

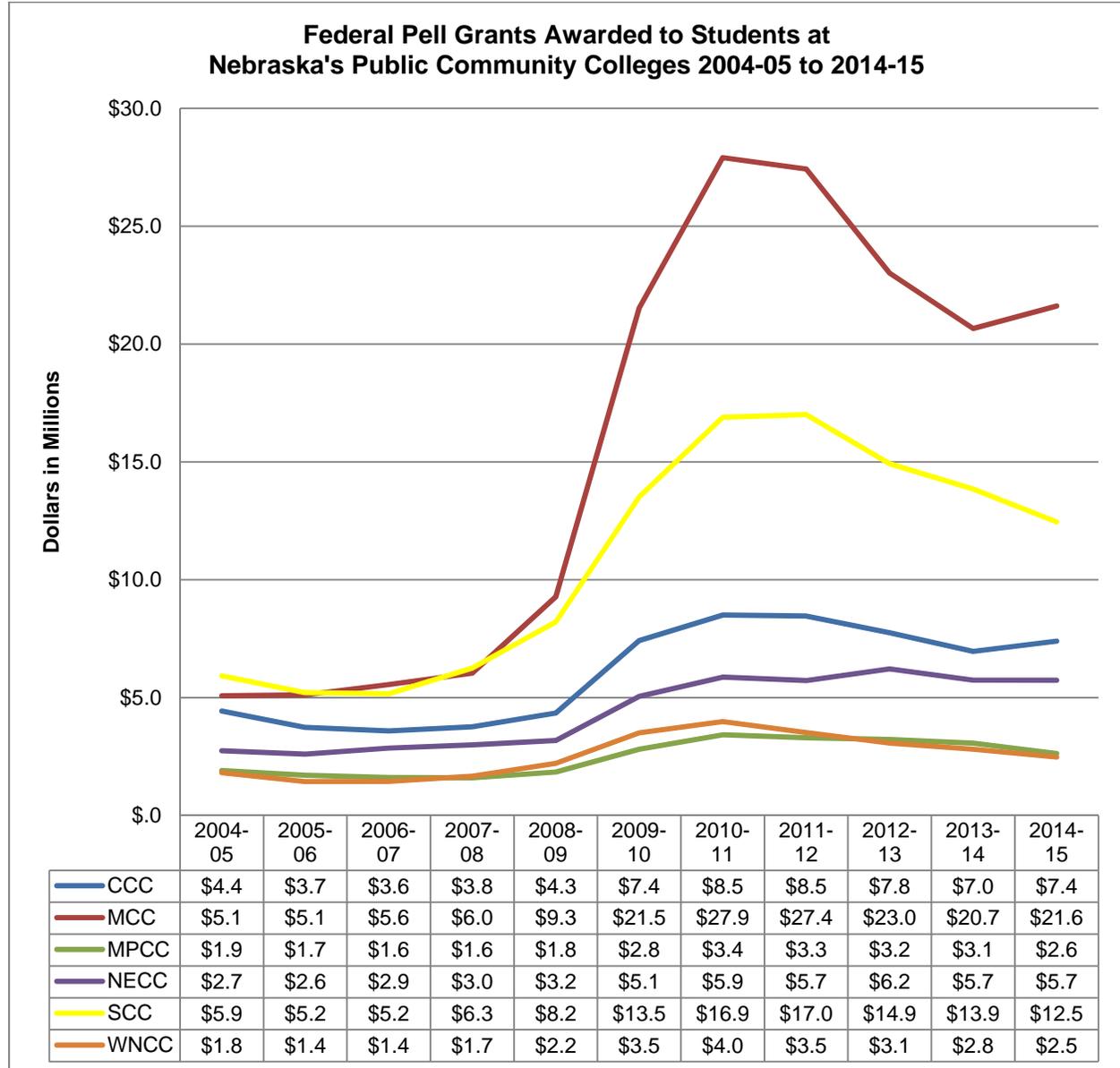
FINANCIAL AID

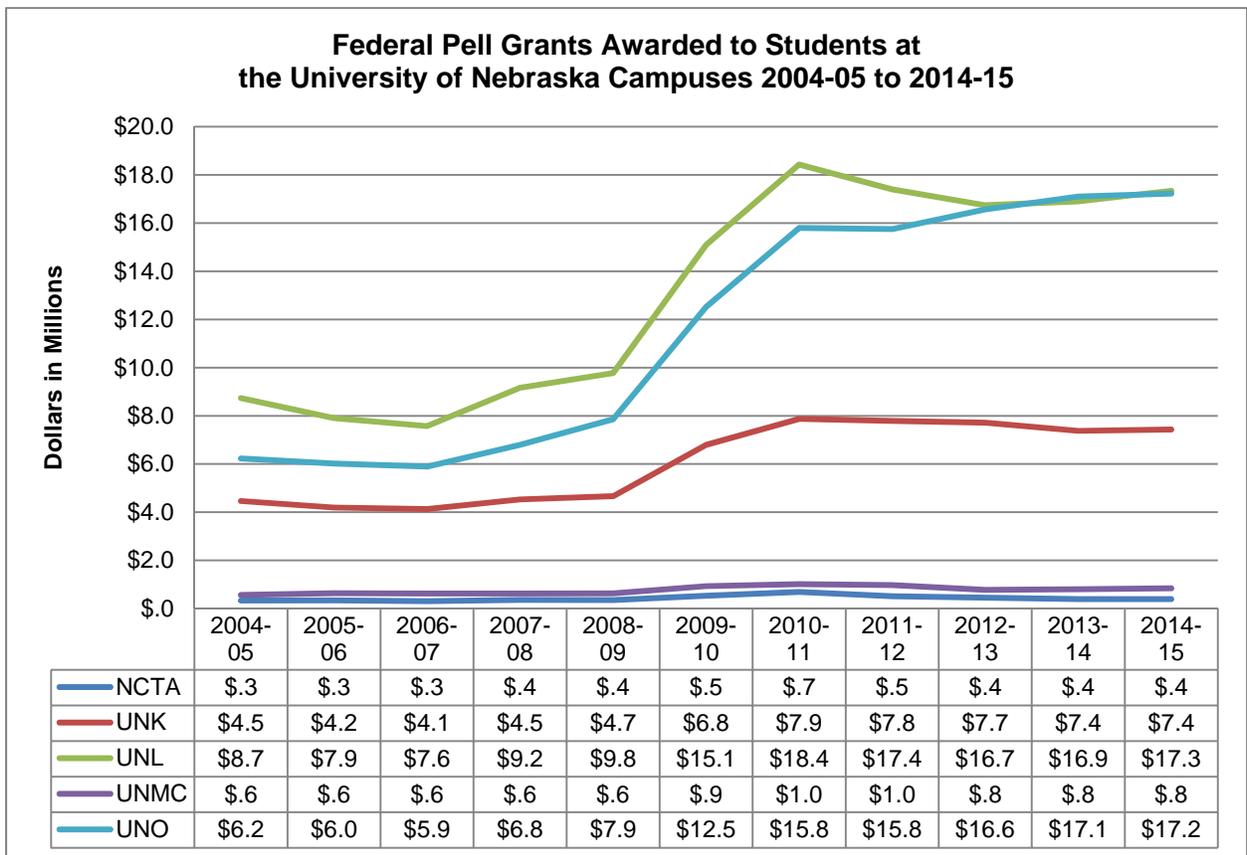
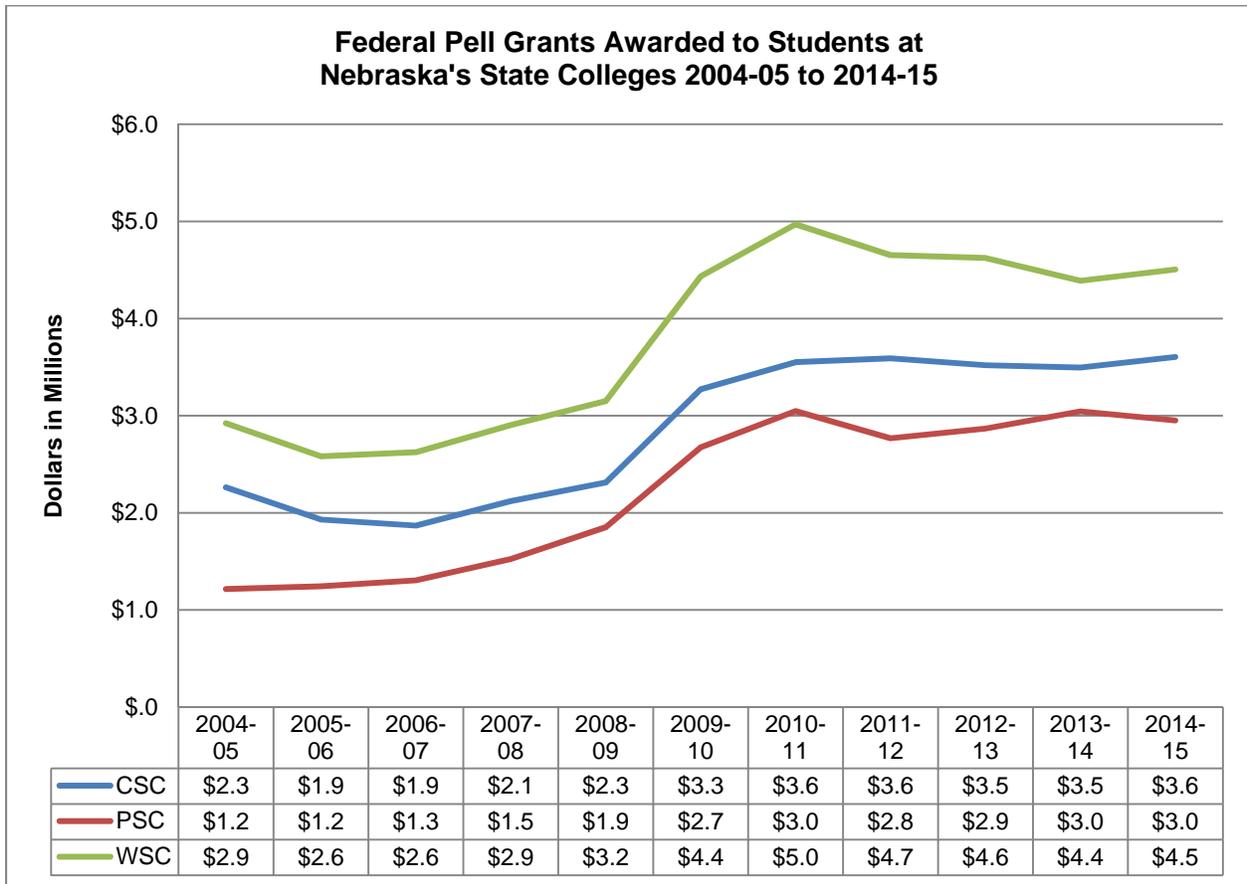
The federal government provides the majority of financial aid for students in postsecondary education. Overall, that funding totaled \$161.3 billion in 2014-15 (The College Board, 2016). The U.S. Department of Education (ED) publishes a comprehensive source of information about federal student aid programs, which can be found at <https://studentaid.ed.gov/>.

Funds from the following financial aid programs are potentially available to students attending Nebraska's postsecondary institutions based on eligibility guidelines established by the federal government, state, or institution.

Federal Pell Grant

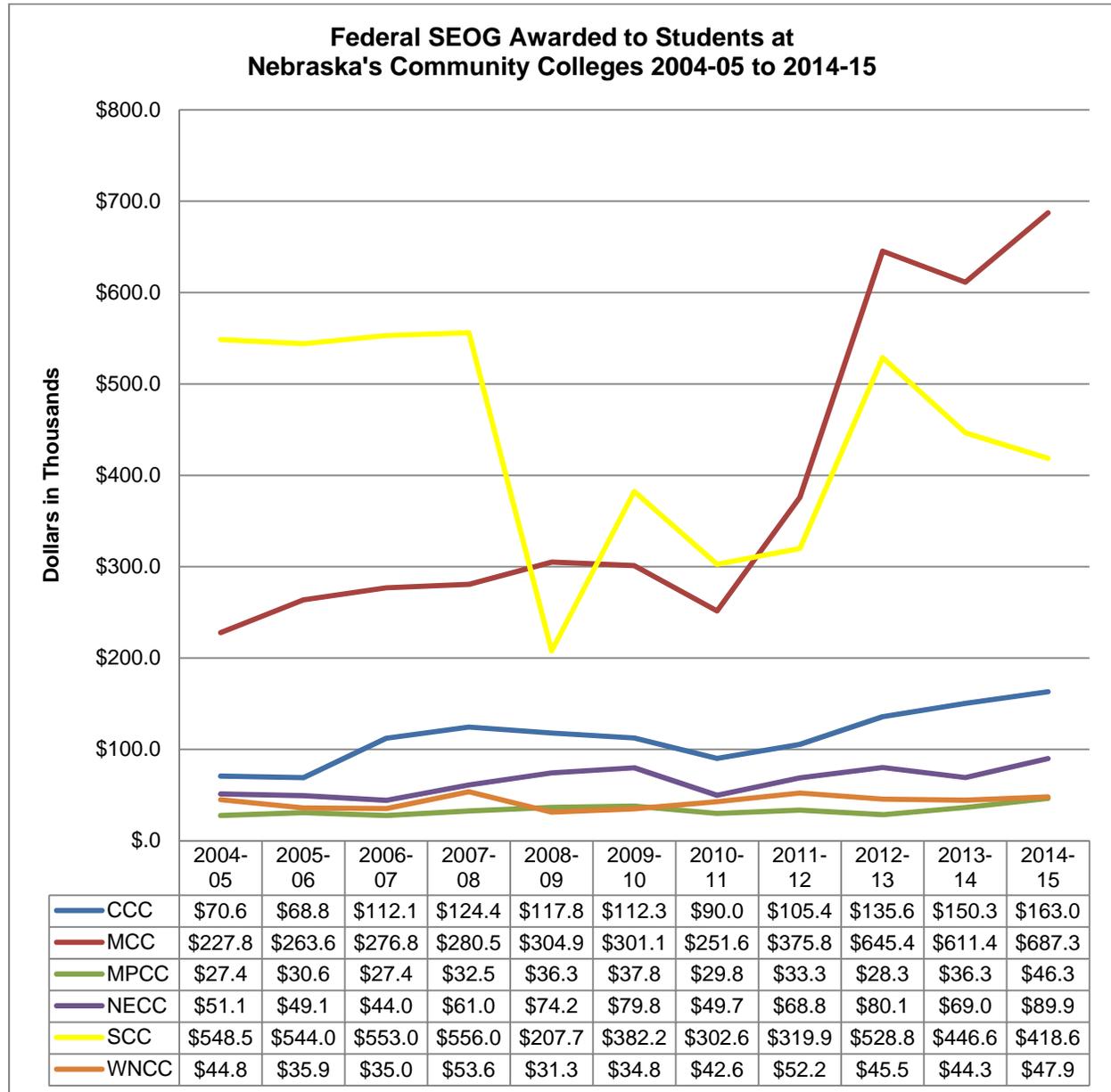
Federal Pell Grants are awarded to undergraduates who have not earned a bachelor's degree and who demonstrate high financial need. Pell Grants do not have to be repaid. The award range for Pell Grants for the award year 2014-15 academic year was \$602 to \$5,730.

