

1.5 Financial Aid

Increase need-based financial aid in order to improve access to higher education for Nebraskans with limited financial means.

The 2003 LR 174 Higher Education Task Force recommended increasing need-based financial aid as a means of improving access to higher education for Nebraskans with limited financial resources. Since 2003, Nebraska has increased the amount of state funds allocated for need-based financial aid, thereby making progress toward the goal of improving access to higher education within the state.¹⁶ However, it still ranks among the lowest states for state-funded, need-based aid provided to students.

Financial aid is even more important today than it was in 2003 as increasing college costs make it more difficult for many Nebraskans to be educated beyond high school. While there are several sources of need-based financial aid available to students, the amount available has not kept up with increasing costs and the corresponding need for more financial aid. This can be illustrated in several ways.

Number of Nebraska High School Seniors Filing the FAFSA

The first step in gaining access to federal and state student financial aid – and often need-based institutional financial aid as well – is filing the Free Application for Student Financial Aid, commonly known as the FAFSA. Unfortunately, many potential college students never make it past this first step, either not applying at all or not completing the FAFSA despite the efforts of high school counselors, college financial aid officers, and organizations like EducationQuest, Avenue Scholars, and College Possible that help students complete the FAFSA. The National College Access Network (NCAN), a national organization devoted to advocating for college affordability, particularly the federal Pell Grant program, estimates that 2023 Nebraska high school graduates missed out on over \$23.0 million in federal Pell grants by not filing the FAFSA.¹⁷ Without that aid, most of those high school graduates could not enroll in college.

As [Figure 1.5.1](#) indicates, Nebraska ranked 29th in FAFSA completions for high school seniors in the class of 2023. Leading states typically have made FAFSA completion a high school graduation requirement, tie FAFSA completion to “free college,” or have extensive state aid programs. Nebraska currently has none of those incentives to completion, but it does have the extensive outreach of EducationQuest and the CCPE’s FAFSA Completion Project, which uses information from the federal Department of Education to allow high school counselors to see which of their students have started and completed a FAFSA, allowing them to target assistance and encouragement. Beginning with the 2024-2025 school year, Nebraska public high school students must complete the FAFSA prior to graduating from high school.¹⁸

Like most states, Nebraska has suffered a decline in FAFSA completions by high school seniors in recent years, which corresponds to a decline in college going among recent high school graduates. FAFSA completion and college continuation among low-income students nationwide have been heavily impacted by COVID-19, as distance education has been difficult

¹⁶ For more information on tuition, fees, and financial aid, see the *2022 Tuition, Fees, and College Affordability Report*, available on the Commission’s website at ccpe.nebraska.gov/reports.

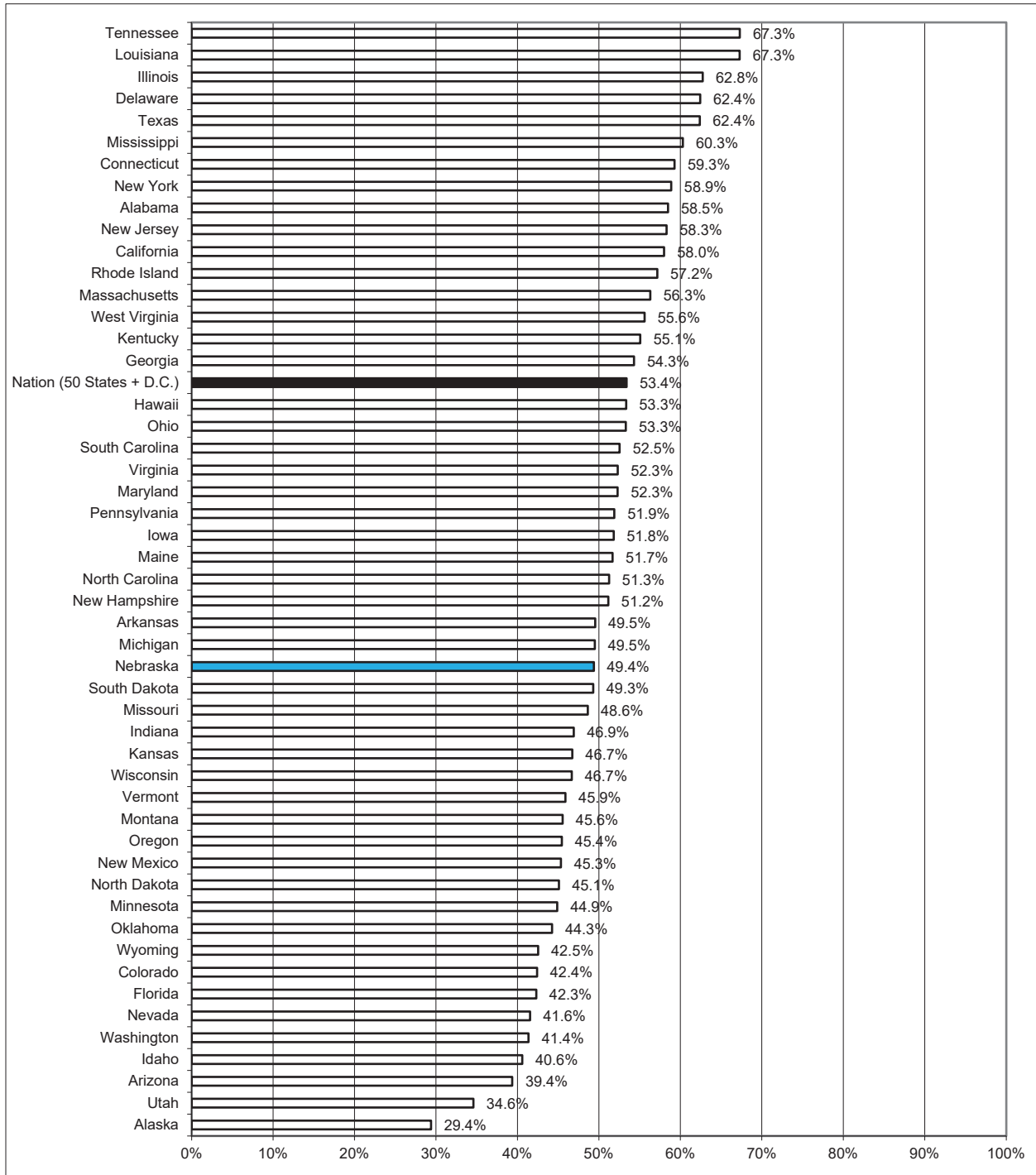
¹⁷ *NCAN Report: In 2023, High School Seniors Left Over \$4 Billion on the Table in Pell Grants*, January 11, 2024, <https://www.ncan.org/news/662266/NCAN-Report-In-2023-High-School-Seniors-Left-Over-4-Billion-on-the-Table-in-Pell-Grants.htm>.

