



# **2008 Tuition, Fees and Financial Aid Report**

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Nebraska's  
Coordinating Commission  
for  
Postsecondary Education

CCPE

**Approved by the Commission  
August 7, 2008**



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# Executive Summary

“Nebraska’s people will value and support higher education institutions that are vital, vigorous and visionary. Each higher education institution will fulfill its role and mission with distinction by being responsive to changing academic, workforce, societal, economic, and community development needs. Together, Nebraska’s institutions will provide access to educational opportunities that meet the diverse needs of students and citizens while exercising careful and creative stewardship of available resources.”

Comprehensive Statewide Plan  
Coordinating Commission for Postsecondary Education, 2006

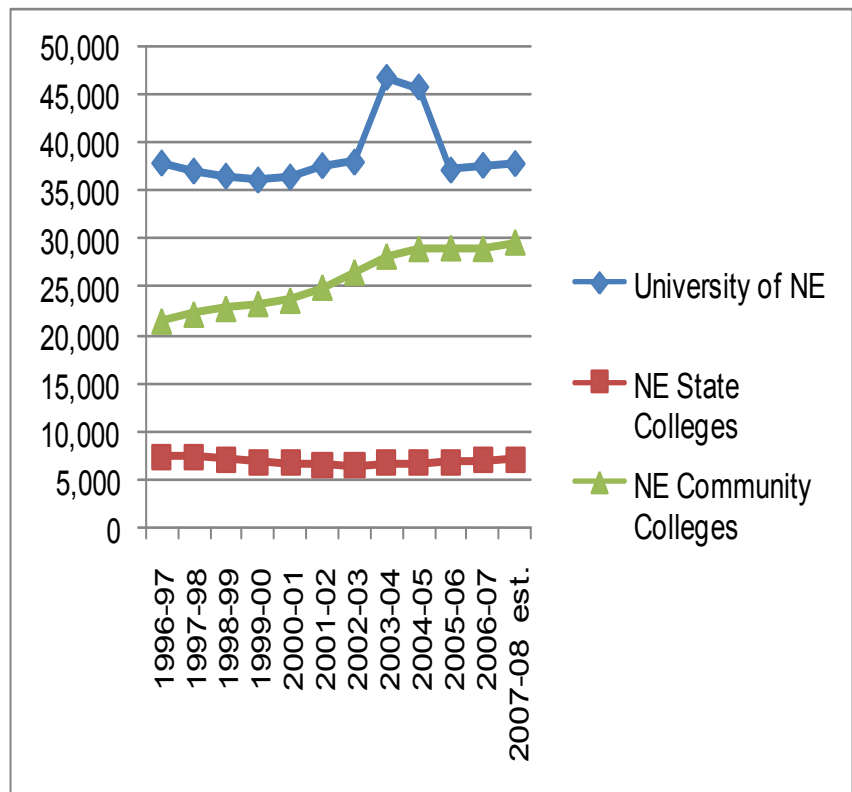
The State of Nebraska statutes require the Coordinating Commission for Postsecondary Education (CCPE) to prepare biennially a *Tuition, Fees and Financial Aid Report*. The purpose of this report is to analyze the public policy issues relating to tuition, fees, and financial aid for students in Nebraska and to study how Nebraska’s public postsecondary educational institutions compare with their peer institutions in other states. This report offers meaningful information on important issues facing Nebraska’s students and families, institutions of higher education, and constituencies of the state. Nebraskans benefit from affordable, accessible and high-quality education. This report will assist institutions as they continue to provide accessible, high-quality postsecondary education in Nebraska.

Full Time Equivalent Enrollment (FTE) at  
Nebraska’s Public Postsecondary Institutions by Sector

[Although higher education is becoming less affordable \(see following information\), Nebraskans continue to show they value postsecondary education.](#)

Total enrollment at Nebraska’s Public Postsecondary Institutions has increased by almost 8,000 FTE over the past 10 years.

- The largest increase (39%) has occurred in the community college sector, the sector that offers the lowest tuition.
- Both the University of Nebraska and state college sectors have seen slight declines.





[Enrollment increases have occurred despite the fact that higher education is becoming less affordable for Nebraska students and their families.](#)

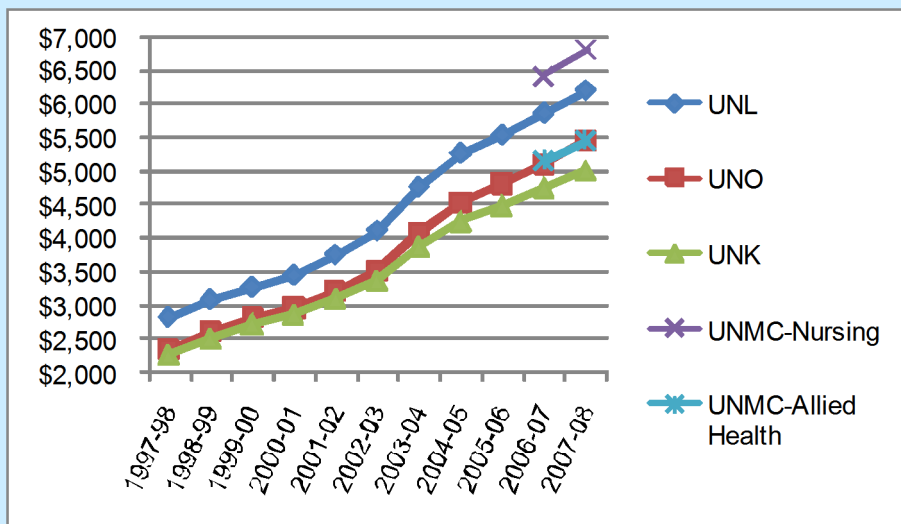
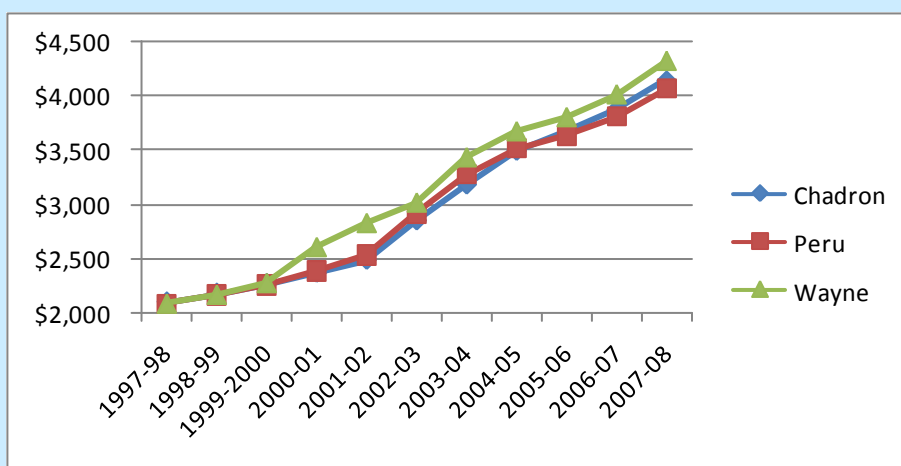
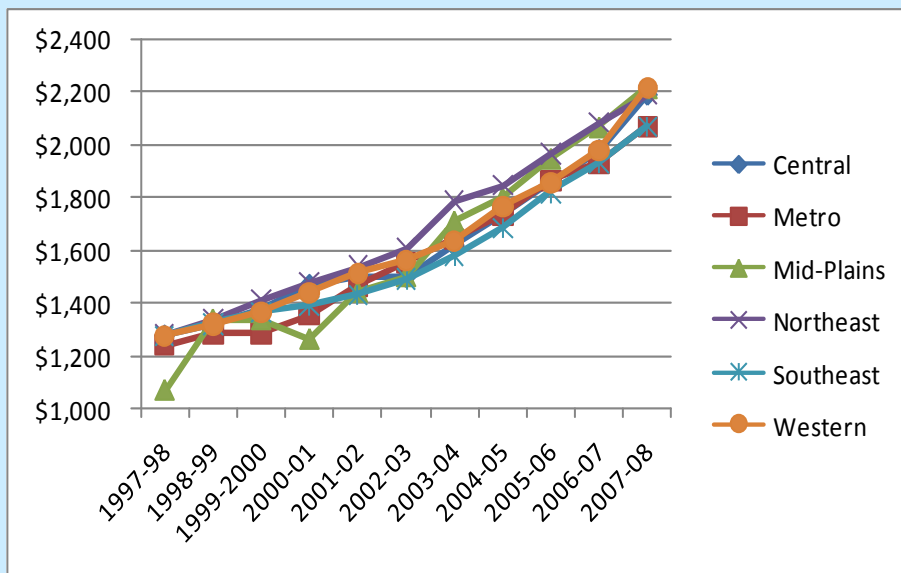
### Tuition and Fees

- Over the past 10 years, tuition and mandatory fees have increased from 62% to 132% for a full-time, undergraduate, resident student at Nebraska’s public postsecondary institutions.
- These increases in tuition and fees are higher than the 24% increase in the Consumer Price Index (CPI) and the 39% increase in the Higher Education Price Index (HEPI) over the same time period.
- In comparison, the median family income of Nebraskans increased 8% from 1997 to 2005 (the latest year for which data are available).

### Family Income

The percentage of family income needed to support undergraduate, resident tuition and mandatory fees at Nebraska’s public postsecondary institutions is increasing, especially for students from families whose income is considered median-, low- or very low-income.

Resident Tuition and Mandatory Fees at Nebraska’s Public Colleges and Universities 1997-98 through 2007-08<sup>1</sup>



<sup>1</sup>Based on 30 semester or 45 quarter hours

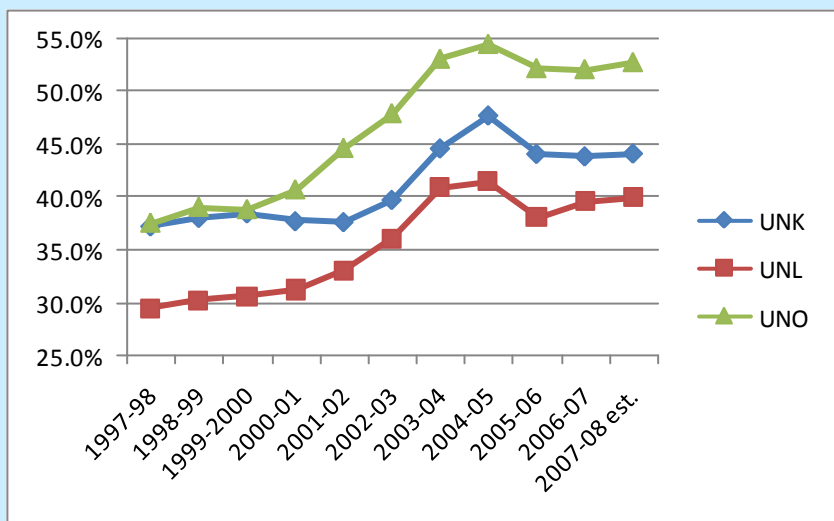
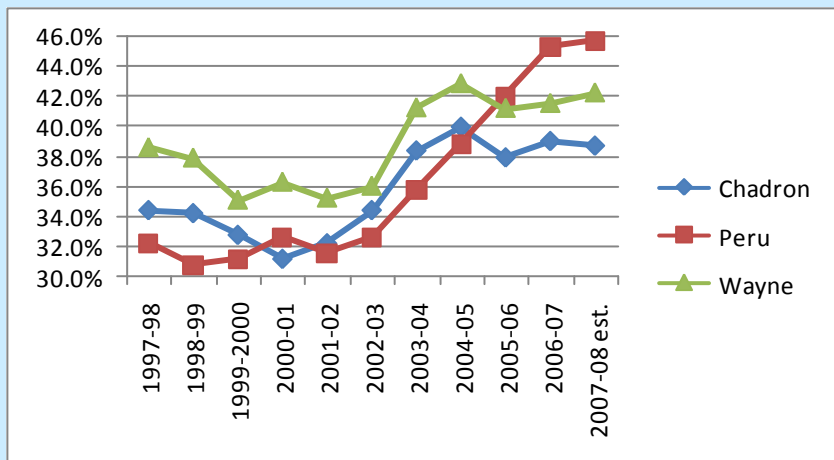
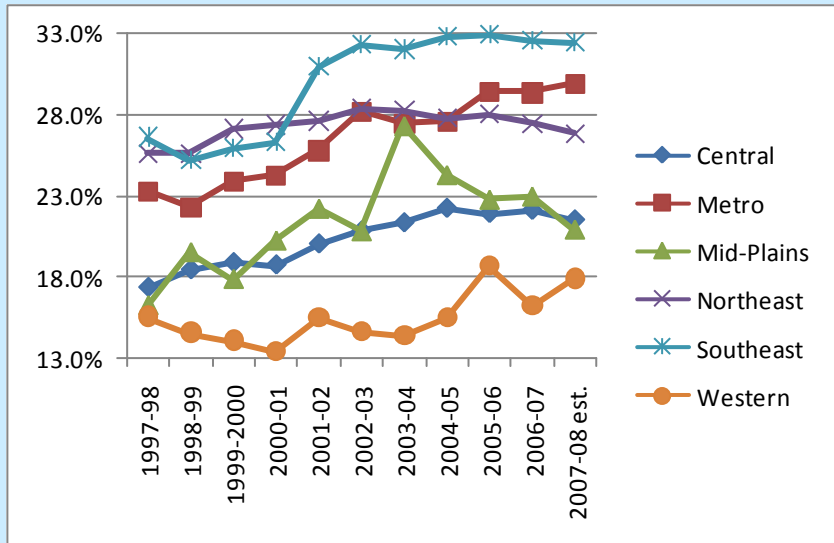
**Student Payment Share**

Overall, the State of Nebraska and its taxpayers continue to pay the largest share of the costs to educate public postsecondary students. Students pay a percentage of total costs through tuition and fees assessed at each institution. The percentage of costs paid by students (student payment share) is increasing. In other words, student payments are covering an increasing percentage of costs, with percentages of state and local cost coverage in decline. This trend applies to all of Nebraska’s public institutions.

Higher education at Nebraska’s public institutions is becoming less affordable, especially for students from low-income families.

- Students at the University of Nebraska at Omaha pay tuition rates that result in the highest student payment share; UNO students contribute more than 50% of the cost of their education.

**Student Payment Share at Nebraska’s Public Colleges and Universities 1997-98 through 2007-08**





**Appropriations per full-time student have increased.**

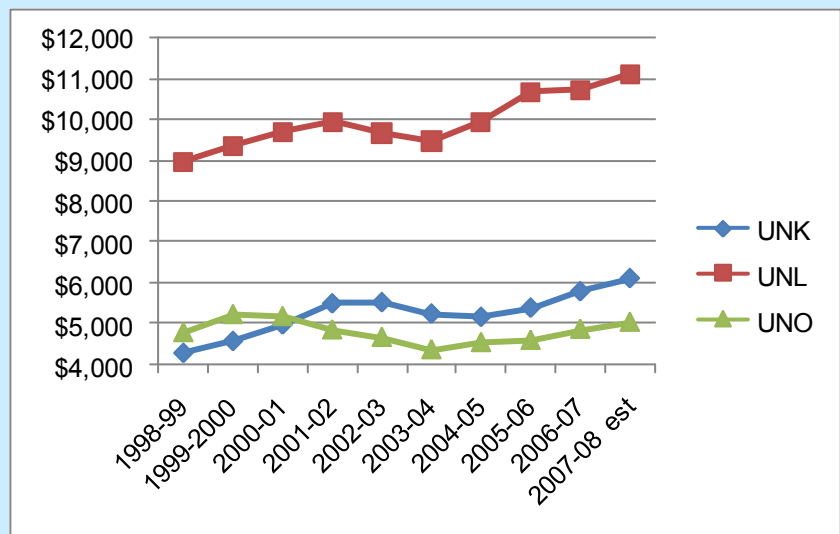
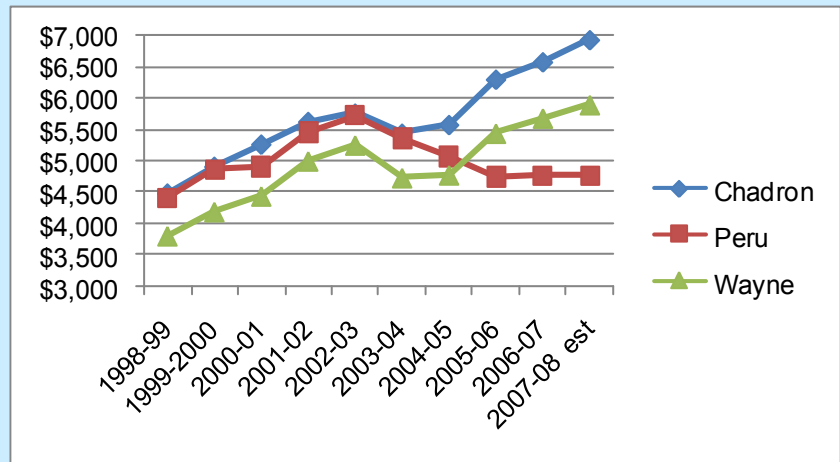
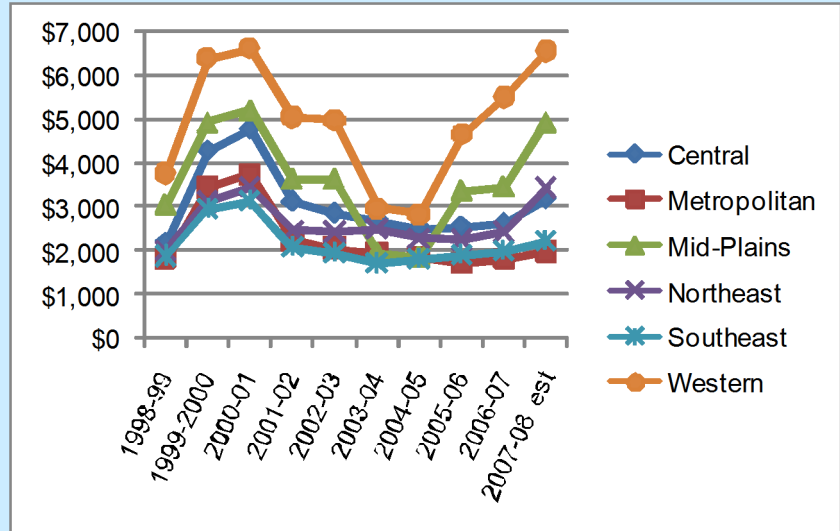
State appropriations per full-time equivalent (FTE) student at Nebraska's public post-secondary institutions have increased over the past 10 years. However, a majority of the total increase occurred in the first five years of this 10 year period. State funding is increasingly being moderated by other state obligations, such as Medicaid, corrections, K-12 and other social services.

- Metropolitan Community College and Southeast Community College receive less state appropriation per FTE than the other community colleges<sup>1</sup>.
- Metropolitan Community College received less state appropriation per FTE in 2007-08 than in 2002-03<sup>1</sup>.
- Peru State College received about 17% less state appropriation per FTE in 2007-08 than in 2002-03<sup>2</sup>.
- Significant portions of UNL's increase in state appropriations per FTE were the result of declining enrollments along with and increase in funding during 2003-2006.

<sup>1</sup>State funding to community colleges is determined by a formula that incorporates numerous factors, including local tax contributions, enrollment, tuition, etc.

<sup>2</sup>State appropriation increased less than the increase in enrollment, resulting in less appropriated dollars per student.

**State Appropriation per FTE at Nebraska's Public Colleges and Universities 1997-98 through 2007-08**







**As tuition and mandatory fees continue to rise, financial aid becomes a necessity for many students.**

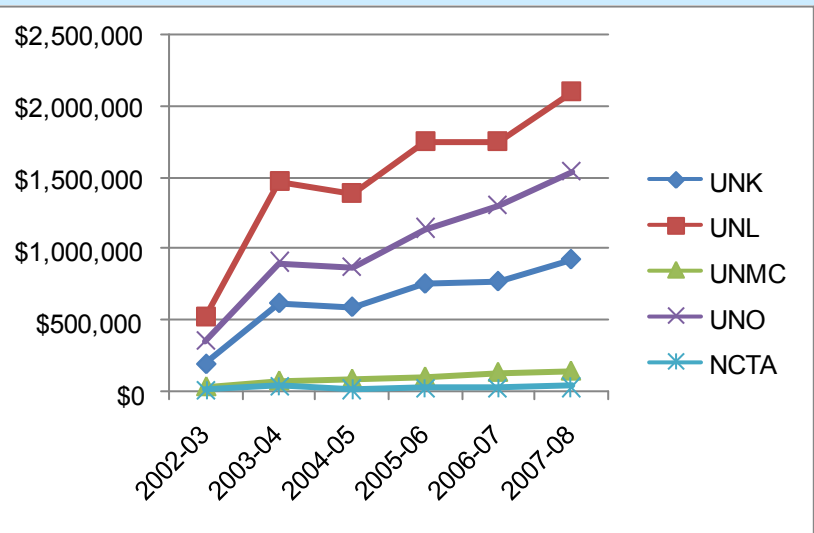
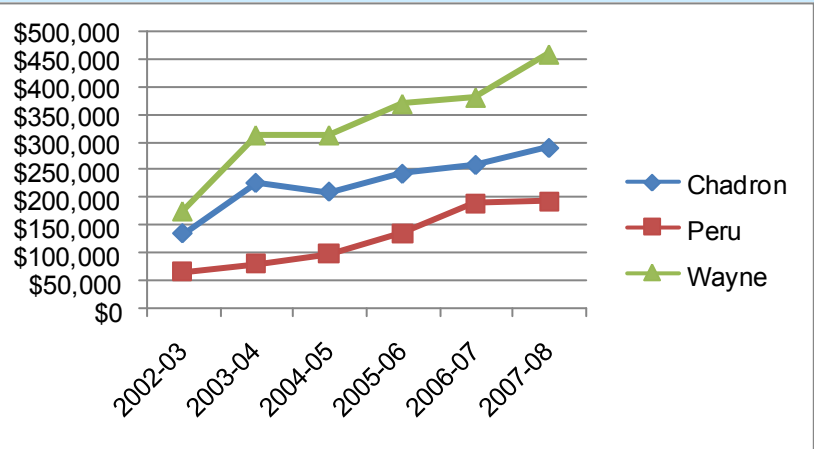
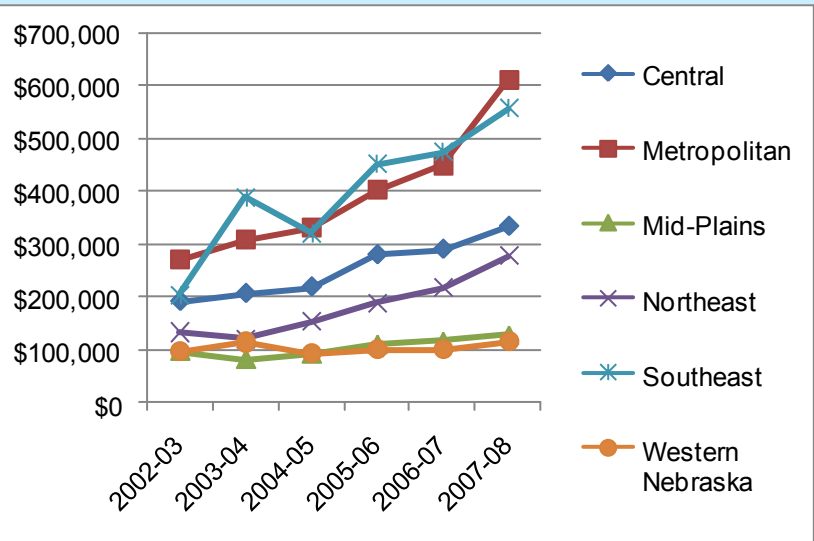
**Nebraska State Grant**

Nebraska State Grants can be awarded only to students who are residents of Nebraska, who are attending an eligible Nebraska college or university, and who are eligible for the Federal Pell Grant. That last point ensures that Nebraska State Grants are awarded to students who demonstrate the highest need for financial assistance.

In 2002-03, \$6,461,622 was awarded in the state grant programs to students attending public and private institutions in the state. By 2006-07, \$10,388,233 was awarded, an increase of almost 61 percent. Those funds supported 11,860 students at an average of \$875.90 per grant. The Commission estimates that an additional 14,780 students qualified for the state grant; sufficient funds were not available to meet all needs.

In 2006-07, Nebraska ranked 41st among the states in need-based student aid grant dollars per full-time equivalency undergraduate enrollment.

**Nebraska State Grant Allocations at Nebraska's Public Colleges and Universities 1997-98 through 2007-08**

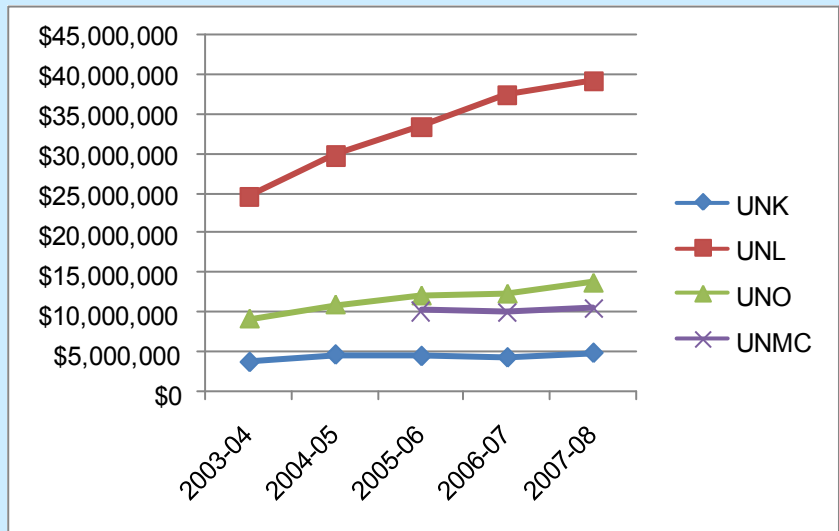
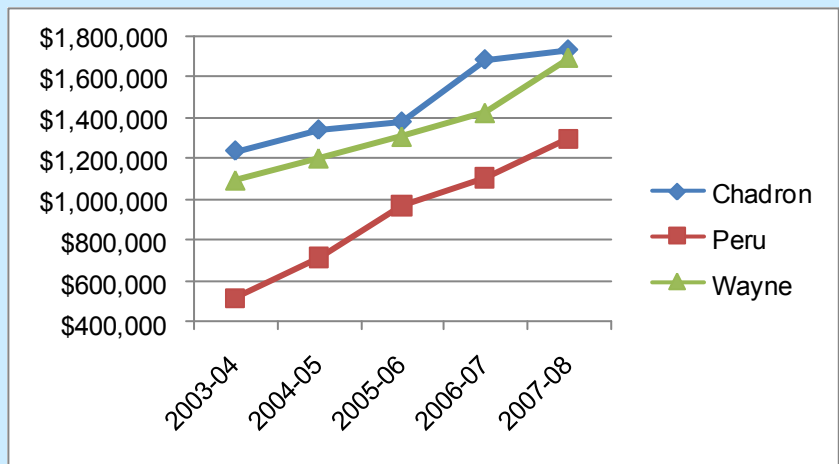
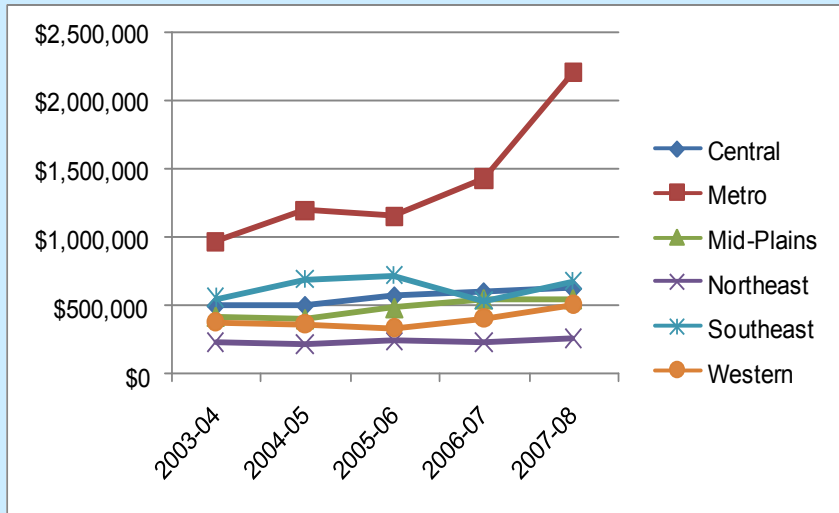


Tuition Waivers

Many institutions routinely waive or discount a portion or all of student’s tuition charges as a form of financial assistance. Tuition waivers can be awarded for a number of different reasons, such as working as a campus ambassador, demonstrating financial need, being a nonresident student, serving as a graduate assistant or declaring a certain major. Waivers are used often as part of the recruitment and retention policies of the campus.

- The percent of tuition discounted in the form of tuition waivers has increased over the past five years.
- University of Nebraska and state college tuition waivers reflect awards made to all students, including graduate and professional students.

**Tuition Waivers (Graduate and Undergraduate) at Nebraska’s Public Colleges and Universities 1997-98 through 2007-08**





Student Loans

Student loans taken out to finance a student's education continue to increase at a rapid and troubling rate. Nationally, according to the 2003-04 National Postsecondary Student Aid Study, college students graduating with undergraduate degrees had an average student loan debt of \$19,237.