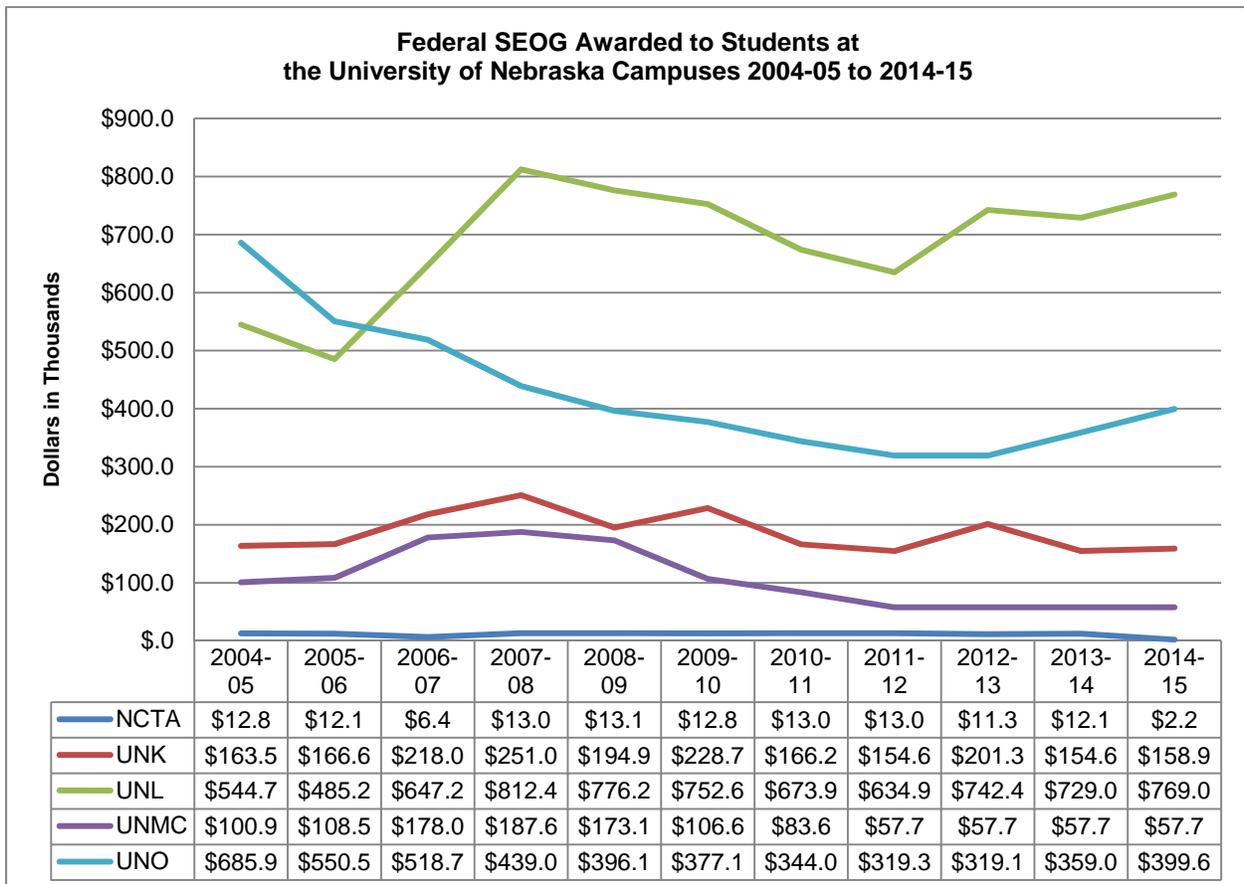
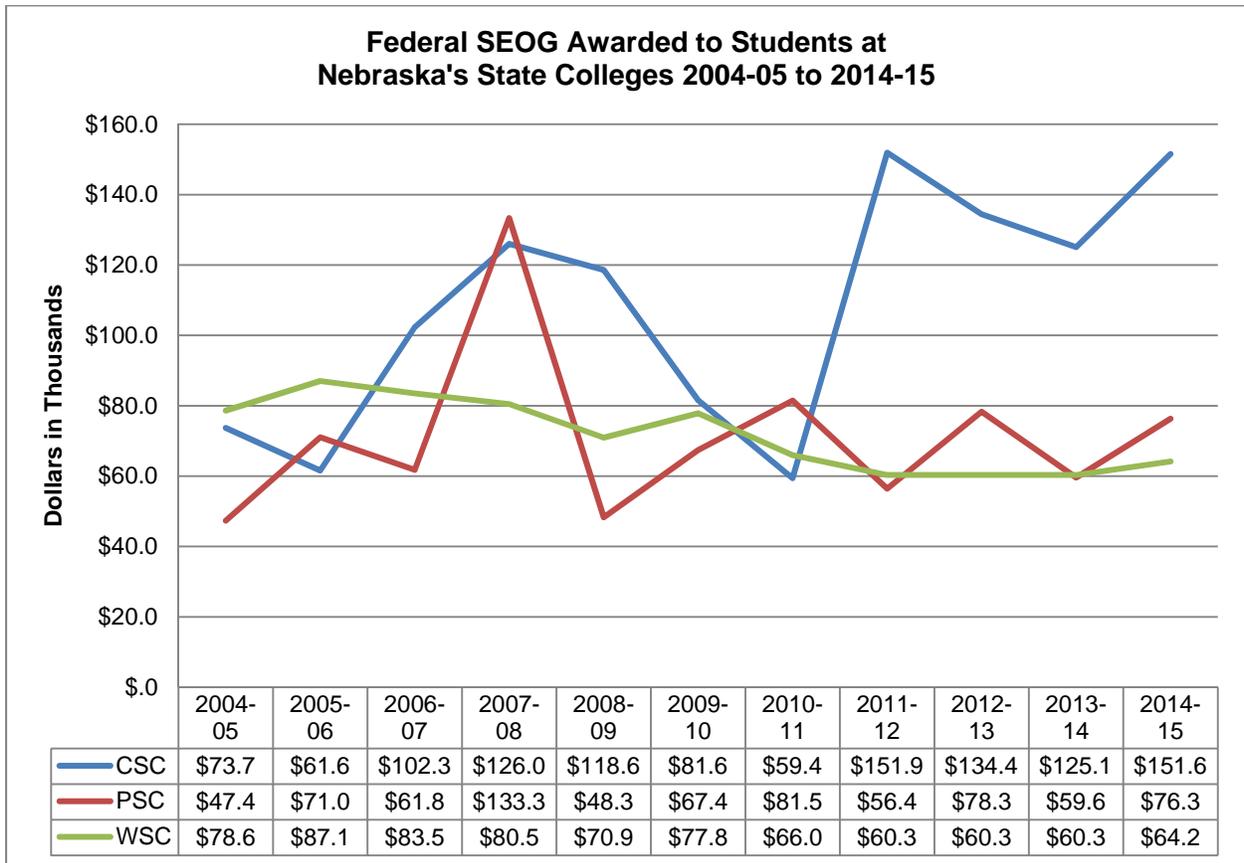




Federal Supplemental Educational Opportunity Grant (FSEOG)

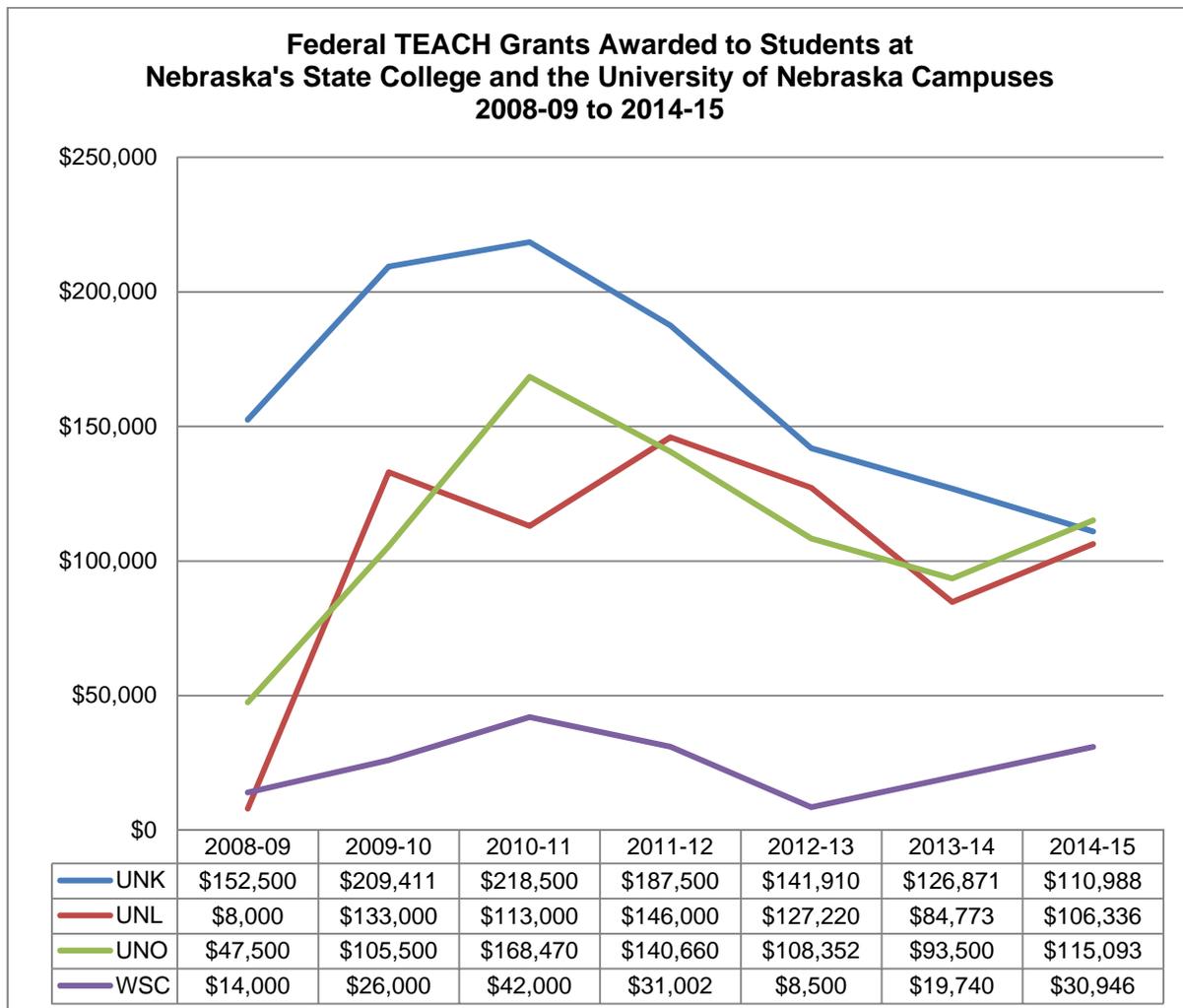
Undergraduate students who have exceptional need and who have not received a bachelor’s degree are eligible to receive the FSEOG. FSEOG awards can range from \$100 to \$4,000 and do not have to be repaid, but awards are subject to the availability of funds at a student’s institution.