¹⁸ See Neb. Rev. Stat. § 79-729 (3) for exemptions to the FAFSA completion requirement, available at <https://nebraskalegislature.gov/laws/statutes.php?statute=79-729>.

for low-income students without good access to technology at home and counselors are less able to assist students with college planning and FAFSA completion. [Figure 1.5.2](#) shows the decline for Nebraska, neighboring states, and the best and worst performing states in FAFSA completion.

Figure 1.5.1

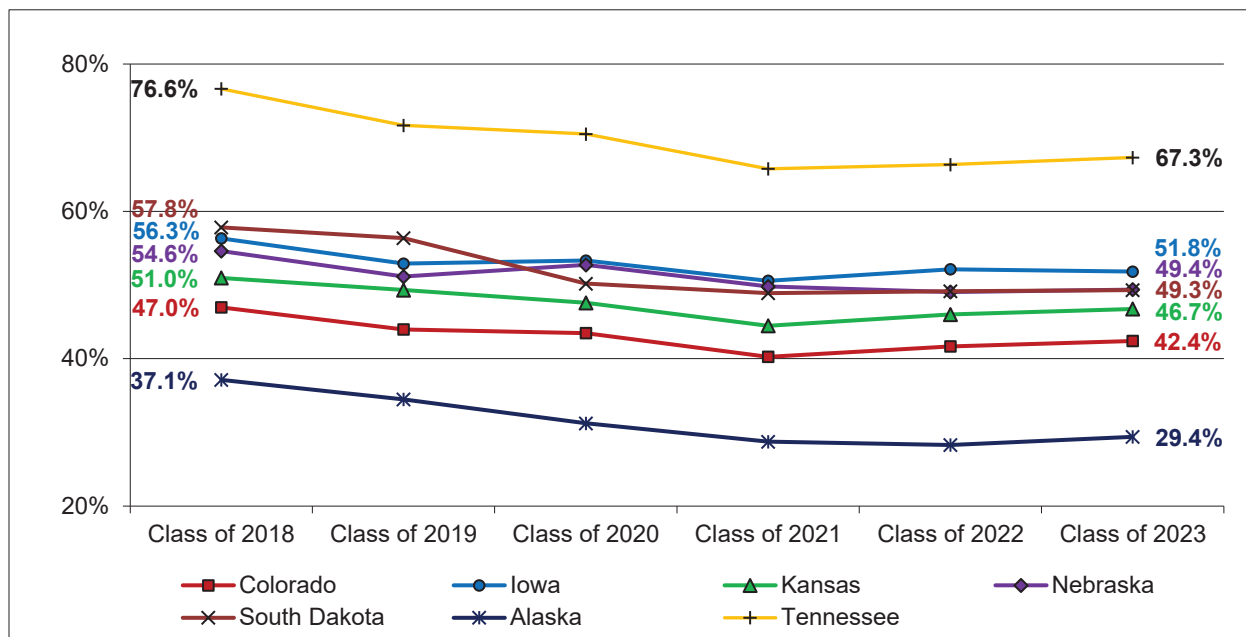
**Free Application for Federal Student Aid (FAFSA) Completion Rates by State
High School Seniors in the Class of 2023**



Note. Includes students who completed the FAFSA between October 1, 2022, and June 30, 2023. Includes students from public and private high schools. See [Table A8.1](#) in [Appendix 8](#) for more information. Data source: National College Attainment Network, FAFSA Completion, February 2024.

Figure 1.5.2

**Free Application for Federal Student Aid (FAFSA) Completion Rates
Nebraska Compared to Other States
High School Seniors in the Class of 2018 through the Class of 2023**



Note. Graph includes trend data for Nebraska, surrounding states, and the lowest (Alaska) and highest (Tennessee) performing states for the most recent year. Includes students who completed the FAFSA between October 1 and June 30 for each high school class. Includes students from public and private high schools. See [Table A8.1](#) in [Appendix 8](#) for more information. Data source: National College Attainment Network, FAFSA Completion, January 2022, February 2023, and February 2024.