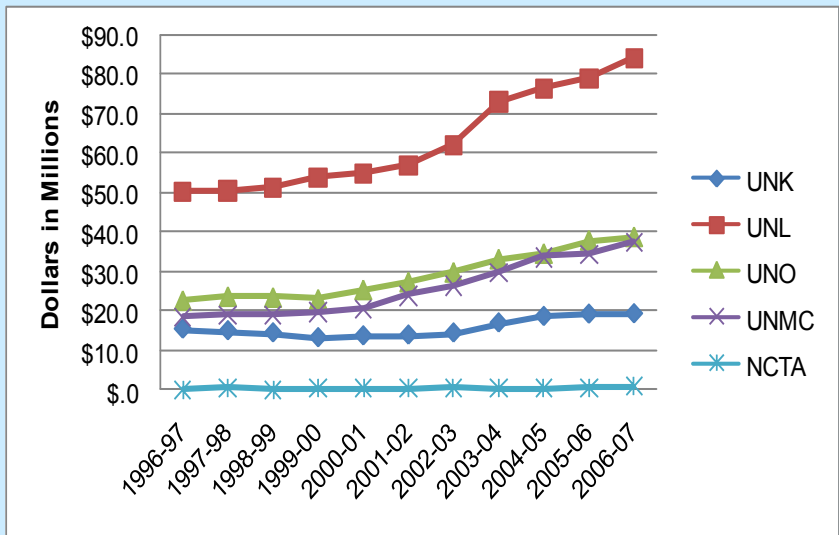
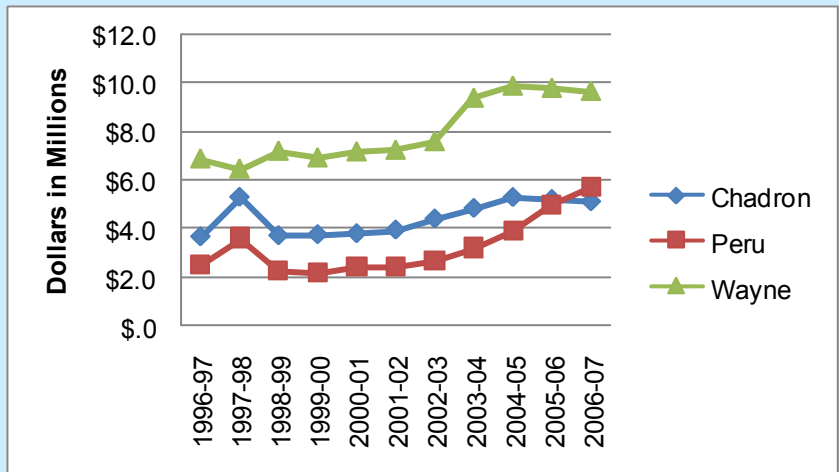
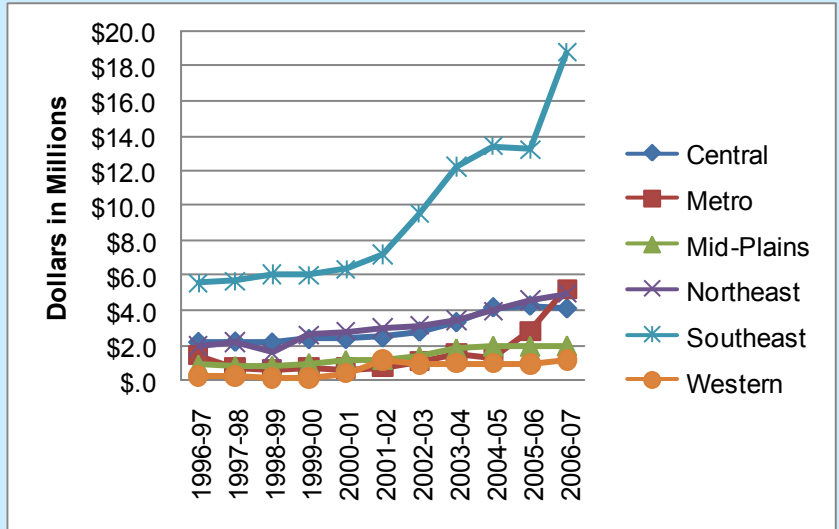
Nation-wide, from 1996-97 to 2006-07, the amount students borrowed through the Perkins, Stafford and PLUS loans increased 107%, with the bulk of this increase occurring in the PLUS program, which increased 326%. In addition, the number of borrowers increased by 113% over the same time period.

The amount borrowed to attend Nebraska's public postsecondary institutions increased almost 75% from 1996-97 to 2006-07. The number of loans increased by almost 36%.

- University of Nebraska and state college loan dollars reflect borrowing by all students, including graduate and professional students.

<sup>1</sup>Includes Perkins, Subsidized and Unsubsidized Stafford, GRAD Plus and PLUS loans.

**Student Loans<sup>1</sup> at  
Nebraska's Public Colleges and Universities  
1997-98 through 2007-08**

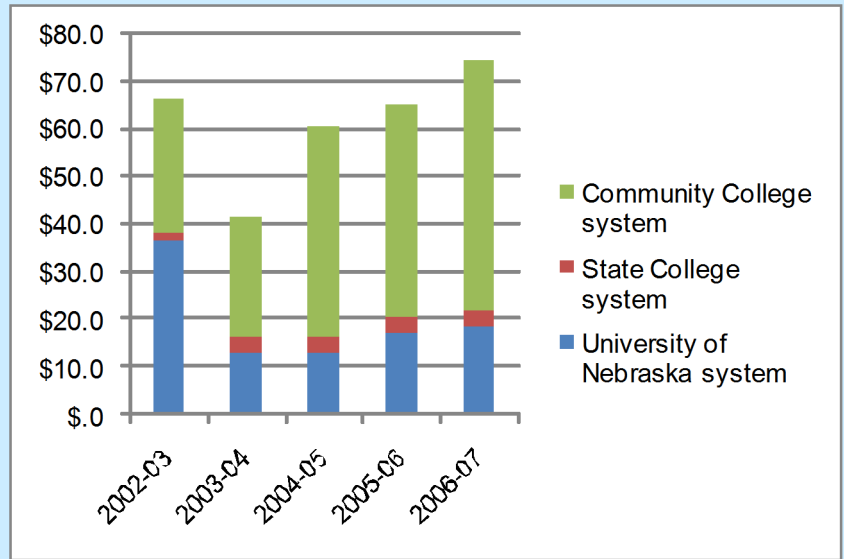




### Unmet Financial Need

Unmet financial need, as defined by the Commission, is the cost of a Nebraska-resident, Pell Grant-eligible student's tuition and mandatory fees plus room and board, plus books and supplies, minus all financial aid received excluding work study or PLUS. If a student has unmet financial need then it is likely the student has not been awarded the financial resources needed to help pay his or her education expenses.

**Unmet Financial Need at  
Nebraska's Public Colleges and Universities  
2002-03 through 2006-07**



### **Recommendations**

- 1) Institutions should exert all reasonable efforts to restrain tuition and fee increases while continuing to offer high quality education, service and research.
- 2) The state should increase funding for the Nebraska State Grant program.
- 3) The Commission is concerned about the increasing debt being assumed by undergraduate students. A report on this issue will be completed in 2009.
- 4) Students should attempt to complete their academic programs in an efficient manner, moving toward graduation at a steady pace.
- 5) To help low-income students move through their postsecondary programs more promptly, the state should increase funding for the Access College Early Program, which helps support needy high school students who take college courses.
- 6) The Legislature should maintain appropriate levels of state appropriations for public postsecondary institutions in Nebraska.

## INTRODUCTION

Nebraska's statutes require the Coordinating Commission for Postsecondary Education to prepare biennially the *Tuition, Fees and Financial Aid Report*. As an important component of the Commission's *Comprehensive Statewide Plan for Postsecondary Education*, this report studies the public policy issues relating to tuition, fees, and financial aid for students in Nebraska. It examines the significant, interrelated issues facing the state's students and its institutions of higher education, such as:

- The affordability of attending a public postsecondary institution;
- The state's level of investment in higher education; and
- The trends in the state grant and student loan programs.

The appendixes of this report offer in-depth information about Nebraska's public postsecondary institutions in relation to their peer groups in:

- State appropriations per full-time equivalent student;
- Student payment share and affordability;
- Tuition, fees and enrollment trends;
- Tuition and fees as compared to inflation; and
- Financial aid tuition waivers.

### Data Caveats

Comparisons with peer institutions allow each of Nebraska's public postsecondary institutions to assess key indicators in relation to data from similar institutions. As discussed in the Commission's *Comprehensive Statewide Plan*, comparisons also provide a method of assessing an institution's progress toward specific goals and outcomes (Coordinating Commission for Postsecondary Education, 2006). This information should also help promote attainment of the major statewide goals in the *Comprehensive Plan*. Two limitations may affect the validity of the data: 1) the accuracy of information submitted by the peer institutions used for each Nebraska institution, and 2) the return rate of the surveys of those institutions.

The lists of peer institutions created more than a decade ago were based on the following criteria:

- Similarities among states
- Closeness in enrollments
- Comparable budget levels
- Comparable types of accreditation
- Comparable level and distribution of degree programs
- Similarities in selected measures of instructional characteristics

Because institutions change over time, the Commission will review each of the peer lists before the development of the *2010 Tuition, Fees and Financial Aid Report*.

The second data limitation in this report is the return rate of the surveys. Although some of the data for this report were taken from published literature, the survey information was based largely on self-reported data provided by a range of individuals working in Nebraska's public postsecondary institutions, along with their peers from other institutions. While the Commission obtained a 100 percent return rate on the surveys from Nebraska's institutions, there was only a 64 percent return rate from out-of-state peer institutions.

The return rate of the surveys within different sector peer lists varied significantly. For example, 92 percent of the University of Nebraska – Lincoln's peers returned the surveys, while only 50 percent of Southeast Community College's peers replied.<sup>1</sup>

For institutions that did not return their surveys, the Commission attempted to obtain institutional information through a variety of sources such as the Integrated Postsecondary Education Data System (IPEDS), *The Chronicle of Higher Education*, and peer institution and state higher education Web sites.

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<sup>1</sup> Campus-based institutional researchers are busy, and there are limits to the amount of time they will or can devote to answering surveys from other states. Commission staff will consider other possible approaches for future reports.

## AFFORDABILITY OF HIGHER EDUCATION

*“The vast majority of Americans are educated in public universities that cannot provide the financial aid packages of private universities with large endowments. Ironically, it could become more expensive for a student from a family of low or moderate means to attend a public university than for a student from a well-to-do family to attend a private college.”*

Dr. Robert J. Birgeneau, Chancellor  
University of California, Berkeley  
USA Today Opinion Page, January 23, 2008

Affordability is a significant issue due to increasing college costs, which are making higher education less attainable for students. Harvard University brought the topic to the forefront when it announced in December 2007 it was extending financial aid to students whose families earn from \$120,000 to \$180,000 per year (Harvard University Gazette, 2007). Harvard President Dr. Drew Faust, in announcing the new initiative, stated, “We want all students who might dream of a Harvard education to know that it is a realistic and affordable option. Education is fundamental to the future of individuals and the nation, and we are determined to do our part to restore its place as an engine of opportunity...” (Harvard University Gazette, 2007). Harvard can address the issue from the security of a \$34 billion endowment. However, as Dr. Robert J. Birgeneau, Chancellor of the University of California, Berkeley, said, who is there to help the students attending public institutions of higher education?

The National Center for Public Policy and Higher Education conducted a study in 2006 that rated postsecondary education affordability. The study, *Measuring Up: The National Report Card on Higher Education*, found that no state earned an A or B grade. Only two states, California and Utah, received a C and five states earned a D. The remaining 43 states, including Nebraska, received an F (The National Center for Public Policy and Higher Education, 2006). *Measuring Up* concluded that states must create public policies that will aid in making higher education affordable and accessible to an increasingly broad range of its citizens, especially those from low- and middle-income families.

To determine if college is more or less affordable in Nebraska than it has been in the past, the following information examines tuition and mandatory fees in light of changes in family income. This section covers three factors of affordability: tuition and fees, student payment share, and tuition and fees as a percentage of family income.

## Tuition and Fees

Tuition and mandatory fees at Nebraska's public postsecondary institutions have increased significantly over the past five years. Inflation and fluctuations in state support have prompted these significant increases. As a means of promoting broad access to Nebraska higher education, the Commission continues to recommend that tuition and mandatory fee charges should be near or below the mean of the selected peer group for each institution.

The Commission is pleased to report that Nebraska's public postsecondary institutions are continuing to meet the Commission's recommendation to set tuition and fee rates at a level that is appropriate to each sector's role and mission as stated in the *Comprehensive Plan* (Coordinating Commission for Postsecondary Education, 2006). While higher education institutions nationwide have instituted steady increases in tuition and mandatory fees over the years, most undergraduate Nebraska students attending public, four-year institutions in 2007-08 still paid less than the national average of \$6,185 for tuition and mandatory fees. The exception is the University of Nebraska-Lincoln, where tuition and mandatory fee charges are slightly above the national average. Nebraska college students attending two-year public institutions are also paying less than the national average of \$2,361 for tuition and mandatory fees (The College Board, 2007).

Regarding nonresident tuition and fees, the Commission has encouraged Nebraska institutions of higher education to use lower nonresident charges as a recruiting tool to attract out-of-state students. However, as recommended in the *2004 and 2006 Tuition, Fees and Financial Aid Report*, institutions are encouraged to review nonresident charges to assure that low, nonresident rates do not adversely affect programs and tuition charges for Nebraska-resident students.

Consistent with that guidance, Nebraska institutions, especially within the community college sector, generally charge a significantly lower out-of-state premium than do their peers in other states.<sup>1</sup> Nevertheless, the community colleges continue to have the lowest undergraduate resident tuition and fee rates, followed by the state colleges and then institution in the University of Nebraska system. The following pages reflect changes in tuition and fees occurring in the community colleges, state colleges and the University of Nebraska.

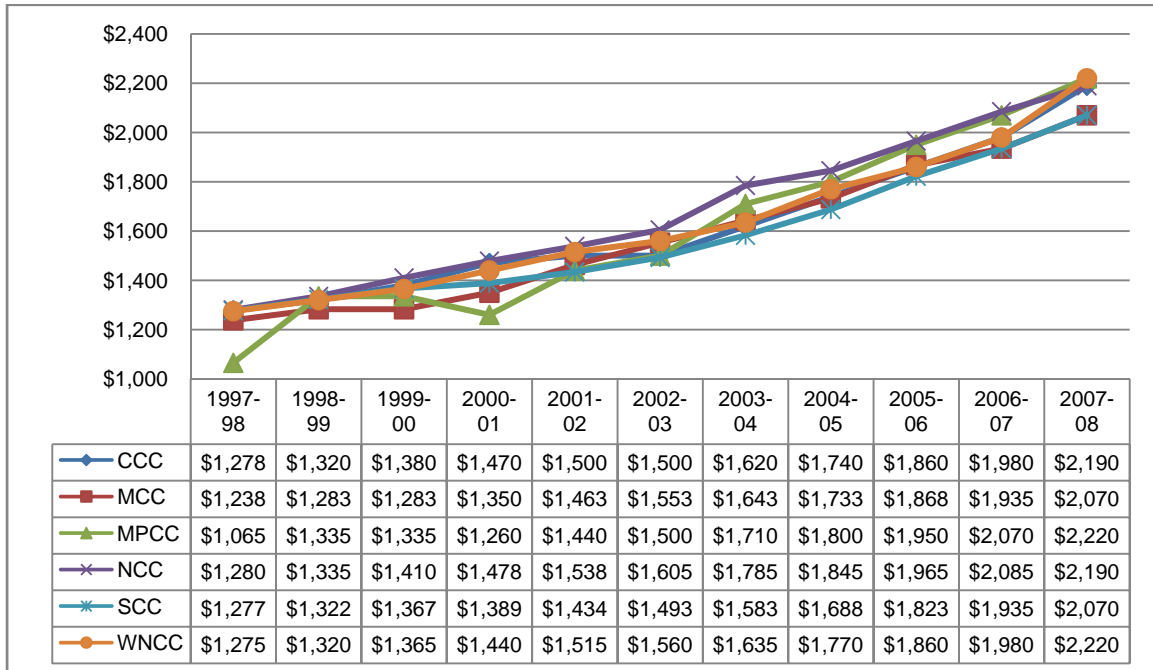
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<sup>1</sup> See appendix pages A13-A14 for community colleges; page A75 for state colleges, and pages A115-A116 for the University of Nebraska.



## Community Colleges

### Resident Tuition and Mandatory Fees at Nebraska's Community Colleges 1997-98 through 2007-08<sup>1</sup>



From 1997-98 to 2007-08, tuition and mandatory fees for a Nebraska-resident student increased:

- 108% at Mid-Plains Community College
- 74% at Western Nebraska Community College
- 71% at Central Community College
- 71% at Northeast Community College
- 67% at Metropolitan Community College
- 62% at Southeast Community College
- Nationwide, tuition and mandatory fees at community colleges increased an average of 51% over the same period (The College Board, 2007).

<sup>1</sup> Based on 30 semester or 45 quarter credit hours.

From 2002-03 to 2007-08, tuition and mandatory fees for a Nebraska-resident student increased:

- 48% at Mid-Plains Community College
  - 46% at Central Community College
  - 42% at Western Nebraska Community College
  - 39% at Southeast Community College
  - 36% at Northeast Community College
  - 33% at Metropolitan Community College
- Nationwide, tuition and mandatory fees at community colleges increased an average of 41% over the same period (The College Board, 2007).

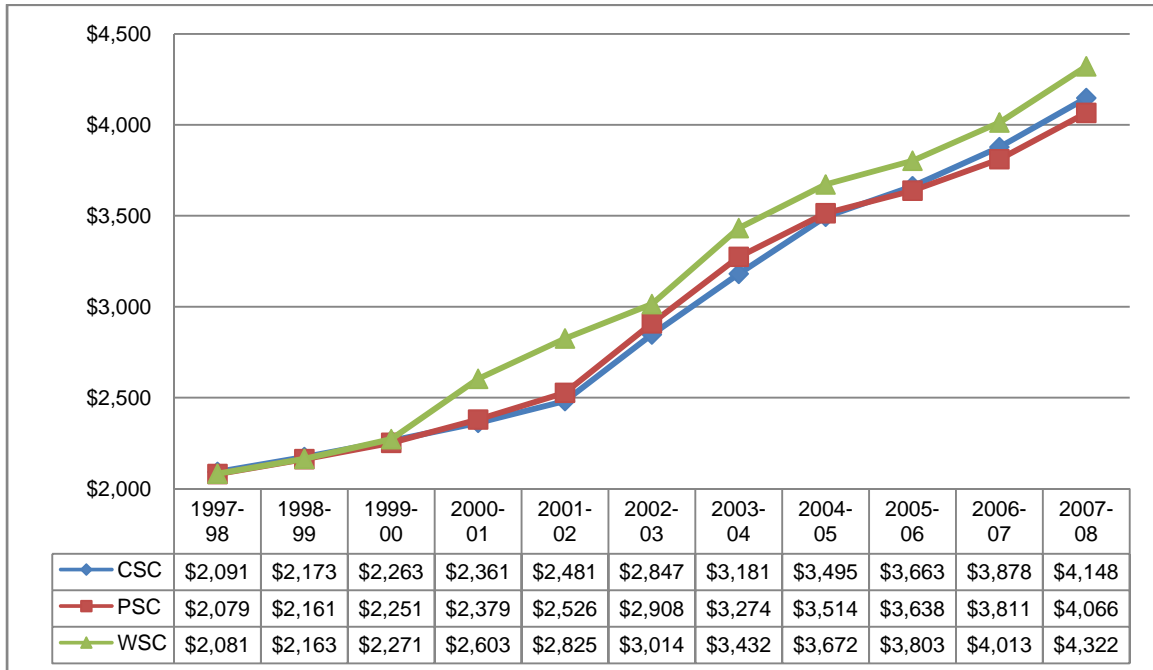
For resident tuition and mandatory fee charges in 2007-08, when compared to their peers:

- Central Community College ranks 7<sup>th</sup> out of 11
- Metropolitan Community College ranks 5<sup>th</sup> out of 11
- Mid-Plains Community College ranks 5<sup>th</sup> out of 11
- Northeast Community College ranks 5<sup>th</sup> out of 10
- Southeast Community College ranks 6<sup>th</sup> out of 9
- Western Nebraska Community College ranks 4<sup>th</sup> out of 10

Information that is more detailed can be found in the appendix beginning on page A10.

## State Colleges

### Resident Undergraduate Tuition and Mandatory Fees at Nebraska's State Colleges 1997-98 through 2007-08<sup>1</sup>



From 1997-98 to 2007-08, tuition and mandatory fees for a Nebraska-resident student increased:

- 108% at Wayne State College
- 98% at Chadron State College
- 96% at Peru State College
- Nationwide, tuition and mandatory fees at four-year public institutions increased an average of 99% over the same period (The College Board, 2007).

<sup>1</sup> Based on 30 semester hours.

From 2002-03 to 2007-08, tuition and mandatory fees for a Nebraska-resident student increased:

- 46% at Chadron State College
- 43% at Wayne State College
- 40% at Peru State College
  - Nationwide, tuition and mandatory fees at four-year public institutions increased an average of 51% over the same period (The College Board, 2007).

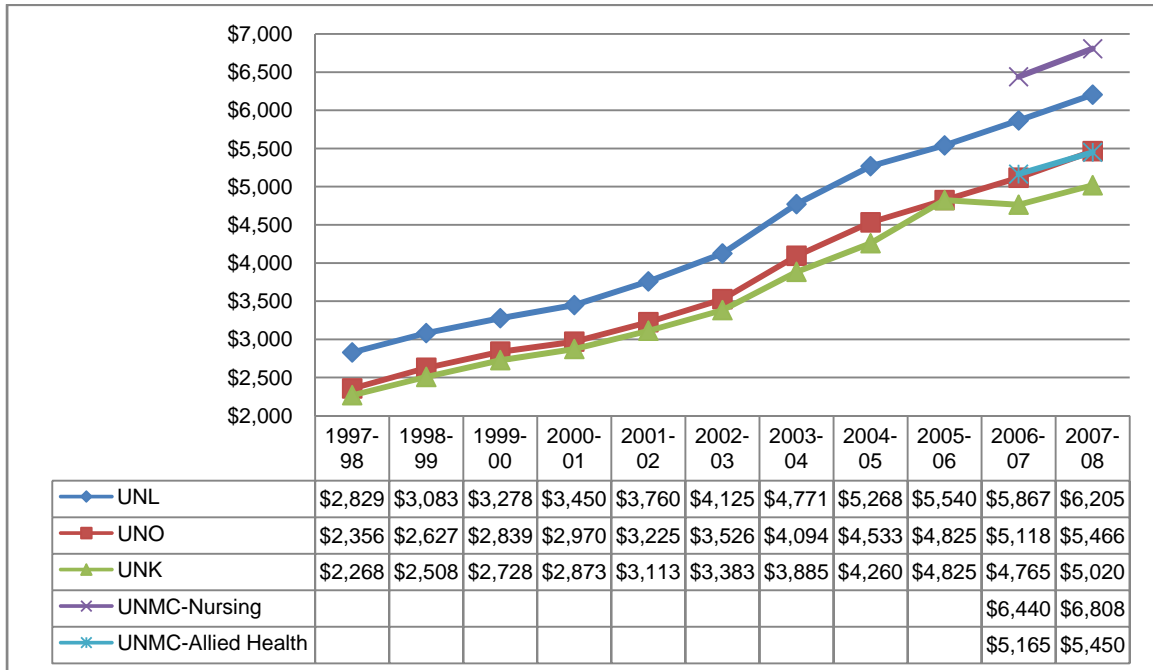
For undergraduate tuition and mandatory fee charges in 2007-08, when compared to their peers:

- Chadron State College ranks 5<sup>th</sup> out of 11
- Peru State College ranks 9<sup>th</sup> out of 11
- Wayne State College ranks 5<sup>th</sup> out of 10

Information that is more detailed can be found in the appendix beginning on page A72.

## University of Nebraska

### Resident Undergraduate Tuition and Mandatory Fees at University of Nebraska Campuses 1997-98 through 2007-08<sup>1</sup>



From 1997-98 to 2007-08, tuition and mandatory fees for a Nebraska-resident student increased:

- 132% at the University of Nebraska at Omaha
- 121% at the University of Nebraska at Kearney
- 119% at the University of Nebraska-Lincoln
- Nationwide, tuition and mandatory fees at four-year public institutions increased an average of 99% over the same period (The College Board, 2007).

<sup>1</sup> Based on 30 semester hours.

From 2002-03 to 2007-08, tuition and mandatory fees for a Nebraska-resident student increased:

- 55% at the University of Nebraska at Omaha
  - 50% at the University of Nebraska-Lincoln
  - 48% at the University of Nebraska at Kearney
- Nationwide, tuition and mandatory fees at four-year public institutions increased an average of 51% over the same period (The College Board, 2007).

For undergraduate tuition and mandatory fee charges in 2007-08, when compared to their peers:

- The University of Nebraska-Lincoln ranks 6<sup>th</sup> out of 13
- The University of Nebraska at Omaha ranks 8<sup>th</sup> out of 10
- The University of Nebraska at Kearney ranks 8<sup>th</sup> out of 10

Information that is more detailed can be found in the appendix beginning on page A106.

## Student Payment Share

The State of Nebraska and its taxpayers bear the majority of the costs to educate public postsecondary students. Students, however, pay a percentage of the costs through tuition and fees. The student payment share for four-year institutions is determined by a formula that divides the aggregate tuition and mandatory fee revenue, in a given year, by the public institution's state appropriation plus the tuition and mandatory fees revenue. For two-year institutions, the student payment share is determined by a formula that divides the aggregate tuition and mandatory fee revenue, in a given year, by the institution's state appropriation plus the tuition and mandatory fees revenue plus the institution's property tax revenue. Overall, the State of Nebraska and its taxpayers bear the majority of the costs to educate public postsecondary students, and the students pay a percentage of the costs through tuition and fees assessed at each institution. Details are displayed on the following pages.

Four-year public institutions receive a majority of their funding for their operations from two sources: the state and students. Two-year public institutions receive a majority of funding from the state and students, but they also receive revenue from taxes assessed on property within their service areas. As students contribute a higher percentage to their educational costs, affordability is reduced, especially for students from low-income families. An escalating student payment share could, of course, affect affordability.

The Commission has recommended guidelines on the student payment share for educational costs in the *Comprehensive Statewide Plan for Postsecondary Education*. These guidelines reflect role and mission differences between the various public higher education sectors:

- At the community colleges, the student payment share should be the lowest of the three public sectors.
- At the state colleges, the student payment share should be greater than the student's share at the community colleges, but less than at the University of Nebraska campuses.
- At the University of Nebraska campuses, the student payment share should be greater than the student's payment share at both the community colleges and the state colleges.

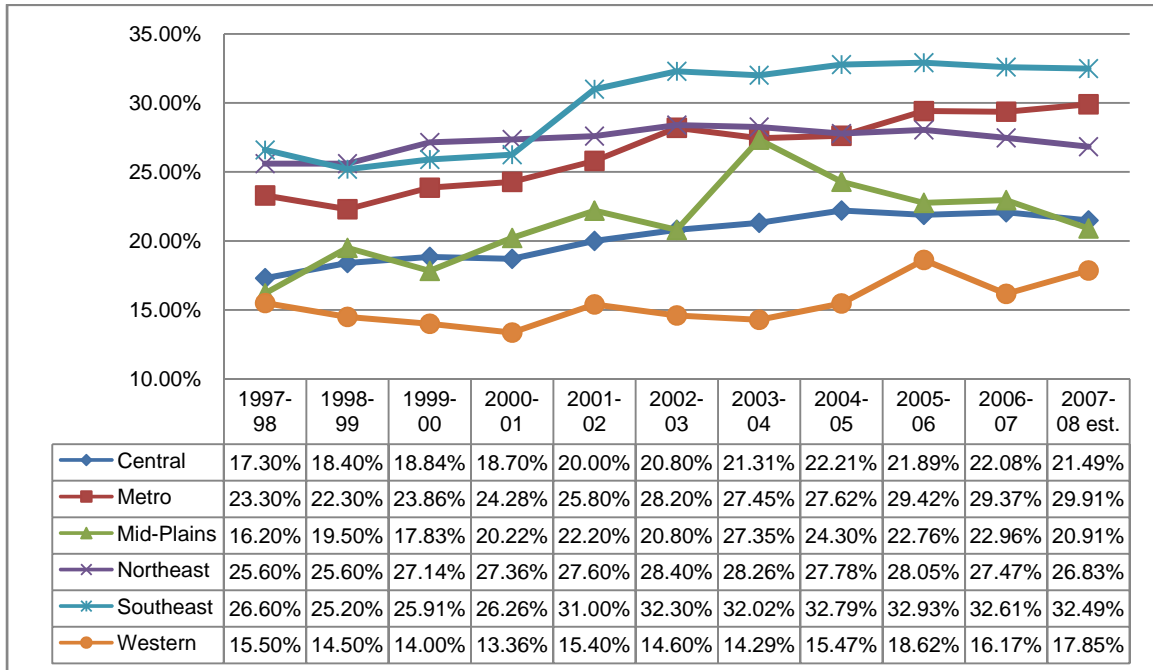
With one exception, the student payment share at Nebraska public institutions is consistent with established guidelines. The student payment share at Peru State College is estimated at 45.7 percent in 2007-08—slightly above the estimated student payment share of 44.1 percent at the University of Nebraska at Kearney for the same year. Students at the University of Nebraska at Omaha have the highest student payment share of Nebraska public institutions.

The following pages provide student payment share information for the public postsecondary sectors in Nebraska.