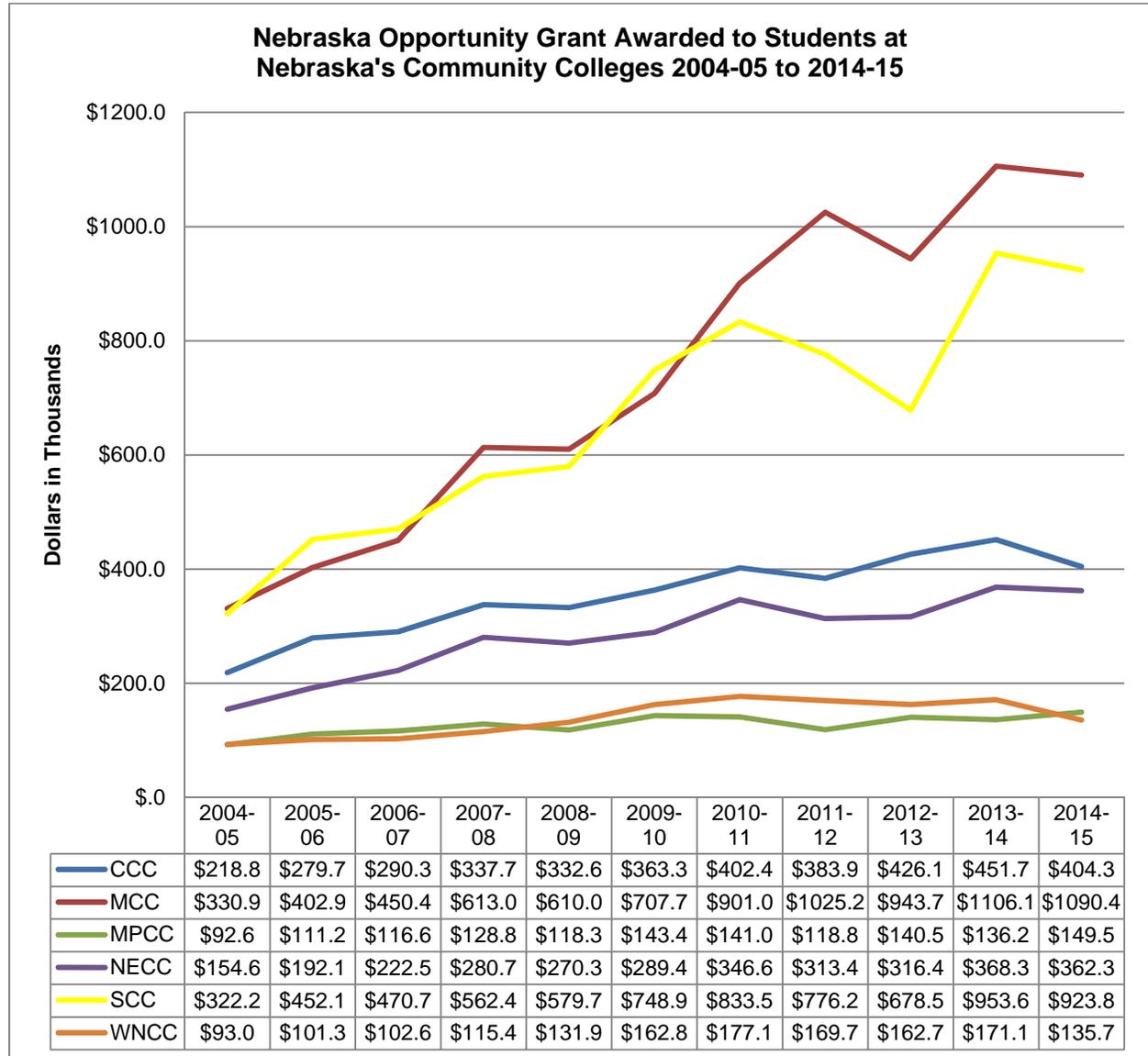
Teacher Education Assistance for College and Higher Education Grant (TEACH)

The TEACH grant program was established by the federal government under the College Cost Reduction and Access Act (CCRAA) in 2007 to benefit current and prospective teachers. 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, ACT, or GRE, or at least a 3.25 GPA. Students must sign an understanding of terms document to certify they understand the terms of the grant and the 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.

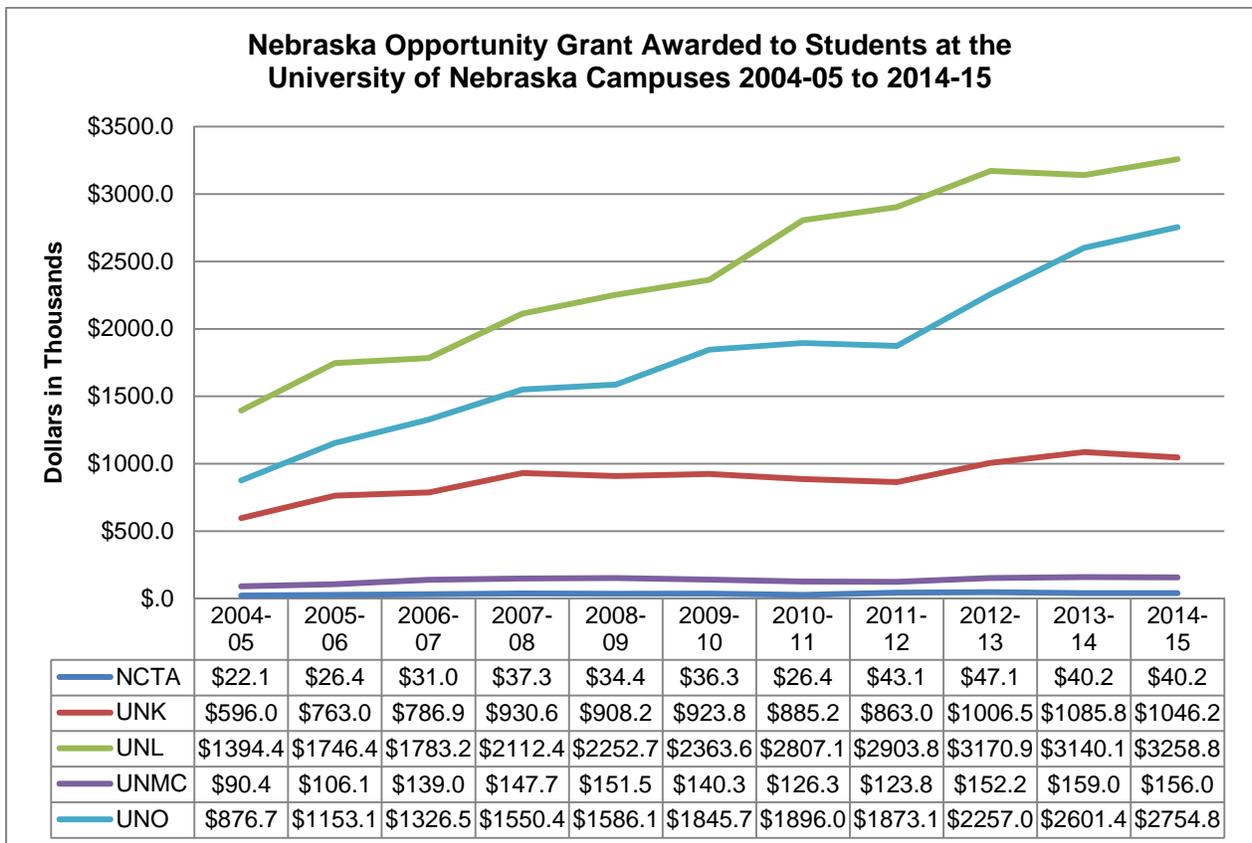
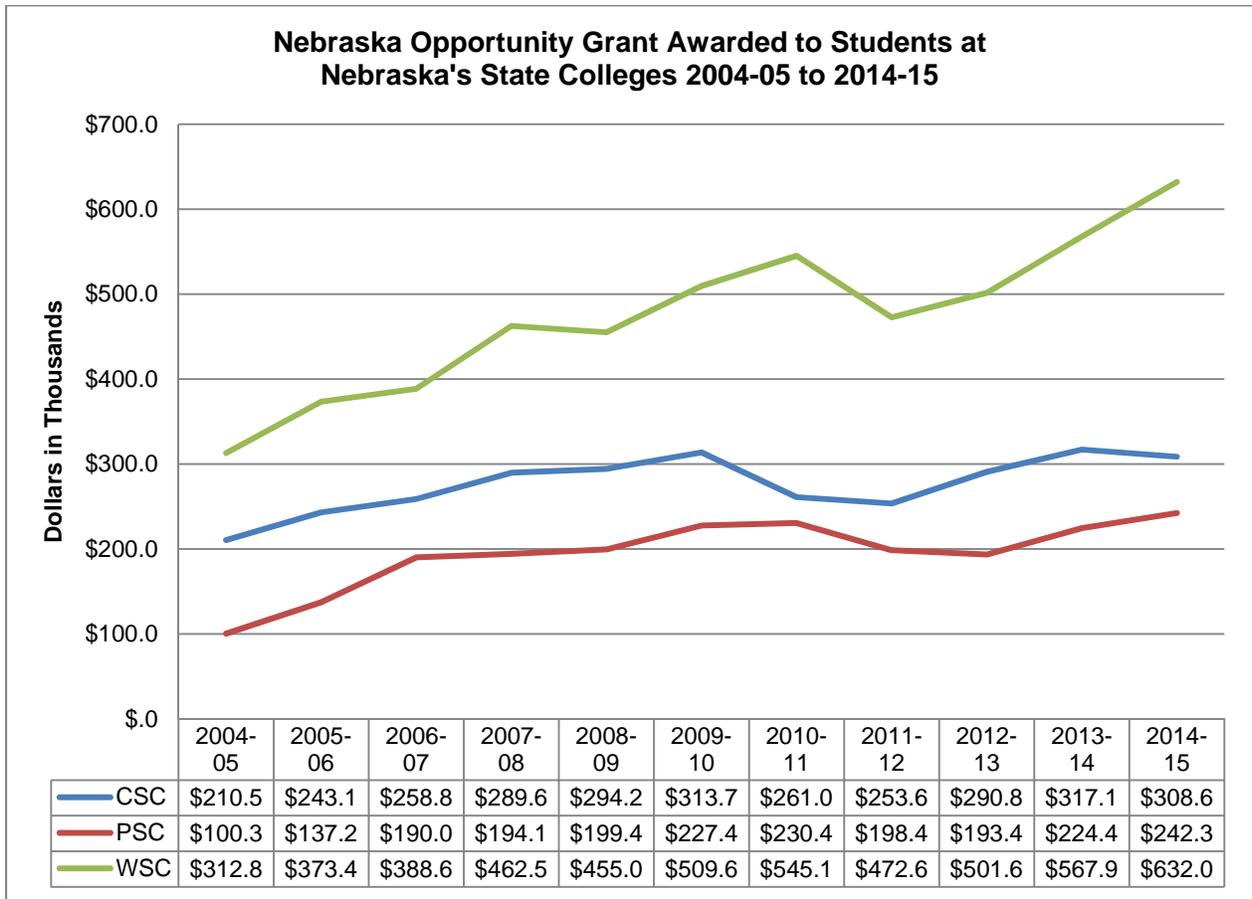


Nebraska Opportunity Grant (NOG)

State grants are awarded to Nebraska-resident students attending eligible Nebraska postsecondary institutions who demonstrate financial need. Funding for the grant through the 2010-11 academic year came 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. Effective with the 2011-12 academic year the grant is funded only through the Nebraska Lottery and the state’s General fund¹.