Number of Students Not Served by Nebraska’s Opportunity Grant Program

Nebraska allocates state General and lottery funds the Nebraska Opportunity Grant (NOG) program, Nebraska’s only state-wide, need-based financial aid program. Nebraska Opportunity Grants, also referred to as state grants, are awarded to students who are residents of Nebraska, have not earned a first bachelor’s degree, have high financial need, and who are attending eligible Nebraska colleges and universities.¹⁹

As the following discussion illustrates, Nebraska has significantly increased the amount of funding available for state grants to college students. However, the amount of available funding for financial aid continues to be insufficient to meet the needs of an increasing number of students who are eligible to receive state assistance. As a result, only 5 out of 10 students who are eligible for state-funded financial aid receive state grants.

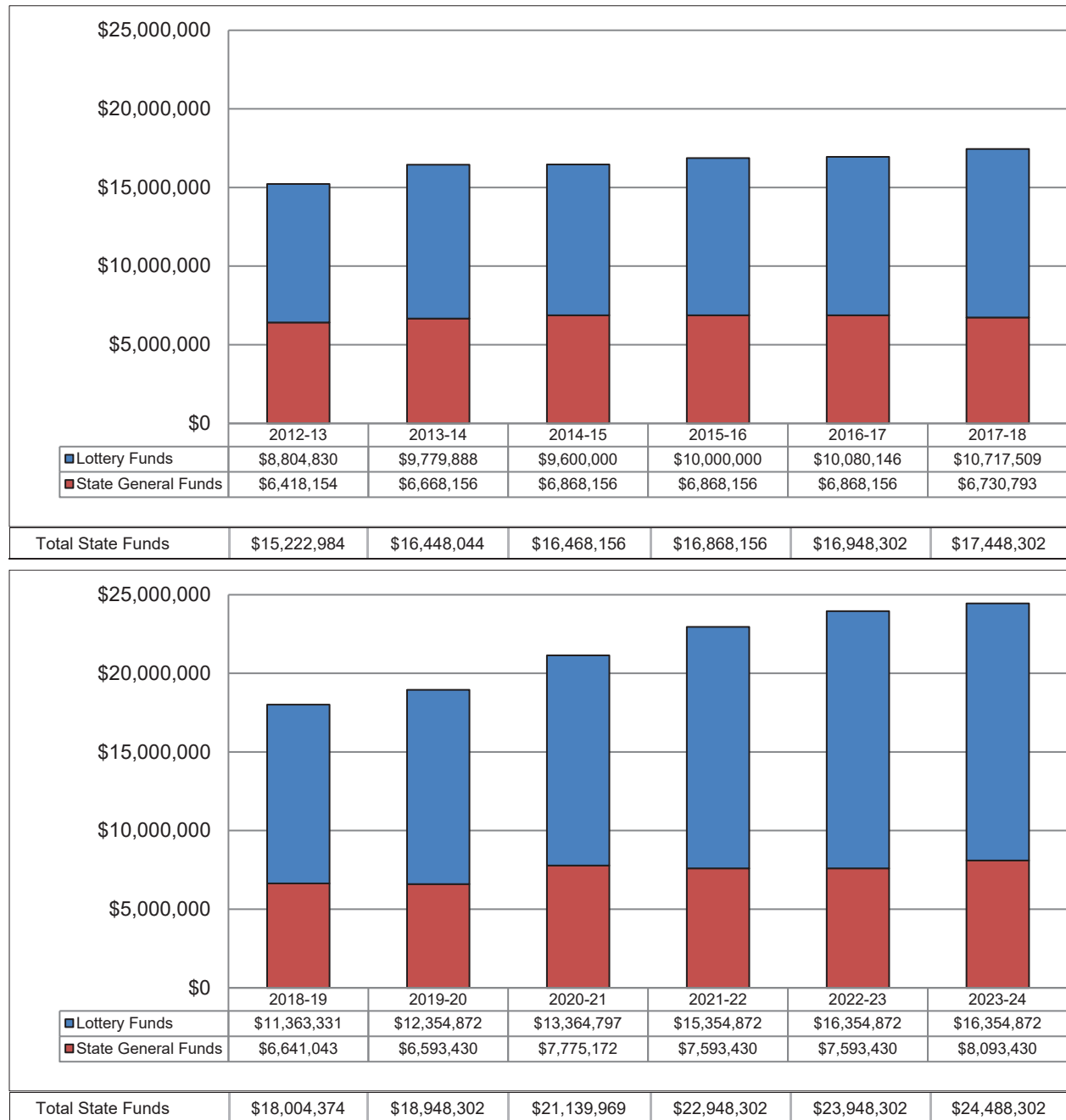
[Figure 1.5.3](#) illustrates how the amount of available funding for state grants has significantly increased since 2012-2013. For the 2012-2013 academic year, the state allocated \$15,222,984 for grant aid to students attending public and private institutions in Nebraska. For 2022-2023, the state allocated \$23,948,302 to assist students from low-income families attend higher education institutions in Nebraska, an increase of 57.3%. For the 2023-2024 academic year, the amount of available state funding for grant aid increased to \$24,448,302, or 2.1% above the amount allocated for 2022-2023. As a result, available state funding for state grants

¹⁹ For more information on the Nebraska Opportunity Grant, see the *Nebraska Opportunity Grant 2022-23 Year-End Report*, available on the Commission’s website at cpe.nebraska.gov/reports.

awarded in 2023-2024 is 60.6% higher than the state appropriated for student financial aid in 2012-2013.