## Community Colleges

### Student Payment Share at Nebraska's Community Colleges 1997-98 through 2007-08



From 1997-98 to 2007-08, the student payment share at Nebraska's community colleges increased:

- 29% at Mid-Plains Community College
- 28% at Metropolitan Community College
- 24% at Central Community College
- 22% at Southeast Community College
- 15% at Western Nebraska Community College
- 5% at Northeast Community College

From 2002-03 to 2007-08, the student payment share at Nebraska's community colleges:

- increased 22% at Western Nebraska Community College
- increased 6% at Metropolitan Community College
- increased 3% at Central Community College
- increased 1% at Mid-Plains Community College
- increased 1% at Southeast Community College
- **decreased** 6% at Northeast Community College

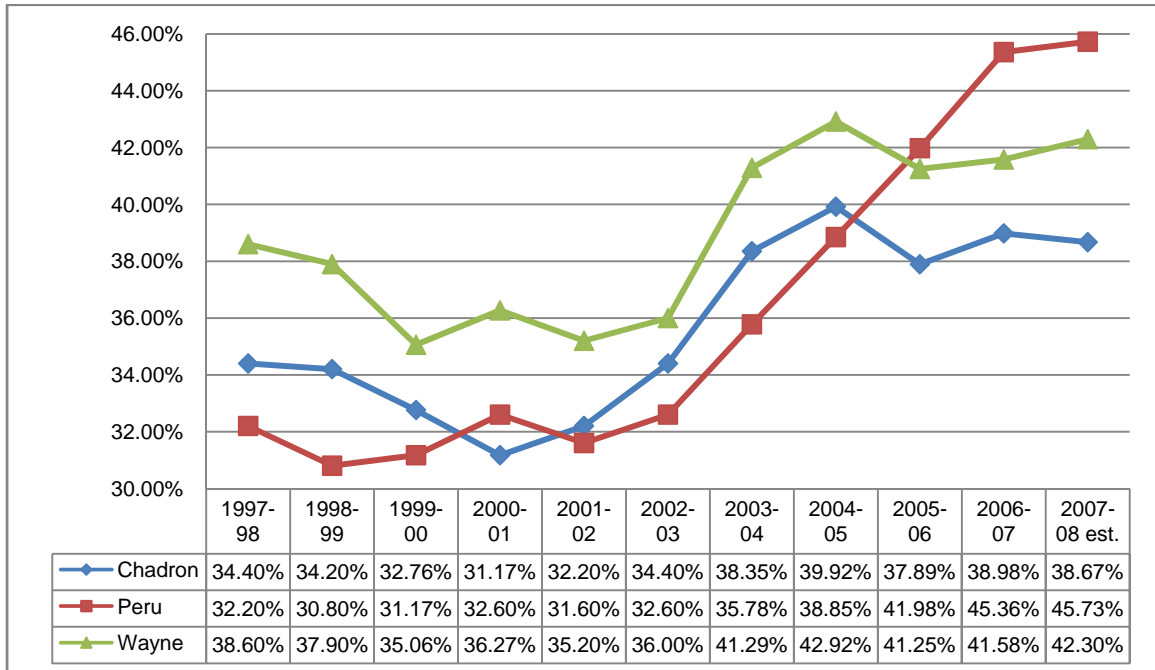
For estimated student payment share in 2007-08, when compared to their peers:

- Central Community College ranks 7<sup>th</sup> out of 9
- Metropolitan Community College ranks 6<sup>th</sup> out of 8
- Mid-Plains Community College ranks 5<sup>th</sup> out of 7
- Northeast Community College ranks 3<sup>rd</sup> out of 6
- Southeast Community College ranks 3<sup>rd</sup> out of 6
- Western Nebraska Community College ranks 4<sup>th</sup> out of 7

Information that is more detailed can be found in the appendix beginning on page A21.

**State Colleges**

**Student Payment Share at Nebraska's State Colleges  
1997-98 through 2007-08**



From 1997-98 to 2007-08, the student payment share at Nebraska's state colleges increased:

- 42% at Peru State College
- 12% at Chadron State College
- 10% at Wayne State College

From 2002-03 to 2007-08, the student payment share at Nebraska's state colleges increased:

- 40% at Peru State College
- 17% at Wayne State College
- 12% at Chadron State College

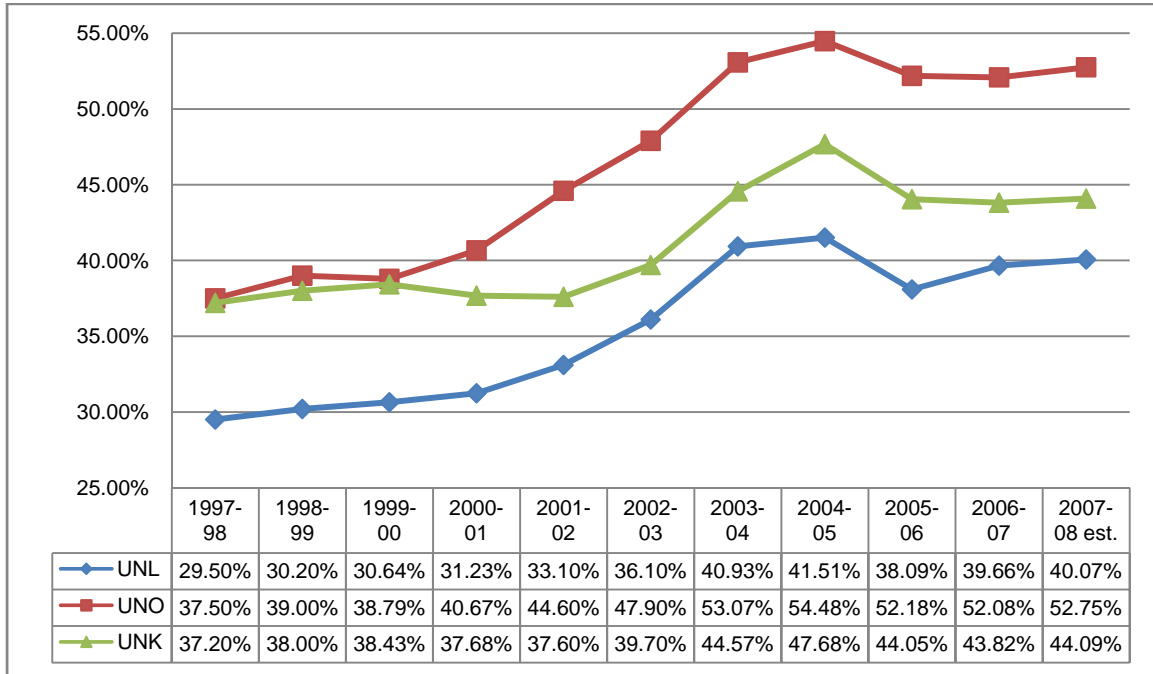
For estimated student payment share in 2005-06, when compared to their peers:

- Chadron State College ranks 6<sup>th</sup> out of 8
- Peru State College ranks 5<sup>th</sup> out of 7
- Wayne State College ranks 2<sup>nd</sup> out of 5

Information that is more detailed can be found in the appendix beginning on page A82.

## University of Nebraska

### Student Payment Share at University of Nebraska Campuses (excluding UNMC) 1997-98 through 2007-08



From 1997-98 to 2007-08, the student payment share at the University of Nebraska campuses increased:

- 41% at the University of Nebraska at Omaha
- 36% at the University of Nebraska-Lincoln
- 19% at the University of Nebraska at Kearney

From 2002-03 to 2007-08, the student payment share at the University of Nebraska campuses increased:

- 11% at the University of Nebraska-Lincoln
- 11% at the University of Nebraska at Kearney
- 10% at the University of Nebraska at Omaha

For estimated student payment share in 2005-06, when compared to their peers:

- University of Nebraska-Lincoln ranks 12<sup>th</sup> out of 13
- University of Nebraska at Omaha ranks 6<sup>th</sup> out of 7
- University of Nebraska at Kearney ranks 7<sup>th</sup> out of 9

Information that is more detailed can be found in the appendix beginning on page A123.

## Tuition and Fees as a Percentage of Family Income

A third way to look at affordability is the percentage of a family's annual income that must be contributed for the student to attend college. As the cost of a college education has increased for students and their families, pricing students (especially students from low-income families) out of an education have become of increasing concern.

Over the years, the Commission has reviewed the burden a student's family might have in contributing to the student's education using per capita income to measure affordability, along with comparing the educational costs at different income levels: median family income, low family income, and very low family income. The U.S. Department of Commerce Bureau of Economic Analysis reports per capita income by county. Median-, low- and very low-incomes by county for a family of four come from the U.S. Department of Housing and Urban Development.

“Low-income families are defined as families whose income does not exceed 80 percent of the median family income, while very low-income families are defined as families whose incomes do not exceed 50 percent of the median family income” (U.S. Department of Housing and Urban Development, 2005).

The per capita income for each institution is calculated by averaging the per capita incomes of the counties included in the institution's service area. The same type of calculation is used to determine median-, low- and very low-income levels for each institution.

Census Bureau research has shown that the “mean income for families in the lowest-income bracket has declined since 2000” (Giegerich, 2005) This indicates that, on average, incomes for those families clearly are not rising as tuition and fees consistently increase in higher education. Unless other factors (for example, financial aid or increased borrowing) offset tuition and mandatory fee increases, the students from low-income families will obviously have a harder time obtaining a college degree.

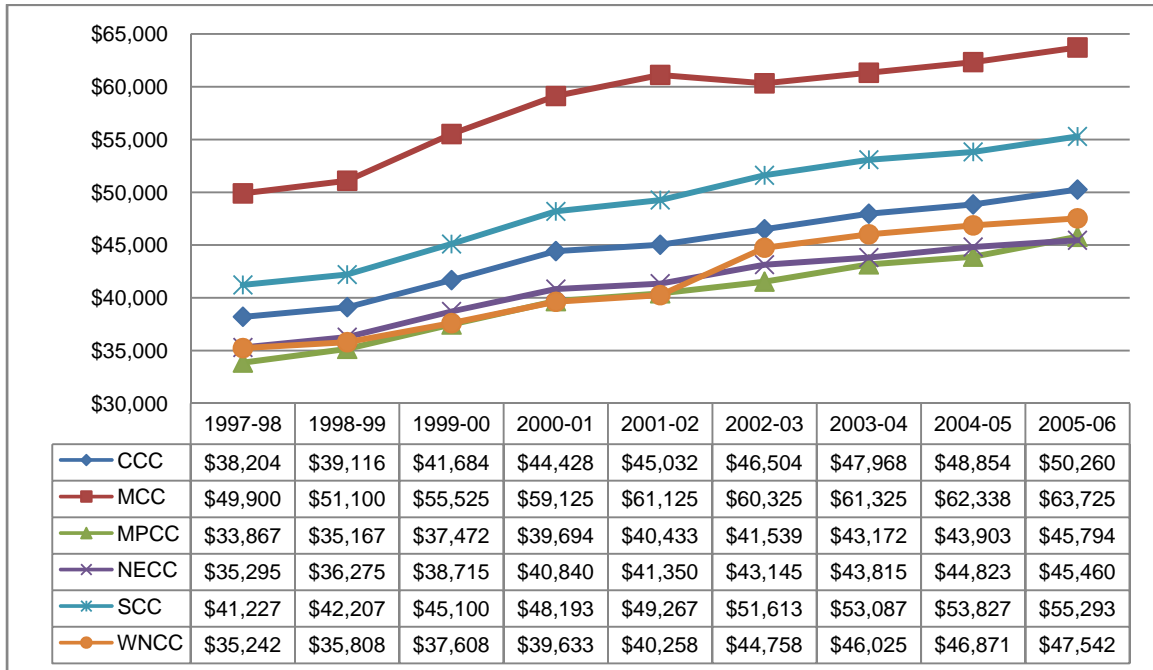
The following pages set forth the percentages of varying family income levels that parallel a student's education costs to attend Nebraska's public postsecondary sectors.<sup>1</sup> Data is collected from the periods ranging from 1997-98 to 2005-06, which is the latest data available.

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<sup>1</sup> Calculations are based on the gross amount of tuition and mandatory fees a student would be charged. While these students, in most cases, would be eligible for some type of financial assistance to help with their educational costs, the calculations for this section do not consider those awards.

## Community Colleges: Median Family Income

### Annual Income of Median-Income Families Living within Each Nebraska Community College Service Area 1997-98 through 2005-06



From 1997-98 to 2005-06, the median income of families increased:

- 35% within Mid-Plains Community College service area
- 35% within Western Nebraska Community College service area
- 34% within Southeast Community College service area
- 32% within Central Community College service area
- 29% within Northeast Community College service area
- 28% within Metropolitan Community College service area

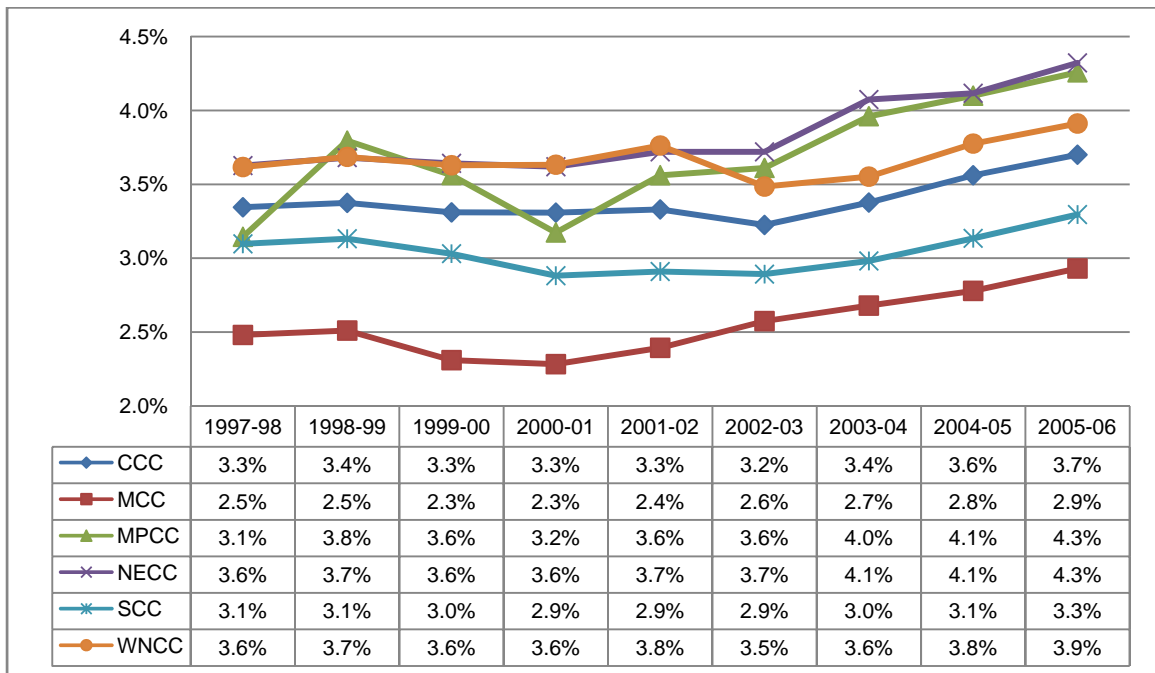
From 2001-02 to 2005-06, the median income of families increased:

- 18% within Western Nebraska Community College service area
- 13% within Mid-Plains Community College service area
- 12% within Central Community College service area
- 12% within Southeast Community College service area
- 10% within Northeast Community College service area
- 4% within Metropolitan Community College service area

### Community Colleges: Tuition and Fees as a Percentage of Income for Median-Income Families

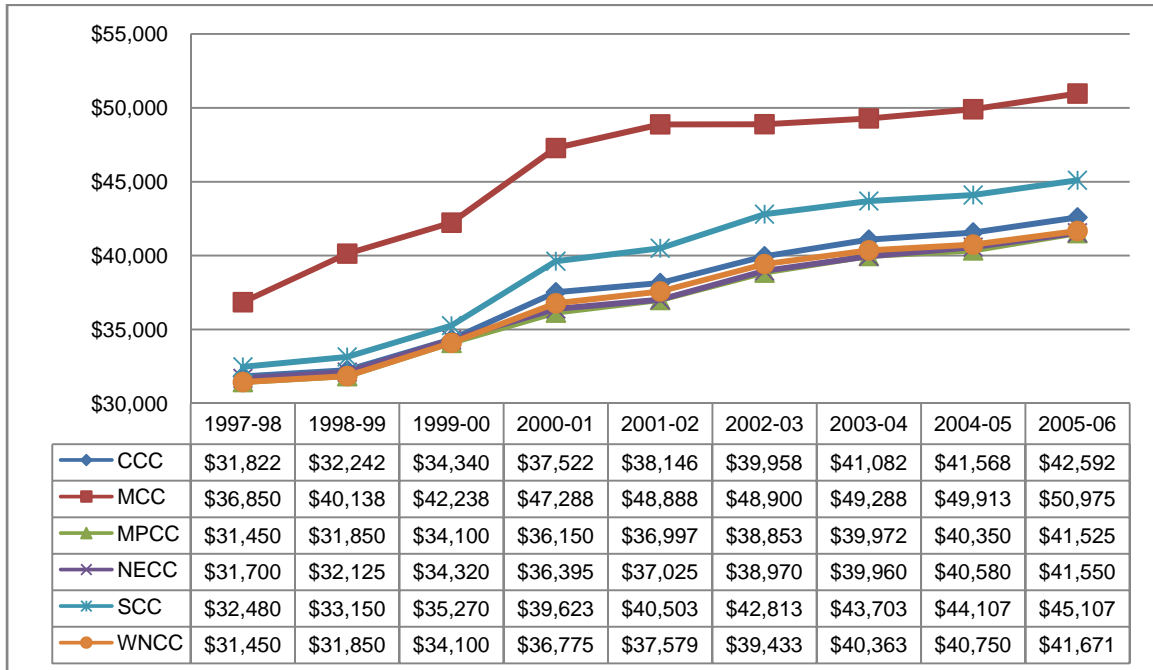
Tuition and mandatory fees can be calculated as a percentage of the median income of families living in the service area of each of Nebraska’s community colleges. Between 1997-98 and 2005-06, a higher percentage of median family income was required to pay tuition and mandatory fees at all six of the community colleges. For example, the tuition and mandatory fees at Central Community College in 1997-98 equaled 3.3% of median family income in the college’s service area. In 2005-06, the percentage increased to 3.7% of median family income. The percentage changes for the other community colleges are shown in the following chart.

**Percentage of Median Family Income Required to Pay Undergraduate Resident Tuition and Mandatory Fees at Nebraska’s Community Colleges 1997-98 through 2005-06**



## Community Colleges: Low Family Income

### Annual Income of Low-Income Families Living within Each Nebraska Community College Service Area 1997-98 through 2005-06



From 1997-98 to 2005-06, the low income of families increased:

- 39% within Southeast Community College service area
- 38% within Metropolitan Community College service area
- 34% within Central Community College service area
- 33% within Western Nebraska Community College service area
- 32% within Mid-Plains Community College service area
- 31% within Northeast Community College service area

From 2001-02 to 2005-06, the low income of families increased:

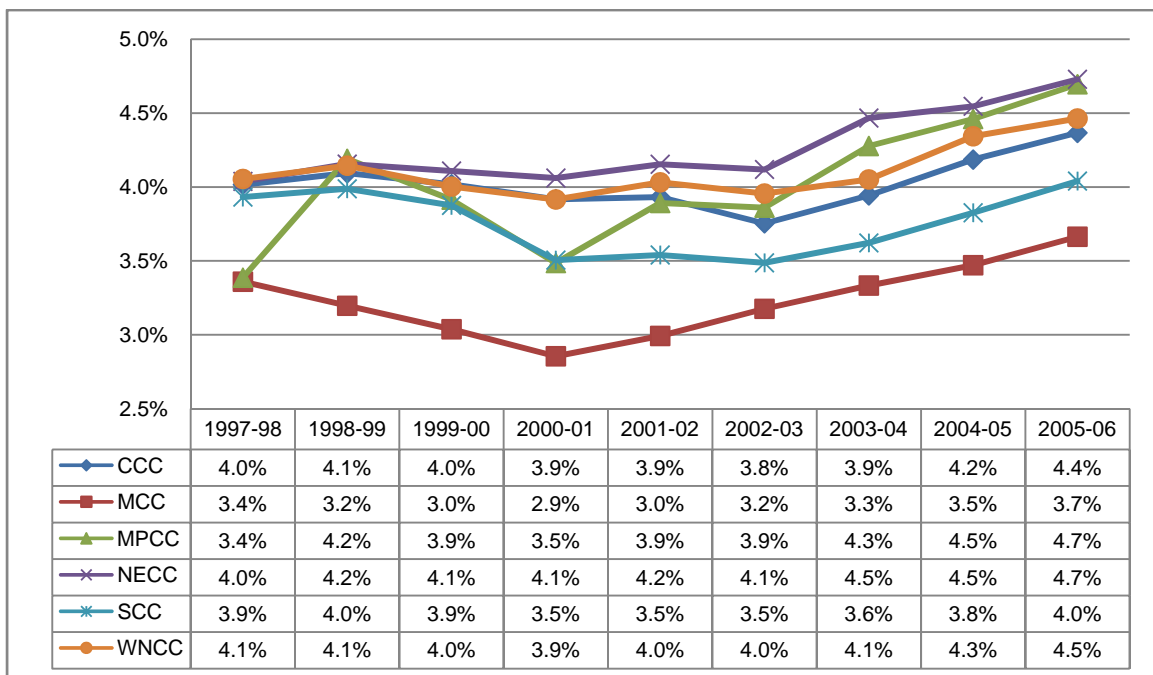
- 12% within Central Community College service area
- 12% within Mid-Plains Community College service area
- 12% within Northeast Community College service area
- 11% within Southeast Community College service area
- 11% within Western Nebraska Community College service area
- 4% within Metropolitan Community College service area



### Community Colleges: Tuition and Fees as a Percentage of Income for Low-Income Families

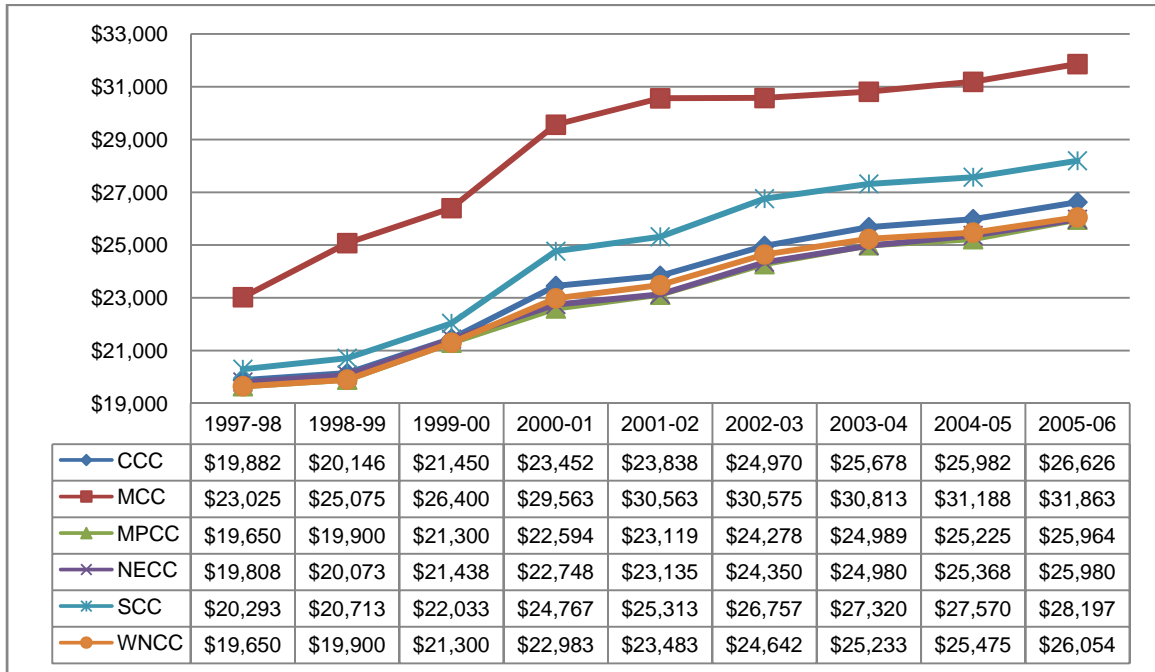
Tuition and mandatory fees can be calculated as a percentage of the annual income of low-income families living in the service area of each of Nebraska’s community colleges. Between 1997-98 and 2005-06, a higher percentage of low family income was required to pay tuition and mandatory fees at all six of the community colleges. For example, the tuition and mandatory fees at Central Community College in 1997-98 equaled 4.0% of low family income in the college’s service area. In 2005-06, the percentage increased to 4.4% of low family income. The percentage changes for the other community colleges are shown in the following chart.

**Percentage of Low Family Income Required to Pay Undergraduate Resident Tuition and Mandatory Fees at Nebraska’s Community Colleges 1997-98 through 2005-06**



**Community Colleges: Very Low Family Income**

**Annual Income of Very Low-Income Families Living within Each Nebraska Community College Service Area 1997-98 through 2005-06**



From 1997-98 to 2005-06, the very low income of families increased:

- 39% within Southeast Community College service area
- 38% within Metropolitan Community College service area
- 34% within Central Community College service area
- 33% within Western Nebraska Community College service area
- 32% within Mid-Plains Community College service area
- 31% within Northeast Community College service area

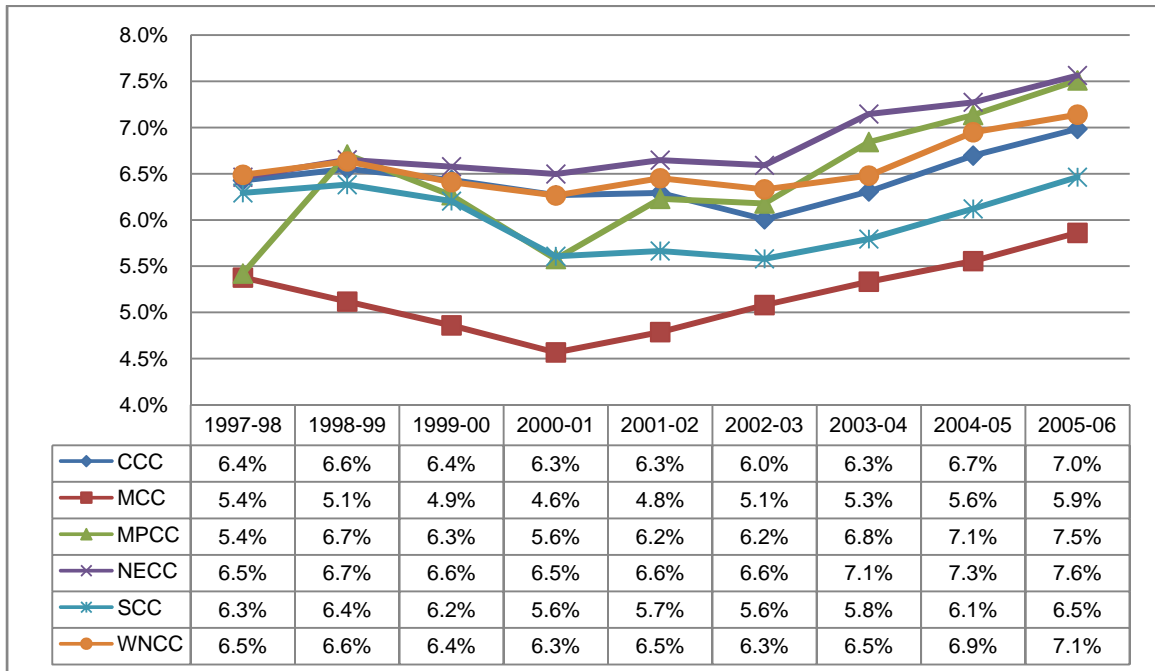
From 2001-02 to 2005-06, the very low income of families increased:

- 12% within Central Community College service area
- 12% within Mid-Plains Community College service area
- 12% within Northeast Community College service area
- 11% within Southeast Community College service area
- 11% within Western Nebraska Community College service area
- 4% within Metropolitan Community College service area

### Community Colleges: Tuition and Fees as a Percentage of Income for Very Low-Income Families

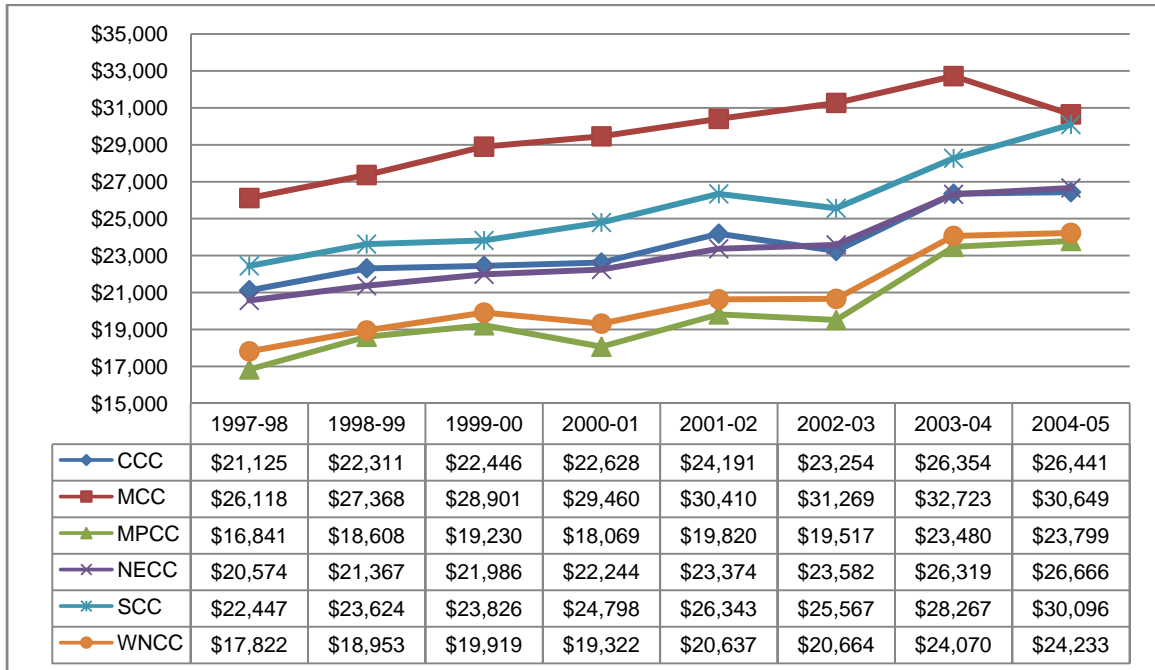
Tuition and mandatory fees can be calculated as a percentage of the annual income of very low-income families living in the service area of each of Nebraska’s community colleges. Between 1997-98 and 2005-06, a higher percentage of very low family income was required to pay tuition and mandatory fees at all six of the community colleges. For example, the tuition and mandatory fees at Central Community College in 1997-98 equaled 6.4% of very low family income in the college’s service area. In 2005-06, the percentage increased to 7.0% of very low family income. The percentage changes for the other community colleges are shown in the following chart.