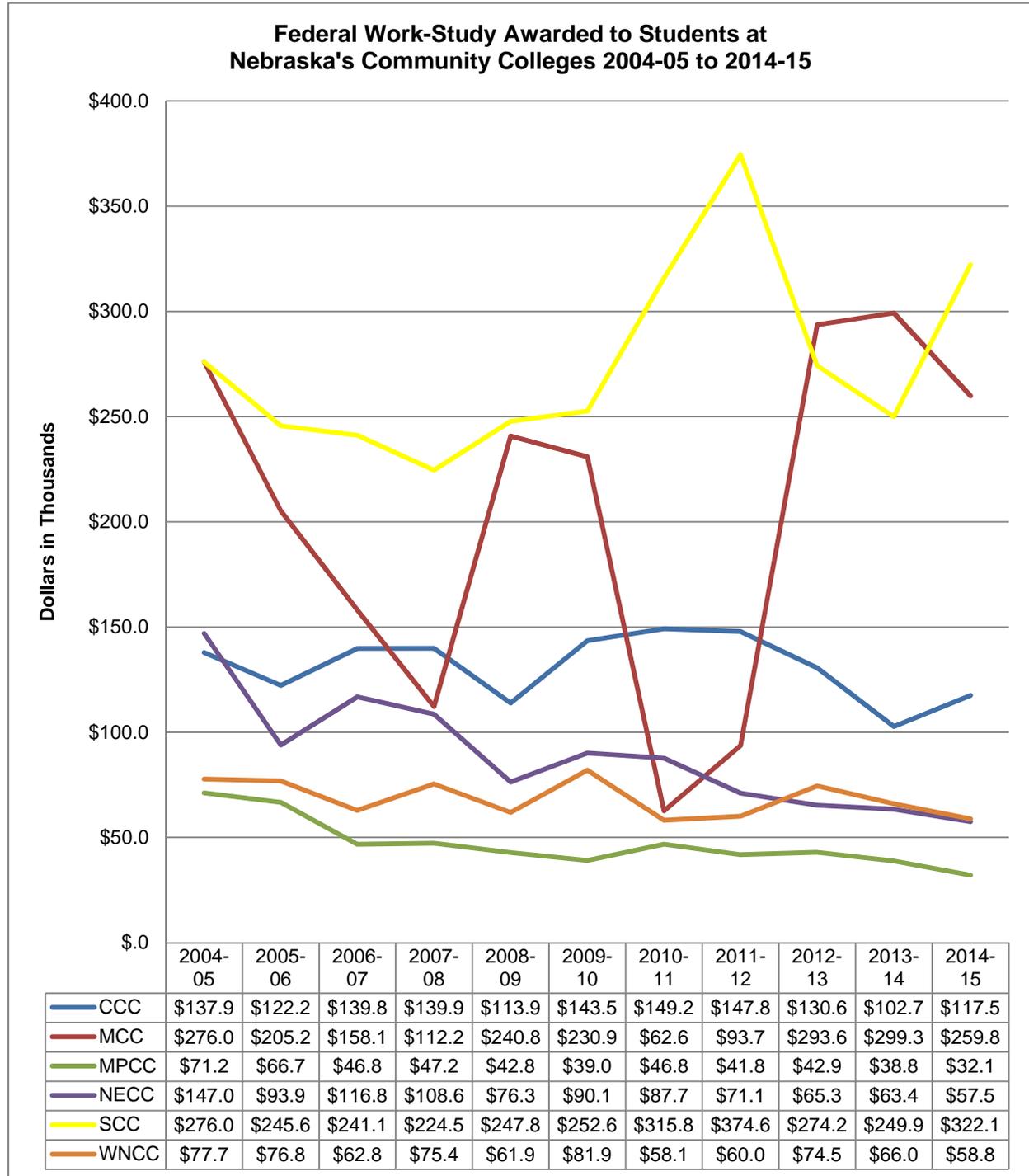


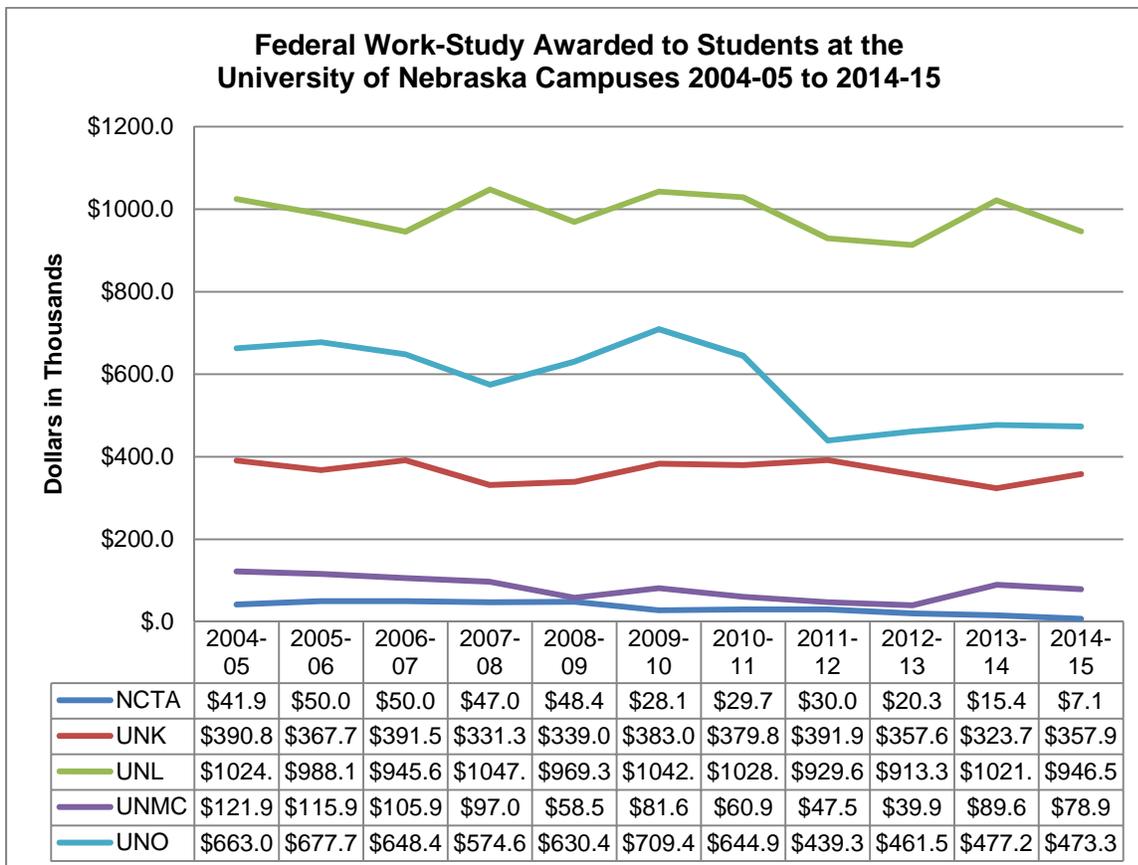
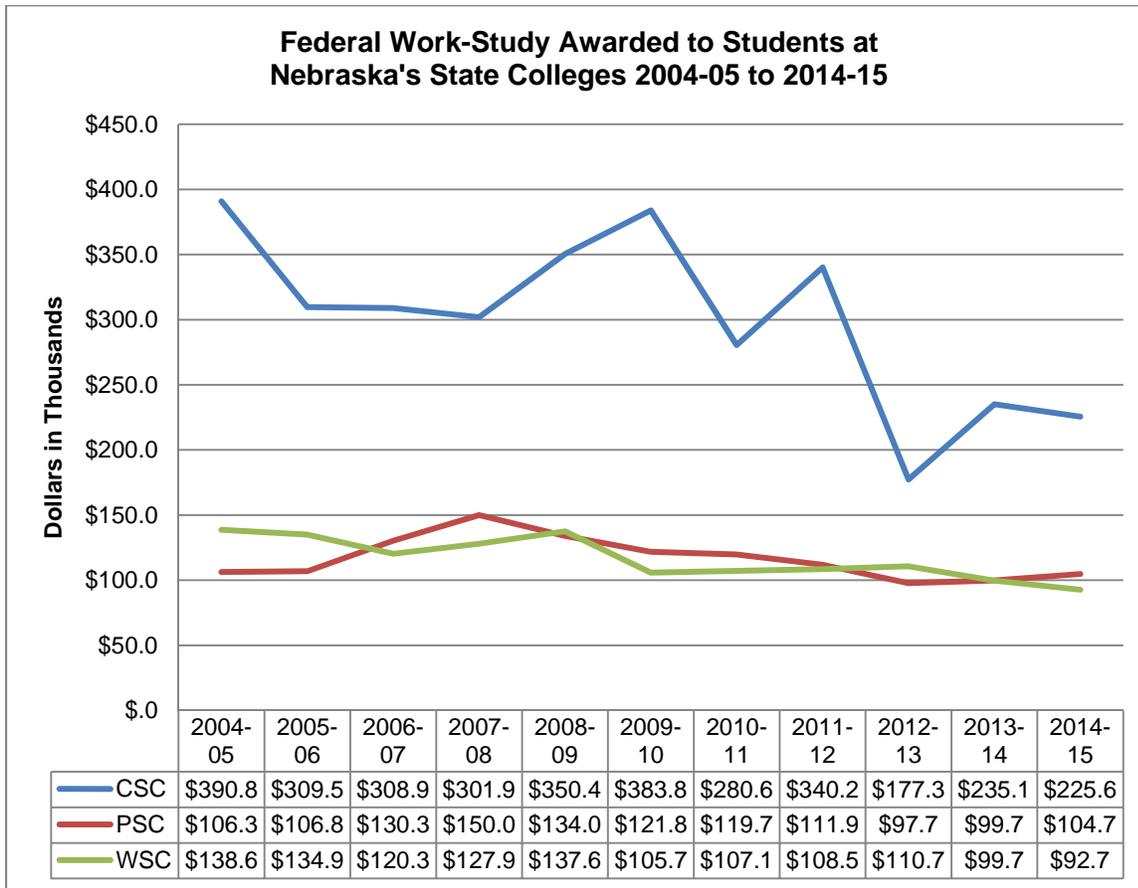
¹ The Nebraska Opportunity Grant, previously named the Nebraska State Grant, was first awarded to students during the 2003-04 academic year. Grant funds were awarded prior to 2003-04 under three different grant programs. The following graph represents funding only awarded to students attending public institutions. NOG funds were also awarded to students attending private nonprofit and private for profit institutions. See page 57 for additional information.



Federal Work-Study (FWS)

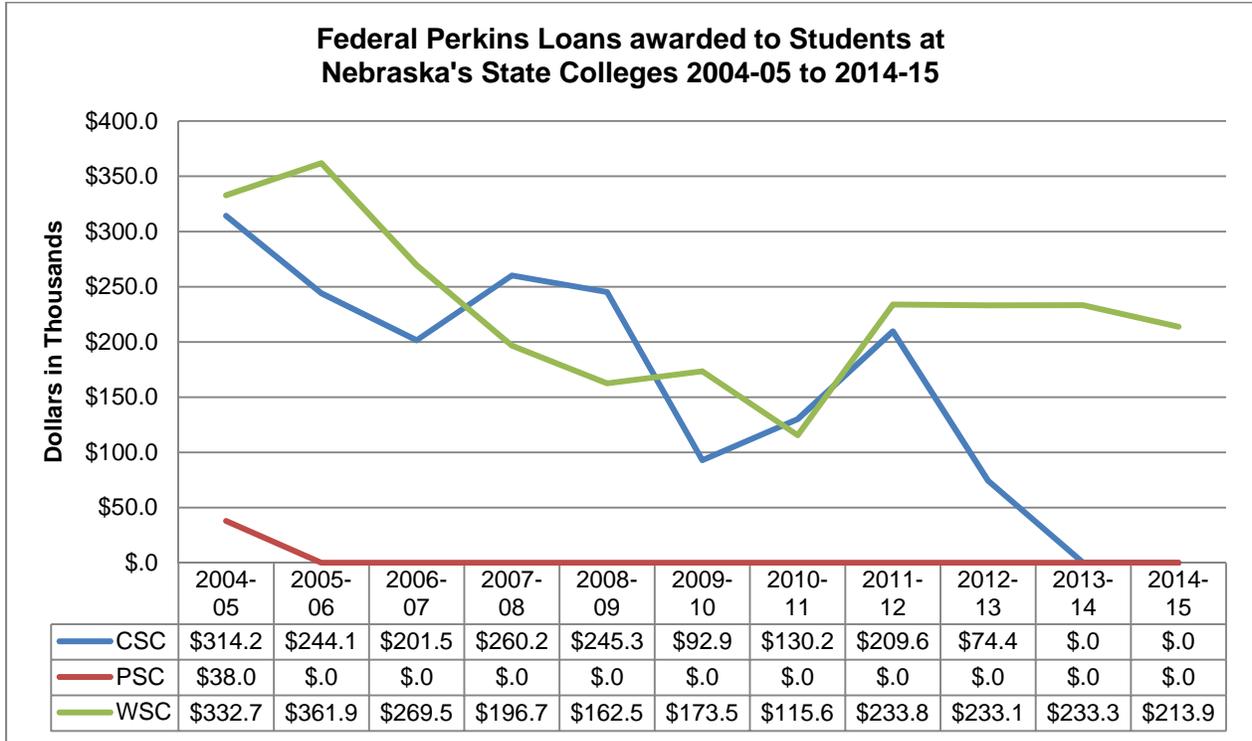
The FWS program provides on- and off-campus jobs for graduate and undergraduate students who demonstrate financial need. Work-study amounts awarded vary from institution to institution.

