



**LB 1077 Testimony**  
**Carna Pfeil, Interim Executive Director**  
Feb. 10, 2014

- I will address two of the financial aid programs proposed as part of this bill – the Postsecondary Program and the Early College Experience Program.

First, the **Postsecondary Program**:

- The Coordinating Commission currently administers the Nebraska Opportunity Grant, which awards grants to low-income Nebraska residents attending Nebraska postsecondary institutions. Through this program, the State awarded more than \$15.1 million in grants to nearly 16,000 students for the 2012-13 academic year. Each recipient received an average grant of nearly \$1,000. The Nebraska Opportunity Grant draws on a combination of State general funds and lottery proceeds.
- We believe the Nebraska Opportunity Grant, as currently structured, is an effective and efficient way to help our neediest students afford postsecondary education. The new program proposed in this bill would replace the Nebraska Opportunity Grant. The Coordinating Commission could effectively administer the new program, but we have concerns about its efficiency and its cost to implement and maintain.

- The Nebraska Opportunity Grant is what we refer to as a “decentralized” financial aid program. In this case, that means the Coordinating Commission every year informs each postsecondary institution approximately how much grant funding they will have available to their eligible students based on a formula. The postsecondary institutions recommend which of their students should receive grant funding, and how much, then submit that information to the Coordinating Commission. We review and approve or deny those recommendations, then disburse Opportunity Grant funds to the institutions, which in turn disburse those funds to their students.
- With the current process, the postsecondary institutions review the students to determine the appropriate amount of Opportunity Grant funding they should recommend, in the context of the entire financial aid package each student is receiving.
- The new program proposed in this bill would shift this process from “decentralized” to “centralized,” meaning it would place the Coordinating Commission in the lead role of determining how much grant funding each student is eligible to receive. While the Commission could operate this type of financial aid system and do it well, this would eliminate the flexibility of the current process, which allows financial aid departments to address each student’s unique needs and circumstances.
- As you can see, we submitted a fiscal note for this bill that includes significant costs for centralizing and administering this new program.
- The Coordinating Commission would take on substantial administrative duties as part of this new program, which in turn would require the implementation of an automation process. Such a complex automated system would be costly to implement and maintain. We estimate the initial cost would be at least \$100,000, with an annual maintenance cost of at least \$15,000.
- In terms of funding for the proposed Postsecondary Program, it’s important to note that in 2012-13 only 28 percent of eligible Nebraska students were served with the \$15.1 million allocated to the Nebraska Opportunity Grant. This includes \$8.8 million in lottery funding. The State would need to provide additional funding if the lottery funds were to be reallocated and if the new Postsecondary Program were to serve the same or a larger number of needy students.

Next, I'll address the **Early College Experience Program**:

- The Coordinating Commission currently administers the Access College Early – or ACE – program, which pays tuition and mandatory fees for qualified, low-income high school students to enroll in college courses from Nebraska colleges or universities, either through dual-enrollment or early enrollment agreements with these institutions.
- The Legislature authorized this program in 2007 and it has proven to be incredibly successful. In fact, I've never seen a more effective program in my 20-plus years in higher education. More than 82 percent of ACE recipients go on to college, compared to 77 percent of non-low-income students and 52 percent of low-income students who do not receive ACE scholarships. Overall, our research finds that ACE recipients remain enrolled in high school, graduate from high school, go on to college, and succeed in college at far higher rates than other low-income students. I've included a handout with your materials that contains more information about the ACE program.
- The new Early College Experience Program would provide financial assistance for all high school students who wish to take college courses or dual-enrollment courses while still in high school. We believe it is good policy for the State to help pay for dual-enrollment courses for all high school students regardless of income level. Many states do this.
- Our primary concern with the dual-enrollment program proposed in this bill is that specific funds are no longer set aside for low-income students. We fear that low-income students will no longer receive dual-enrollment funds at the level they currently do through the ACE program. This bill calls for the State, through the Coordinating Commission, to pay 50 percent of the cost of dual-enrollment courses, with school districts presumably contributing 40 percent and individual students 10 percent. Many smaller school districts could decide they cannot afford their required contribution, thereby potentially excluding their students who cannot afford to pay for the courses on their own. Furthermore, many low-income students will not be able to afford their required 10 percent contribution even if their school district does contribute its share.

- We ask that you continue to fund the ACE program separately if you decide to move forward with this more expansive dual-enrollment program for all students wanting to take dual enrollment courses. We believe it's vital for the future of Nebraska's low-income high school students.
- The Early College Experience program, like the Postsecondary Program, would be expensive to implement and maintain. We recently created, with the Office of the Chief Information Officer, an online application process for ACE. We estimate we would need approximately \$56,000 to create a new online process for the Early College Experience Program, with an additional \$8,400 for annual maintenance.
- The Early College Experience Program requires the Commission to monitor and report on various data relating to the program. We are confident we could work with the Nebraska Department of Education to fulfill this requirement. However, we ask you to consider adding requirements for tracking the college-going rates for award recipients, as this is a crucial measurement of the success of dual-enrollment programs. Similarly, we ask that you add data requirements for measuring retention and graduation rates for postsecondary students receiving Postsecondary Program funds.
- Finally, this bill also calls for the Commission to provide students, their families, high schools, eligible institutions and other interested parties a web-based means of estimating their potential awards with each institution. The bill requires this for both the Postsecondary Program and the Early College Experience Program. We estimate the cost of creating such a customized, data-sensitive system to be at least \$100,000, with annual maintenance of \$18,300.
- In closing, we believe we could successfully administer both the Postsecondary Program and the Early College Experience Program. However, it would be costly in both cases and, in the case of the Early College Experience Program, could negatively impact low-income students.