**Percentage of Very Low Family Income Required to Pay Undergraduate Resident Tuition and Mandatory Fees at Nebraska’s Community Colleges 1997-98 through 2005-06**



### Community Colleges: Per Capita Income

**Annual Per Capita Income of Families Living within Each Nebraska Community College Service Area 1997-98 through 2004-05<sup>1</sup>**



From 1997-98 to 2005-06, the per capita income of families increased:

- 41% within Mid-Plains Community College service area
- 36% within Western Nebraska Community College service area
- 34% within Southeast Community College service area
- 30% within Northeast Community College service area
- 25% within Central Community College service area
- 17% within Metropolitan Community College service area

From 2001-02 to 2005-06, the per capita income of families increased:

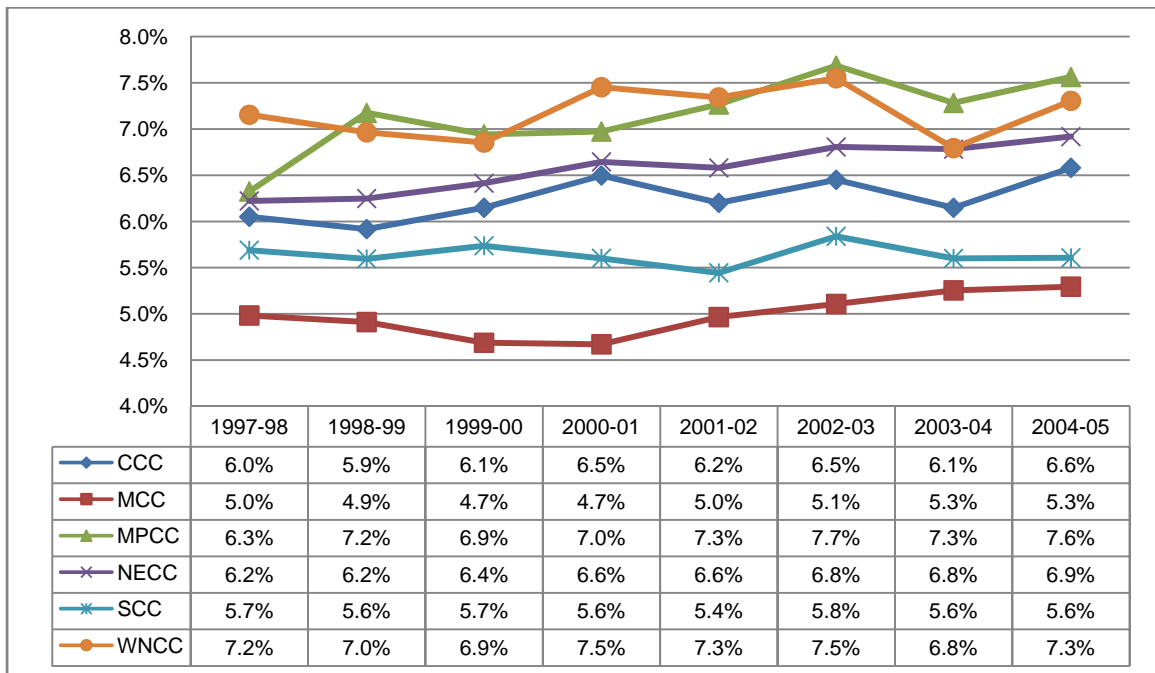
- 20% within Mid-Plains Community College service area
- 17% within Western Nebraska Community College service area
- 14% within Northeast Community College service area
- 14% within Southeast Community College service area
- 9% within Central Community College service area
- 1% within Metropolitan Community College service area

<sup>1</sup> Per capita income by county for the 2005-06 year was not available at the time of this writing.

### Community Colleges: Tuition and Fees as a Percentage of Per Capita Income

Tuition and mandatory fees can be calculated as a percentage of the per capita income within the service area of each of Nebraska’s community colleges. Between 1997-98 and 2004-05, a higher percentage of per capita income was required to pay tuition and mandatory fees at all but one of the community colleges. For example, the tuition and mandatory fees at Central Community College in 1997-98 equaled 6.0% of per capita income in the college’s service area. In 2004-05, the percentage increased to 6.6% of per capita income. In the case of Southeast Community College tuition and fees as a percentage of per capita income was lower in 2004-05 than in 1997-98. The percentage changes for the other community colleges are shown in the following chart.

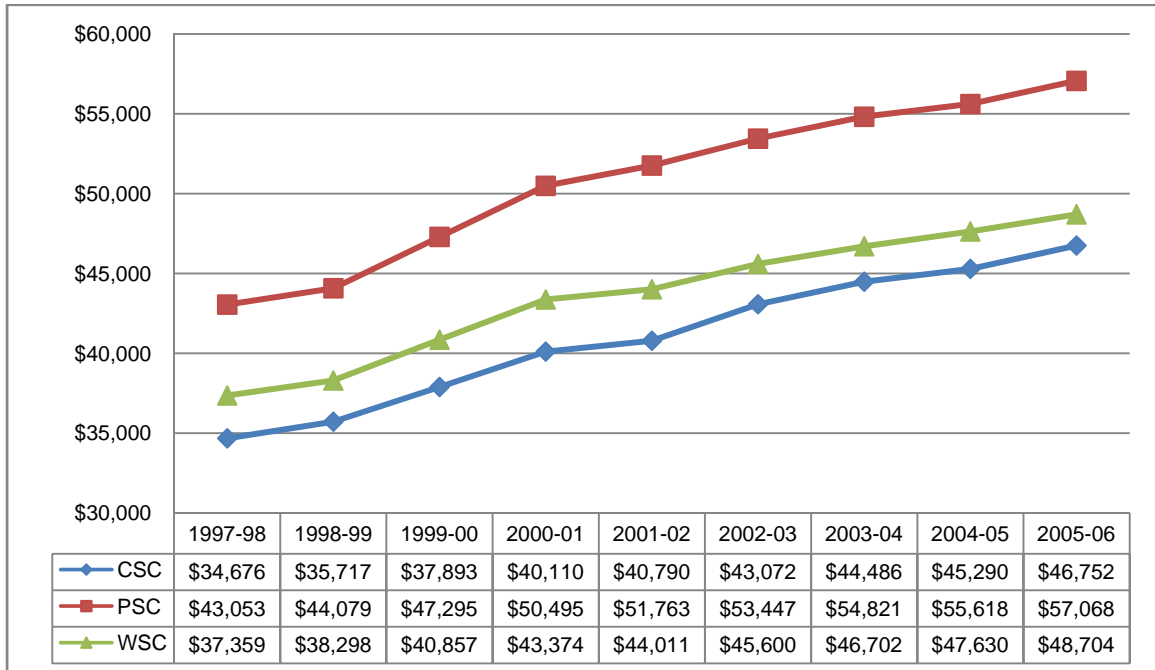
**Percentage of Families’ Per Capita Income Required to Pay Undergraduate Resident Tuition and Mandatory Fees at Nebraska’s Community Colleges 1997-98 through 2004-05<sup>1</sup>**



<sup>1</sup> Per capita income by county for the 2005-06 year was not available at the time of this writing.

**State Colleges: Median Family Income**

**Annual Income for Median-Income Families Living within Each Nebraska State College Service Area 1997-98 through 2005-06**



From 1997-98 to 2005-06, the median income of families increased:

- 35% within Chadron State College service area
- 33% within Peru State College service area
- 30% within Wayne State College service area

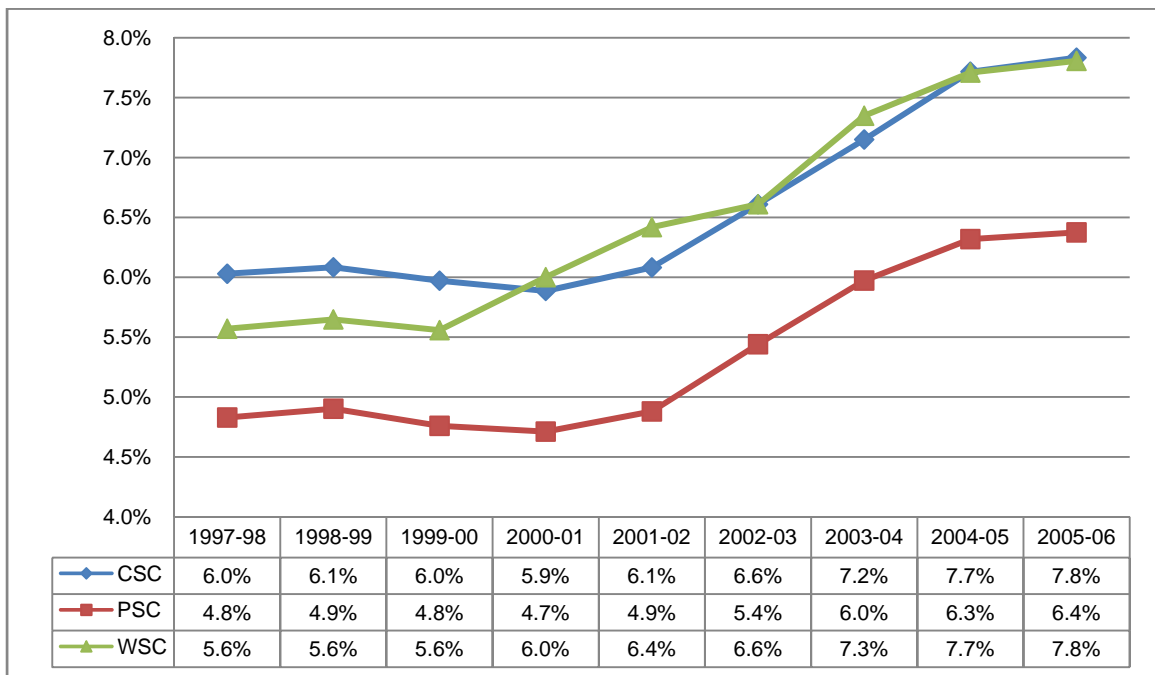
From 2001-02 to 2005-06, the median income of families increased:

- 15% within Chadron State College service area
- 11% within Wayne State College service area
- 10% within Peru State College service area

### State Colleges: Tuition and Fees as a Percentage of Income for Median-Income Families

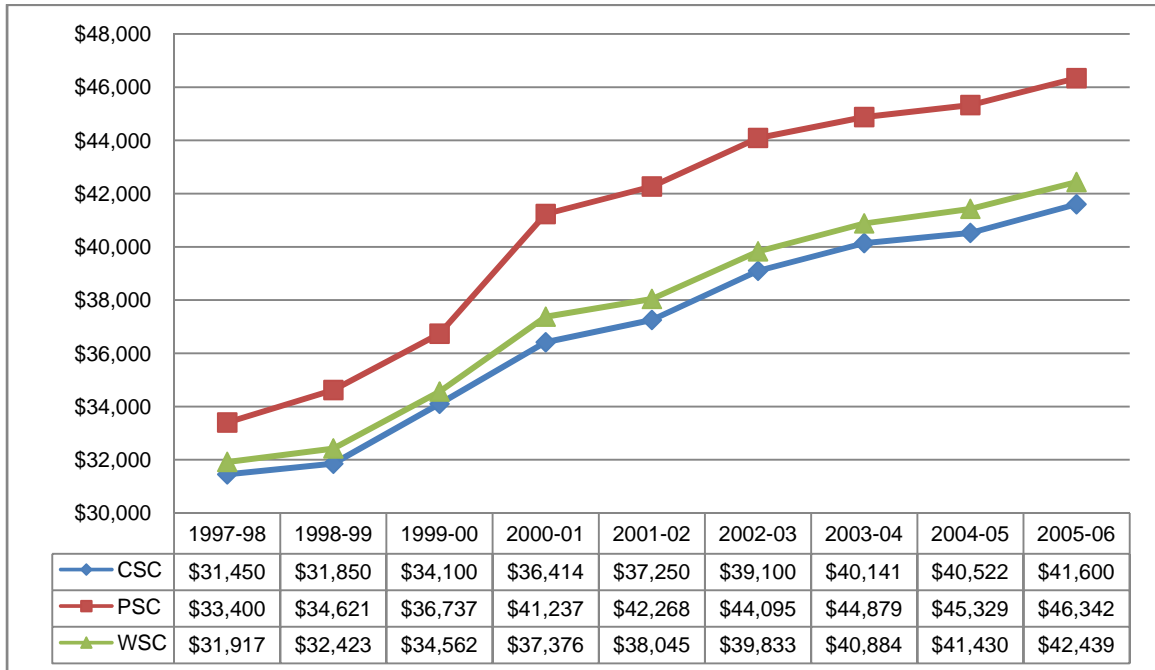
Tuition and mandatory fees can be calculated as a percentage of the median income of families living in the service area of each of Nebraska's state colleges. Between 1997-98 and 2005-06, a higher percentage of median family income was required to pay tuition and mandatory fees at all three of the state colleges. For example, the tuition and mandatory fees at Chadron State College in 1997-98 equaled 6.0% of median family income in the college's service area. In 2005-06, the percentage increased to 7.8% of median family income. The percentage changes for the other state colleges are shown in the following chart.

**Percentage of Median Family Income Required to Pay Undergraduate Resident Tuition and Mandatory Fees at Nebraska's State Colleges 1997-98 through 2005-06**



**State Colleges: Low Family Income**

**Annual Income for Low-Income Families Living Within Each Nebraska State College Service Area 1997-98 through 2005-06**



From 1997-98 to 2005-06, the low income of families increased:

- 39% within Peru State College service area
- 33% within Wayne State College service area
- 32% within Chadron State College service area

From 2001-02 to 2005-06, the low income of families increased:

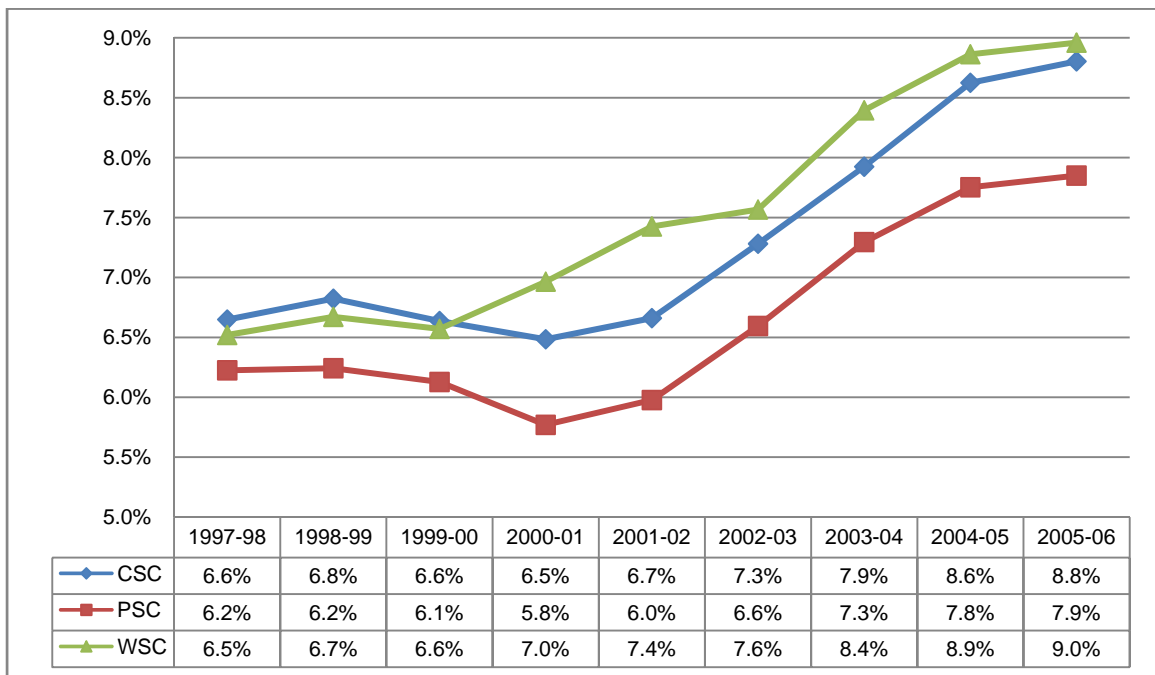
- 12% within Chadron State College service area
- 12% within Wayne State College service area
- 10% within Peru State College service area



### State Colleges: Tuition and Fees as a Percentage of Income for Low-Income Families

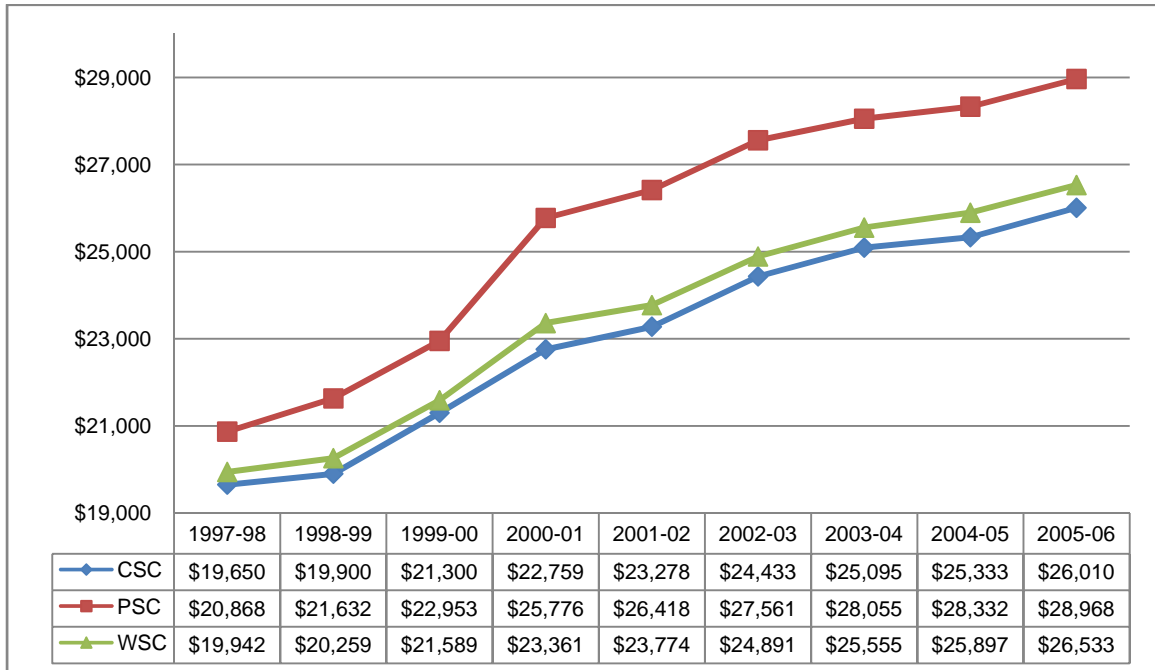
Tuition and mandatory fees can be calculated as a percentage of the annual income of low-income families living in the service area of each of Nebraska's state colleges. Between 1997-98 and 2005-06, a higher percentage of low family income was required to pay tuition and mandatory fees at all three of the state colleges. For example, the tuition and mandatory fees at Chadron State College in 1997-98 equaled 6.6% of low family income in the college's service area. In 2005-06, the percentage increased to 8.8% of low family income. The percentage changes for the other state colleges are shown in the following chart.

**Percentage of Low Family Income Required to Pay Undergraduate Resident Tuition and Mandatory Fees at Nebraska's State Colleges 1997-98 through 2005-06**



**State Colleges: Very Low Family Income**

**Annual Income for Very Low-Income Families Living Within Each Nebraska State College Service Area 1997-98 through 2005-06**



From 1997-98 to 2005-06, the very low income of families increased:

- 39% within Peru State College service area
- 33% within Wayne State College service area
- 32% within Chadron State College service area

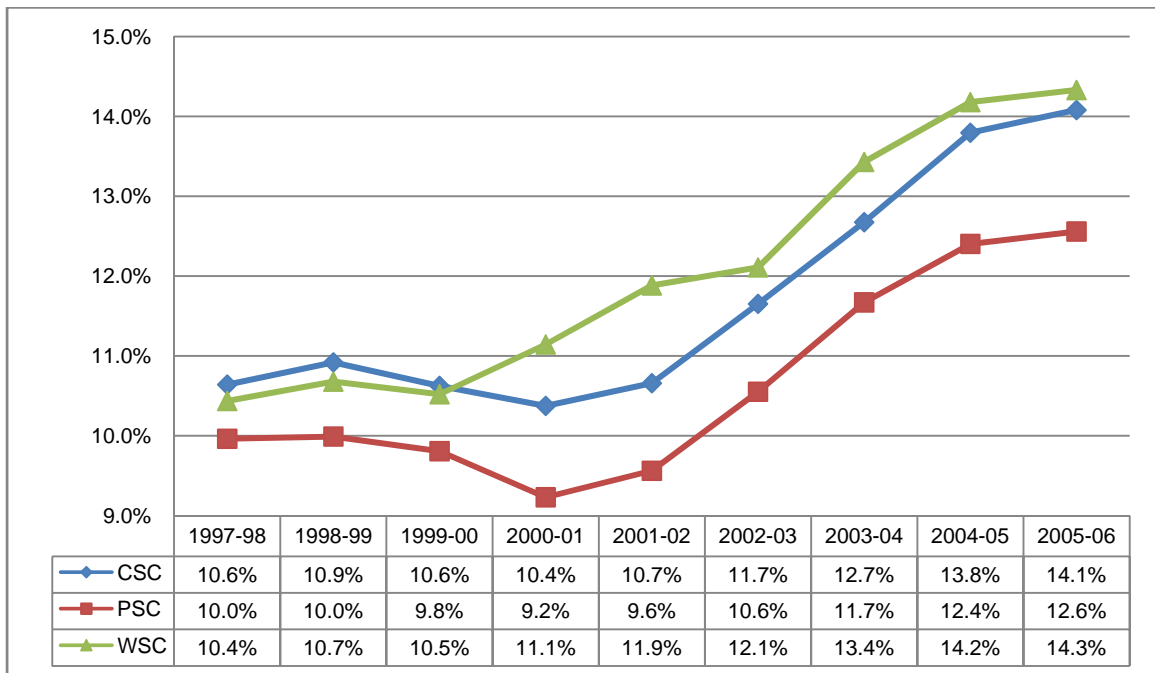
From 2001-02 to 2005-06, the very low income of families increased:

- 12% within Chadron State College service area
- 12% within Wayne State College service area
- 10% within Peru State College service area

### State Colleges: Tuition and Fees as a Percentage of Income for Very Low-Income Families

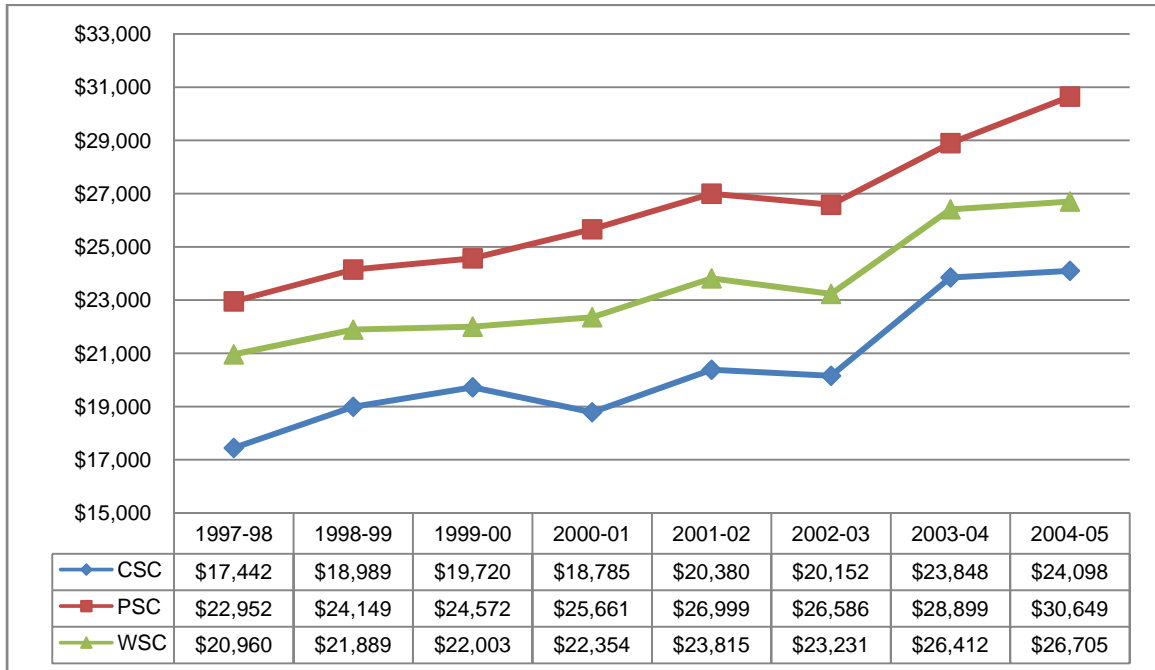
Tuition and mandatory fees can be calculated as a percentage of the annual income of very low-income families living in the service area of each of Nebraska’s state colleges. Between 1997-98 and 2005-06, a higher percentage of very low family income was required to pay tuition and mandatory fees at all three of the state colleges. For example, the tuition and mandatory fees at Chadron State College in 1997-98 equaled 10.6% of very low family income in the college’s service area. In 2005-06, the percentage increased to 14.1% of very low family income. The percentage changes for the other state colleges are shown in the following chart.

**Percentage of Very Low Family Income Required to Pay Undergraduate Resident Tuition and Mandatory Fees at Nebraska’s State Colleges 1997-98 through 2005-06**



**State Colleges: Per Capita Income**

**Annual Per Capita Income of Families Living within Each Nebraska State College Service Area 1997-98 through 2004-05<sup>1</sup>**



From 1997-98 to 2004-05, the per capita income of families increased:

- 38% within Chadron State College service area
- 34% within Peru State College service area
- 27% within Wayne State College service area

From 2001-02 to 2004-05, the average per capita income of families increased:

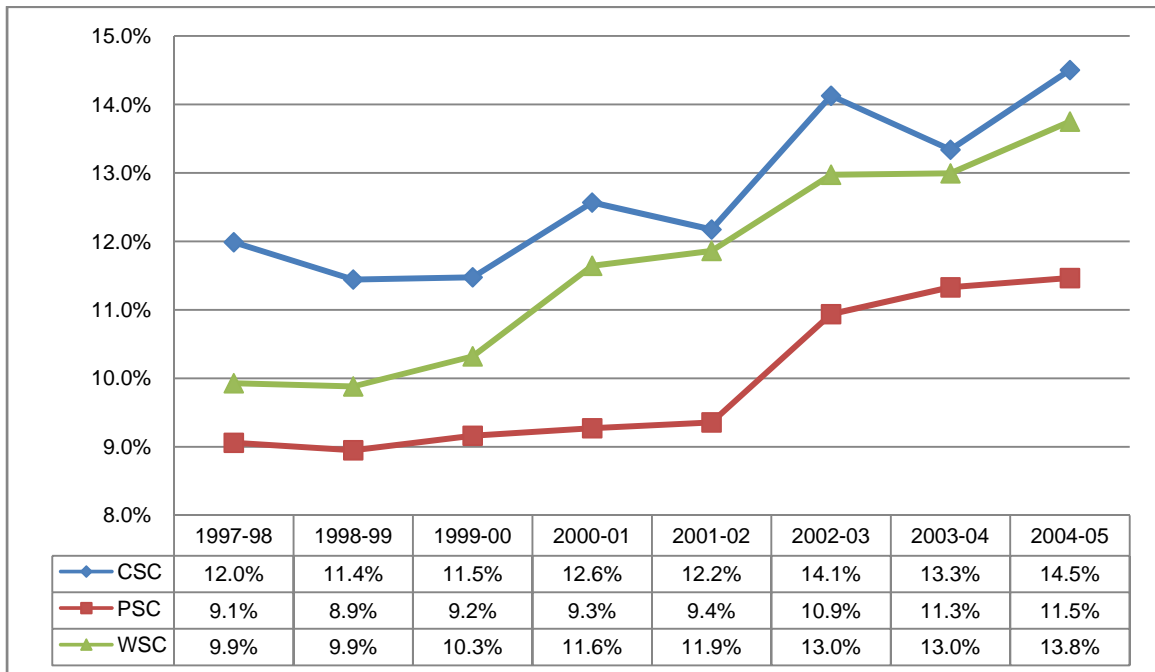
- 18% within Chadron State College service area
- 14% within Peru State College service area
- 12% within Wayne State College service area

<sup>1</sup> Per capita income by county for the 2005-06 year was not available at the time of this writing.

### State Colleges: Tuition and Fees as a Percentage of Per Capita Income

Tuition and mandatory fees can be calculated as a percentage of the per capita income within the service area of each of Nebraska's state colleges. Between 1997-98 and 2004-05, a higher percentage of per capita income was required to pay tuition and mandatory fees at all three state colleges. For example, the tuition and mandatory fees at Chadron State College in 1997-98 equaled 12.0% of per capita income in the college's service area. In 2004-05, the percentage increased to 14.5% of per capita income. The percentage changes for the other state colleges are shown in the following chart.

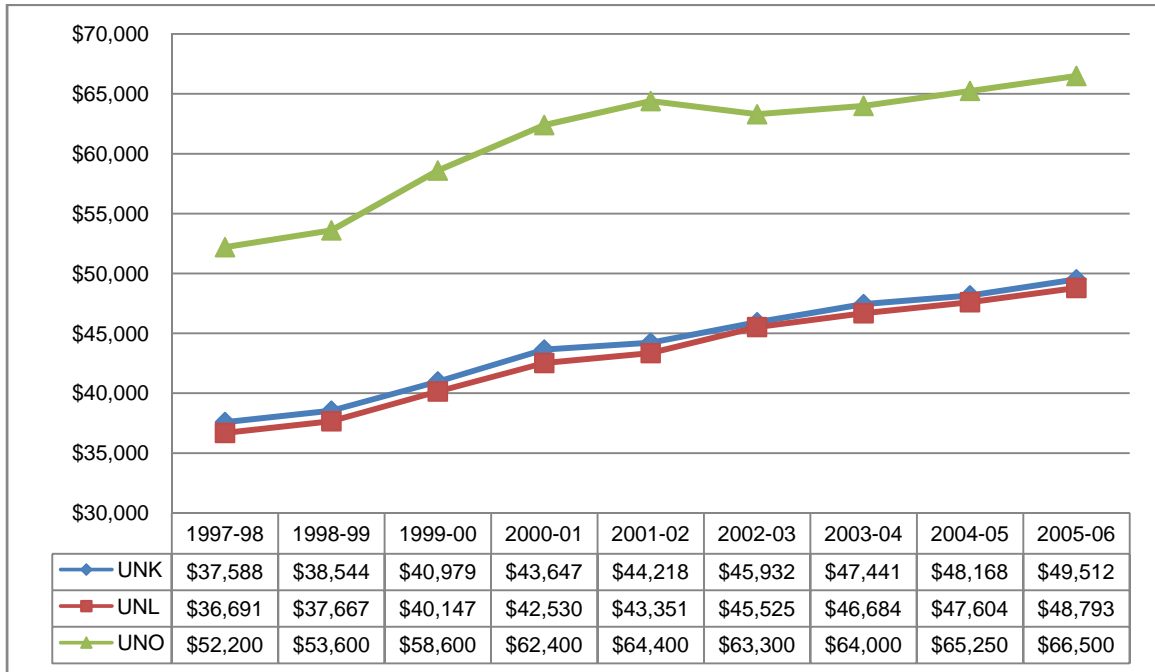
**Percentage of Families' Per Capita Income Required to Pay Undergraduate Resident Tuition and Mandatory Fees at Nebraska's State Colleges 1997-98 through 2004-05<sup>1</sup>**



<sup>1</sup> Per capita income by county for the 2005-06 year was not available at the time of this writing.