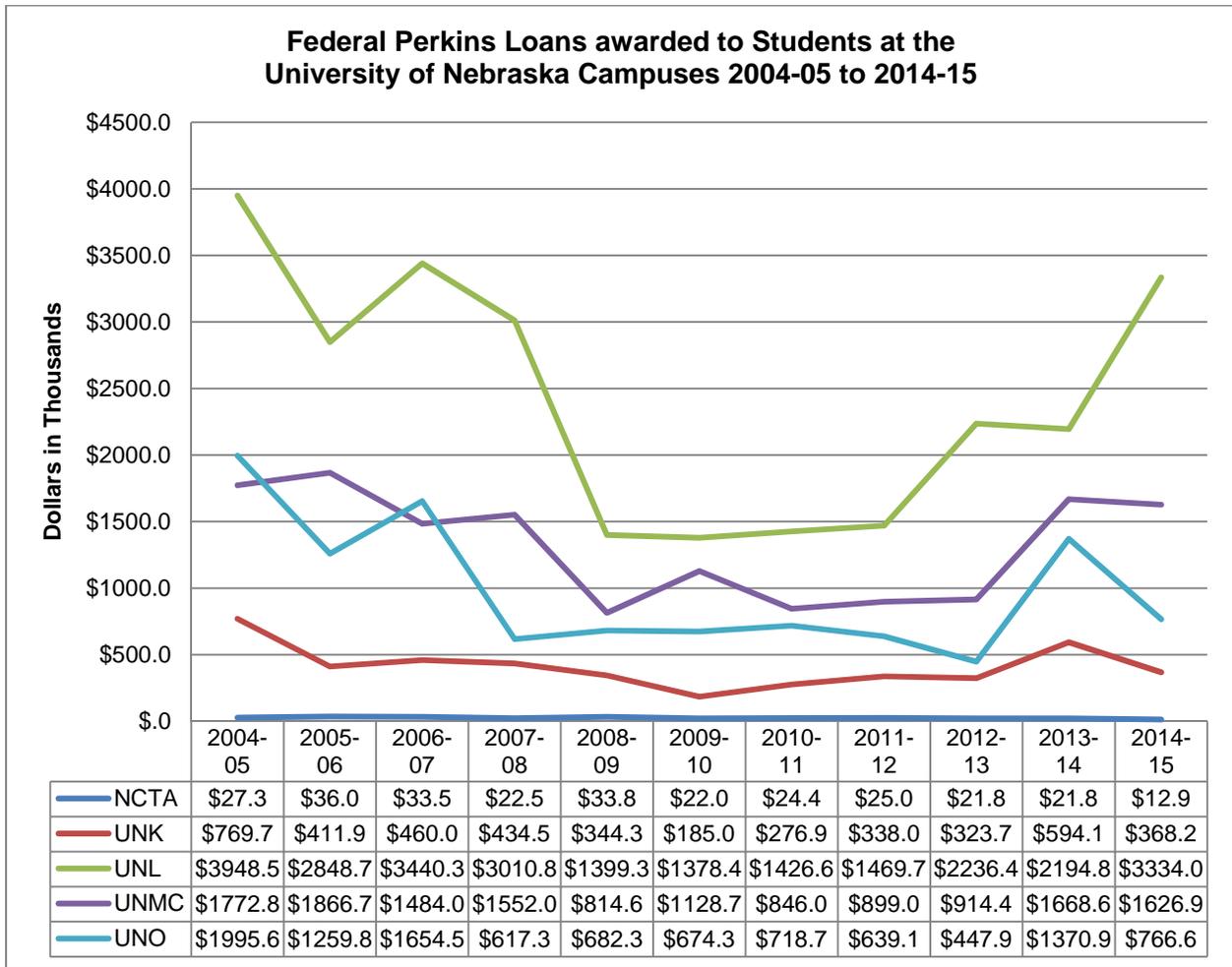




Federal Perkins Loan

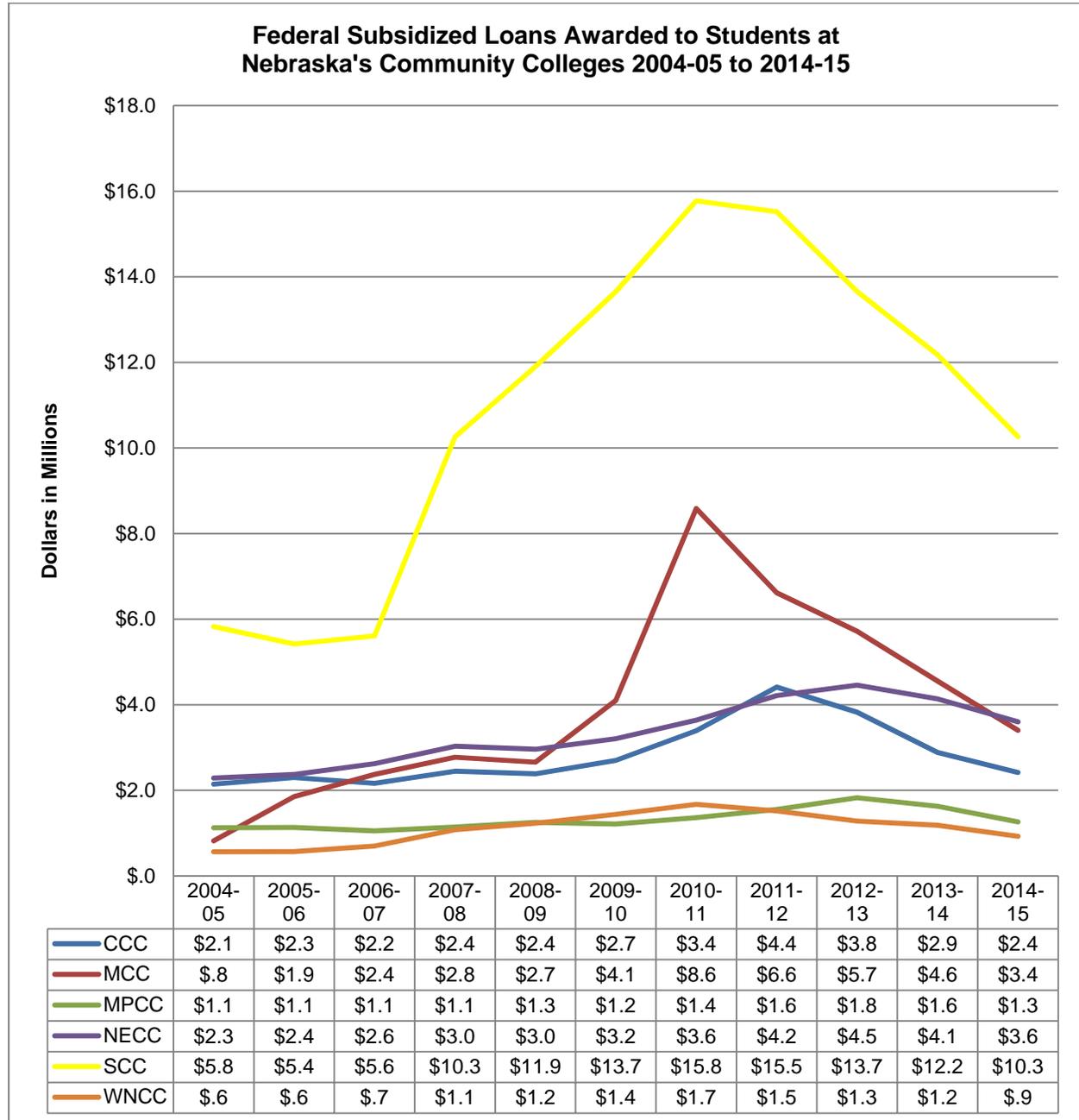
Perkins Loans are fixed, low-interest (5 percent) loans available to graduate and undergraduate students with financial need. Undergraduate students may borrow up to \$4,000 per year, and graduate students may borrow up to \$6,000 per year, depending on the availability of funds at their institution.

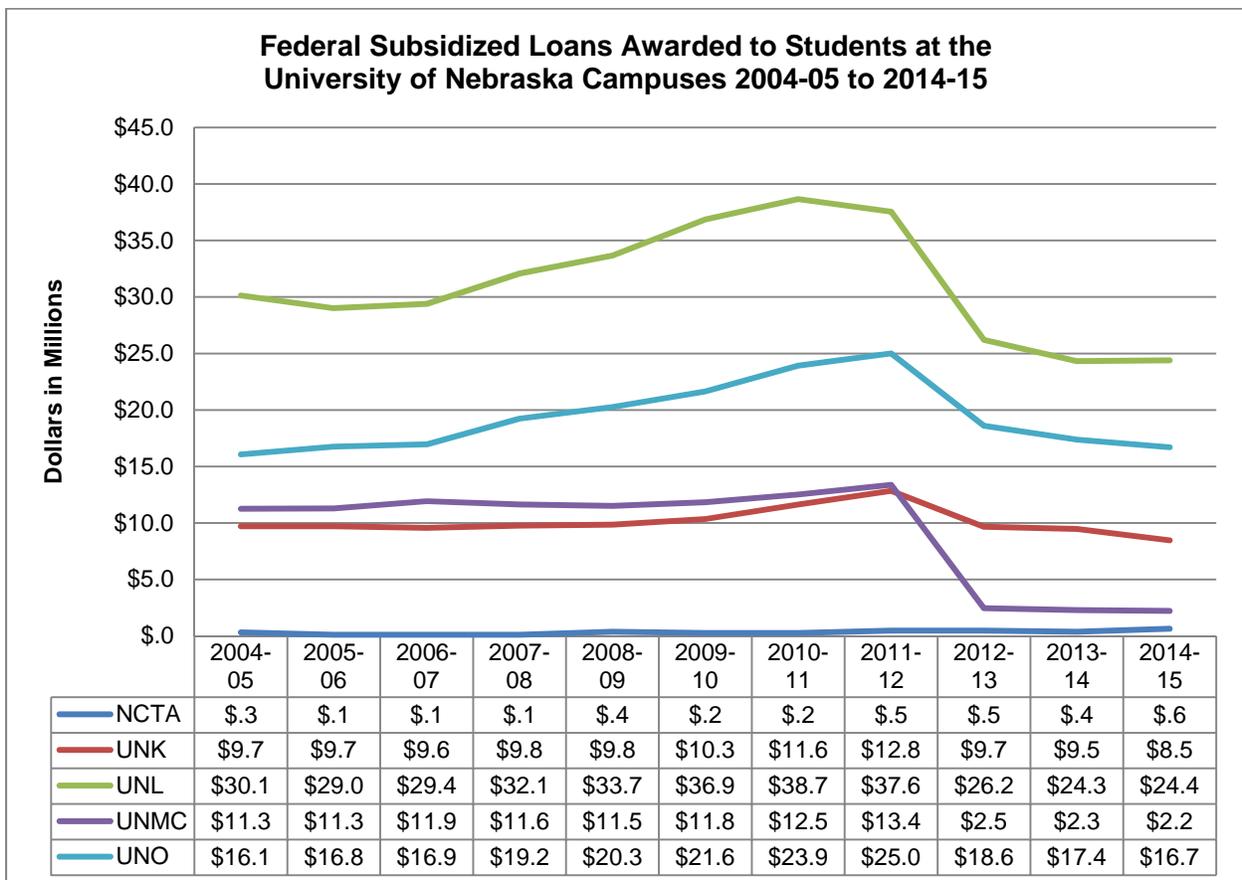
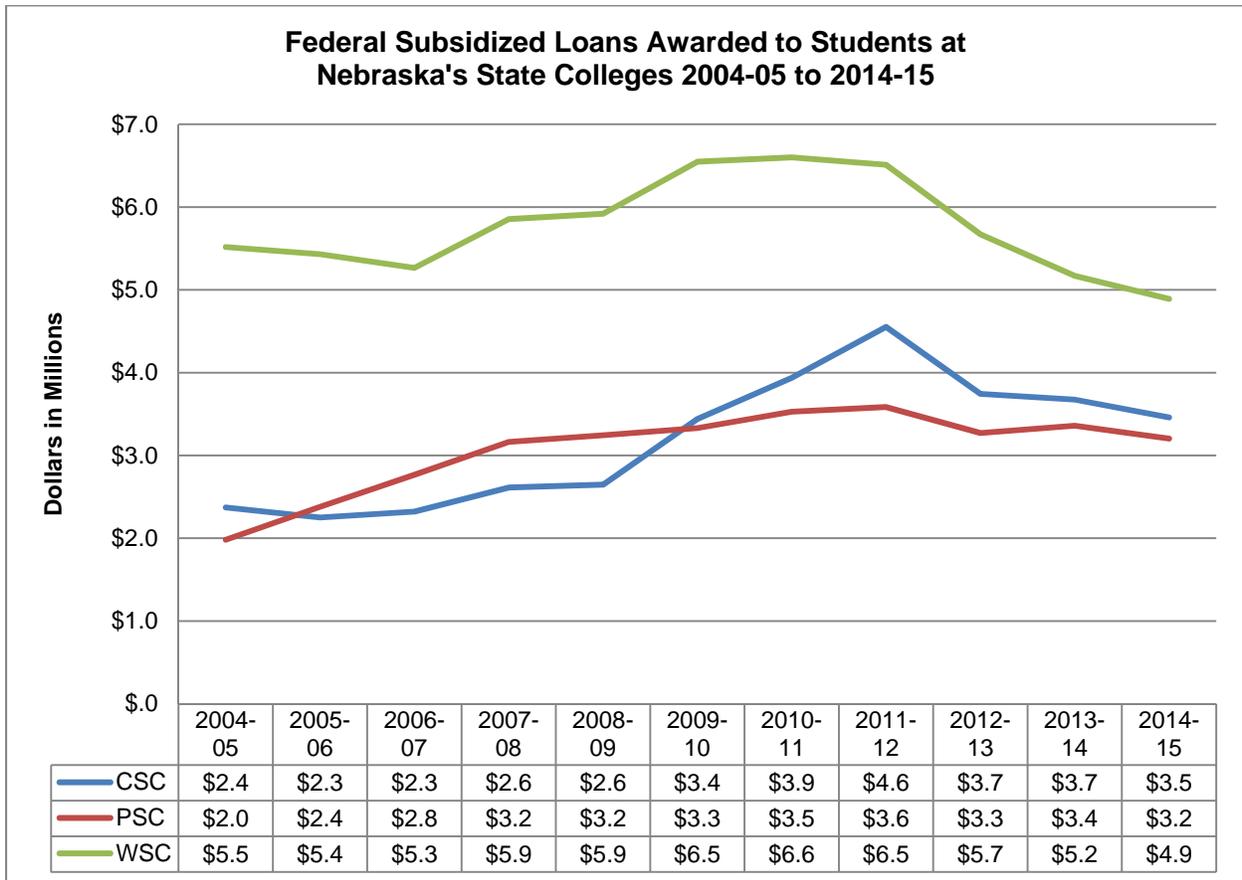


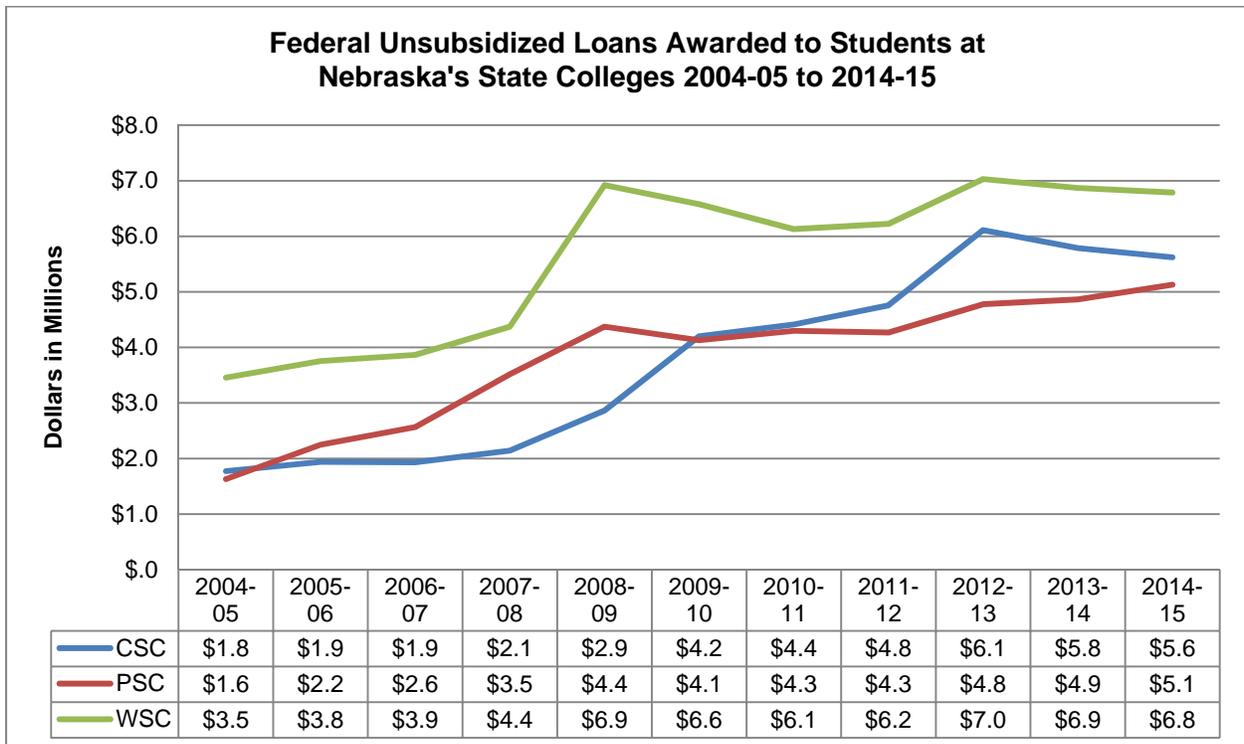
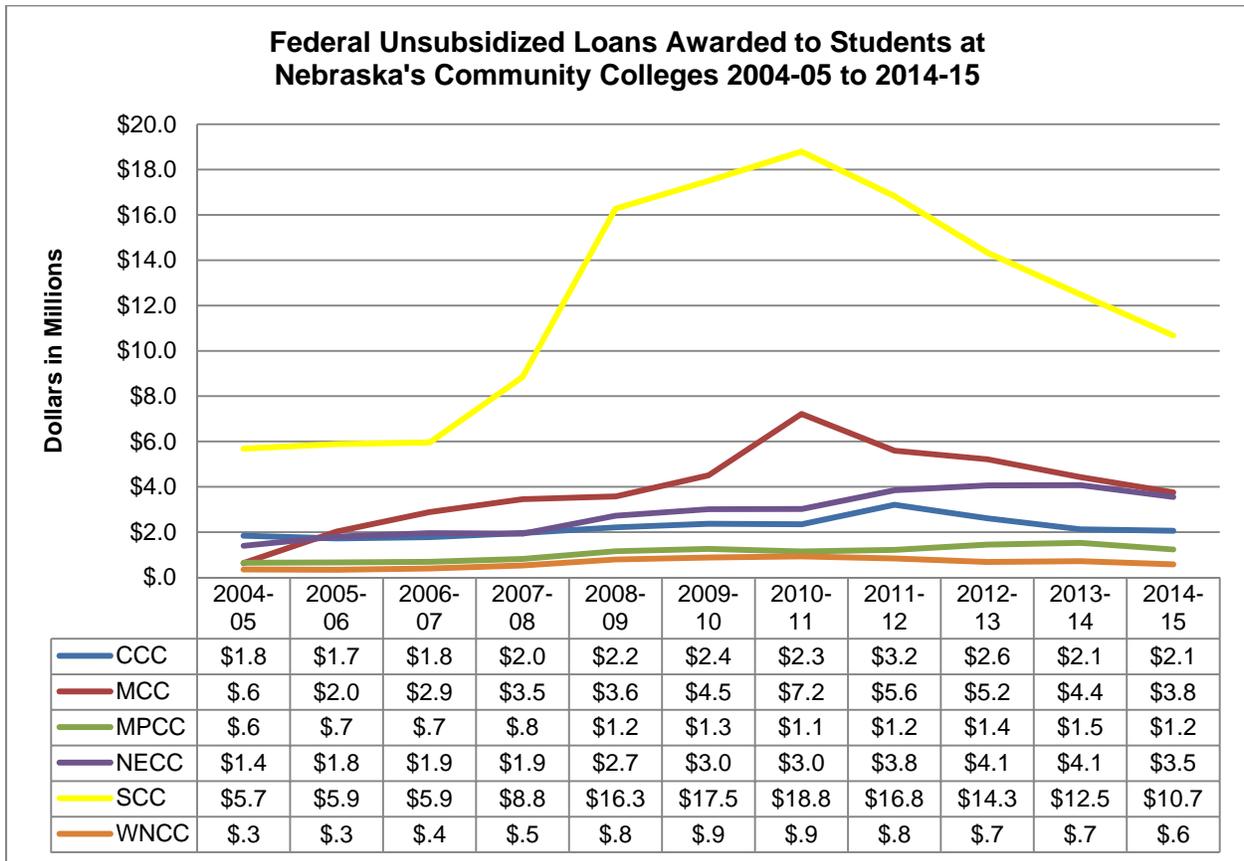


