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FLOOR DEBATE

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Now let me remind you that if you look at the total on the first one, 2003-2004 Estimated Distribution, we have \$5.8 million. The year one transition we have 9.8, a difference of \$4 million, and that is the subject of the amendment which I will offer to you next, and I would emphasize, at this point, a very important part of the proposal we have. I think this illustrates, if you look at it, that the distribution of the aid becomes more in line with the distribution of need-based students under the new structure than it is under the current structures. We're assuming here that the distribution of students among the types of institutions will remain approximately the same as it currently is. And, of course, that's an assumption that may not hold. I think another important point, which may not be really emphasized here but it is an important point, is that a given amount of financial aid under this structure would support a considerably large number of financially needy students, which is an important goal we had in mind. Very quickly, the program would operate as follows. There would be a target level of funds for each institution based on the institution's share of eligible students, the tuition, and the total appropriation of money to support need-based students. The tuition would be capped. The share of students would be based on previous year data, and the Postsecondary Coordinating Commission would award funds to students based on the recommendations from the higher education institutions. Again, I hope this is detailed to your satisfaction in the handout. If it isn't, why, I will certainly attempt to address your questions. Let me move on to the second part of the committee amendment and that deals with the College Savings Plan. The amendment includes LB 147 as introduced by Senator Don Peterson and addresses issues raised by the introduction of LB 466. LB 147 provides that rollovers to the College Savings Plan of another state are treated as terminations for the Nebraska plan and provides that College Savings Plan accounts are not subject to inheritance tax. The other part of the committee amendment dealing with the College Savings Plan is an effort to clarify and strengthen the language dealing with the allocation of the money to the program's administrative, endowment and program funds and the language dealing with the division of duties between the State Treasurer and the Investment Council. I would point out here that there is another graphic handout which I hope depicts the three funds