



LB 497 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 attending Nebraska colleges and universities. The average award was \$1,031. In 2011-12, Opportunity Grant funding consisted of \$8.3 million in lottery revenue and \$6.4 million in state appropriations. For 2012-13, the amount of lottery funding has increased to \$8.8 million, with state appropriations unchanged. The Opportunity Grant has received no increase in state general funds appropriations since 2007. The only increase has come from the lottery portion of funding. Even with that increase, Nebraska ranks 33rd in the country in the amount of need-based financial aid per full-time equivalent undergraduate student.
- LB 497 would eliminate lottery funding for the Opportunity Grant beginning July 1, 2016. This would dramatically change the way these funds are awarded and could negatively affect thousands of needy students.
- If the Coordinating Commission had distributed Opportunity Grant funds in 2011-12 without its current level of lottery revenue, either 7,000 needy college students would not have received grants or the roughly 14,000 students who received grants would have had their funding cut in half. For many of our needy students, this could be the difference between enrolling in college or not and staying in college or dropping out.
- We believe it is appropriate for the state to periodically evaluate how it disperses its lottery revenue, as called for in this bill. We hope that evaluation results in the continuation of significant lottery funding for the Opportunity Grant, because we are concerned about the state's ability or willingness to replace what currently is \$8.8 million in lottery funds with general funds appropriations.