

ONE HUNDRED FOURTH LEGISLATURE - FIRST SESSION - 2015
COMMITTEE STATEMENT
LB401

Hearing Date: Tuesday March 03, 2015
Committee On: Education
Introducer: Kolterman
One Liner: Adopt the College Tuition Equalization Grant Program Act

Roll Call Vote - Final Committee Action:
Indefinitely postponed

Vote Results:

Aye:	7	Senators Kolowski, Cook, Baker, Morfeld, Pansing Brooks, Schnoor, Sullivan
Nay:		
Absent:		
Present Not Voting:	1	Senator Groene

Verbal Testimony:

Proponents:

Senator Mark Kolterman
Dr. Maryanne Stevens
Preston Harris
Jessica Riley
Joel Weyand
Paula Kohles
Kurth Brashear
Tip O'Neill

Representing:

Introducer
College of Saint Mary
self
Nebraska Methodist College
Doane College
Creighton University
Concordia University
Association of Independent Colleges and Universities in Nebraska

Opponents:

Representing:

Neutral:

Representing:

Summary of purpose and/or changes:

Legislative Bill 401 would create the College Tuition Equalization Grant Program Act to be administered by the Coordinating Commission for Postsecondary Education in conjunction with eligible postsecondary institutions.

Legislative findings would state:

- a. Nebraska has an interest in providing quality postsecondary education opportunities in an efficient, cost-effective, and rigorous manner;
- b. Private colleges and universities are large employers in the state;
- c. To ensure a successful future for Nebraska's citizens and the state's economic vitality, it is imperative to utilize the strengths of privately controlled nonprofit colleges and universities;
- d. In 2013, these institutions enrolled 24% of the postsecondary education students in Nebraska and awarded more than 41% of all baccalaureate and advanced degrees;
- e. In 2013, these institutions awarded more than 57% of the baccalaureate and advanced degrees in business and more than 1/3 of the baccalaureate and advanced degrees in teacher education;

- f. In 2013, these institutions enrolled a higher percentage of minority students than public colleges and universities and awarded 200 more degrees to African-American students than the University of Nebraska and the Nebraska state college system combined;
- g. In 2013, these institutions played an important role in quality health care awarding more than 1/2 of baccalaureate and advanced degrees in the health sciences, including nursing;
- h. In 2013, students who attended these institutions received approximately 0.3% of the total state and local tax expenditures for higher education in Nebraska; and
- i. Additional financial assistance to residents who wish to attend these institutions will enhance the state's ability to meet its postsecondary education goals.

Eligible students would be individuals who are:

- a. Residents of Nebraska as provided by section 85-502;
- b. Enrolled as a full-time or part time undergraduate student at an eligible postsecondary educational institution; and
- c. Eligible to receive student financial assistance pursuant to Title IV of the federal Higher Education Act of 1965.

Enrollment would mean the establishment and maintenance of the status of a student in an eligible institution regardless of the term used at the institution. Undergraduate student would mean an individual who has not earned a first baccalaureate or professional degree and is enrolled in a postsecondary program which leads to or is creditable toward a first baccalaureate degree, certificate, diploma, or equivalent.

The Commission would be required to give priority to full-time eligible students, but could allow awards to be given to part-time eligible students. Full-time students would be defined in rules and regulations.

Eligible postsecondary educational institutions would be nonprofit institutions not controlled or administered by any state agency or political subdivision and which are:

- a. Located in Nebraska;
- b. Primarily engaged in instruction of students;
- c. Accredited by a regional accrediting organization recognized by the United States Department of Education; and
- d. Offering courses and programs of instruction leading to an associate or baccalaureate degree to regularly enrolled undergraduate students who reside in Nebraska and have received high school diplomas or their equivalent.

The Grant Program Act would provide for awards to eligible students demonstrating substantial financial need. In order to reduce the costs of administering the act, the Coordinating Commission would allocate funds to the eligible institutions which would then act as agents of the Commission in the distribution of funds to eligible students. To determine the allocation amount for each institution the Commission would:

- a. Determine the number of eligible students enrolled in undergraduate programs at the eligible institution in the last completed award year who received any assistance from the federal Title IV financial assistance program and convert that number to full-time equivalency by adding the number of full-time eligible students to a number equal to one-third of the number of part-time eligible students;
- b. Multiply the full-time equivalent eligible students by the institution's average educational expenses for all full-time undergraduate students for the last completed award year;
- c. Divide the resulting approximation of educational expense for the full-time equivalent eligible students for the institution by the sum such expenses for all eligible institutions; and
- d. Multiply the total state funds appropriated by the institution's ratio.

Substantial financial need would be defined by the Coordinating Commission as eligible to receive financial assistance from federal Title IV financial assistance programs. Educational expenses would mean the published student costs for undergraduates for tuition, fees, room and board, and books and an allowance for such other expenses as the Coordinating Commission determines in rule and regulation to be reasonably related to attendance.

Awards could be given to eligible students if:

- a. The award is made directly to the student rather than to the institution;
- b. The student is accepted for enrollment as follows:

- (i) For a student beginning his or her first year or freshman year of postsecondary education, the student has satisfied requirements for admission and has enrolled or indicated an intent to enroll; or
- (ii) For a student enrolled in an institution following the successful completion of the first year, he or she continues to meet the requirements of the Act and has maintained the minimum standards of performance required by the institution;
- c. The amount of the award given would be based on substantial financial need;
- d. The award covers at least one award period but no more than one award year of attendance as an undergraduate student at an eligible institution which has available for inspection its adopted refund and repayment policies;
- e. The student signs a statement certifying that the award will be used only for educational expenses; and
- f. The student has complied with the rules and regulations of the Commission.

The maximum award would not exceed the amount of the average taxpayer subsidy for instruction for an undergraduate student at a four-year public college or university in Nebraska for the preceding fiscal year, as calculated by the Commission. Eligible institutions would distribute the funds to eligible students attending the institution. Award years would be from July 1 to June 30, and awards could not be made for a period exceeding one award year.

If the recipient discontinues attendance before the end of the award period, the recipient would remit award balances to the postsecondary institution in accordance with the institution's withdrawal policy. Eligible institutions would be allowed to redistribute any returned award balances within the award year in which funds were allocated. Funds not distributed within the award year would be returned to the Commission by the institution.

The commission and its agents would be required to carry out the College Tuition Equalization Grant Program Act without regard to any eligible student's race, creed, color, national origin, ancestry, age, sex, or handicap.

The commission would:

1. Supervise the issuance of public information concerning Program;
2. Determine criteria for the eligibility of award recipients;
3. Determine the effective date of awards; and
4. Determine criteria for setting the minimum and maximum size of the awards and the eligibility of applicants.

The commission would also establish an appeal procedure for adversely affected students and institutions. The Act could not be construed as granting any authority to the Commission to control or influence the policies of any institution nor as requiring any institution to admit any student or continue a student's enrollment. The commission would require an annual report from each institution demonstrating that students receiving awards have met the basic criteria and including other data as required by the Commission. The commission would be required to adopt and promulgate rules and regulations to carry out the College Tuition Equalization Grant Program Act.

Kate Sullivan, Chairperson