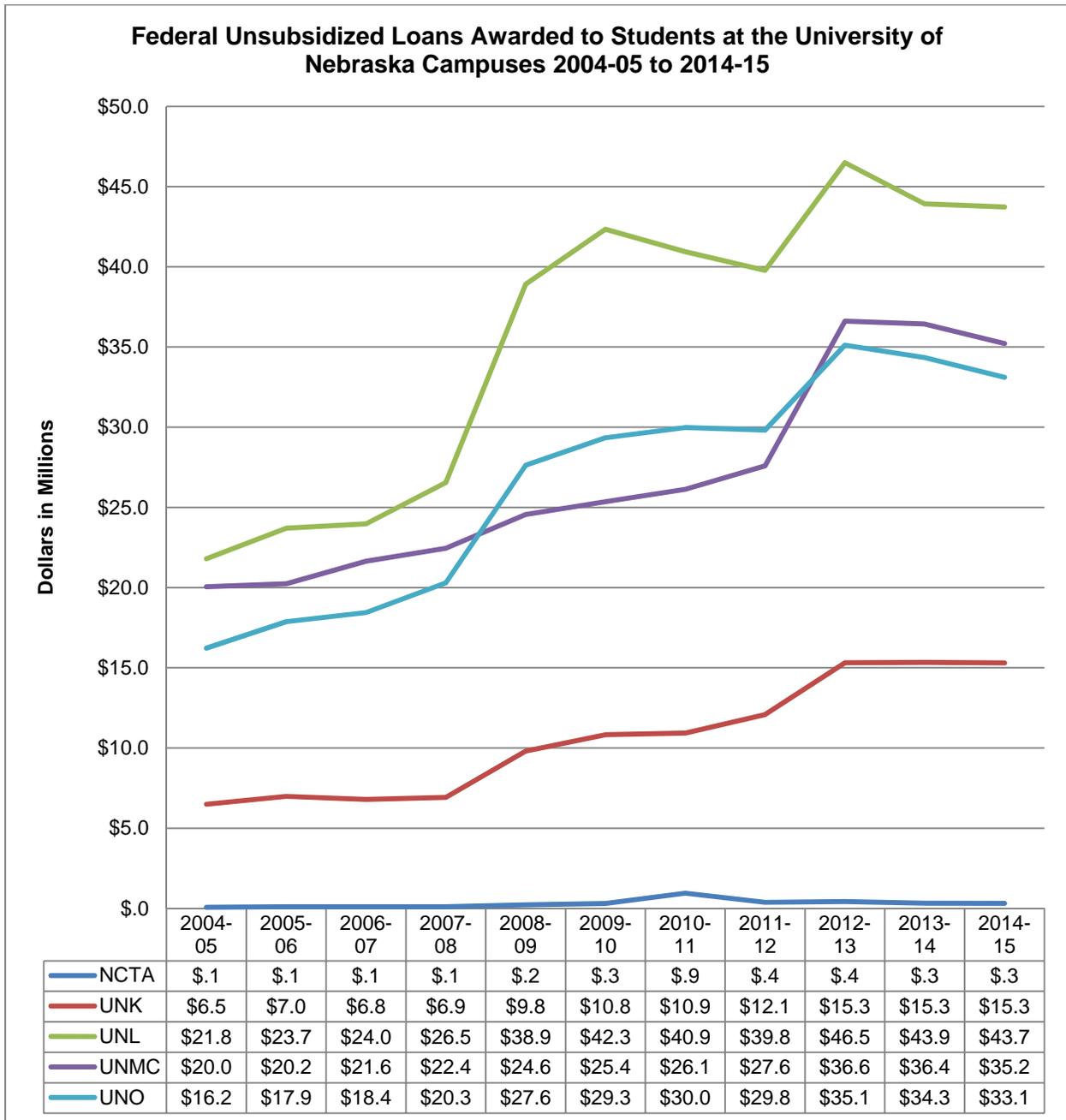
Federal Subsidized (Sub) and Unsubsidized (Unsub) Direct Loans

Direct Subsidized and Unsubsidized Loans are available to undergraduate and graduate students. Students must demonstrate financial need in order to qualify for a Subsidized Loan, for which the federal government pays the interest while the student is in school. Unsubsidized Loans are available to all students, but borrowers are responsible for the interest while in school. Effective with the 2012-13 academic year graduate students are not eligible to borrow Subsidized Loans. Yearly loan limits for Direct Loans range from \$3,500 to \$20,500, depending on grade level and dependency status.



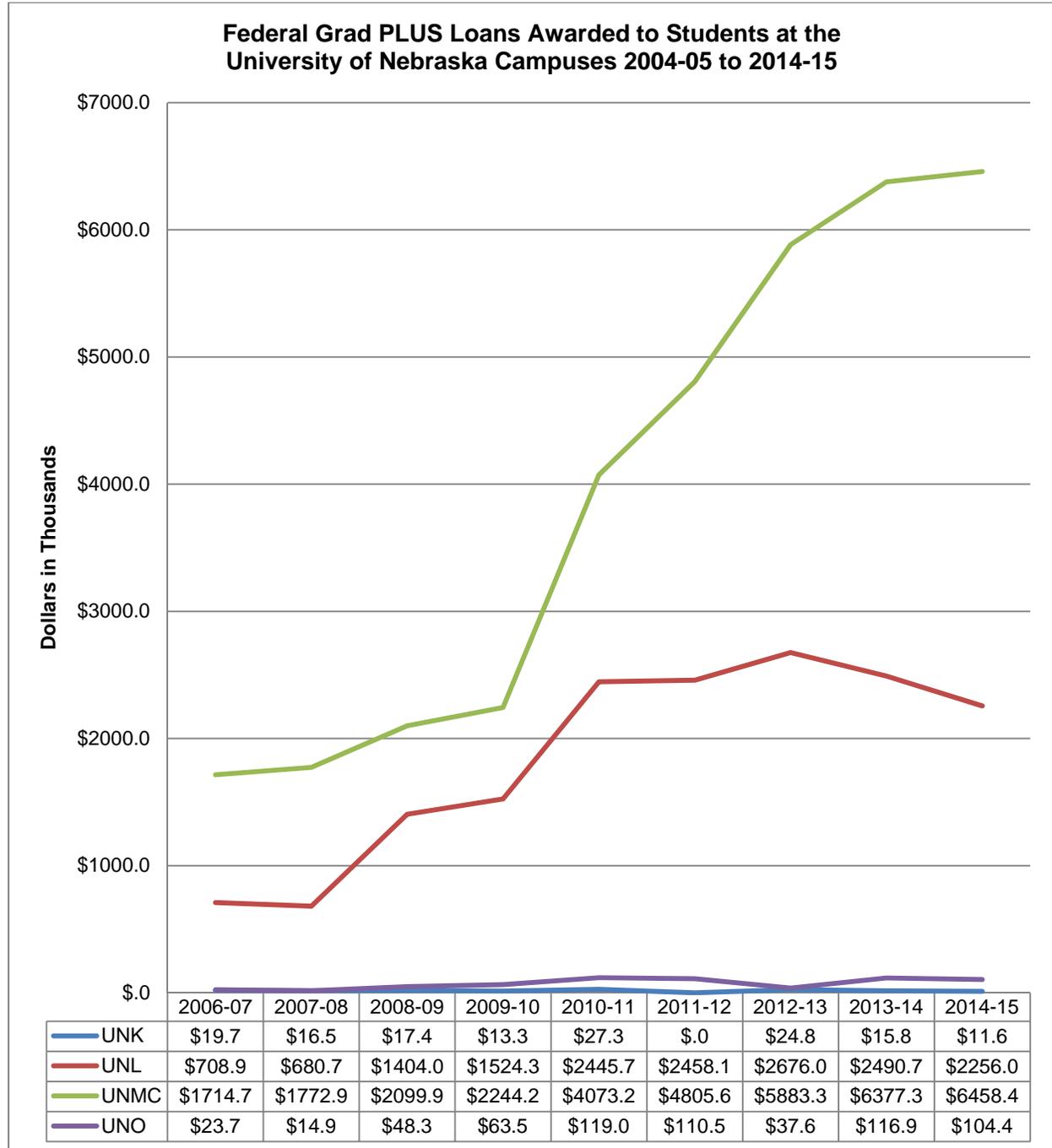






Federal Grad PLUS Loans

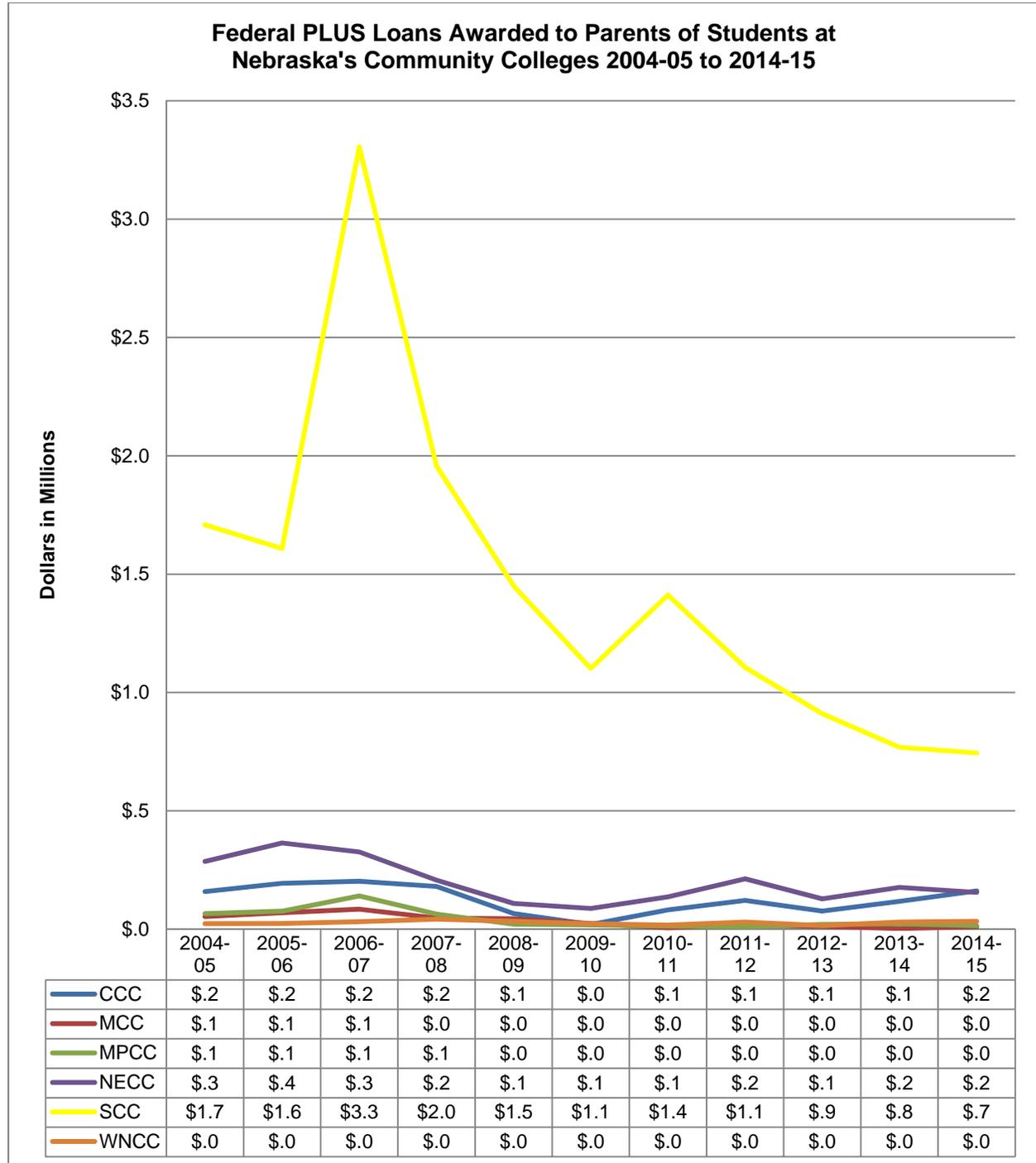
A graduate or professional degree student is eligible to borrow under the Grad PLUS program for up to his or her cost of attendance minus other estimated financial assistance. Applicants must apply for their annual loan maximum eligibility under the Federal Subsidized and Unsubsidized Loan Program before applying for a Grad PLUS loan¹.

