

March 24, 1988

LB 1041

SENATOR LABEDZ: Thank you, Mr. President. Yesterday I withdrew this amendment and you will find it on page 1626 of your Journal. I am offering an amendment to provide for fairness in the distribution student aid funds. LB 1041, as it is, appropriates \$750,000. My amendment does not, and I believe Senator Higgins is also, of course, a co...a sponsor, the amendment is not an increase in dollars, only an adjustment in how the funds are allocated to students. This program is an aid to students, not to the institution. The grants are made to students based on need and that's exactly the way it should be. It's targeted to those with the most financial need. LB 1041, as it now stands, has intent language that the funds should be allocated on the basis of federal need based grants. Since this is a state program, my amendment substitutes the clear standard of a peer group of states rather than the unclear standard of federal need based grants. The distribution of funds now is about 78 percent to public sector students and 22 percent to independent college students. Most states distribute the funds based more on the individual student's unmet financial need to recognize that independent college students are not subsidized through those institutions. This amendment would have the Postsecondary Coordinating Commission select a peer group of states that are similar to Nebraska and they would look at their need based programs and have Nebraska allocate it's student need based aid funds according to the peer group average. Peer group averages are what we are using in decisions on public faculty salaries so I think it only right and appropriate that we use the same standard in distributing the student aid. To reiterate, my amendment does not increase the amount of funds. It just establishes a fair and clear standard for the fund's distribution. There will be two practical effects if this amendment is adopted. First, it will remove questions about why and how a federal distribution standard is to be applied and replace it with a standard that is state-based, like our Nebraska program, and less subject to different interpretations. I move for the adoption of the amendment to LB 1041.

PRESIDENT: Thank you. Senator Warner, please.

SENATOR WARNER: Mr. President, I would rise to oppose the amendment. When this issue was discussed on General File, this whole section, we talked about the method of distribution of these funds. And you will recall that the funds are under the Pell Grants which is...and another one which has slipped my mind at the moment, are need based on family income. There was a