



LB 491 Testimony
Marshall A. Hill, Executive Director
March 4, 2013

- 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 attending Nebraska colleges and universities. The average award was \$1,031. The Opportunity Grant is funded through a combination of lottery funds (\$8.3 million) and state appropriations (\$6.4 million).
- The Nebraska Opportunity Grant in its current form focuses on students and their needs. The Coordinating Commission determines an amount of funding available to an eligible college or university based on the institution's Nebraska-resident, Pell-eligible student enrollment. The Commission receives a list of potential students to receive grant funds from each institution, verifies the students' eligibility, and approves or disapproves an award to each of those Nebraska students.
- LB 491 incorporates a weighted distribution formula that favors institutions that award the most master's and doctoral degrees – even though only undergraduate students are eligible for Opportunity Grants. Under this bill, in 2011-12 the University of Nebraska Medical Center would have seen a 131 percent increase in the amount of money available to their relatively small number of undergraduate students. Nebraska's independent colleges would have collectively seen a nearly 46 percent increase in funds available to their students, including a 118 percent increase for Creighton University. Students in our state's community colleges would have seen a 23 percent decrease, even though community colleges (and the private career colleges) typically serve our neediest students.

- Finally, if the goal of this bill is to take a first step toward implementing some form of “performance funding” for higher education in Nebraska, we believe it takes the wrong approach. More than 30 states have implemented or are strongly considering some form of performance funding for higher-education, but those approaches and conversations are focused on state allocations for public institutions. Performance funding typically ties state funding of public institutions to goals relating to student achievement, retention and graduation rates. We believe it would be inappropriate to allocate *financial aid for low-income students* based on an institution’s degree production, or any other performance measure, for that matter.