

loan or brokerage in Nebraska, and that accounts, funds and interest can be used to pay the educational expense at any public or private Nebraska postsecondary education institution. No financial institution is required to offer that type of account. No one is required to open or contribute to such an account. The mechanism is totally optional. And to encourage long range savings for college through such an account if it's opened, we provide that contributors or contributions are deductible from the amount of income taxable to the state. More specifically, the amount, the contribution is deductible but the amount of the deduction cannot exceed \$2,000 annually. That's the general concept of the bill. The details are outlined on the handout that was just passed out and so I won't take time reciting it. What I will do is share with you some of the things I have heard. It's been said that if parents wanted some special type of way to save for college education for their children, they could do it now. Like most generalizations, that's true and yet untrue at the same time. It assumes that everyone has the same high degree of financial planning sophistication. I would suggest that there are some of us in this state who might not have set up an IRA or an IRA-type account until they were recognized by the federal government, or who would have rushed to CDs or money market accounts without the fact of those being advertised. What we do know for sure is the cost of higher education continues to be not inexpensive, and increasing. Department of Revenue statistics show that the per capita income in Nebraska has almost doubled over the last 10 years but then so have the tuition charges. The credit hour charge at our state colleges has risen 114 percent; at the University of Nebraska, 130 percent on average; at the technical community college campuses, 110 percent. Those increases have occurred while General Fund support has increased 36 percent for the university; 39 percent for the state colleges. But whatever, colleagues, the cause and effect may or not be there, however responsible those increases may have been, it tends to be a slap of reality for the parents. The slap stings even more when you consider the costs of fees, books, supplies, rent and then consider the situation of a parent who has more than one child in college at the same time. And it doesn't take a great deal to see that the potential cost is not inconsiderable, not to the 50 percent of Nebraska taxpayers reporting federal adjusted gross income in '85 of under 18,000, or the 75 percent reporting that income as under 30, or the 90 percent of all Nebraska taxpayers reporting that as under 40. Even if we could show that the charges just for tuition are lower than at other