Between 2012-2013 and 2023-2024, allocation of lottery funds for state grants increased 85.7%, from \$8,804,830 in 2012-2013 to \$16,354,872 in 2023-2024. Over the same period, appropriations for state grants from the state’s General Fund increased 26.1%, from \$6,418,154 to \$8,093,430.

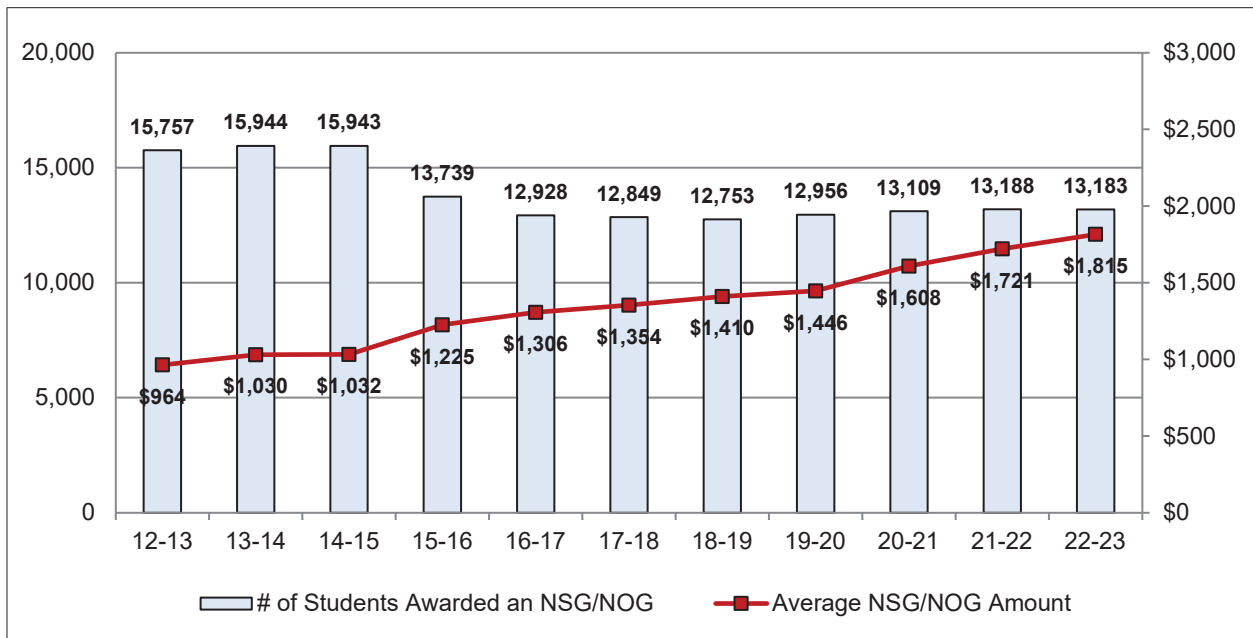
**Figure 1.5.3
Sources and Amounts of Available Funding
for the Nebraska Opportunity Grant Program
2012-2013 through 2023-2024**



Data sources: Nebraska’s Coordinating Commission for Postsecondary Education, *2022 Tuition, Fees, and College Affordability Report*, supplemented with CCPE records, December 2023.

Between 2012-2013 and 2022-2023, as shown in [Figure 1.5.4](#), the number of students who received state grants decreased 16.3%, from 15,757 to 13,183, and the average awarded grant increased 88.3%, from \$964 to \$1,815.²⁰

Figure 1.5.4
Number of Students Who Received
Nebraska Opportunity Grants (NOGs) and the Average Grant Awarded
2012-2013 through 2022-2023



Data source: Nebraska’s Coordinating Commission for Postsecondary Education, *Nebraska Opportunity Grant Year-End Report*, 2013 through 2023.

Unfortunately, as shown in [Figure 1.5.5](#), many students who are eligible for state grants do not receive them. In 2022-2023, for example, 13,183 students received state grants. However, based upon expenditure reports submitted to the Commission by each institution, it is estimated that an additional 15,177 students qualified for state grants but did not receive them due to insufficient available funding.

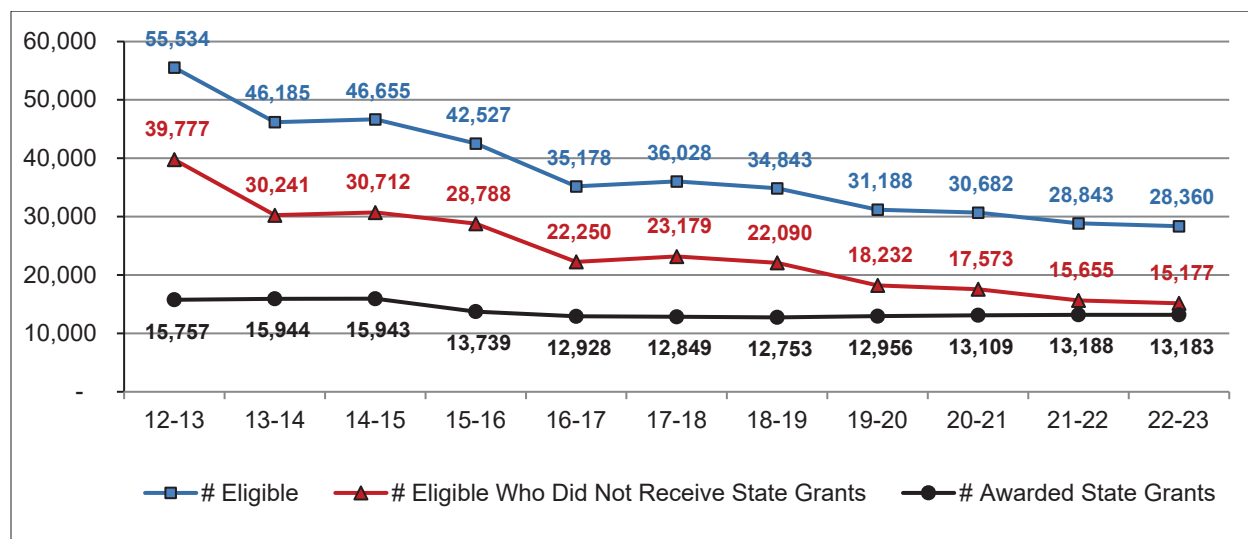
Furthermore, while the percentage of eligible students who receive state grants has increased, it remains low. In 2012-2013, only 28.4% of the students who were eligible for state grants received them. In 2022-2023, 46.5% of the eligible students received state grants.