**University of Nebraska: Median Family Income**

**Annual Income of Median-Income Families Living within Each University of Nebraska Campus Service Area 1997-98 through 2005-06**



From 1997-98 to 2005-06, the median income of families increased:

- 33% within the University of Nebraska-Lincoln service area
- 32% within the University of Nebraska at Kearney service area
- 27% within the University of Nebraska at Omaha service area

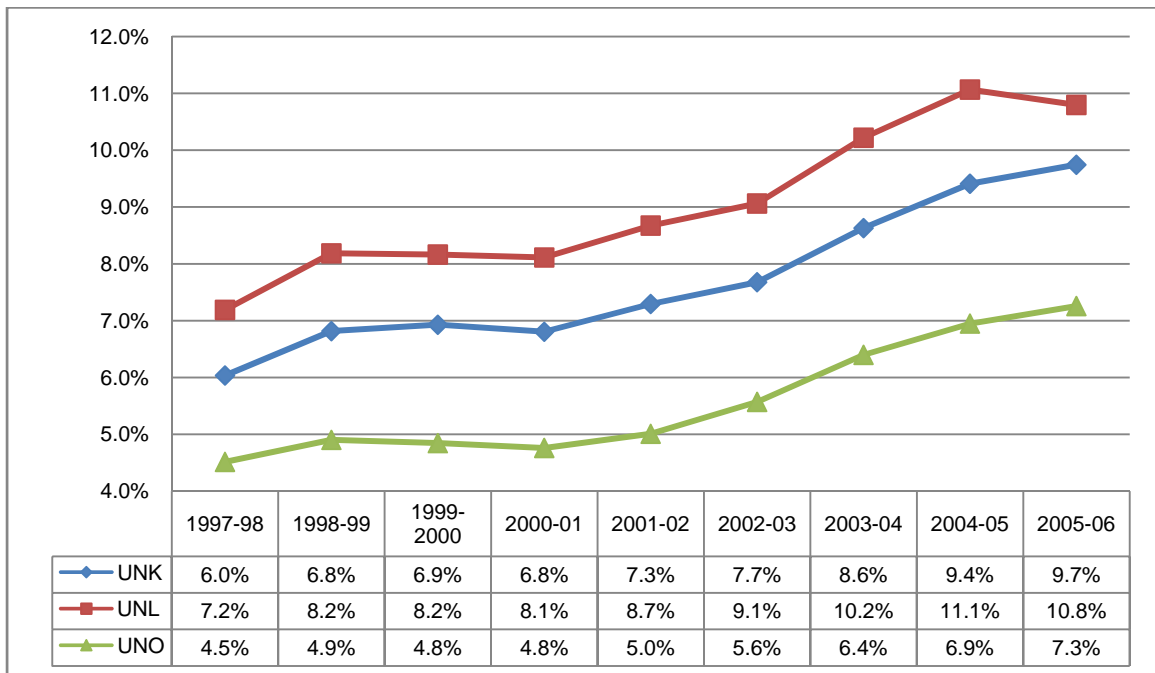
From 2001-02 to 2005-06, the median income of families increased:

- 13% within the University of Nebraska-Lincoln service area
- 12% within the University of Nebraska at Kearney service area
- 3% within the University of Nebraska at Omaha service area

### University of Nebraska: Tuition and Fees as a Percentage of Income for Median-Income Families

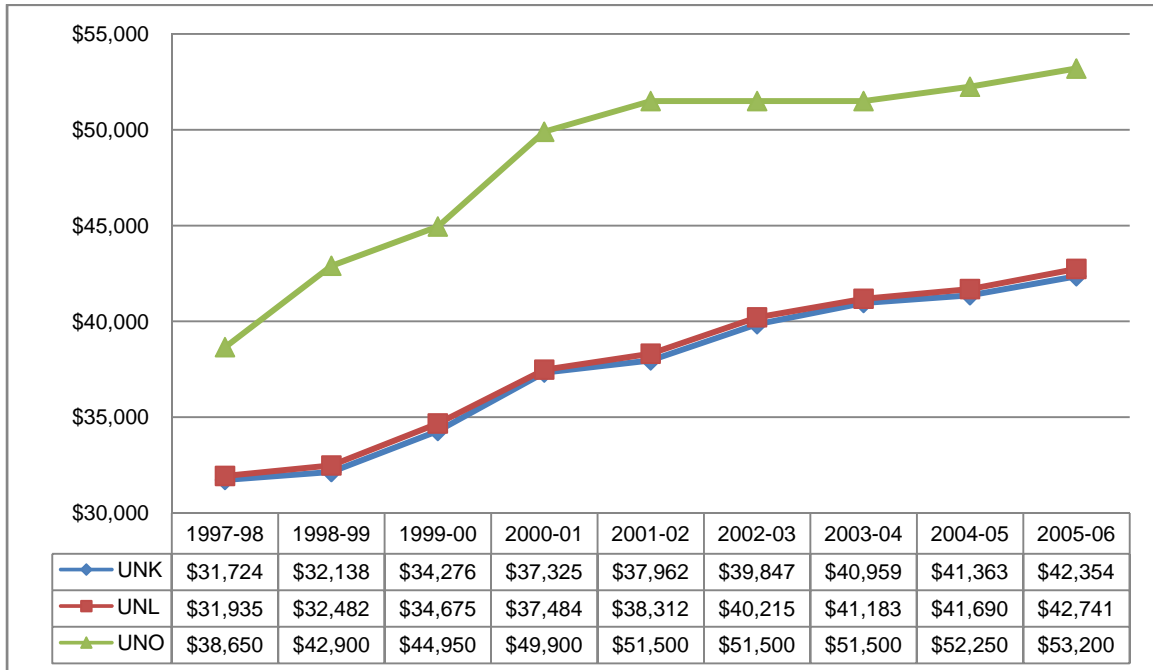
Tuition and mandatory fees can be calculated as a percentage of the median income of families living in the service area of each of the University of Nebraska campuses. Between 1997-98 and 2005-06, a higher percentage of median family income was required to pay tuition and mandatory fees at the campuses. For example, the tuition and mandatory fees at the University of Nebraska at Kearney in 1997-98 equaled 6.0% of median family income in the campus service area. In 2005-06, the percentage increased to 9.7% of median family income. The percentage changes for the other University of Nebraska campuses are shown in the following chart.

**Percentage of Median Family Income Required to Pay Undergraduate Resident Tuition and Mandatory Fees at the University of Nebraska 1997-98 through 2005-06**



**University of Nebraska: Low Family Income**

**Annual Income of Low-Income Families Living within Each University of Nebraska Campus Service Area 1997-98 through 2005-06**



From 1997-98 to 2005-06, the low income of families increased:

- 38% within the University of Nebraska at Omaha service area
- 34% within the University of Nebraska at Kearney service area
- 34% within the University of Nebraska-Lincoln service area

From 2001-02 to 2005-06, the low income of families increased:

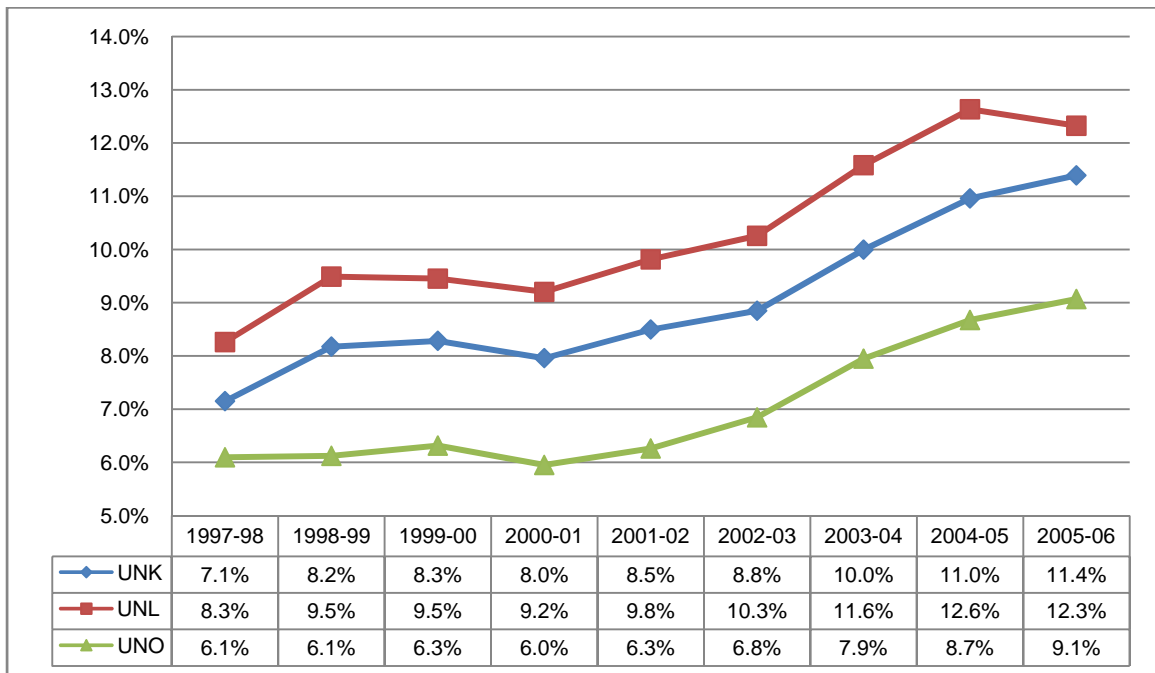
- 12% within the University of Nebraska at Kearney service area
- 12% within the University of Nebraska-Lincoln service area
- 3% within the University of Nebraska at Omaha service area



### University of Nebraska: Tuition and Fees as a Percentage of Income for Low-Income Families

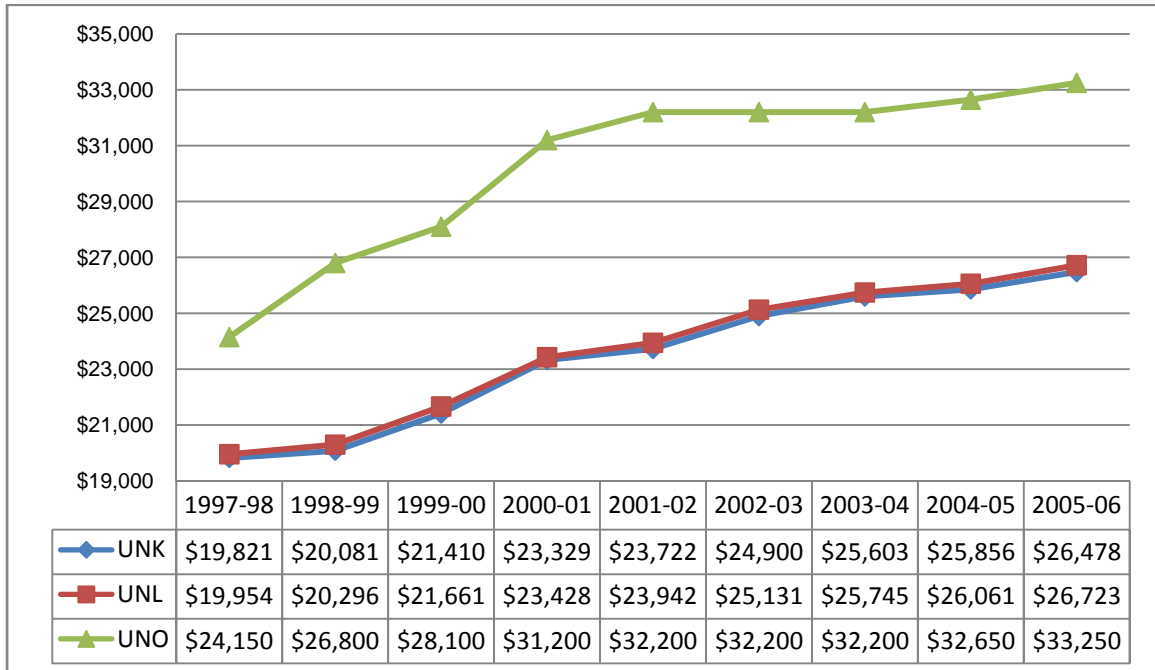
Tuition and mandatory fees can be calculated as a percentage of the annual income of low-income families living in the service area of each of the University of Nebraska campuses. Between 1997-98 and 2005-06, a higher percentage of low family income was required to pay tuition and mandatory fees at the campuses. For example, the tuition and mandatory fees at the University of Nebraska at Kearney in 1997-98 equaled 7.1% of low family income in the college's service area. In 2005-06, the percentage increased to 11.4% of low family income. The percentage changes for the other University of Nebraska campuses are shown in the following chart.

**Percentage of Low Family Income Required to Pay Undergraduate Resident Tuition and Mandatory Fees at the University of Nebraska 1997-98 through 2005-06**



**University of Nebraska: Very Low Family Income**

**Annual Income of Very Low-Income Families Living within Each University of Nebraska Campus Service Area 1997-98 through 2005-06**



From 1997-98 to 2005-06, the very low income of families increased:

- 38% within the University of Nebraska at Omaha service area
- 34% within the University of Nebraska at Kearney service area
- 34% within the University of Nebraska-Lincoln service area

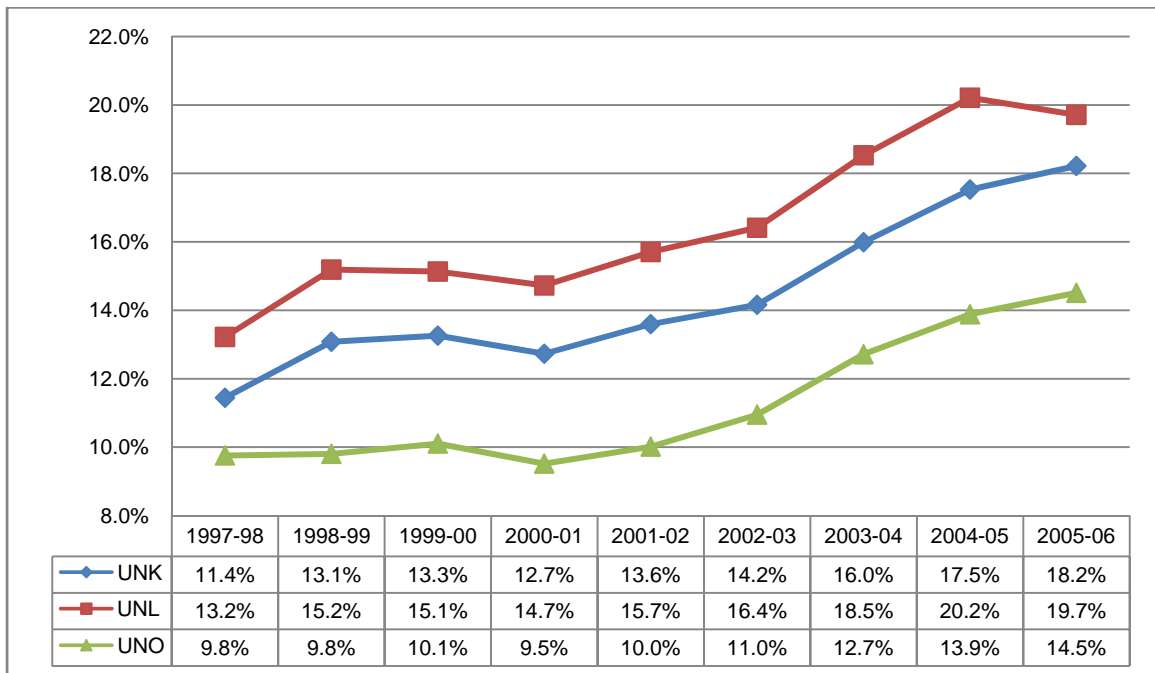
From 2001-02 to 2005-06, the very low income of families increased:

- 12% within the University of Nebraska at Kearney service area
- 12% within the University of Nebraska-Lincoln service area
- 3% within the University of Nebraska at Omaha service area

### University of Nebraska: Tuition and Fees as a Percentage of Income for Very Low-Income Families

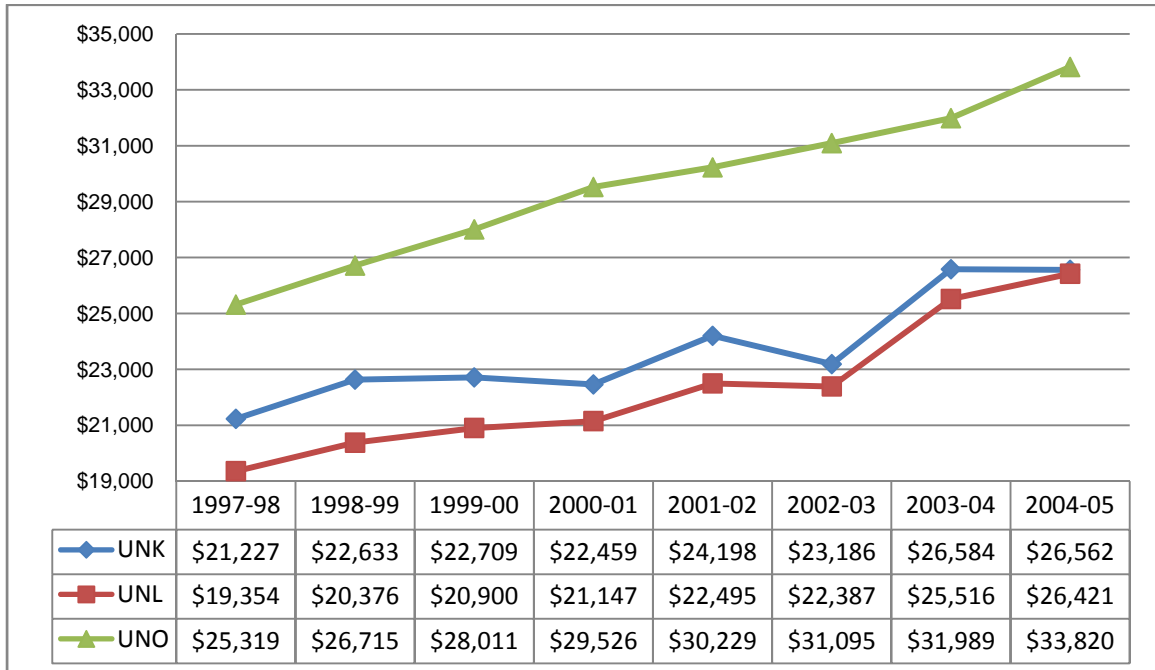
Tuition and mandatory fees can be calculated as a percentage of the annual income of very low-income families living in the service area of each of the University of Nebraska campuses. Between 1997-98 and 2005-06, a higher percentage of very low family income was required to pay tuition and mandatory fees at the campuses. For example, the tuition and mandatory fees at the University of Nebraska at Kearney in 1997-98 equaled 11.4% of very low family income in the college's service area. In 2005-06, the percentage increased to 18.2% of very low family income. The percentage changes for the other University of Nebraska campuses are shown in the following chart.

**Percentage of Very Low Family Income Required to Pay Undergraduate Resident Tuition and Mandatory Fees at the University of Nebraska 1997-98 through 2005-06**



**University of Nebraska: Per Capita Family Income**

**Annual Per Capita Income for Families Living within Each University of Nebraska Campus Service Area 1997-98 through 2004-05<sup>1</sup>**



From 1997-98 to 2004-05, the per capita income of families increased:

- 37% within the University of Nebraska-Lincoln service area
- 34% within the University of Nebraska at Omaha service area
- 25% within the University of Nebraska at Kearney service area

From 2001-02 to 2004-05, the per capita income of families increased:

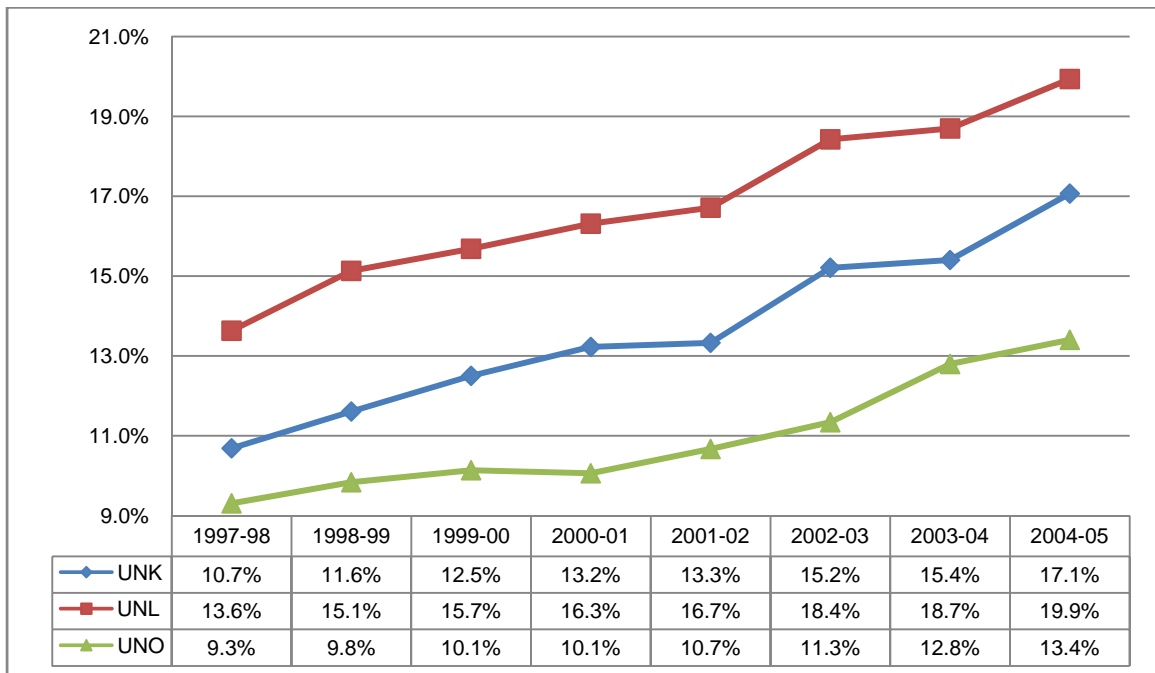
- 17% within the University of Nebraska-Lincoln service area
- 12% within the University of Nebraska at Omaha service area
- 8% within the University of Nebraska at Kearney service area

<sup>1</sup> Per capita income by county for the 2005-06 year was not available at the time of this writing.

### University of Nebraska: Tuition and Fees as a Percentage of Per Capita Income

Tuition and mandatory fees can be calculated as a percentage of the per capita income within the service area of each of the University of Nebraska campuses. Between 1997-98 and 2004-05, a higher percentage of per capita income was required to pay tuition and mandatory fees at the campuses. For example, the tuition and mandatory fees at the University of Nebraska at Kearney in 1997-98 equaled 10.7% of per capita income in the college’s service area. In 2004-05, the percentage increased to 17.1% of per capita income. The percentage changes for the other University of Nebraska campuses are shown in the following chart.

**Percentage of Families’ Per Capita Income Required to Pay Undergraduate Resident Tuition and Mandatory Fees at the University of Nebraska 1997-98 through 2004-05<sup>1</sup>**



<sup>1</sup> Per capita income by county for the 2005-06 year was not available at the time of this writing.



## STATE INVESTMENT IN HIGHER EDUCATION

*“Whether or not the national economy is in recession is almost beside the point for some states. The fiscal situations have declined so much in some states that they appear to be in a recession.”*

William T. Pound, Executive Director  
National Conference of State Legislatures  
*State Budget Update: April 2008*

General fund appropriations for higher education in 2007-08 rose nationwide by 7.5 percent from the previous year, according to a survey completed by the Center for the Study of Education Policy (Center for the Study of Education Policy, 2008). According to the survey, Nebraska ranked 31<sup>st</sup> highest in percentage increase from fiscal year 2007 to fiscal year 2008, posting a 6.9 percent increase in state spending on higher education. Nebraska ranked 30<sup>th</sup> in the nation with a 13.9 percent increase over two fiscal years (2006-2008).

Revenue forecasts for fiscal year 2008 budgets have not yet been released for most states. According to the National Conference of State Legislatures, in many states, slowing or declining revenue from personal income, general sales and corporate income taxes could lead to additional budget gaps in fiscal year 2009 (National Conference of State Legislatures, 2008). California, Nevada, Florida and Kentucky, for example, expect very large and painful deficits.

A recent analysis by the National Center for Higher Education Management Systems (NCHEMS) projects that all states face potential budget deficits from 2005 to 2013. The survey projects that:

- Spending at the state and local level will increase an average 4.4 percent per year from 2005 to 2013 while revenue will only increase an average 3.7 percent over the same period;
- Grants from the federal government to state and local governments are expected to be cut substantially due to the current federal fiscal outlook; and
- In the majority of the states, growth in other service areas, such as K-12 education, social services, corrections and, especially, Medicaid will reduce the amount of funding available to higher education.

NCHEMS projects that Nebraska will have a funding shortfall of approximately 4.3 percent by 2013 (The National Center for Public Policy and Higher Education, 2006).

This section of the report covers two topics: appropriation comparisons within the state and appropriation comparisons with other states.



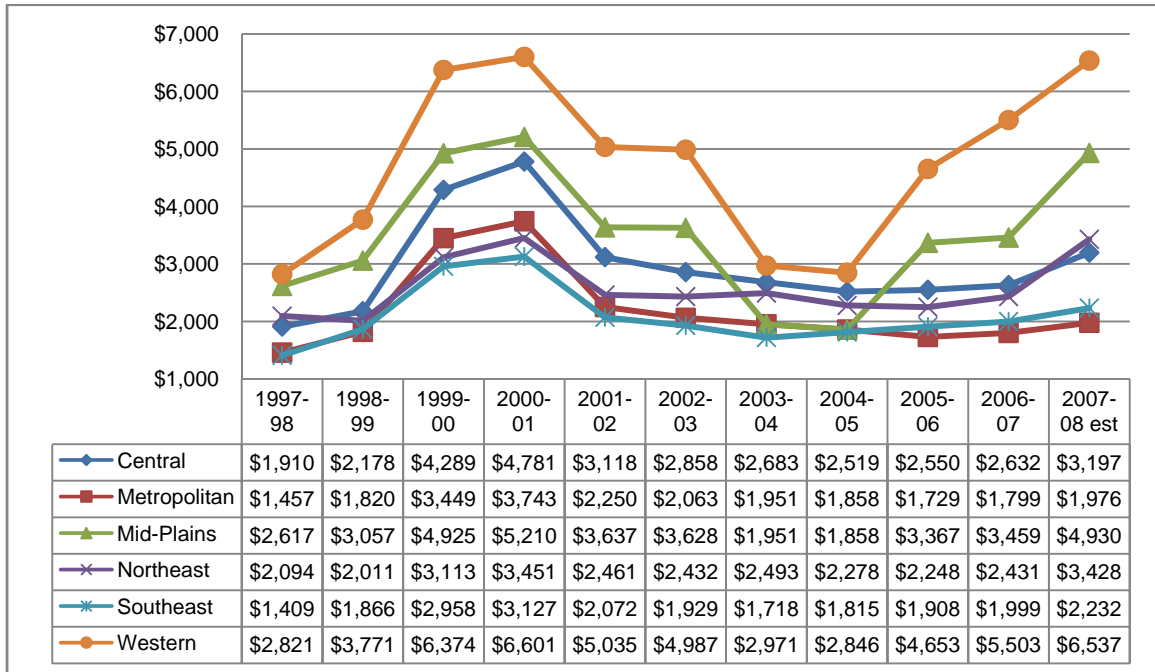
## Appropriation Comparisons within the State

The following information concerns state appropriation per full-time equivalent (FTE) student. The dollar amounts exclude funds appropriated or re-appropriated for tuition and capital appropriations. To arrive at the appropriation per full-time student, the base state appropriation is divided by the number of full-time equivalent students at the institution. (Note: Enrollment decreases can therefore lead to increases in appropriations per full-time equivalent student.) In addition to state appropriations, the community colleges receive income from property taxes; therefore, this report provides a second set of data where the state appropriation and property taxes are added together to derive a total state-and-local appropriation per full-time equivalent student within the community college sector.

Appropriations to community colleges are based on a formula that incorporates factors such as level of tuition, local property tax collections, local property tax rate and full-time equivalent student. Appropriations for the state colleges and the University of Nebraska are based on identified needs.