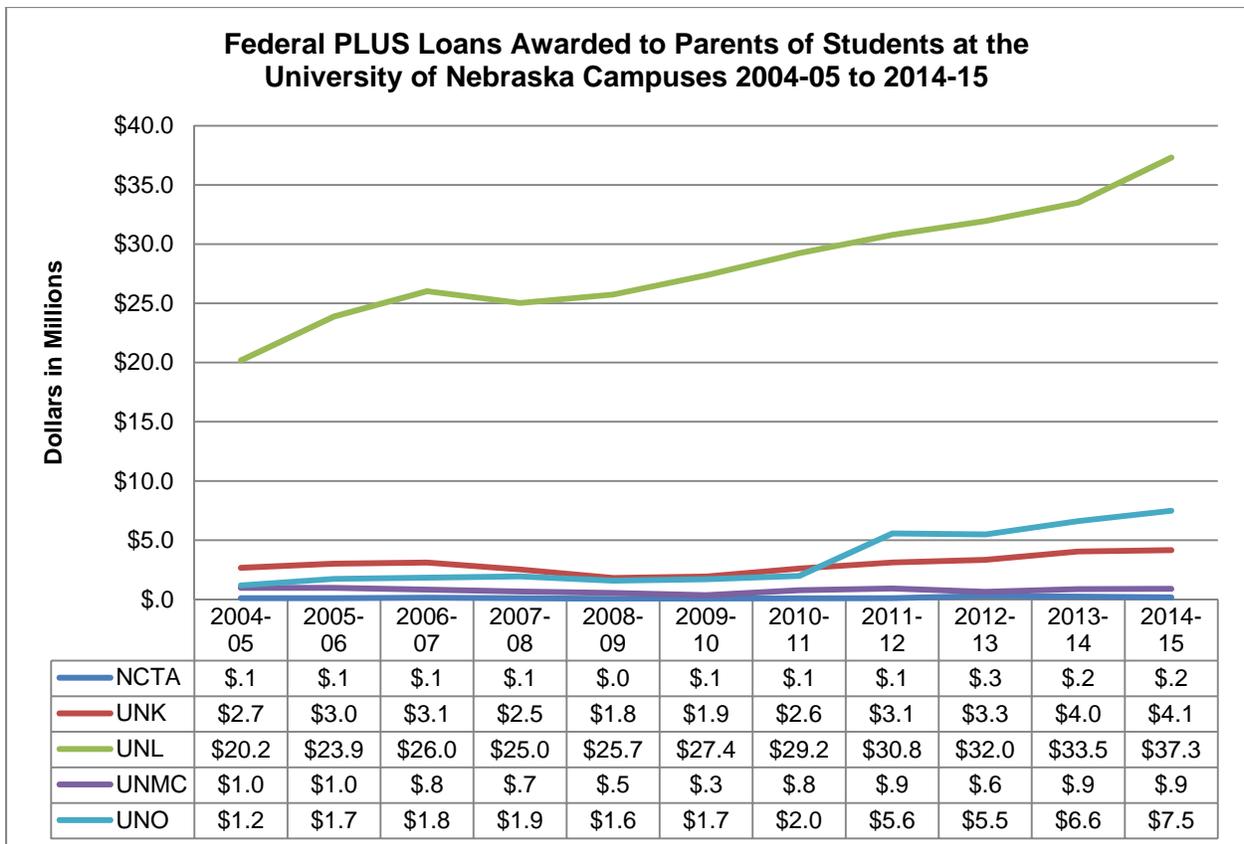
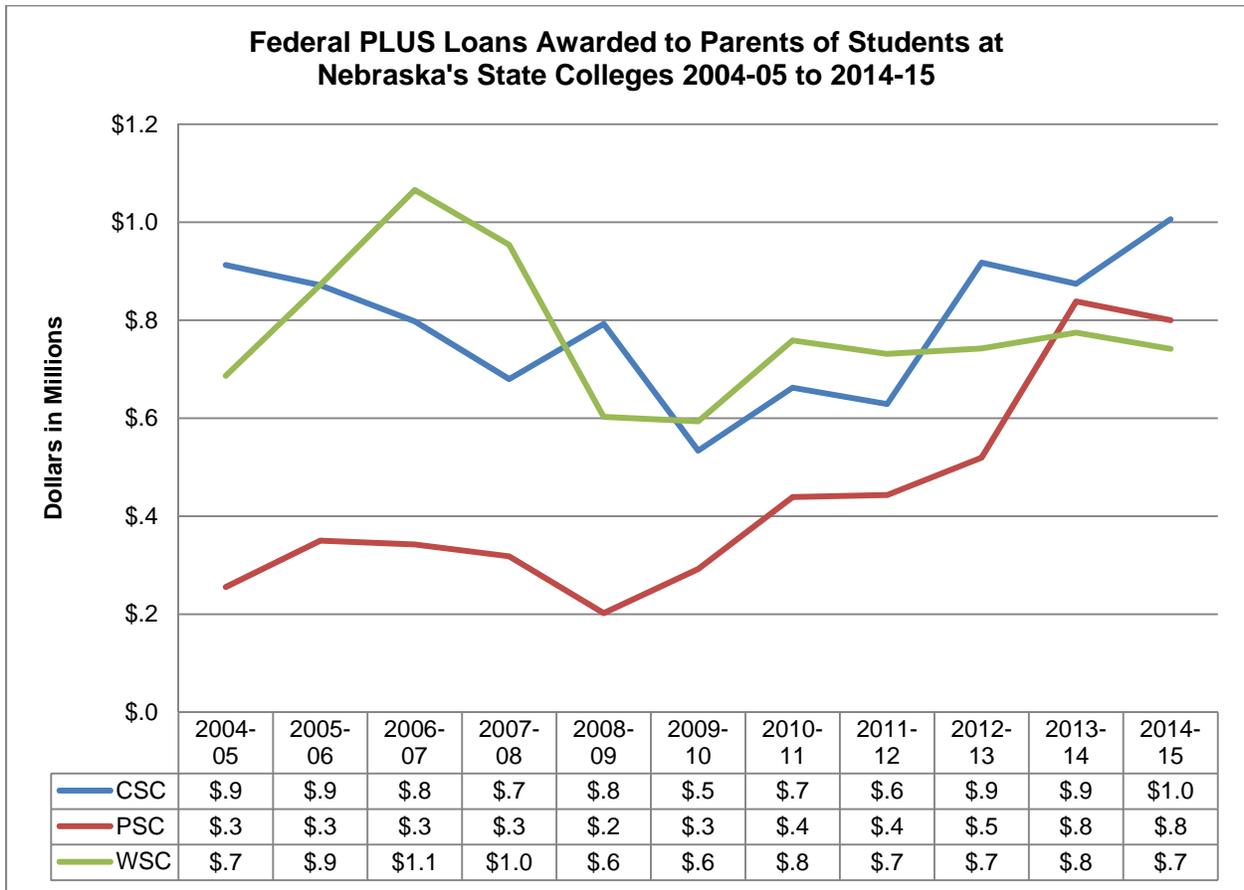


¹ Because GRAD Plus Loans are only available to graduate and professional students, community college students are not eligible for this loan. Graduate students at the State Colleges have not needed to utilize this program, as their costs can be covered by other aid, including the Subsidized and Unsubsidized Direct loans.

Federal PLUS Loans

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 information presented in the preceding pages 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 Opportunity Grant program (see p.[57](#)), other types of financial assistance have not received funding increases, and some have actually received decreased funding, such as the Perkins Loan program. Consequently, students have relied primarily upon student loans, both federal and private, to fund their education.

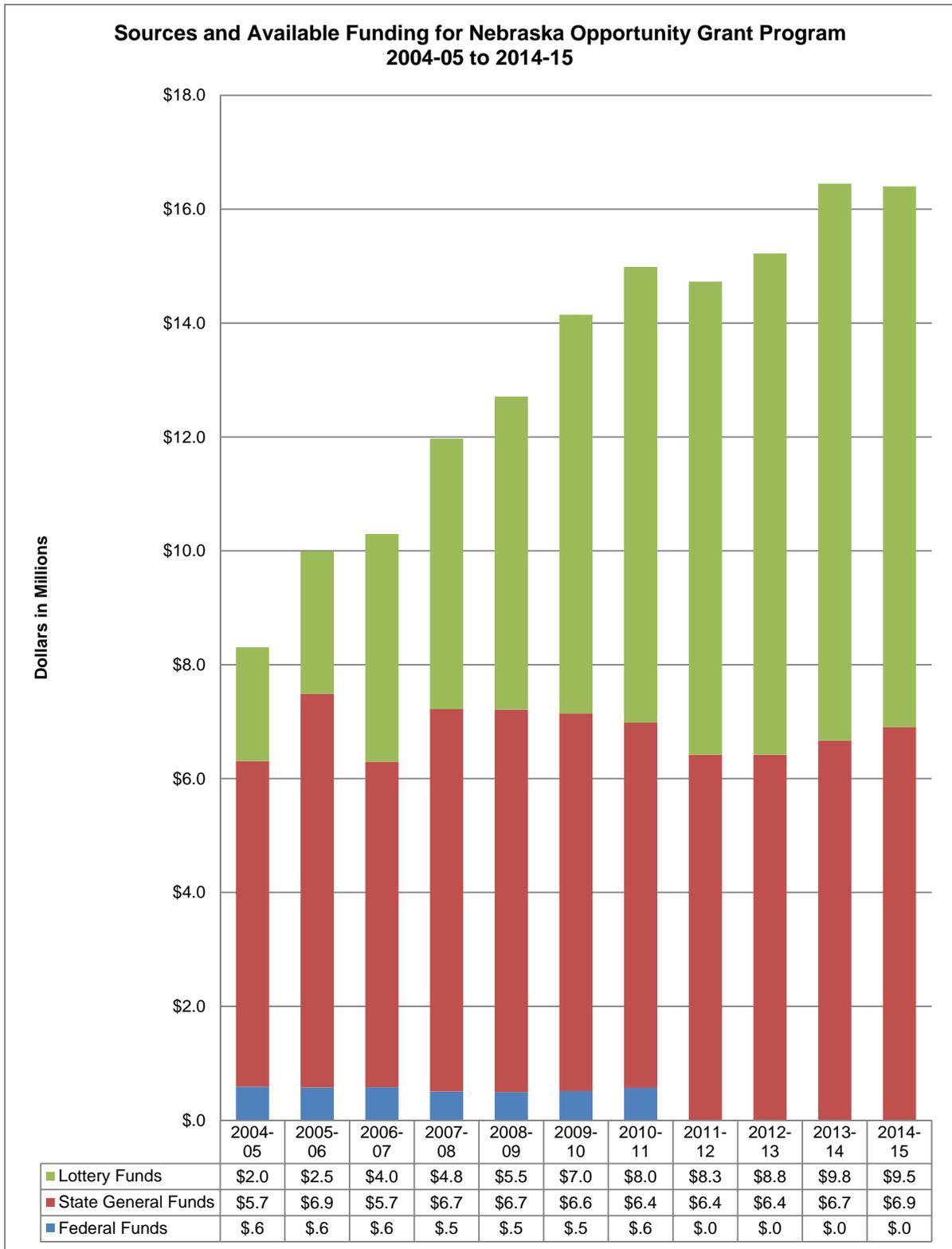
State Grant Trends

The Nebraska Opportunity Grant (NOG)¹ is administered by the Coordinating Commission and awarded to students in consultation with financial aid administrators at Nebraska's public postsecondary institutions. Prior to the 2010-11 academic year, the NOG could only be awarded to students who were a.) residents of Nebraska, b.) attending an eligible Nebraska college or university, and c.) low-income students defined by the Commission as those who were eligible for the Federal Pell Grant. Effective with the 2010-11 academic year, a low-income student has been defined as a student who meets the first two qualifications and has an Expected Family Contribution equal to or less than the amount stipulated in statute as a result of completing the Free Application for Federal Student Aid (FAFSA). While the state has significantly increased funding over the past few years, additional funds are needed. In 2013-14, Nebraska ranked 32nd among the states in estimated need-based, state-provided student aid grant dollars per full-time undergraduate enrollment (National Association of State Student Grant and Aid Programs, 2015). This is an increase from 33rd in 2012-13.