See [Table A8.2](#) and [Table A8.3](#) in [Appendix 8](#) for supporting data and for additional information about the numbers and amounts of Nebraska state grants awarded by sector.

²⁰ The maximum award a student could receive was 50% of the tuition and mandatory fees charged by UNL to a full-time, Nebraska-resident undergraduate student. In 2012-2013, the maximum award was \$3,781. For 2022-2023, the maximum award was \$4,795.

Figure 1.5.5

Number of Students Eligible to Receive Nebraska Opportunity Grants Compared to the Number of Students Awarded a Nebraska Opportunity Grant 2012-2013 through 2022-2023



Data source: Nebraska’s Coordinating Commission for Postsecondary Education, *Nebraska Opportunity Grant Year-End Report*, 2013 through 2023.

Other Evidence of Unmet Need for Financial Aid

Although state funding of financial aid has increased significantly since 2012-2013, there is a substantial amount of unmet financial need in Nebraska, including the need not met by state grants. The Commission estimates the annual unmet financial need of all Nebraskans who are eligible for Pell Grants by subtracting the total amount of financial aid, excluding work-study or Direct Parent PLUS (parent loan for undergraduate students), from the total cost of attending Nebraska colleges and universities for all Pell-Grant-eligible students.²¹ Using this formula, which includes subsidized and unsubsidized loans as financial aid, the Commission estimates the unmet need of Nebraskans was over \$220 million in 2012-2013 and nearly \$169 million in 2022-2023.²²

Another indicator of the difficulty in meeting the financial needs of students is the percentage of family income needed to pay for full-time enrollment at public two- and four-year institutions. For details, see pages 18 and 19 of the Commission’s *2022 Tuition, Fees, and College Affordability Report*.

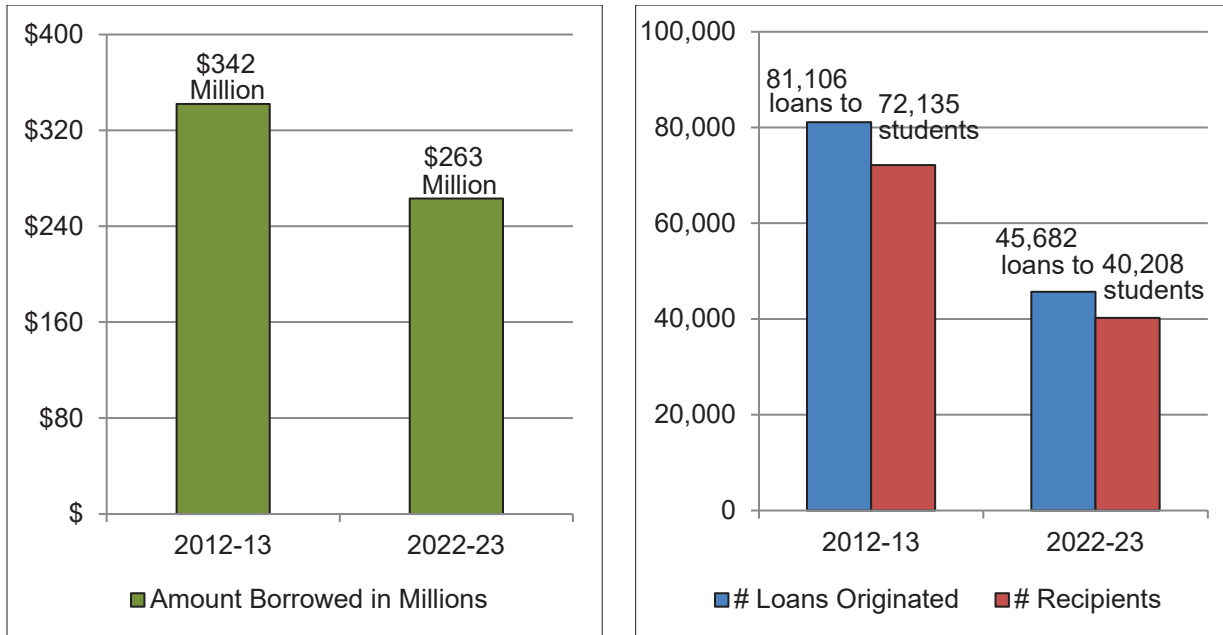
As illustrated in [Figure 1.5.6](#), the amount students borrowed to attend Nebraska’s public postsecondary institutions declined 23.1%, from \$341,955,094 in 2012-2013 to \$263,109,957 in 2022-2023.²³ The number of loan recipients decreased 44.3%, from 72,135 in 2012-2013 to 40,208 in 2022-2023, while the number of originated loans decreased 43.7%, from 81,106 in 2012-2013 to 45,682 in 2022-2023.