**Community Colleges**

**State Appropriation per FTE Student at Nebraska's Community Colleges 1997-98 through 2007-08**



From 1997-98 to 2007-08, state appropriations per full-time equivalent student at Nebraska's community colleges increased:

- 132% at Western Nebraska Community College
- 88% at Mid-Plains Community College
- 67% at Central Community College
- 64% at Northeast Community College
- 58% at Southeast Community College
- 36% at Metropolitan Community College

From 2002-03 to 2005-06, state appropriations per full-time equivalent student at Nebraska's community colleges:

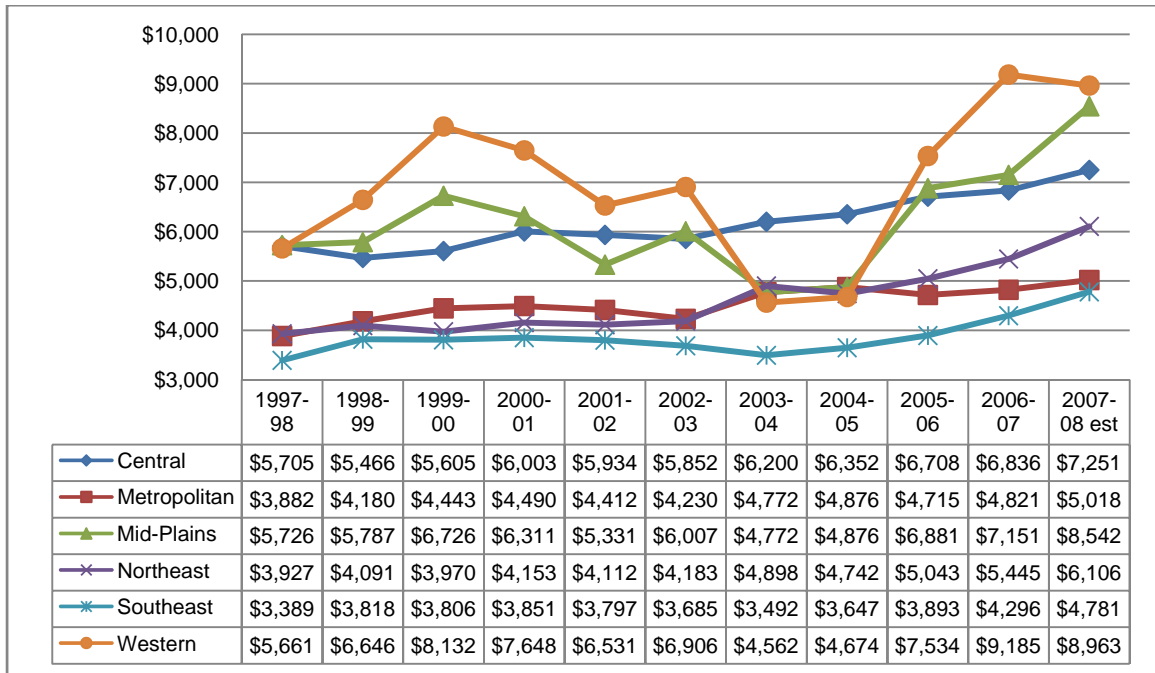
- 41% at Northeast Community College
- 36% at Mid-Plains Community College
- 31% at Western Nebraska Community College
- 16% at Southeast Community College
- 12% at Central Community College
- **decreased** 4% at Metropolitan Community College

For state appropriation per full-time equivalent student in 2007-08, when compared to their peers:

- Central Community College ranks 6<sup>th</sup> out of 9
- Metropolitan Community College ranks 6<sup>th</sup> out of 7
- Mid-Plains Community College ranks 4<sup>th</sup> out of 8
- Northeast Community College ranks 5<sup>th</sup> out of 6
- Southeast Community College ranks 5<sup>th</sup> out of 6
- Western Nebraska Community College ranks 2<sup>nd</sup> out of 7

Information that is more detailed can be found in the appendix beginning on page A39.

**State Appropriation and Property Tax Income per FTE Student at Nebraska's Community Colleges 1997-98 through 2007-08**



From 1997-98 to 2007-08, state appropriations and property tax income per full-time equivalent student at Nebraska’s community colleges increased:

- 58% at Western Nebraska Community College
- 55% at Northeast Community College
- 49% at Mid-Plains Community College
- 41% at Southeast Community College
- 29% at Metropolitan Community College
- 27% at Central Community College

From 2002-03 to 2007-08, state appropriations and property tax income per full-time equivalent student at Nebraska’s community colleges increased:

- 46% at Northeast Community College
- 42% at Mid-Plains Community College
- 30% at Southeast Community College
- 30% at Western Nebraska Community College
- 24% at Central Community College
- 19% at Metropolitan Community College

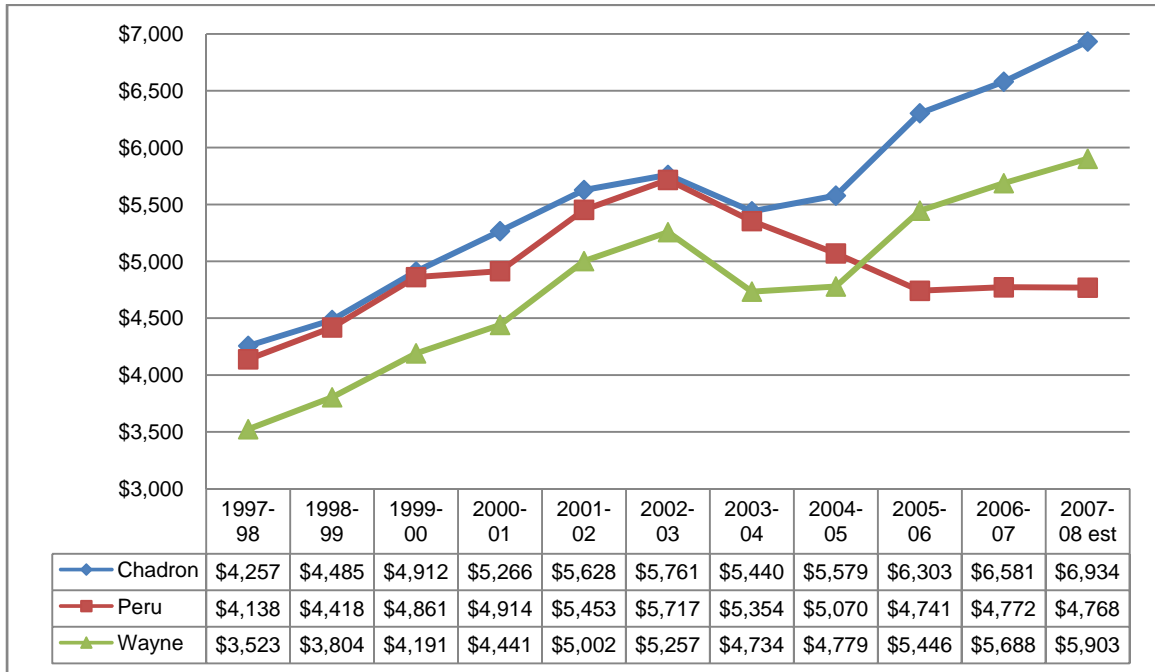
For state and local appropriation per full-time equivalent student in 2007-08, when compared to their peers:

- Central Community College ranks 4<sup>th</sup> out of 9
- Metropolitan Community College ranks 3<sup>rd</sup> out of 7
- Mid-Plains Community College ranks 3<sup>rd</sup> out of 8
- Northeast Community College ranks 4<sup>th</sup> out of 6
- Southeast Community College ranks 4<sup>th</sup> out of 6
- Western Nebraska Community College ranks 3<sup>rd</sup> out of 7

Information that is more detailed can be found in the appendix beginning on page A39.

**State Colleges**

**State Appropriation per FTE Student at Nebraska’s State Colleges  
1997-98 through 2007-08**



From 1997-98 to 2007-08, state appropriations per full-time equivalent student at Nebraska’s state colleges increased:

- 68% at Wayne State College
- 63% at Chadron State College
- 15% at Peru State College

From 2002-03 to 2007-08, state appropriations per full-time equivalent student at Nebraska’s state colleges:

- increased 20% at Chadron State College
- increased 12% at Wayne State College
- **decreased** 17% at Peru State College<sup>1</sup>

<sup>1</sup> State appropriation increased less than the increase in enrollment resulting in less appropriated dollars per student

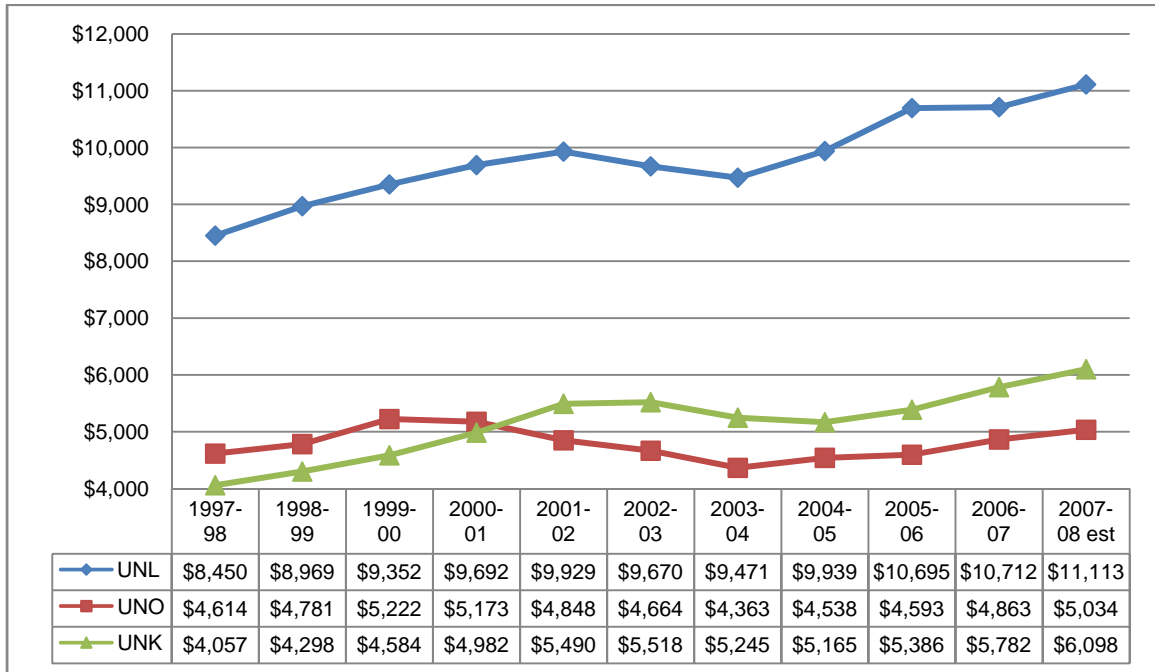
For state appropriation per full-time equivalent student in 2007-08, when compared to their peers:

- Chadron State College ranks 4<sup>th</sup> out of 9
- Peru State College ranks 5<sup>th</sup> out of 8
- Wayne State College ranks 5<sup>th</sup> out of 6

Information that is more detailed can be found in the appendix beginning on page A91.

**University of Nebraska**

**State Appropriation per FTE Student at the University of Nebraska Campuses (excluding UNMC) 1997-98 through 2007-08**



From 1997-98 to 2007-08, state appropriations per full-time equivalent student at the University of Nebraska campuses increased:

- 50% at the University of Nebraska at Kearney
- 32% at the University of Nebraska-Lincoln<sup>1</sup>
- 9% at the University of Nebraska at Omaha

From 2002-03 to 2007-08, state appropriations per full-time equivalent student at the University of Nebraska campuses increased:

- 15% at the University of Nebraska-Lincoln
- 11% at the University of Nebraska at Kearney
- 8% at the University of Nebraska at Omaha

<sup>1</sup> Note: UNL has a far higher percentage of graduate students than do the Kearney and Omaha campuses.



For state appropriation per full-time equivalent student in 2007-08, when compared to their peers:

- the University of Nebraska-Lincoln ranks 3<sup>rd</sup> out of 13
- the University of Nebraska at Omaha ranks 4<sup>th</sup> out of 8
- the University of Nebraska at Kearney ranks 3<sup>rd</sup> out of 9

Information that is more detailed can be found in the appendix beginning on page A133.

## Appropriation Comparisons with Other States

One of the major statewide goals in Nebraska's *Comprehensive Plan* states that:

Nebraska will value higher education and support its investment in public higher education through fair and reliable funding policies that provide appropriate levels of support to enable institutions to excel and meet the educational needs of the State and its students (Coordinating Commission for Postsecondary Education, 2006).

The State of Nebraska has generally been strongly supportive of higher education, but current comparisons to other states, show some degree of slippage.

In direct financial terms, in FY08 Nebraska's appropriation of state tax dollars for higher education operating expenses was \$616,042,000. This represents a 6.9 percent increase over FY07 and places the state 31<sup>st</sup> in the nation in the percentage increase over the prior year. Nationwide, the average one-year increase was 7.5 percent.

Additionally, the \$616,042,000 represents an 18.3 percent increase over five years (FY03 to FY08), which places Nebraska 34<sup>th</sup> in the nation for that period. Nationally, states increased their appropriations by an average of 24.1 percent during that same period.

From FY98 to FY08, the state appropriation has increased 48.4 percent, which placed Nebraska 30<sup>th</sup> in the nation. On average, all states increased their appropriations to higher education by 56.3 percent over the same ten years (Center for the Study of Education Policy, 2008).

Other ways to measure a state's investment in higher education include appropriations per \$1,000 in personal income, and appropriations per capita. Although these measures remain relatively high, and demonstrate a strong willingness to support higher education, on these measures the state has lost ground. For FY08, Nebraska's appropriation per \$1,000 of personal income was \$9.50. This was significantly over the national average of \$6.59, which gave Nebraska a rank of 13<sup>th</sup> in the nation. This is a significant decrease from the FY06 amount of \$10.92 when Nebraska ranked 5<sup>th</sup> in the nation (Center for the Study of Education Policy, 2008).

Additionally, for FY08, Nebraska's appropriation per capita was \$347.15. This, too, was significantly over the national average of \$257.46 and placed Nebraska 10<sup>th</sup> in the nation. This is down slightly from FY06 when Nebraska's appropriation per capita was \$356.14, an amount that ranked the state 6<sup>th</sup> in the nation (Center for the Study of Education Policy, 2008).

## FINANCIAL AID FOR HIGHER EDUCATION

*“Financial aid is the poor stepchild of the budget process. It’s all about guilt when it ought to be an integral part of the funding.”*

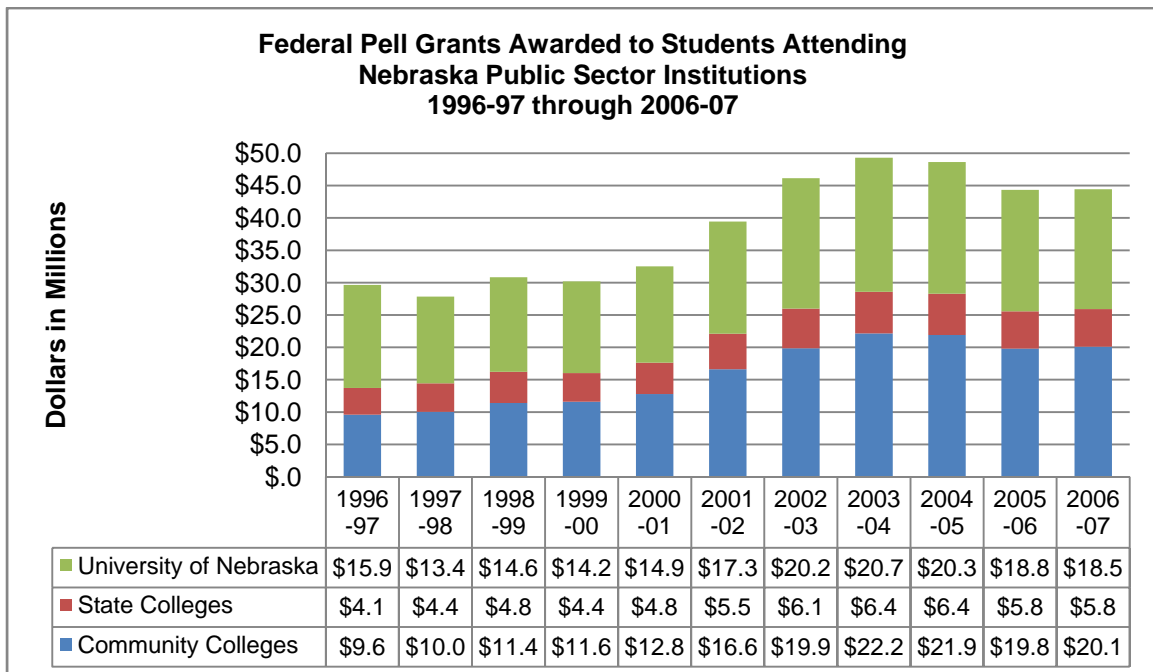
David A. Longanecker, Executive Director, Western Interstate Commission for Higher Education

“Dreams Detoured,” *Lumina Foundation Focus*, Fall 2005

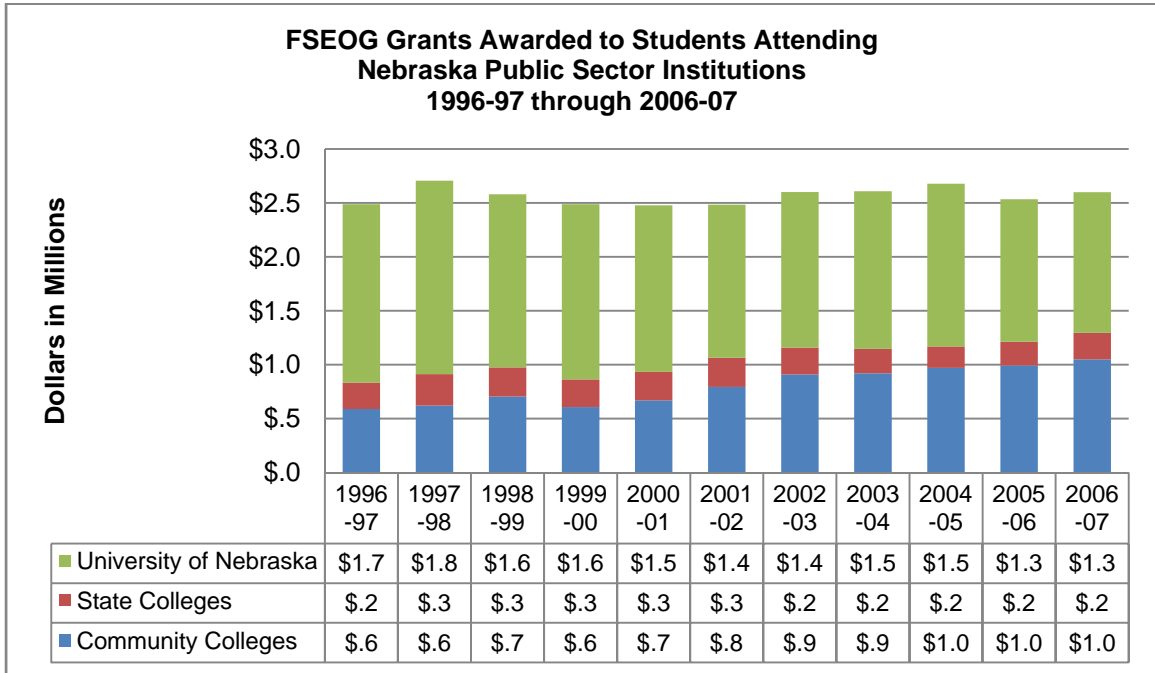
The federal government provides several types of financial aid for students in postsecondary education. The U.S. Department of Education (ED) publishes a comprehensive source of information about federal student aid programs, *The Student Guide*. It is available free on the Internet at [www.studentaid.ed.gov](http://www.studentaid.ed.gov).

Funds from the following financial aid programs are potentially available to Nebraska postsecondary students:

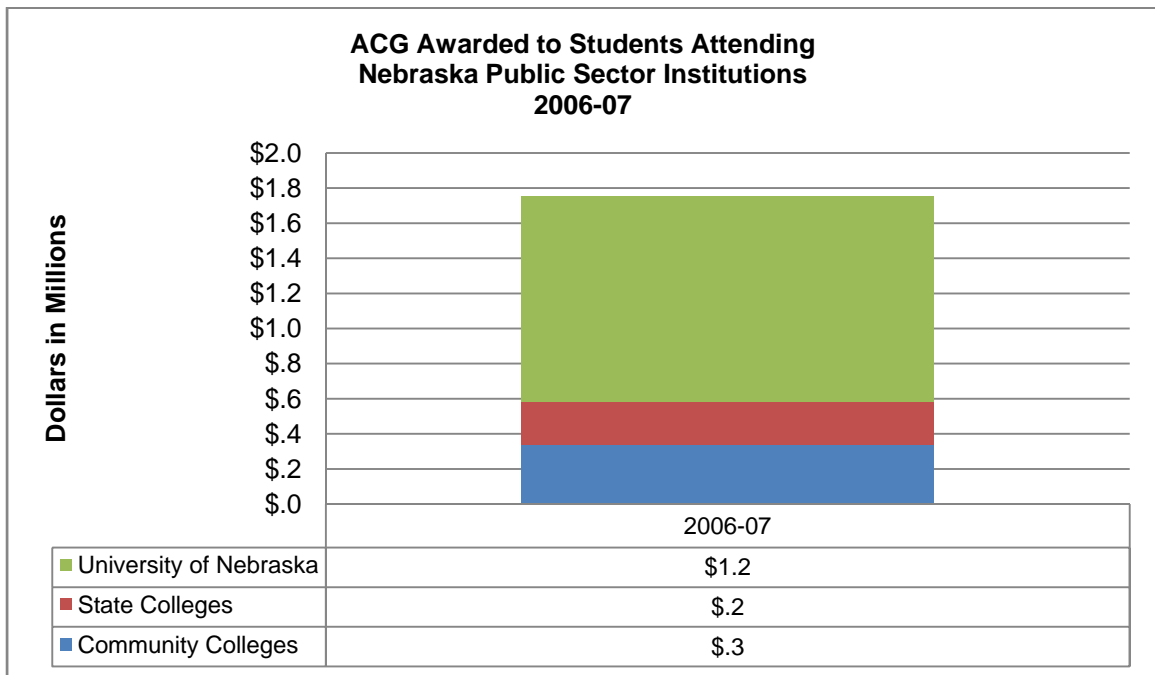
- Federal Pell Grant:** Federal Pell Grants are awarded to undergraduates who have not earned a bachelor’s degree and who demonstrate high financial need. Pell Grants do not have to be repaid. The award range for Pell Grants for the award year 2007-08 academic year was \$400 to \$4,310.



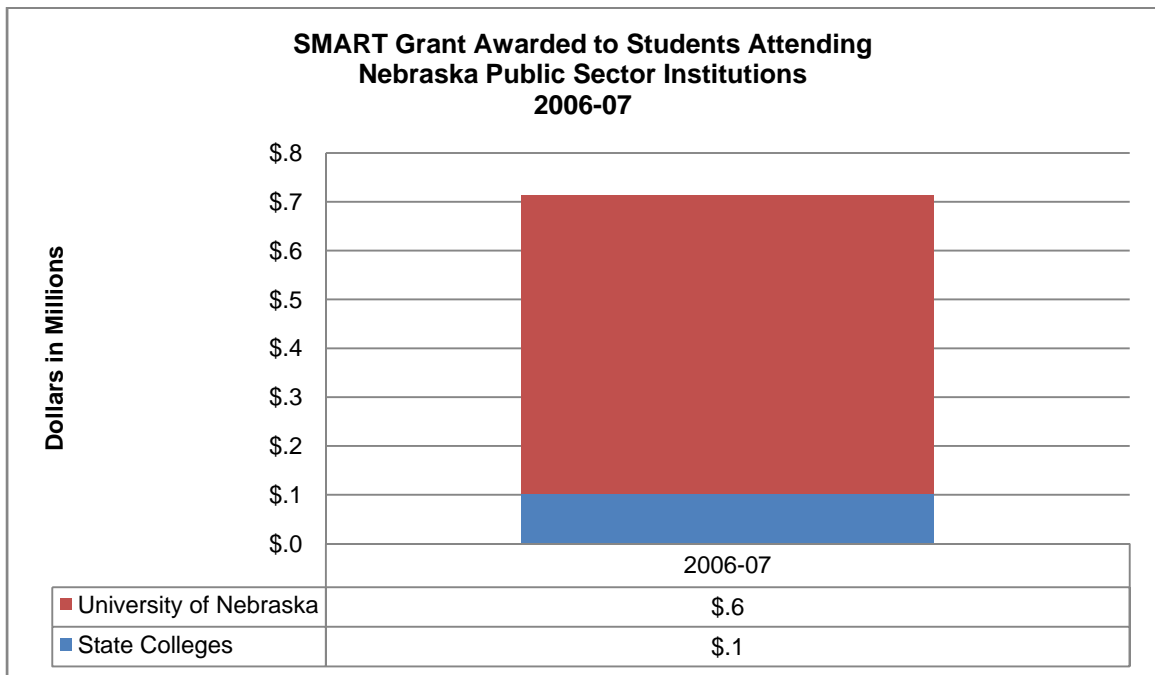
- Federal Supplemental Educational Opportunity Grant (FSEOG):**  
 Undergraduate students who have exceptional need and who have not received a bachelor’s degree are eligible to receive the FSEOG. FSEOG awards can range from \$100 to \$4,000 and do not have to be repaid, but awards are subject to the availability of funds at a student’s institution.



- Academic Competitiveness Grants (ACG):** ACGs are need-based but limited to students who have demonstrated academic achievement. To receive an ACG, a student must be a college freshman or sophomore, a U.S. citizen, Pell Grant-eligible, and have completed a program of rigorous high school course work as defined by their state and recognized by the U.S. Secretary of Education. ACG's provide additional funds of up to \$750 for first-year college students and up to an additional \$1,300 for second-year students who are enrolled full time and who have maintained a 3.0 GPA in college. Institutions began to award these grants beginning in the 2006–2007 academic year.



- National Science and Mathematics Access to Retain Talent Grants (SMART)<sup>1</sup>:** SMART grants are need-based but limited to students majoring in specified fields who maintain B averages in college. To receive a SMART grant, a student must be a third- or fourth-year college student; a U.S. citizen; Pell Grant-eligible; enrolled full time; majoring in a designated science, technology, mathematics, or critical language field; and maintain a 3.0 GPA. Students who meet these criteria will automatically receive up to \$4,000 in additional financial aid. Institutions began to award SMART grants beginning in the 2006–2007 academic year.

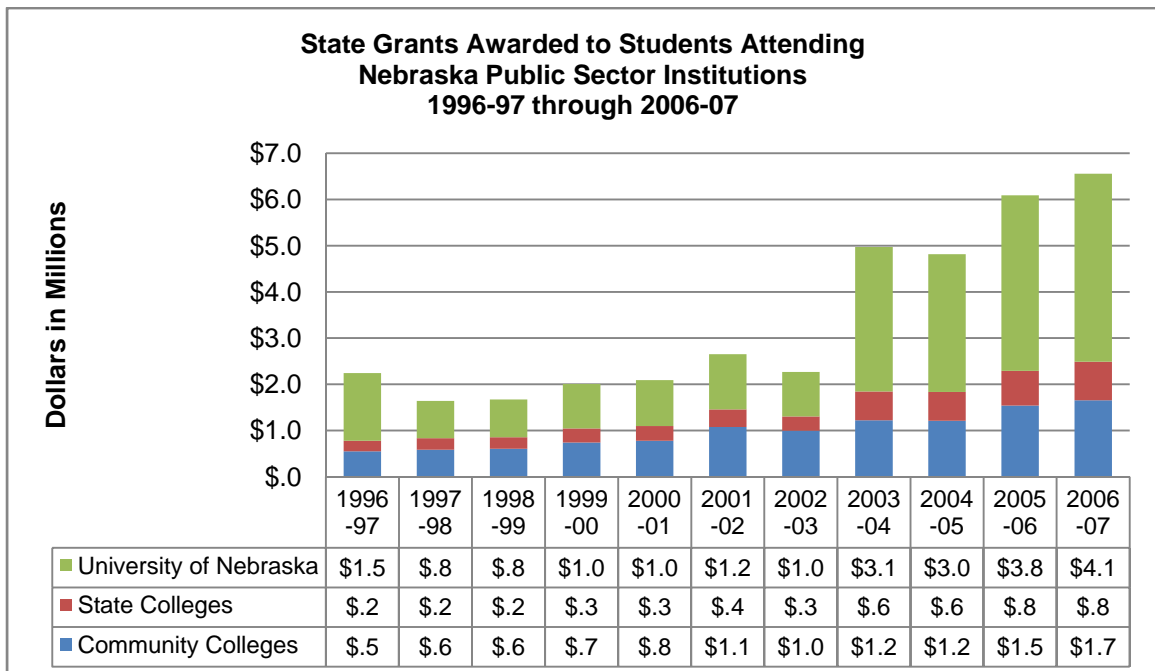


- Teacher Education Assistance for College and Higher Education Grants (TEACH):** The TEACH grant program was established under the College Cost Reduction and Access Act (CCRAA) in 2007 to benefit current and prospective teachers. **Beginning in 2008-2009**, students may be awarded up to \$4,000 per academic year. Undergraduate and post-baccalaureate students may receive up to a total of \$16,000, while graduate students may receive up to \$8,000. Eligible students must be currently completing or planning to complete coursework necessary to begin a career in teaching. There are, however, graduate degree alternatives for teachers or retirees with experience in a teacher shortage area. To be considered for a grant, a student must have a score above the 75th percentile on an admissions test, such as SAT, ACE or GRE or at least a 3.25 GPA. Students must sign an understanding of terms document to certify that they understand the terms of the grant and the

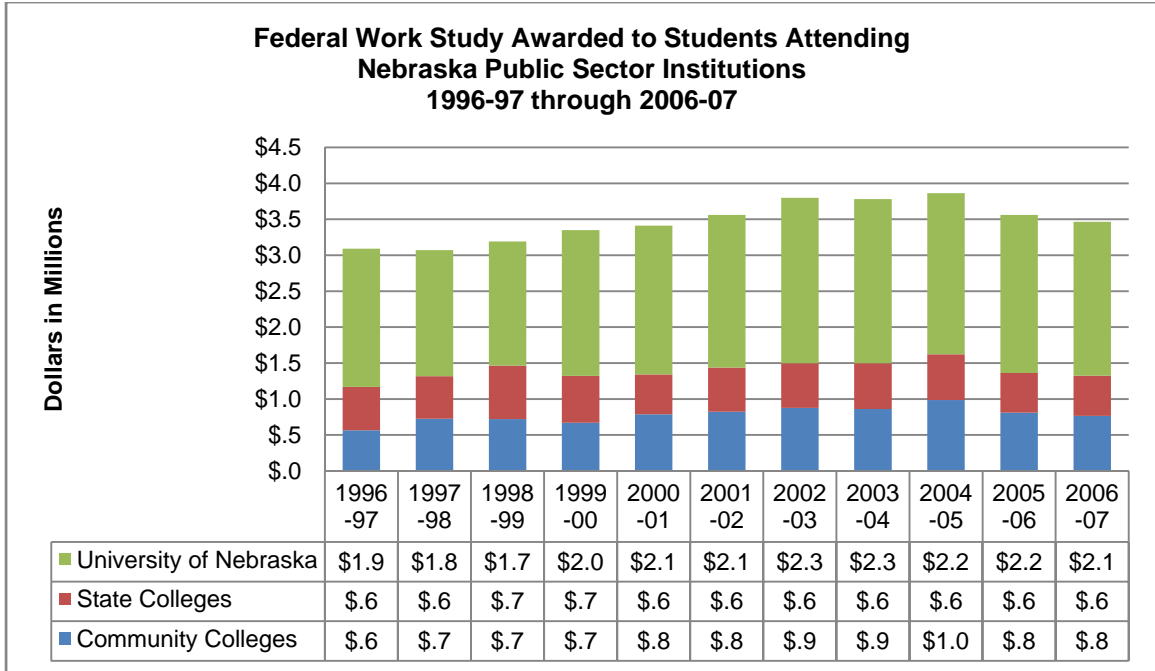
<sup>1</sup> Because SMART Grants are awarded to 3<sup>rd</sup> and 4<sup>th</sup> year students, community college students are not eligible to be considered for this grant.

teaching service requirements. The student must teach full time for at least four years within eight years of completing the program at a Title I school as a highly qualified teacher and/or in a specified subject area (mathematics, science, foreign language, bilingual education, special education, reading or another “high need” field as designated by the state). If the service requirement is not met, the grant must be repaid as an unsubsidized direct Stafford Loan with interest from the date(s) of original disbursement.

