



LB 331 Testimony

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- The Coordinating Commission administers the Nebraska Opportunity Grant, the state's financial-aid program that supports low-income postsecondary students attending Nebraska colleges and universities. Recipients must be Nebraska residents and low income. In 2011-12, the Commission awarded \$14.7 million to 14,239 students, primarily from public institutions. The average award was \$1,031. The Nebraska Opportunity Grant is funded through a combination of lottery funds (\$8.3 million) and state appropriations (\$6.4 million).
- Applicants for federal financial aid complete a form (the Free Application for Federal Student Aid, or FAFSA). The result of the calculations in the FAFSA is a family's Expected Family Contribution (EFC), expressed in dollars. Prior to a change in statute two years ago, the maximum EFC to qualify for the Nebraska Opportunity Grant was equal to the maximum EFC to qualify for a federal Pell Grant. Unfortunately, many low-income students just missed eligibility for the federal Pell Grant and, as a result, were not eligible for the Opportunity Grant, as well. These students were clearly still in need of financial assistance, so we proposed a change in statute two years ago. The change set the maximum EFC to qualify for the Opportunity Grant slightly above the maximum EFC to qualify for Pell Grants.
- The Legislature also changed statutes to establish a 2.5 percent yearly increase in the EFC maximum for the Opportunity Grant. This assumed that the maximum EFC to qualify for Pell Grants would continue to rise. However, the federal government froze, and then reduced, the maximum EFC.

- The result is that the pool of Nebraska's eligible students has grown and Opportunity Grant funding is not as targeted toward our lowest-income students. LB 331 would make a relatively minor but important change to these eligibility requirements. It would set the maximum EFC to qualify for the Opportunity Grant at 110 percent of the maximum EFC to qualify for Pell Grants. If the EFC qualification for Pell was \$4,000, students with an EFC up to \$4,400 could be eligible for the Opportunity Grant. Future adjustments to EFC and Pell eligibility would result in parallel changes to Opportunity Grant eligibility. This would help ensure that our Opportunity Grant funding is targeted to our most needy students.