²¹ Cost of attendance includes tuition and mandatory fees, room and board, and books and supplies.

²² For details regarding these estimates, see the Commission’s *2022 Tuition, Fees, and College Affordability Report*, available on the Commission’s website at ccpe.nebraska.gov/reports.

²³ Originated loans, including fees.

Figure 1.5.6
Level of Student Borrowing to Attend Nebraska’s Public Colleges and Universities
2022-2023 Compared to 2012-2013



Note. Includes undergraduate and graduate loans. Data source: U.S. Department of Education Federal Student Aid, Title IV Program Volume Reports, 2023.

Need-Based Financial Aid

In addition to the Nebraska Opportunity Grant, financial aid is provided through a system of tuition waivers at Nebraska public institutions. However, tuition waivers may or may not be need-based, depending on how each institution decides to allocate them.

The State of Nebraska also funds the Access College Early (ACE) Scholarship Program. Initiated in fall 2007, ACE scholarships are awarded to eligible low-income Nebraska high school students who take college courses for credit from qualified postsecondary institutions.

Since Nebraska’s state grant program has been the primary source of state-funded, need-based financial aid for Nebraska residents who are attending postsecondary institutions within the state, the preceding analysis in this section focuses primarily on the changes in the funding of Nebraska’s state grant program that occurred between 2012-2013 and 2022-2023. The last part of this section focuses on the growth of the Access College Early (ACE) Scholarship Program and the college continuation rates of ACE scholarship recipients.

Access College Early (ACE) Scholarship Program

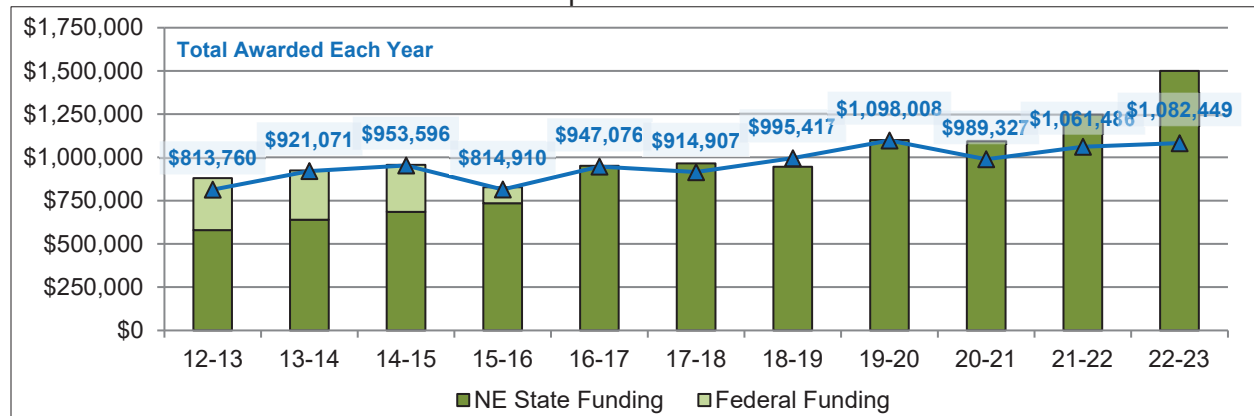
Started in fall 2007, the Access College Early (ACE) Scholarship Program awards scholarships to eligible low-income Nebraska high school students who take courses for credit from postsecondary institutions while the students are in high school. These courses are typically dual enrollment courses, which are offered for both high school and college credit, but some are college courses offered only for college credit.²⁴ Figure 1.5.7 illustrates the growth of the ACE Scholarship Program.

- In 2012-2013, 3,445 ACE scholarships totaling \$813,760 were awarded to 1,705 Nebraska high school students from 210 high schools. These students registered for 11,877 credit hours at 15 Nebraska colleges and universities.

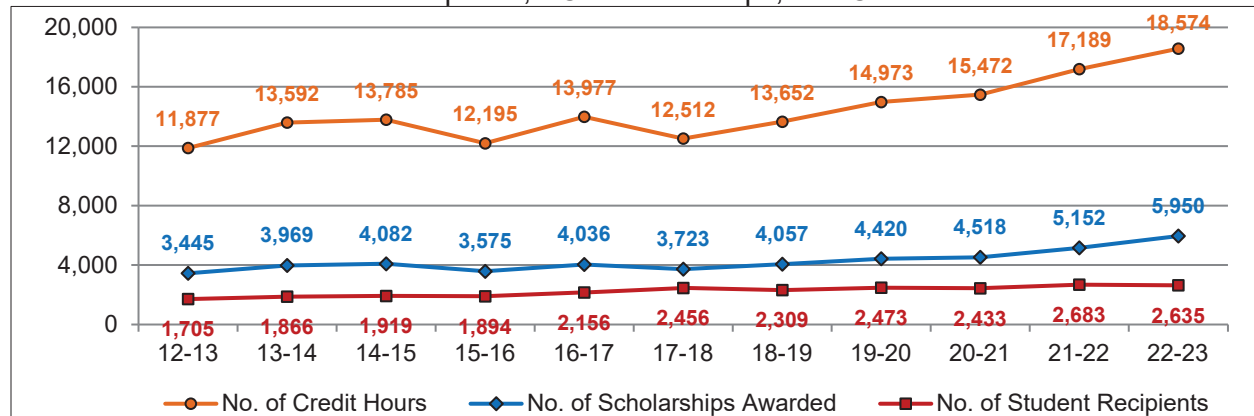
Figure 1.5.7

Growth of the Nebraska Access College Early (ACE) Scholarship Program 2012-2013 through 2022-2023