- Nebraska State Grant (NSG):** State grants are awarded to Nebraska-resident, Pell Grant eligible students attending eligible Nebraska postsecondary institutions. Funding for the grant comes from both the federal government through its Leveraging Educational Assistance Partnership (LEAP) and Special Leveraging Educational Assistance Partnership (SLEAP) Program authorizations and from the state through the Nebraska Lottery and the state’s general fund. Because this program is based on Pell Grant eligibility, students must demonstrate financial need to receive a Nebraska State Grant.

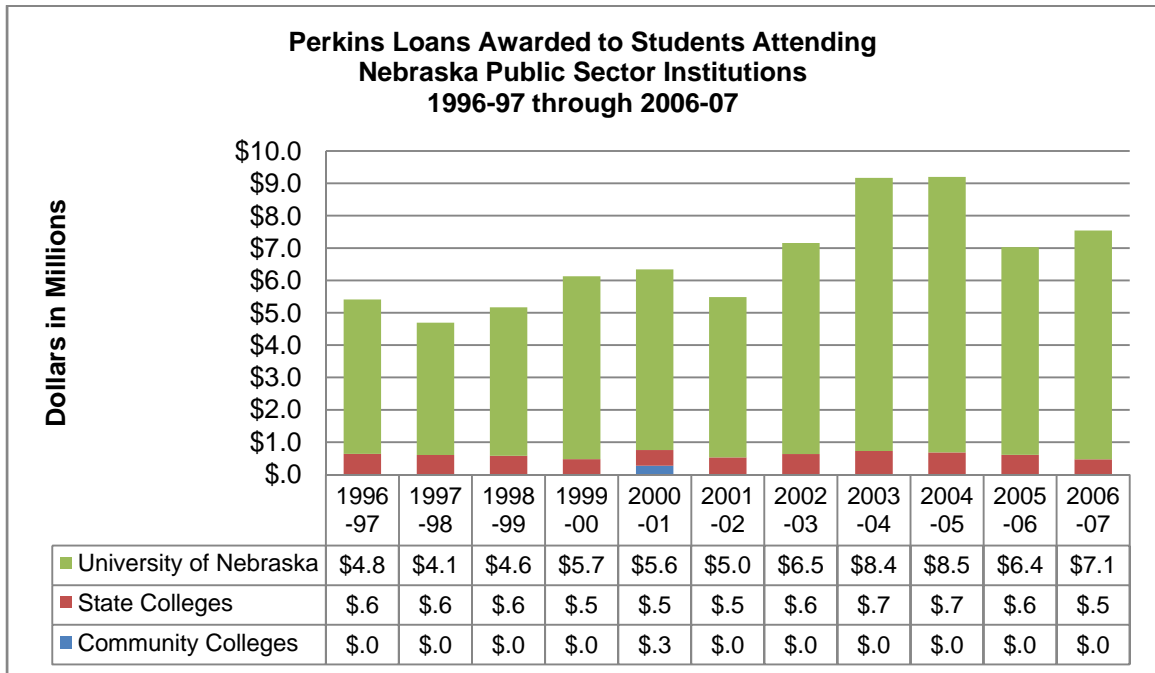


- Federal Work-Study (FWS):** The FWS provides on- and off-campus jobs for graduate and undergraduate students who demonstrate financial need. Work-study amounts awarded vary from institution to institution.

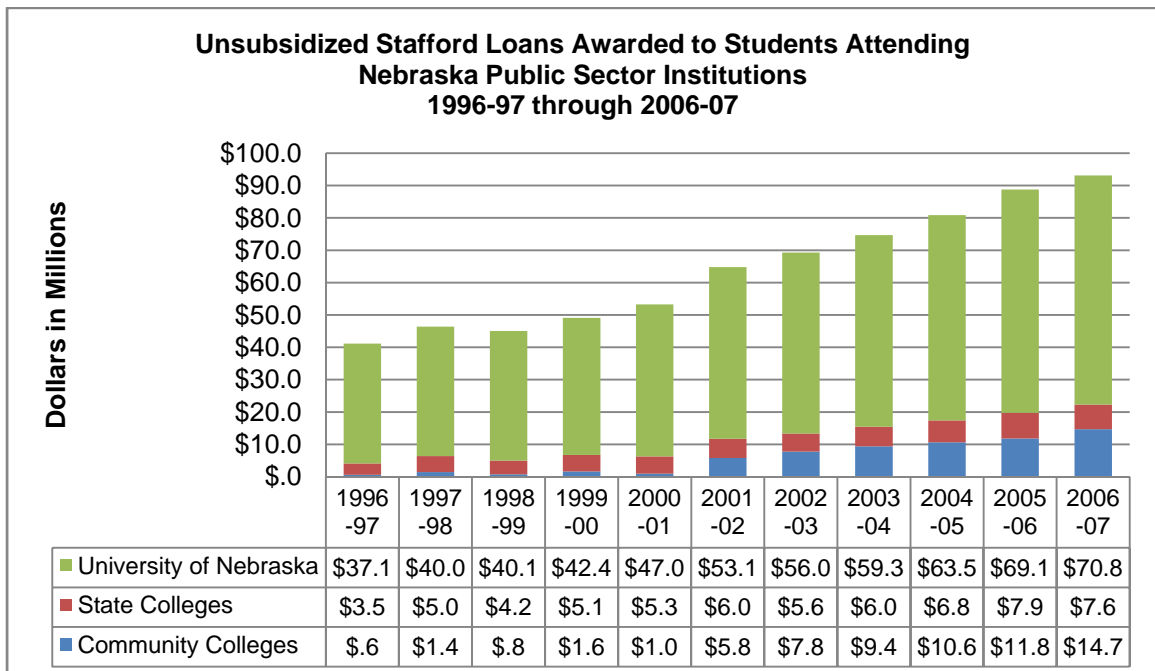
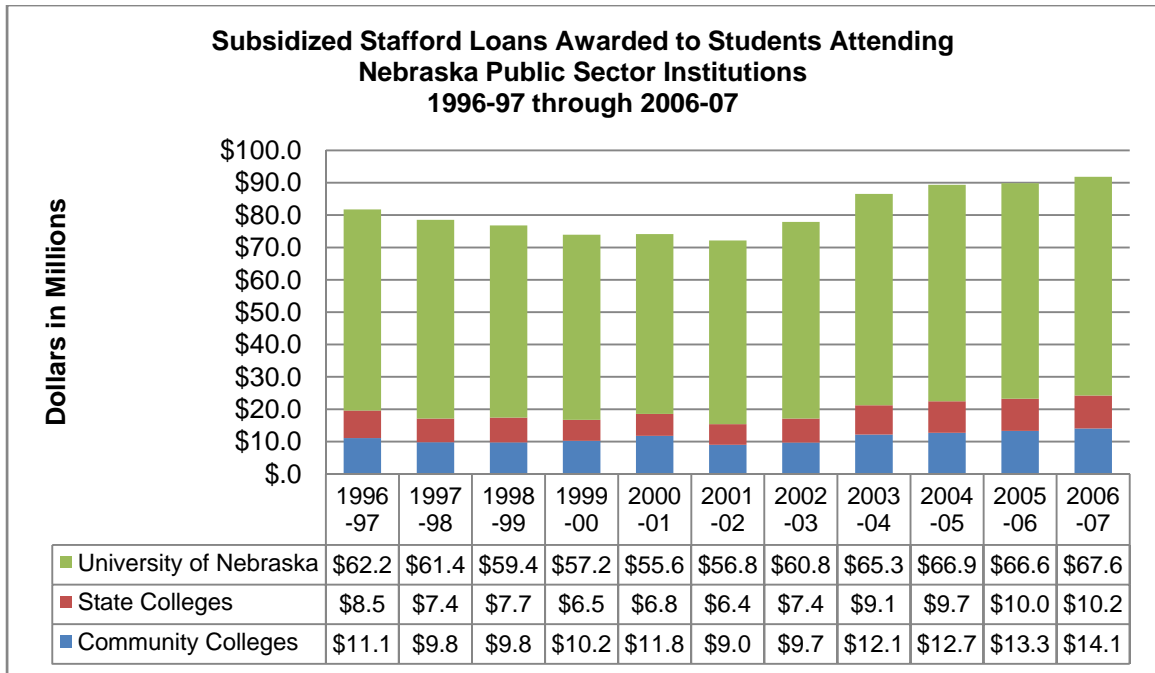




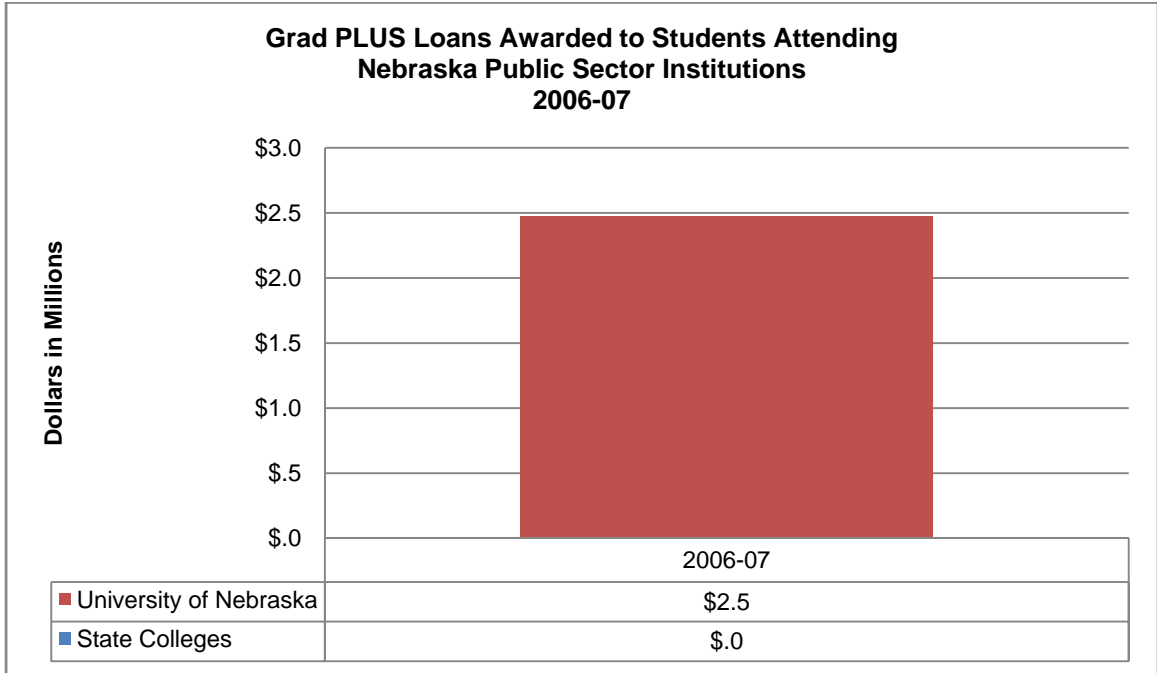
- Perkins Loan:** Perkins Loans are fixed, low-interest (5 percent) loans available to graduate and undergraduate students with financial need. Undergraduate students may borrow up to \$4,000 per year, and graduate students may borrow up to \$6,000 per year, depending on the availability of funds at their institution.



- Subsidized (Sub) and Unsubsidized (Unsub) Stafford Loans:** Stafford Loans are available to undergraduate and graduate students. Students must demonstrate financial need in order to qualify for a Subsidized Stafford Loan, where the federal government pays the interest while the student is in school. Unsubsidized Stafford Loans are available to all students, but borrowers are responsible for the interest while in school. Loan limits for Stafford Loans range from \$3,500 to \$20,500 depending on grade level and dependency status.

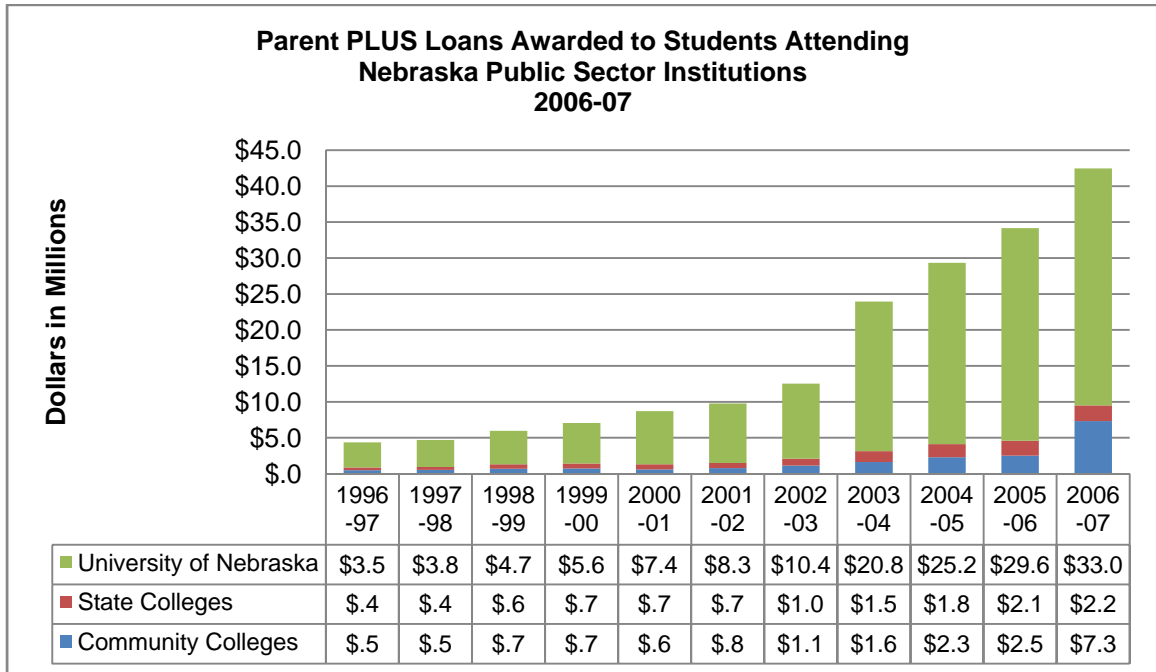


- Grad PLUS Loans<sup>1</sup>:** A graduate or professional degree student is eligible to borrow under the Grad PLUS program up to his or her cost of attendance minus other estimated financial assistance. Applicants must apply for their annual loan maximum eligibility under the Federal Subsidized and Unsubsidized Stafford Loan Program before applying for a Grad PLUS loan.



<sup>1</sup> Because GRAD Plus Loans are only available to graduate and professional students, community college students are not eligible for this loan.

- Parent PLUS:** Parent PLUS loans are available to the parents of dependent undergraduate students. These loans are not need-based. Parents may borrow up to the student’s cost of attendance, less any other financial aid received.



As the above list indicates, the current system of federal financial aid is complex and daunting for student and parents. In addition, certain “terms of art”—not always clear—are used.

As discussed earlier in this report, tuition and mandatory fees and the student payment share have increased considerably over the past 10 years. Therefore, having financial aid available to assist with college expenses is a necessity for many students. While the state has been generous in its financial support of the Nebraska State Grant program (see p. 63-67), other types of financial assistance have not received funding increases, and some have actually received decreased funding. These include the LEAP, SLEAP and Perkins Loan programs. Consequently, students have relied primarily upon student loans, both federal and private, to fund their education.

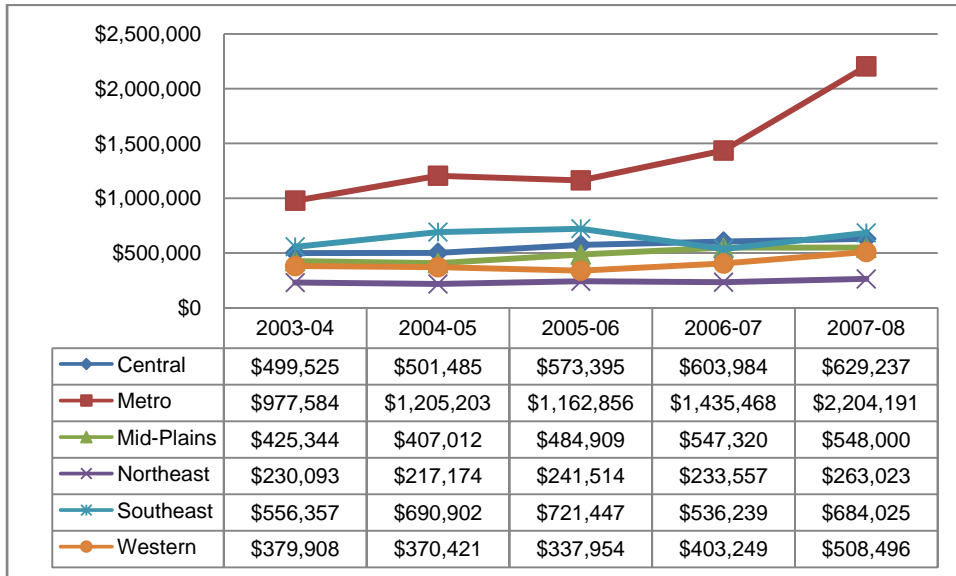
## Tuition Waivers

Many institutions routinely waive or discount a portion or all of an individual student's tuition charges as a form of financial assistance. Tuition waivers are awarded for a number of different reasons, such as working as a campus ambassador, demonstrating financial need, being a nonresident student, serving as a graduate assistant, or declaring a certain major. Waivers are used often as a part of the recruitment and retention policies of the campus.

The following charts show the amounts and trends of tuition waivers awarded at Nebraska's public institutions.

### Community Colleges

**Annual Value of Tuition Waivers at  
Nebraska's Community Colleges 2003-04 through 2007-08**

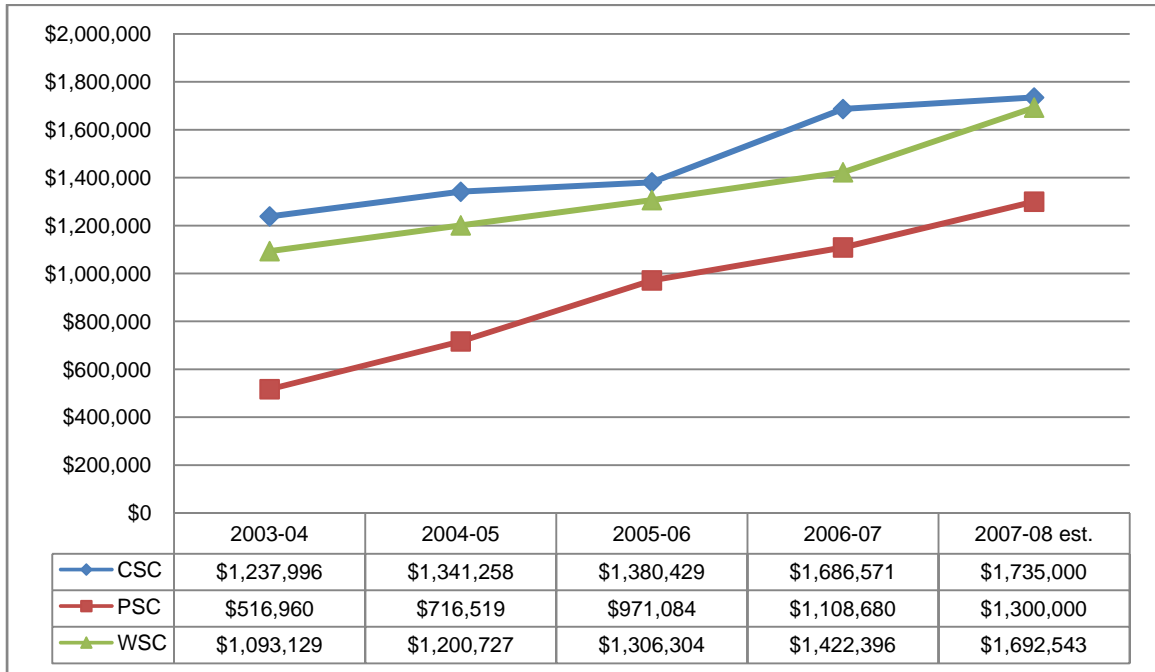


From 2003-04 to 2007-08, tuition waivers awarded at Nebraska's community colleges increased:

- 125% at Metropolitan Community College
- 34% at Western Nebraska Community College
- 29% at Mid-Plains Community College
- 26% at Central Community College
- 23% at Southeast Community College
- 14% at Northeast Community College

**State Colleges**

**Annual Value of Tuition Waivers at  
Nebraska's State Colleges 2003-04 through 2007-08**

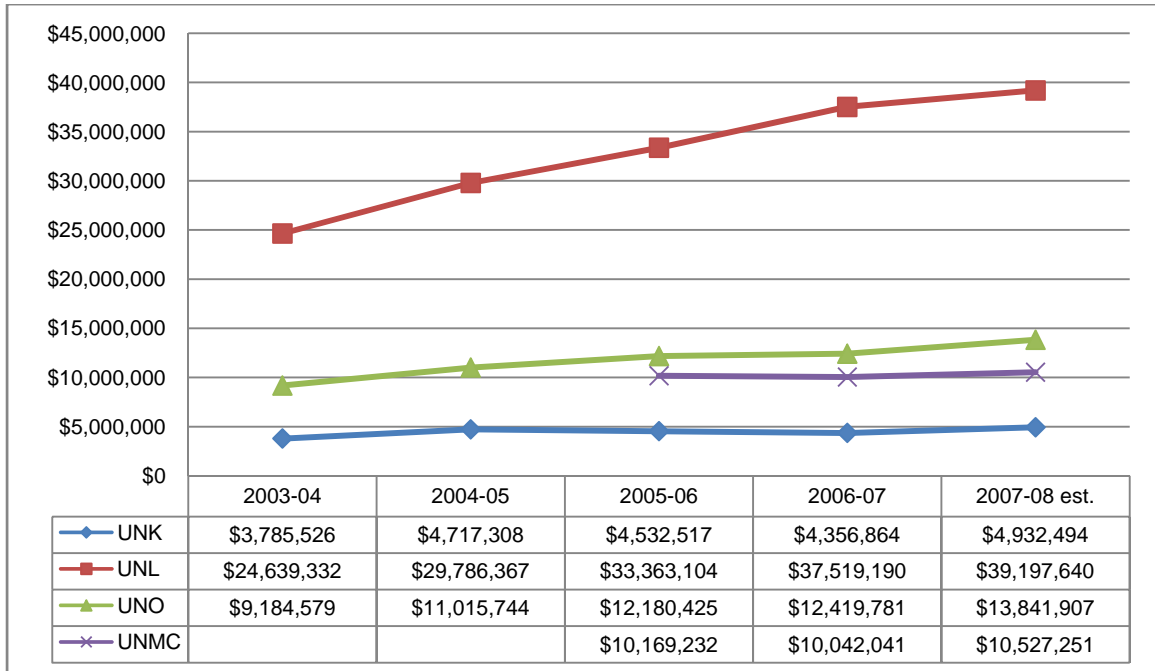


From 2003-04 to 2007-08, tuition waivers awarded at Nebraska's state colleges increased:

- 151% at Peru State College
- 55% at Wayne State College
- 40% at Chadron State College

**University of Nebraska**

**Annual Value of Tuition Waivers at  
University of Nebraska Campuses 2003-04 through 2007-08**



From 2003-04 to 2007-08, tuition waivers awarded at the University of Nebraska campuses increased:

- 59% at the University of Nebraska-Lincoln
- 51% at the University of Nebraska at Omaha
- 30% at the University of Nebraska at Kearney



## State Grant Trends

The Nebraska State Grant (NSG) is administered by the Coordinating Commission and awarded to students in consultation with financial aid administrators at Nebraska's public postsecondary institutions. The NSG can only be awarded to students who are residents of Nebraska, who are attending an eligible Nebraska college or university, and who are eligible for the Federal Pell Grant. While the state has significantly increased funding over the past few years, additional funds are needed. In 2006-07, Nebraska ranked 41<sup>st</sup> among the states in estimated need-based student aid grant dollars per full-time undergraduate enrollment (National Association of State Student Grant and Aid Programs, 2008). This is a slight decline from 2005-06 when Nebraska ranked 35<sup>th</sup>. These relatively low funding levels contributed to Nebraska receiving an F for affordability in *Measuring Up: The National Report Card on Higher Education* (The National Center for Public Policy and Higher Education, 2006).

Prior to the creation of the Nebraska State Grant, the State of Nebraska offered three state grant programs. Two of those programs, the State Scholarship Award Program (SSAP) and the Scholarship Assistance Program (SAP) were available to students regardless of the postsecondary educational sector they attended. However, the Postsecondary Education Award Program (PEAP) was only available to students attending Nebraska's independent colleges and universities. In 2002, the Commission recommended the three state grant programs be combined into one program and that the state grant dollars "follow the students" to whatever eligible institution they attended. Since this is a program for low-income students, the institutions with the most low-income students (i.e. typically, public postsecondary institutions) will receive a greater percentage of the state grant dollars. The Commission defined low-income students as those who are eligible for the Federal Pell Grant. This recommendation was accepted by the Legislature and included in the allocation formula developed by the Legislature when it created the Nebraska State Grant in LB574 [2003].

The change in the allocation formula had an unintended result. While it was generally believed schools from the Independent College and University (ICU) sector would see a decrease since the PEAP program was being eliminated, it was unanticipated such a significant decrease would occur so suddenly, as the graph on page 74 reflects. In 2003-04, students attending the ICUs received 22 percent less student grant funds than they received in 2002-03, while the other four sectors experienced significant gains. Where students attending the ICU's received almost 51 percent of all the state grant funds in 2002-03, in 2003-04 these students received less than 30 percent of the available funds. By 2007-08, students attending ICU colleges are receiving less than 20 percent of the available funds. However, as mentioned above, the state grant dollars "follow the students." Since fewer FTE Pell Grant eligible Nebraska resident students attend college in the ICU sector, it would be expected that their allocation would be significantly less following the new allocation formula.

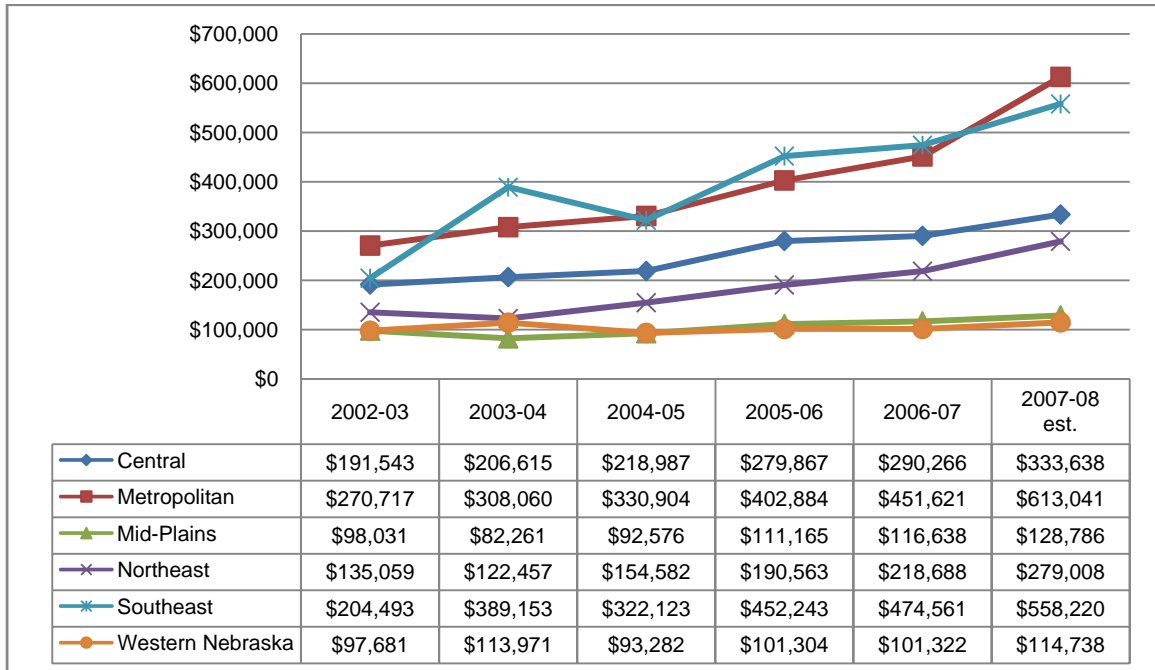
The following charts show the allocations of state grant funds to Nebraska's public institutions over the five years of the program, followed by a chart that shows the allocations by sector.<sup>1</sup>

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<sup>1</sup> Information from 2002-03 is given for reference purposes only. In 2002-03, the state funded three state grant programs that were eliminated with the creation of the Nebraska State Grant.

