowledge and learn to utilize student-learning time efficiently by incorporating social studies content into the language arts, math, and science curricula. Sixteen learning teams from across Nebraska with five teachers on each team will be created with team members eventually sharing model projects with their ESUs, districts, and schools. Two 2-day activities, one day working with technology, a conference presentation, and a minimum of four online chats will compose the formal training. The meetings and activities will be held at locations across the state to make attendance possible for all participants.

Amount Requested: \$63,577

Amount Recommended: \$63,577

Panel for Evaluating Improving Teacher Quality Proposals

December 10, 2010

Voting Members

Daphne Hall
Vice President for College Planning and
Outreach Services
EducationQuest
Lincoln/Henderson

Jim McGahan
Grand Island Northwest High School
Chemistry and Physics (Retired)
Grand Island

Pat Madsen
Teacher Education Program Specialist
Nebraska Department of Education
Lincoln/Stuart

Renae Kelly
7-8 High Ability Learners
La Vista Junior High School
Springfield

Mike Mansour
Jesuit Middle School of Omaha
6-8 Science, Math, Geography
Omaha

Mike Musil
9-12 Language Arts
Lincoln North Star High School
Lincoln

Staff

Kathleen Fimple
Academic Programs Officer

Miste Adamson-DaMoude
Administrative Assistant

Potential Change to State Statutes Regarding Undergraduate Certificates

In June 2010 the Commission received three proposals from the University of Nebraska at Omaha to offer undergraduate certificates.

The Commission staff did not bring these proposals to the Commission for action, not because of our opposition to the concept of the proposed certificates, but because of our belief that the current role and mission statutes do not authorize the University to offer such certificates.

The two statutes at issue are role and mission statutes: §85-943 and §85-961 (Nebraska Revised Statutes). Enacted in 1978, the first states that the University of Nebraska may “continue to offer associate degrees, diplomas, and certificates-in-course” in five specific program areas if approved by the Commission. The statute then specifically states that the University of Nebraska shall not offer those awards in any program area other than those authorized and approved in the first portion of the statute.

The counterpart to the University’s statute is the community college role and mission statute (§85-961). It states that the community colleges shall have “sole responsibility for the award of associate degrees, diplomas, and certificates in less than baccalaureate degree program areas” approved by the Commission.

While the University’s role and mission statute is silent on certificates above the associate degree level, the community college statute is clear. Commission staff met with University officials and a community college representative in July. We reiterated that, based on these two statutes, read together, we could not recommend approval of the proposals.

On January 4 the University informed Commission staff that they intended to introduce a bill to modify the language in both statutes so that the University could offer undergraduate certificates above the associate degree level.

However, according to statute (§85-966.01), the Legislature cannot change the statutory role and mission of the public institutions “unless and until a proposal for such change has first been reviewed” by the Commission and the Commission recommendations have been given to the Legislature.

Changing the statutes would accomplish the following:

- Reflect the actual practice of the community colleges in awarding certificates.
- Enable the university to offer an undergraduate certificate in fields beyond those identified in existing statute while continuing the practice of having the Commission approve them.
- Identify the structure of the certificate: comprised of courses primarily above the associate degree level, with the stipulation that the certificate may include lower-

division courses, but plainly stating that those courses would be a small minority of the courses required.

- Eliminate the uncommon “certificates-in-course” term.

The community colleges were aware of the issues surrounding statutes and had a representative at the July meeting. Since receiving the changes proposed by the university, Commission staff has communicated with the community colleges via email and telephone seeking any additional input they might have.

Committee Recommendation:

Recommend to the Legislature that the role and mission statutes of the University of Nebraska and the Nebraska community colleges be amended as indicated below.

85-943. University of Nebraska; associate degree, diploma, and certificate-in-course; programs authorized; conditions; exception.

The University of Nebraska may continue to offer the associate degree, diploma, and certificates ~~in-course~~ in agriculturally related fields, radiologic technology, radiation therapy, nuclear medicine technology, and engineering technology if approved by the Coordinating Commission for Postsecondary Education pursuant to sections 85-1413 and 85-1414 upon the demonstration of a compelling need and unique capacity by the university to offer such programs. The University of Nebraska shall not offer associate degrees or less than associate-degree-level diplomas or certificates ~~in-course~~ in other than authorized and approved programs. The University may, however, if approved by the Coordinating Commission for Postsecondary Education pursuant to sections 85-1413 and 85-1414, offer certificates within fields in addition to those specified in this section, provided the preponderance of courses comprising those certificates are beyond the associate degree level.

85-961. Community colleges; responsibility in less than baccalaureate degree program areas.

The community colleges shall have, except in specified program areas authorized by statute and the Coordinating Commission for Postsecondary Education, sole responsibility for the award of associate degrees, diplomas, and certificates comprised of courses at the associate-degree level or below, and ~~in less than baccalaureate degree program areas~~ approved by the commission pursuant to sections 85-1413 and 85-1414.