Part A: Sources and Amount of Scholarships Awarded



Part B: Numbers of Student Recipients, ACE Scholarships, and Credit Hours



Note. The number of scholarships awarded to a student is limited each year based on available funding and an estimated number of students who will be applying. For 2022-2023, due to the available funding and reduction in charges at the community colleges, there was no limit to the number of scholarships available per student. See Table A8.4 in Appendix 8 for supporting data. Data source: Nebraska’s Coordinating Commission for Postsecondary Education, December 2023.

²⁴ For more information on the Access College Early Scholarship, see the *Access College Early Scholarship 2022-23 Year-End Report*, available on the Commission’s website at ccpe.nebraska.gov/reports.

- In 2022-2023, 5,950 ACE scholarships totaling \$1,082,449 were awarded to 2,635 Nebraska high school students from 214 high schools. These students registered for 18,574 credit hours at 18 Nebraska colleges and universities. A total of \$1,500,000 is appropriated for ACE scholarships for 2023-2024.

College Continuation Rates of ACE Scholarship Recipients

Since 2009, the Coordinating Commission has conducted research to determine how many of the public high school seniors who receive ACE scholarships continue on to college compared to other low-income and non-low-income graduates of Nebraska's public high schools.

For this research, a college continuation rate is defined as the percentage of public high school graduates who were enrolled in college within one year of their high school graduation. For example, for the public high school seniors who received ACE scholarships during 2021-2022, the college continuation rate is the percentage of these students who were enrolled in college any time between June 1, 2022, and May 31, 2023.²⁵ Throughout this summary, the terms college continuation rate and college-going rate are used interchangeably.

Using student records and summary reports from the Nebraska Department of Education (NDE) and enrollment records from the National Student Clearinghouse (NSC), the Commission calculates the college continuation rates by gender for the public high school seniors who were ACE scholarship recipients.

The Commission then compares the college continuation rates for the seniors who received ACE scholarships while attending public high schools to the college continuation rates for other low-income and non-low-income graduates of Nebraska's public high schools.

Low-income students are defined as students who are approved to receive free or reduced-price school lunches. Effective with the 2021-2022 cohort, students are also classified as low income if they graduate from a school that participates in the Community Eligibility Provision (CEP).

Non-low-income students are students who are not approved for free or reduced-price school lunches.²⁶

Since the Commission relies on college enrollment records from the NSC, students who continue on to college at non-NSC-reporting institutions are classified as not continuing on to college. As a result, college continuation rates reported here are underestimated to some degree. (See Section 1.1.c of this report for further information on college continuation rates.)

Students who were home-schooled or attended nonpublic (private) high schools are not included in this phase of the research because the NDE does not have sufficient records for the Commission to compute college continuation rates for nonpublic high school students by income status.

²⁵ While May 31st of the year following high school graduation is the cut-off date for college continuation rates in this section, the actual date may be slightly earlier, depending on when the Nebraska Department of Education submits data to the National Student Clearinghouse. See Table A8.5.a through Table A8.6.f in Appendix 8 for more information.

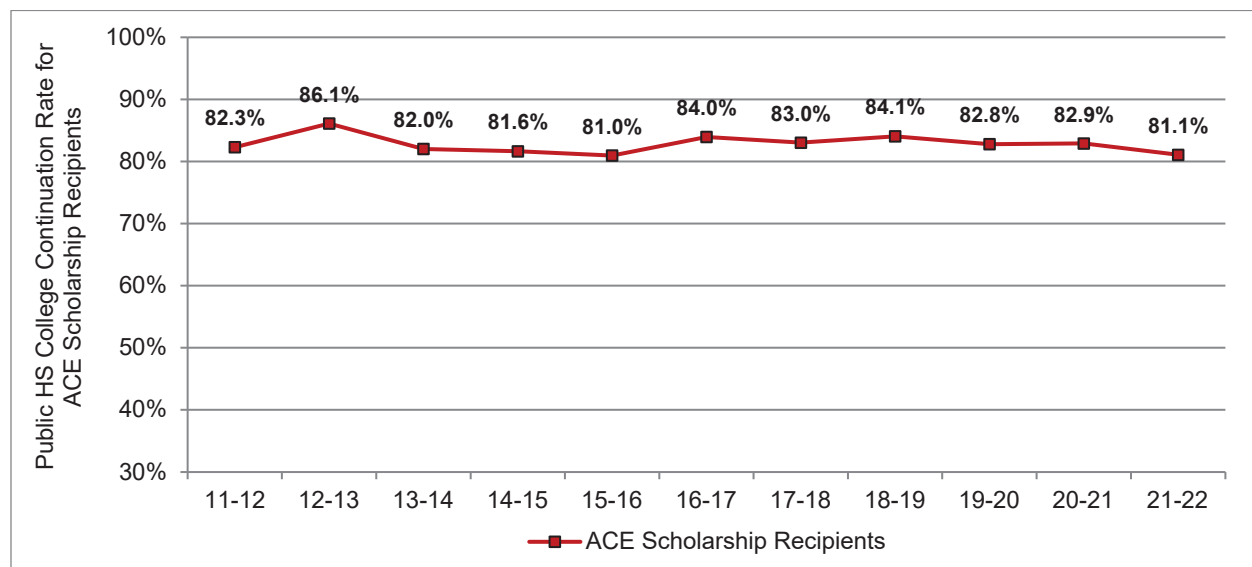
²⁶ The non-low-income students include students in low-income households that have not applied for free or reduced-price school lunches. Conversely, the low-income students in this study include at least some students who graduated from schools that participate in the CEP but were from non-low-income households.