### Community Colleges

#### State Grant Allocations for Students at Nebraska's Community Colleges 2002-03 to 2007-08

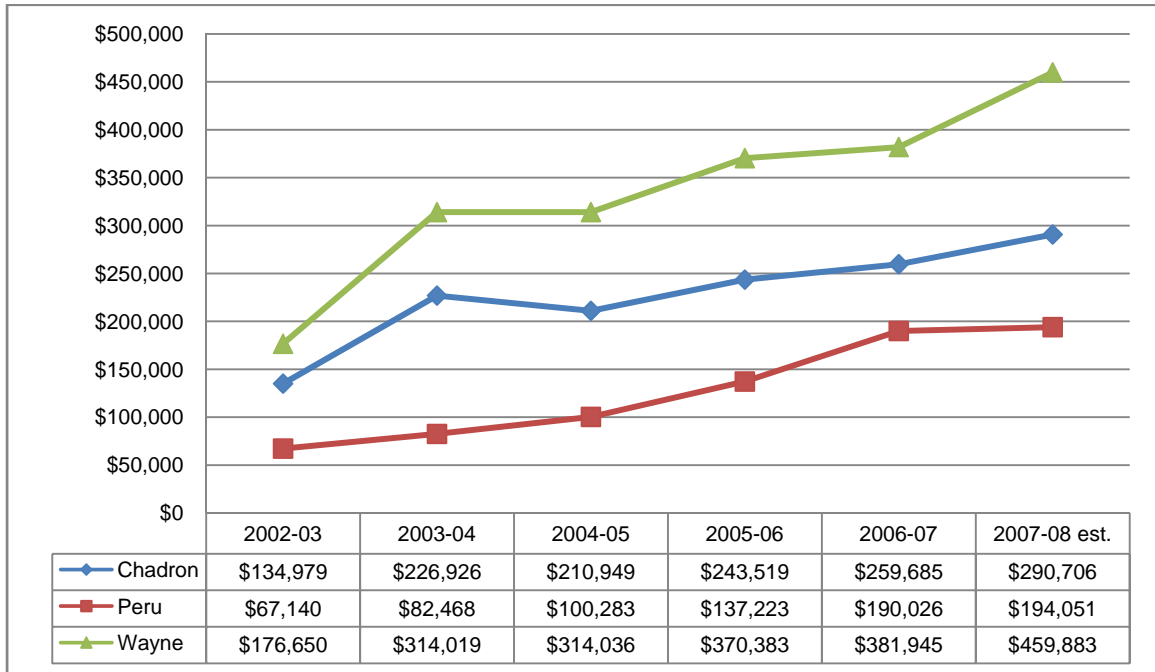


From 2002-03 to 2007-08, allocations of the Nebraska State Grant at Nebraska's community colleges increased:

- 173% at Southeast Community College
- 126% at Metropolitan Community College
- 107% at Northeast Community College
- 74% at Central Community College
- 31% at Mid-Plains Community College
- 17% at Western Nebraska Community College

**State Colleges**

**State Grant Allocations for Students at Nebraska's State Colleges  
2002-03 to 2007-08**

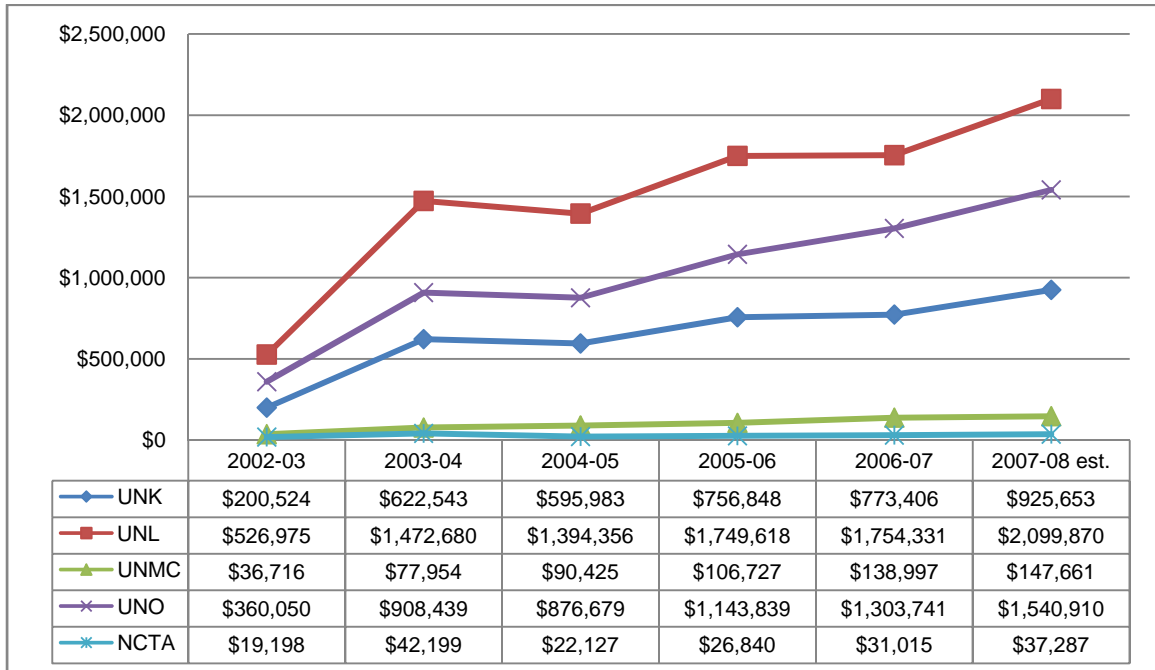


From 2002-03 to 2007-08, allocations of the Nebraska State Grant at Nebraska's state colleges increased:

- 189% at Peru State College
- 160% at Wayne State College
- 115% at Chadron State College

**University of Nebraska**

**State Grant Allocations for Students at the University of Nebraska Campuses 2002-03 to 2007-08**

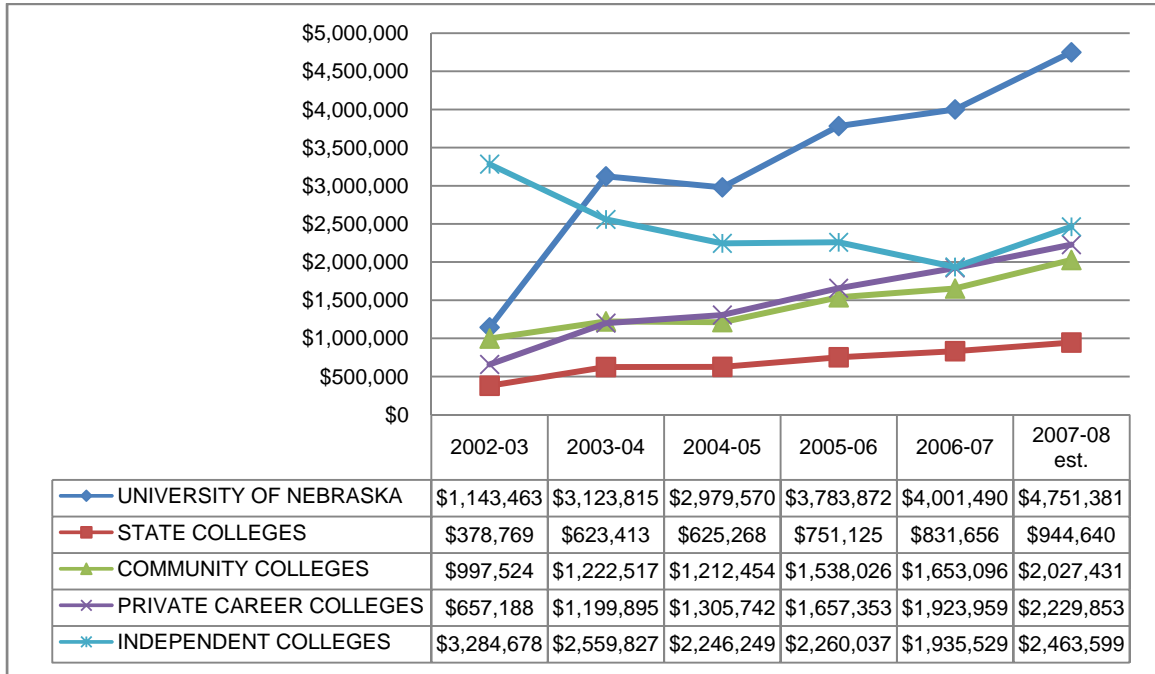


From 2002-03 to 2007-08, allocations of the Nebraska State Grant at the University of Nebraska campuses increased:

- 362% at University of Nebraska at Kearney
- 328% at University of Nebraska at Omaha
- 302% at the University of Nebraska Medical Center
- 298% at University of Nebraska-Lincoln
- 94% at the Nebraska College of Technical Agriculture

**Sector**

**State Grant Allocations for Students by Postsecondary Sector  
2002-03 to 2007-08**



From 2002-03 to 2007-08, allocations of the Nebraska State Grant:

- increased 316% within the University of Nebraska sector
- increased 239% within the private for-profit sector
- increased 149% within the state college sector
- increased 103% within the community college sector
- **decreased** 25% within the independent college and university sector
- increased 207% at the public institutions
- increased 19% at the private institutions

## Student Loan Trends

The most prominent trend in student financial aid has been the growing reliance on student and family borrowing for higher education. Since the early 1980s, federal financial aid programs have encouraged this trend by transforming a system based mainly on need-based grants to one dominated by loans.

Student loan borrowing continues to increase at a high rate. Nationwide, from 1996-97 to 2006-07, federal loan borrowing (Perkins, Stafford and PLUS) increased 107 percent, with the bulk of this increase occurring in the PLUS program, which increased 326 percent. In addition, the number of borrowers increased by 113 percent over the same time period (The College Board, 2007).

However, this borrowing increase is minor when considering the increase in non-federal loan borrowing. These loans, often referred to as private or alternative student loans, have increased 989 percent over that same period, from \$1.5 billion borrowed in 1996-97 to more than \$17 billion borrowed in 2006-07. In 1996-97, 93 percent of the \$38 billion in loans came from the federal government. By 2006-07, 76 percent of the \$77 billion in education loans was through the federal government's student loan programs (The College Board, 2007).

In 2007, Congress passed and the President signed the College Cost Reduction and Access Act (CCRAA). This bill increased the maximum Pell Grant, cut the interest rate on subsidized Stafford loans for undergraduate students, created the TEACH grant, introduced a new income-based repayment plan and public service loan forgiveness program, and increased the amount of money a student can earn before it affects the student's aid eligibility. To pay for these programs, the Act reduced the Special Allowance Payments guaranteed to lenders who process Stafford loans for students, reduced the guarantee fee on defaulted loans, and increased the origination fee lenders pay the federal government on every loan they originate.

At approximately the same time CCRAA passed, the subprime mortgage credit crisis hit. Lenders transfer mortgage loans to a trust and sell shares of the trust to investors. This process is called asset-backed securitization (ABS). In the fall of 2007, the subprime mortgage credit crisis began affecting the ABS market. Investors became cautious due to the increase in mortgage defaults and started avoiding the ABS market. Because student loans are marketed the same way, lenders were unable to sell shares of their student loan trusts to investors; therefore, they were unable to raise new capital to originate new loans to students.

With the reduction in income, lenders began reviewing their participation in providing loans to college students. One hundred twelve lenders announced they were exiting or suspending their participation in all or part of the federally guaranteed student loan program, and two dozen additional lenders suspended

making private student loans. Students, financial aid administrators and government officials began to worry that student loans for the upcoming school year would not be obtainable. So, Congress stepped in.

The Ensuring Continued Access to Student Loans Act of 2008 shifted borrowing from private loans to federal loans by increasing the unsubsidized Stafford loan limits for undergraduate students, allowed parents to defer payments on PLUS loans until six months after their child graduates or leaves college, and allowed the Department of Education to purchase federal loans from lenders. After reviewing the details of this Act, some (but not all) lenders who had announced they were suspending the origination of federal student loans returned to the program.

The following charts show the total borrowing through federal loan programs at Nebraska's public postsecondary institutions.<sup>1</sup>

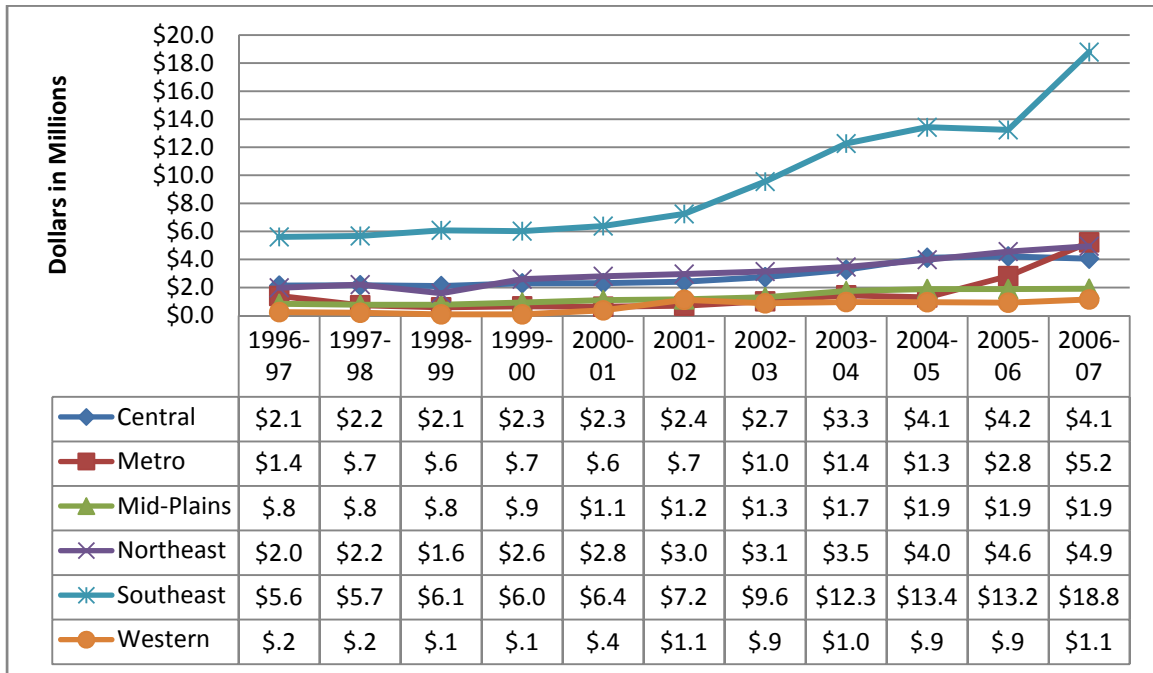
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<sup>1</sup> Loan data from the Department of Administrative Services Supplemental Budget Forms



### Community Colleges

#### Total Student Loan Borrowing (Perkins, Subsidized and Unsubsidized Stafford, and PLUS) at Nebraska's Community Colleges 1996-97 through 2006-07



From 1996-97 through 2006-07, student loan borrowing at Nebraska's community colleges increased by:

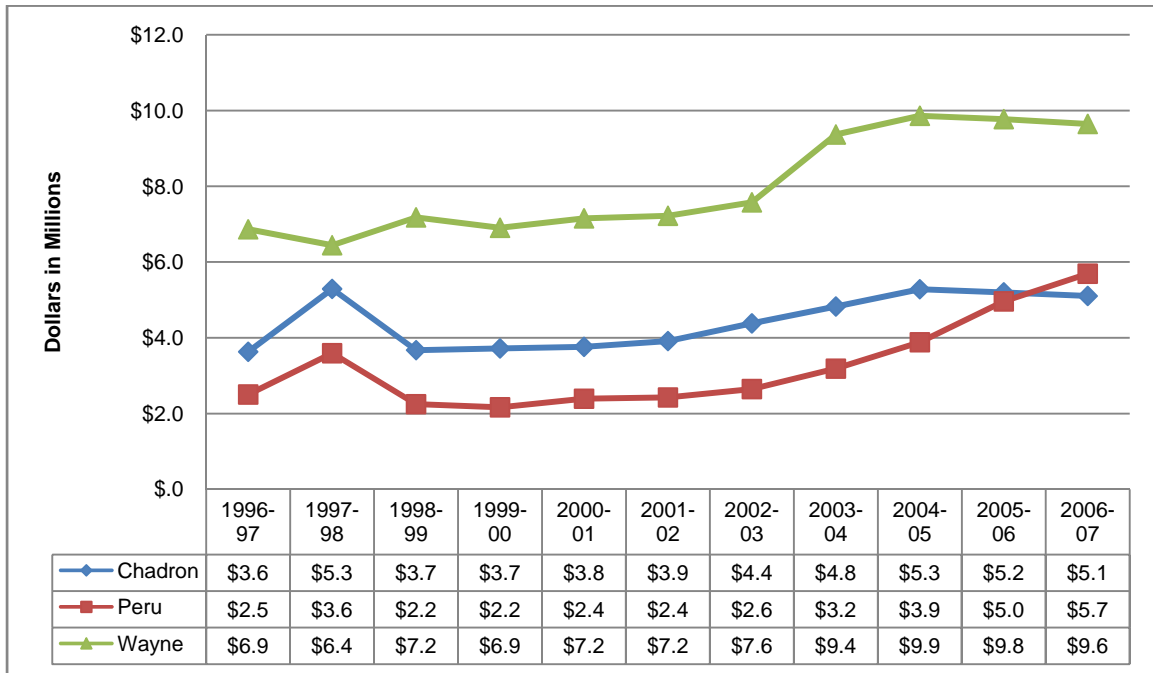
- \$13.2 million (up 235%) at Southeast Community College
- \$3.8 million (up 273%) at Metropolitan Community College
- \$2.9 million (up 150%) at Northeast Community College
- \$2.0 million (up 90%) at Central Community College
- \$1.1 million (up 126%) at Mid-Plains Community College
- \$0.9 million (up 377%) at Western Nebraska Community College

From 2001-02 through 2006-07, student loan borrowing at Nebraska's community colleges increased by:

- \$11.5 million (up 159%) at Southeast Community College
- \$4.5 million (up 653%) at Metropolitan Community College
- \$1.9 million (up 67%) at Northeast Community College
- \$1.7 million (up 69%) at Central Community College
- \$0.7 million (up 65%) at Mid-Plains Community College
- \$10,000 (up 2%) at Western Nebraska Community College

**State Colleges**

**Total Student Loan Borrowing (Perkins, Subsidized and Unsubsidized Stafford, and PLUS) at Nebraska's State Colleges 1996-97 through 2006-07**



From 1996-97 to 2006-07, student loan borrowing at Nebraska's state colleges increased by:

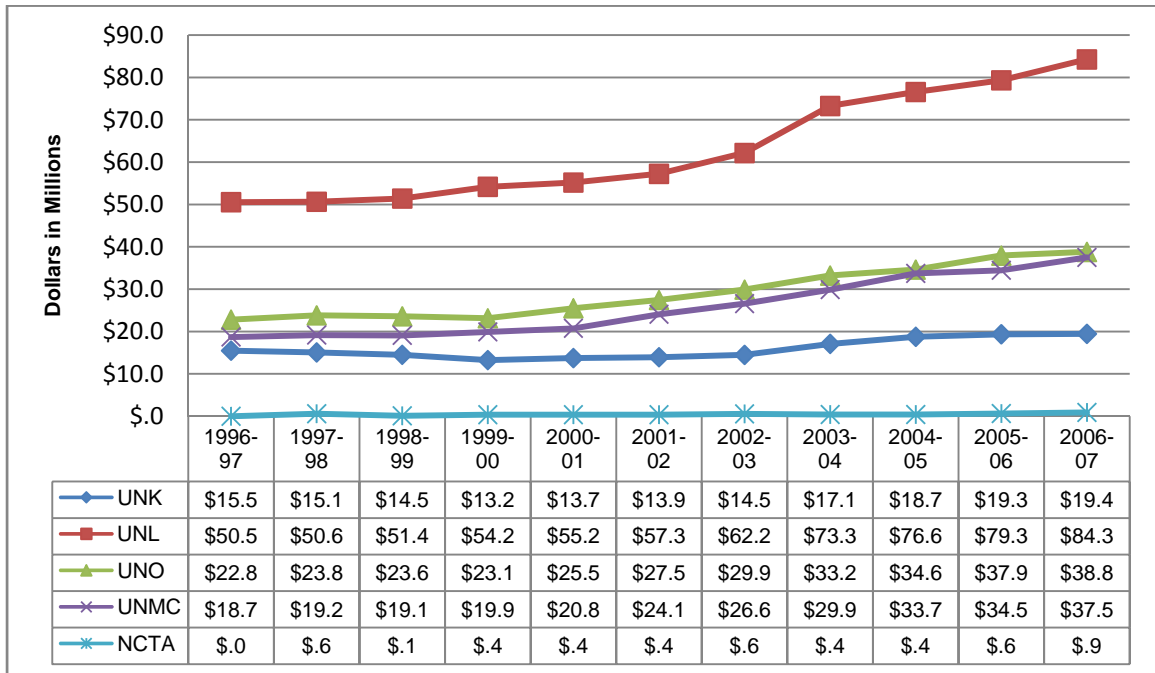
- \$3.2 million (up 128%) at Peru State College
- \$2.7 million (up 41%) at Wayne State College
- \$1.5 million (up 41%) at Chadron State College

From 2001-02 to 2006-07, student loan borrowing at Nebraska's state colleges increased by:

- \$3.3 million (up 135%) at Peru State College
- \$2.4 million (up 34%) at Wayne State College
- \$1.2 million (up 30%) at Chadron State College

**University of Nebraska**

**Total Student Loan Borrowing (Perkins, Subsidized and Unsubsidized Stafford, Grad PLUS and PLUS) at the University of Nebraska Campuses 1996-97 through 2006-07**



From 1996-97 to 2006-07, student loan borrowing at the University of Nebraska campuses increased by:

- \$33.8 million (up 67%) at the University of Nebraska-Lincoln
- \$18.8 million (up 101%) at the University of Nebraska Medical Center
- \$16.0 million (up 70%) at the University of Nebraska at Omaha
- \$3.9 million (up 26% ) at the University of Nebraska at Kearney

From 2001-02 to 2006-07, student loan borrowing at the University of Nebraska campuses increased:

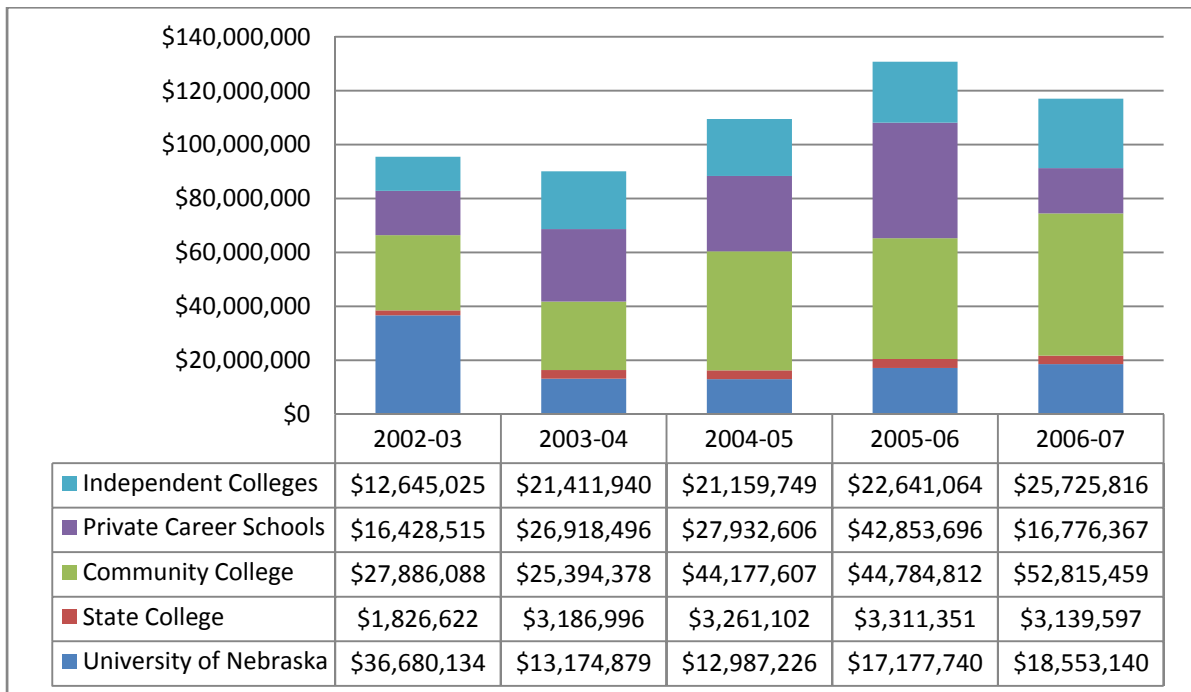
- \$27.0 million (up 47%) at the University of Nebraska-Lincoln
- \$13.4 million (up 56%) at the University of Nebraska Medical Center
- \$11.3 million (up 41%) at the University of Nebraska at Omaha
- \$5.5 million (up 40%) at the University of Nebraska at Kearney
- \$0.5 million (up 134%) at the Nebraska College of Technical Agriculture

## Unmet Financial Need

The Coordinating Commission requests information from all of Nebraska's postsecondary education institutions regarding the amount of "unmet need" for Pell Grant students who were Nebraska residents.

Unmet financial need, as defined by the Commission, is the cost of a student's tuition and mandatory fees, plus room and board, plus books and supplies, minus all financial aid received excluding work study or PLUS. If a student has unmet financial need then it is likely the student has not been awarded the financial resources needed to help pay his or her education expenses. Therefore, the only option for a student may be to take out a private (alternative) student loan.

The following chart shows the total unmet need in Nebraska by sector for the past five years:



It should be noted that this data represents only the unmet need of the neediest Nebraska students – those receiving Pell Grants. As reported by many of the college financial aid directors, there is also a significant unmet need among students who do not qualify for Pell Grant assistance, but whose families do not have the extra financial resources to contribute to the cost of education. For that reason, the Commission has recommended that the Legislature, when possible, create and fund a new financial aid program targeted at the needs of those students and families.

## CONCLUSIONS

In this *2008 Tuition, Fees and Financial Aid Report*, findings for each of the three interrelated areas of affordability, state investment and financial aid identify some areas of concern and suggest that incremental changes are needed.

### **Affordability of Higher Education**

Affording higher education has become more difficult for students and their families in Nebraska, a situation common throughout the country. The tuition and mandatory fees a full-time resident undergraduate student must pay at a Nebraska public postsecondary institution have had large increases over the past 10 years. In addition, students are contributing a higher share of revenue at all of Nebraska's higher educational institutions. Therefore, families are contributing more of their incomes to the tuition and mandatory fees costs of educating one or more family members, and costs are rising faster than incomes. Nevertheless, those points are less dramatic for most Nebraska institutions than at their peers in other states.

- All but two of Nebraska's public postsecondary institutions charge less than the 2007-08 average tuition and mandatory fees for a resident, undergraduate student charged by their peers. The exceptions are the University of Nebraska-Lincoln, which is just slightly higher than its peers' average, and Western Nebraska Community College, which is 10 percent higher than its peers' average.
- Compared to 2007-08 resident tuition and fees, the percent of 2007-08 non-resident tuition and mandatory fees is considerably less than the peers' average for all but one of Nebraska's public postsecondary institutions (the University of Nebraska at Omaha).
- All but one of Nebraska's public postsecondary institutions (Wayne State College) have student contribution shares in 2007-08 that are less than their peers' average.

### **State Investment in Higher Education**

State investment in higher education is increasingly vulnerable by other obligations. Although the state has increased its investment levels through appropriations for Nebraska's public colleges and universities, students and their families are still contributing an increasing share of institutional revenue through tuition and mandatory fees. In addition, future funding estimates indicate a decline in the state's ability to continue funding higher education at the rate of increase experienced in prior years. State appropriations may continue to increase; however, appropriations are not likely to surpass the increasing rates of

tuition and mandatory fees. Therefore, families will likely be contributing larger portions of their income to educate their students in Nebraska, and/or student debt loads will continue to increase.

### Comparisons with Peers

- When comparing 2007-08 state appropriations at Nebraska's community colleges to their peers', Mid-Plains Community College and Western Nebraska Community College have a higher appropriation per full-time equivalent student when compared to its peers' average.
- When comparing 2007-08 state appropriations and property tax revenue at Nebraska's community colleges to their peers', only Northeast Community College and Southeast Community College have a **lower** appropriation per full-time equivalent student when compared to their peers' average.
- The 2007-08 state appropriations per full-time equivalent student at all three state colleges are less than its peers' average.
- The 2007-08 state appropriations per full-time equivalent student is significantly higher at the University of Nebraska-Lincoln and slightly higher at the University of Nebraska at Kearney than their peer averages, while the University of Nebraska at Omaha's is less than its peers average.

### Financial Aid for Higher Education

Financial aid for higher education has become increasingly important for students and their families in Nebraska. Although the state over the past three years has significantly increased funding for the Nebraska State Grant Program, available per-student support remains low when compared to the rest of the country. Likely as a consequence of all these factors, student loan borrowing has increased significantly over the past 10 years.

### Other Financial Aid

- Total tuition waivers awarded at Nebraska's community colleges in 2007-08 are less than the averages of their peer institutions, except at Western Nebraska Community College.
- When comparing 2007-08 tuition waivers at Nebraska's state colleges to their peers', Peru State College and Wayne State College are less than the averages of their peer institutions, while Chadron State College awarded more than the average of its peer institutions.

- Total tuition waivers awarded at the University of Nebraska at Omaha and the University of Nebraska at Kearney in 2007-08 are less than the averages of their peer institutions. Tuition waivers awarded at the University of Nebraska-Lincoln are greater than that of its peers' average.





## RECOMMENDATIONS

Based on the findings in this report, the Commission recommends the following courses of action in the interrelated areas of affordability, state investment and financial aid. By implementing these objectives, the state will come closer to achieving the goals set out in the *Comprehensive Statewide Plan for Postsecondary Education*.

### Affordability of Higher Education

- Institutions should exert all reasonable efforts to restrain tuition and fee increases while continuing to offer high quality education, service and research.
- Costs paid by students and their families continue to increase. Therefore, students should attempt to complete their academic programs in an efficient manner moving toward graduation at a steady pace, thereby reducing those 'out-of-pocket' expenses.

### State Investment in Higher Education

- Having an educated population significantly enhances the economic and social well-being of a state. Therefore, **the Commission recommends that the Legislature maintain appropriate levels of state appropriations for public postsecondary institutions in Nebraska.**

### Financial Aid for Higher Education

- Since students from median-, low- and very low-income families would primarily benefit from financial assistance awarded from the state, and since the contribution from their income for tuition and mandatory fees has increased considerably, **the Commission encourages increased funding for the Nebraska State Grant program.**
- To help students from median-, low- and very low-income families more through their postsecondary programs more promptly, **the state should increase funding for the Access College Early Program, which helps support needy high school students who take college courses.**
- The Commission is concerned about the increasing debt being assumed by undergraduate students. A report on this issue will be completed in 2009.



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