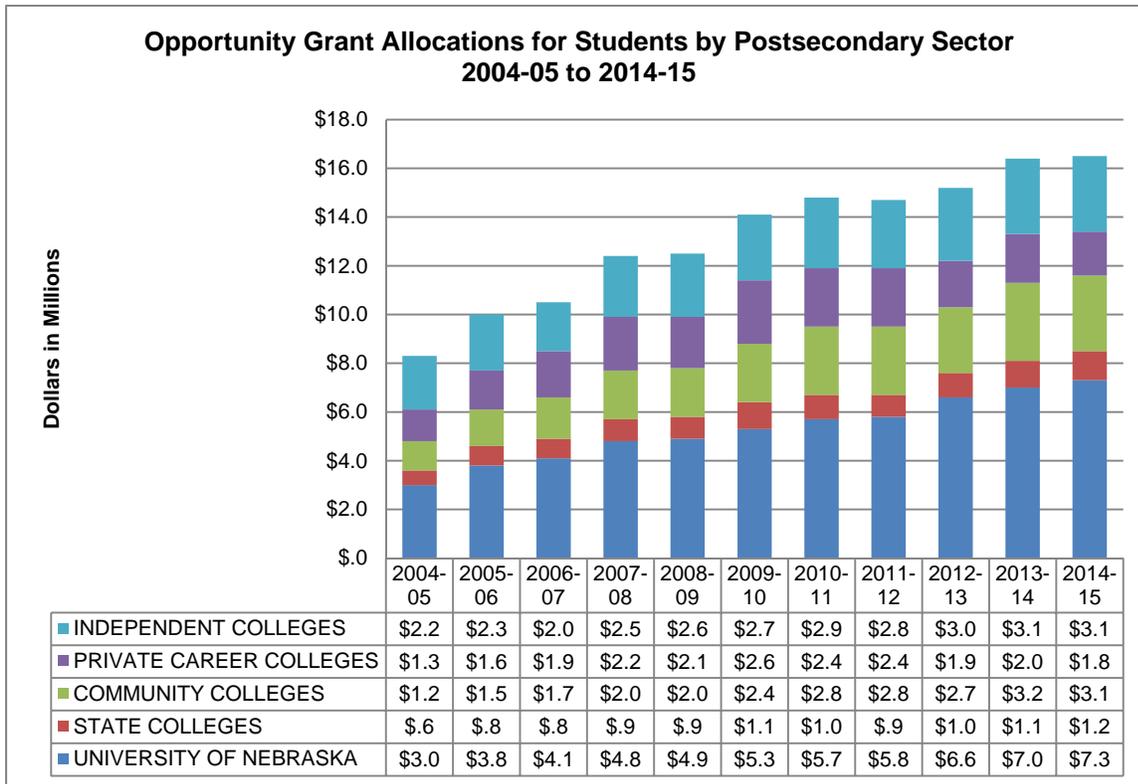
The following charts show the make-up of the program funding followed by a chart that shows the allocations by sector.

¹ Prior to the 2010-11 academic year, Nebraska's state grant program was called the Nebraska State Grant, authorized under the Nebraska Scholarship Act (2003).

State Grant Funding



Allocations by Sector



From 2004-05 to 2014-15, allocations of the Nebraska Opportunity Grant increased:

- 158% within the community college sector
- 143% within the University of Nebraska sector
- 100% within the State College sector
- 38% within the private for-profit sector
- 41% within the independent college and university sector

- increased 142% within the public sector
- increased 40% within the private sector

From 2009-10 to 2014-15, allocations of the Nebraska Opportunity Grant:

- increased 38% within the University of Nebraska sector
- increased 29% within the community college sector
- increased 15% within the independent college and university sector
- increased 9% within the State College sector
- **decreased** 31% within the private for profit sector

- increased 32% within the public sector
- **decreased** 8% within the private sector

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 has increased substantially. Nationwide, from 2004-05 to 2014-15, federal loan borrowing (Perkins, subsidized, unsubsidized, GRAD PLUS and PLUS) increased 39 percent, with the bulk of this increase occurring in the Unsubsidized program, which increased 88 percent. The GRAD PLUS loan has grown 217 percent from 2006-07 (the first year it was offered) to 2014-15 (The College Board, 2016).

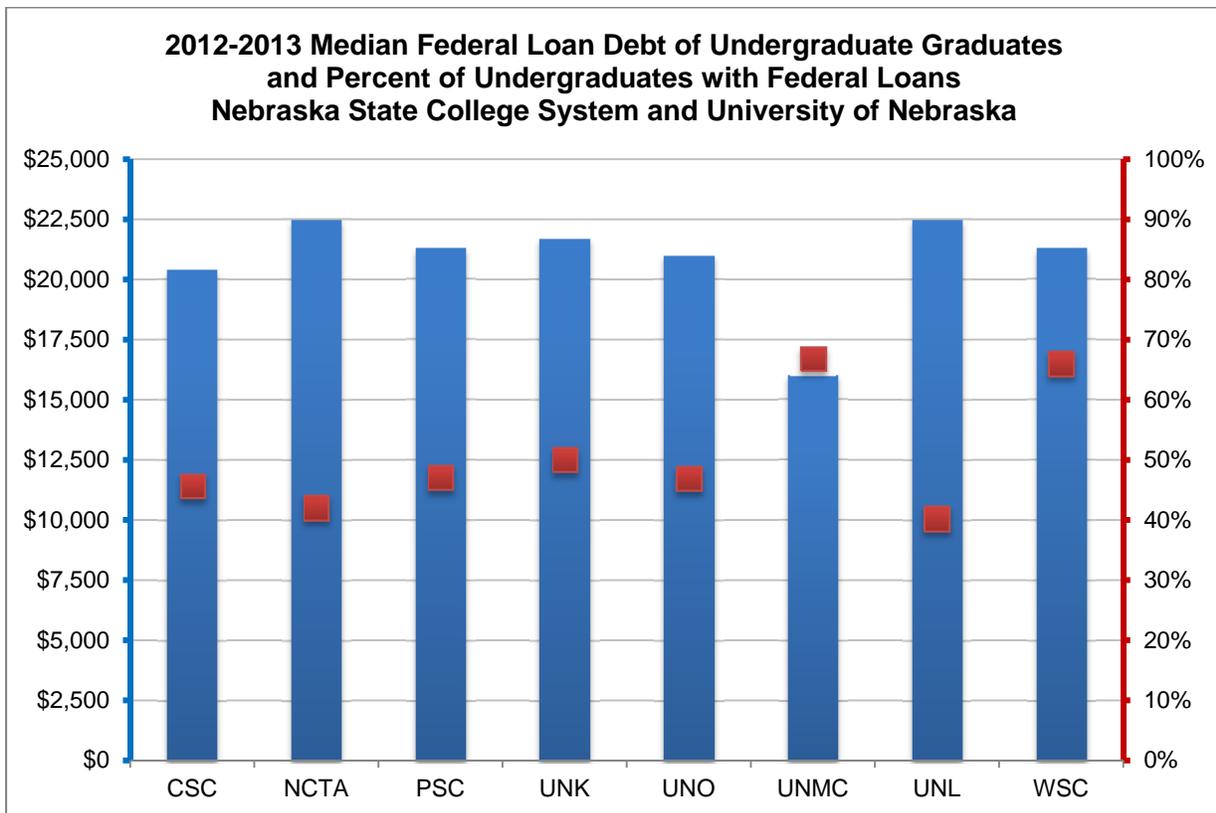
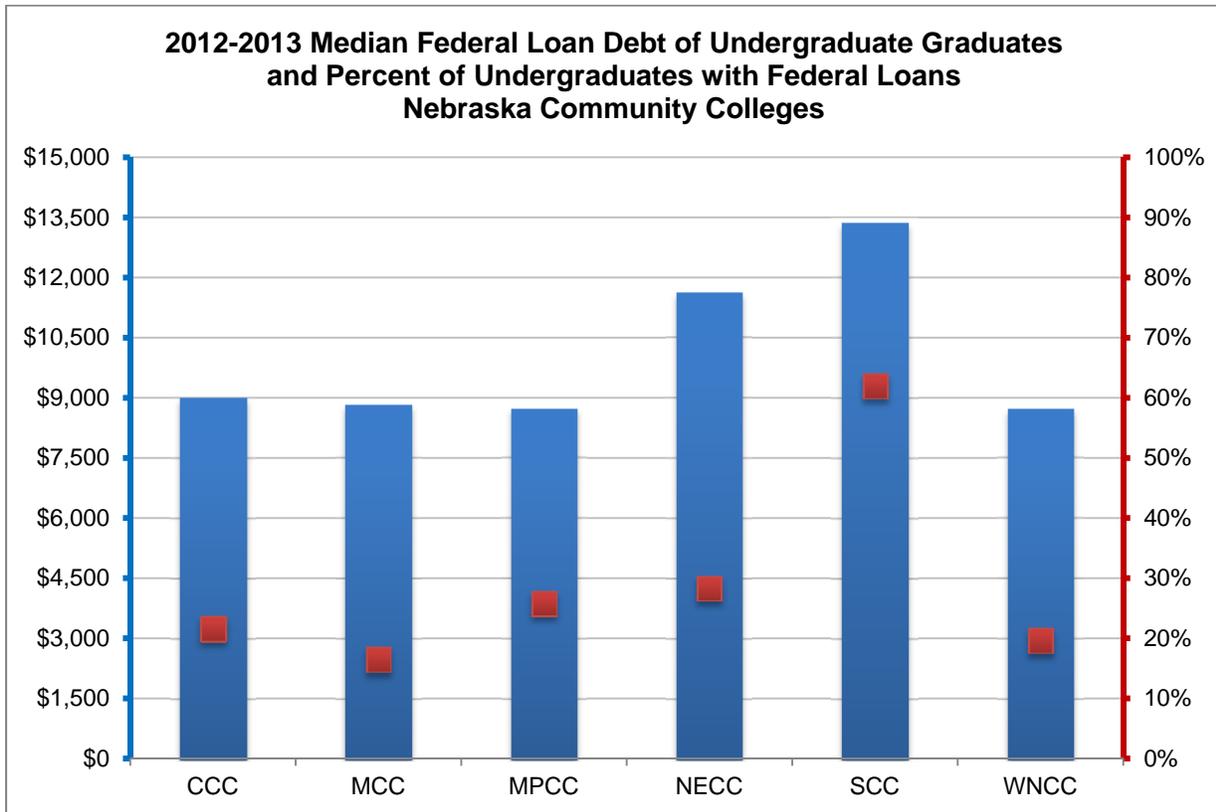
There is good news in that total borrowing in the federal loan programs from 2009-10 to 2014-15 decreased by 13 percent. Additionally, private loan program borrowing has decreased 43 percent from 2004-05 to 2014-15. While specific reasons for the decrease cannot be determined, a common theme refers to the growth in the GRAD PLUS program (see page [53](#)) (The College Board, 2016).

According to the Project on Student Debt, students who graduated in 2014 from a Nebraska public or private four-year institution had an average student loan debt of \$26,473. This compared to the national average of \$29,400 and ranked Nebraska 23rd in the nation (Project on Student Debt, 2015)

According to the Consumer Financial Protection Bureau, total student loan debt outstanding from federal and private loans exceeded the \$1 trillion mark in late 2011, an amount that exceeds credit card debt and auto loans (Chopra, 2012). That amount has since risen to \$1.2 trillion (Thompson, 2014).

Borrowing at Nebraska's public postsecondary institutions can be found on pages [47-55](#).

Median Federal Loan Debt and Percent of Undergraduates with Federal Loans



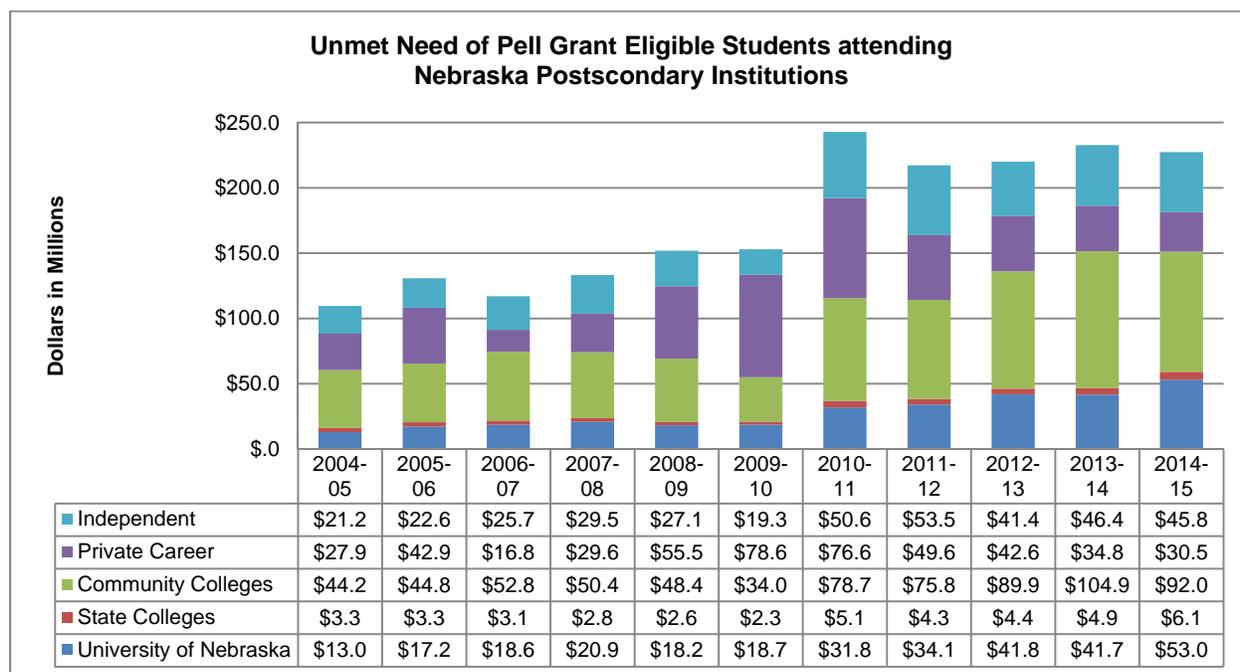
Source: (US Department of Education College Scorecard)

Unmet Financial Need

The Coordinating Commission requests information from all of Nebraska’s postsecondary education institutions that participate in the Nebraska Opportunity Grant 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 educational 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 from 2004-05 to 2014-15:



This data represents only the unmet need of the neediest Nebraska students – those receiving Pell Grants. As reported by many of the state’s 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 recommended and the Legislature approved the changes that were implemented with the creation of the Nebraska Opportunity Act (see page 58).