College Continuation Rates for Public High School Graduates Who Received ACE Scholarships

- As shown in [Section 1.1.c](#), [Figure 1.1.c.5](#), the college continuation rate for Nebraska public high school graduates has decreased from 70.8% for the 2011-2012 graduating class to 65.2% for the 2021-2022 graduating class.
- As shown in [Figure 1.5.8](#), the college continuation rate for *all public high school graduates* who received ACE scholarships during their senior year has varied by year.
- Since 2011-2012, the college-going rate for ACE scholarship recipients decreased from 82.3% to 81.1% for 2021-2022 graduates.

Figure 1.5.8

College Continuation Rates for All Public High School Graduates Who Received Access College Early (ACE) Scholarships 2011-2012 through 2021-2022



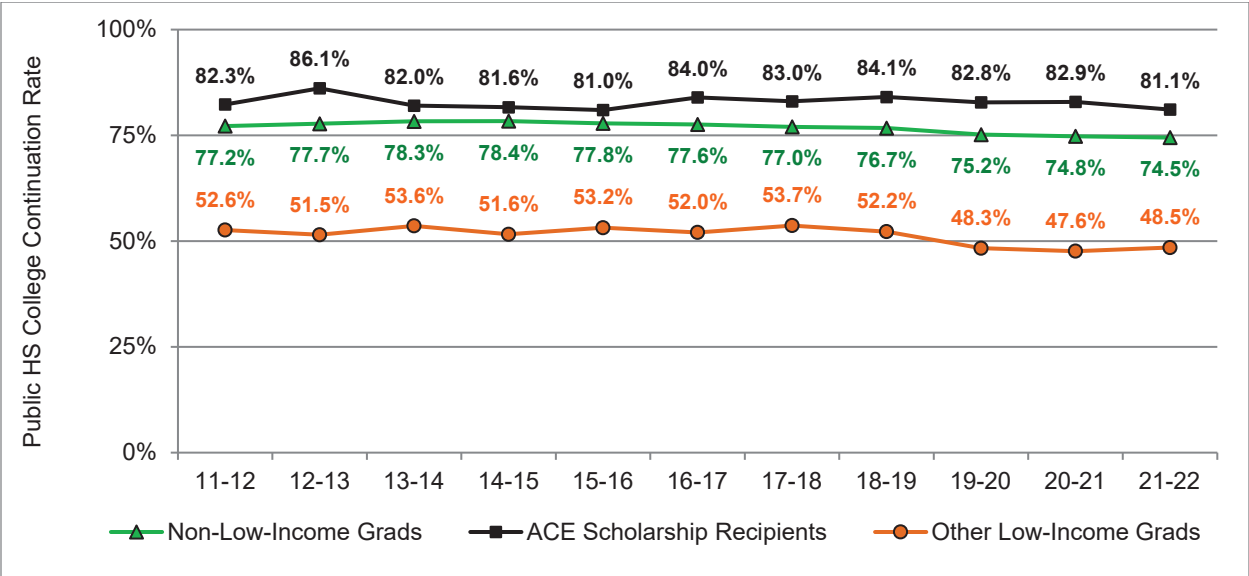
Note. See [Tables A8.5.a](#), [A8.5.b](#), [A8.5.c](#), [A8.5.d](#), [A8.5.e](#), [A8.6.a](#), [A8.6.b](#), [A8.6.c](#), [A8.6.d](#), [A8.6.e](#), and [A8.6.f](#) in [Appendix 8](#) for supporting data. Data sources: Nebraska’s Coordinating Commission for Postsecondary Education (ACE recipient data), October 2023; National Student Clearinghouse (college continuation data), October 2023.

College Continuation Rates by Household Income

- As shown in [Figure 1.5.9](#), college continuation rates of ACE scholarship recipients have been higher than the rates for non-low-income graduates of the state’s public high schools.
- College continuation rates for ACE scholarship recipients were significantly higher than the college-going rates for other low-income students who graduated from Nebraska’s public high schools between 2011-2012 and 2021-2022.
- The college continuation rate decreased 1.8 percentage points for ACE scholarship recipients between 2020-2021 and 2021-2022. Meanwhile, the college continuation rate for other low-income graduates increased 0.9 percentage points.
- Since 2011-2012, the college continuation rate decreased 1.2 percentage points for ACE scholarship recipients and 4.1 percentage points for other low-income graduates.

Figure 1.5.9

College Continuation Rates for Public High School Seniors Who Received Access Early (ACE) Scholarships and Other Graduates of Nebraska Public High Schools by Student Income Status: 2011-2012 through 2021-2022



Note. See Tables A8.5.a, A8.5.b, A8.5.c, A8.5.d, A8.5.e, A8.6.a, A8.6.b, A8.6.c, A8.6.d, A8.6.e, and A8.6.f in [Appendix 8](#) for supporting data. Data sources: Nebraska’s Coordinating Commission for Postsecondary Education (ACE recipient data), October 2023; National Student Clearinghouse (college continuation data), October 2023; and Nebraska Department of Education, October 2023 (public high school graduate data).