

in conversations that I have had with some of you, it's been natural enough to have allusions to other state programs aimed at assisting or encouraging savings for college. At least eight other states have set up some kind of program. The subtleties are different but they all have two major features that are alike. The first is a considerate allowance for freedom of choice of schools, which seems to me to be sound. But the sound is in one way or another...as sound as it is, they involve the purchase of bonds issued by the state. Michigan, as you recall, was the first state to move in that direction and their plan has been snagged in IRS rulings. We have avoided those potential problems by not setting up a new state agency. We're not putting the state into the bond business or doing anything to compete with the private sector. Instead, we put the private sector to work and on a level playing field. I want to make one more point in comparison with other states and their experience. LB 140 is an adjunct to student aid, as we have heard in committee. It would be a part of the picture, something compatible with existing options. Virtually all other states have some form of scholarship aid like our SSIG program. We have asked Legislative Research to check on other states which have already enacted a savings plan. And in Michigan, Illinois and the others the savings program has not either discouraged state appropriations to the scholarship program or cut into it in any adverse way. The savings plan has worked as how it is supposed to. The costs of college seem to be unquestionably justify allowing this option. On General File, I noted the Department of Revenue's statistics showing that the per capita personal income in Nebraska has almost doubled over the last ten years, but tuition charges have more than kept up with the pace. The credit hour tuition charges over that same period of time have risen about a 114 percent in our state colleges, about 130 percent at the university on average, and at our technical colleges, about 110 percent. Perhaps these increases were reasonable. The LR 390 report, the Education Committee's interim study on college savings plans, points out that nationally tuition charges rose an average of 75 percent during those seven to 10 years. The report additionally notes the U.S. Department of Education's projections of an average 7 percent additional rise this year, a price that the department says, "is going to go up at this rate forever. Nothing in the immediate offering will exert very much restraint." It doesn't take much to realize that those prices and increases are that slap at reality that I have mentioned. And even if it is a pulled punch, it is only tuition, it doesn't begin to account