

ONE HUNDRED FIFTH LEGISLATURE - FIRST SESSION - 2017
COMMITTEE STATEMENT
LB490

Hearing Date: Monday February 27, 2017
Committee On: Education
Introducer: Walz
One Liner: Adopt the College Choice Grant Program Act

Roll Call Vote - Final Committee Action:
Advanced to General File with amendment(s)

Vote Results:
Aye: 6 Senators Ebke, Erdman, Linehan, Morfeld, Walz, Groene
Nay: 2 Senators Kolowski, Pansing Brooks
Absent:
Present Not Voting:

Verbal Testimony:

Proponents:

Senator Lynne Walz
William Motzer
Brian Friedrich
Christian Jones
Paula Kohles
Angie Cook
Eli Lundak
Kurth Brashear

Representing:

Introducer
Nebraska Wesleyan University
Nebraska Independent Institutions of Higher Education
Nebraska Wesleyan University
Creighton University
Nebraska Wesleyan University
Nebraska Wesleyan
Nebraska Independent Institutions of Higher Education

Opponents:

Susan Fritz
Jodi Kupper

Representing:

University of Nebraska Lincoln
Nebraska State College System

Neutral:

Nathan Leach
Mike Baumgartner

Representing:

self
Coordinating Commission for Post Secondary Education

Summary of purpose and/or changes:

LB 490 creates the College Choice Grant Program Act. This grant program is intended to provide financial assistance to students with substantial financial needs who attend a private nonprofit college or university in Nebraska. The Coordinating Commission for Postsecondary Education would determine the criteria for substantial need in conjunction with federal needs analysis criteria, criteria for the size of the awards and the eligibility of applicants.

The act would be administered by the Commission, with eligible postsecondary educational institutions acting as agents of the Commission in awarding grants to eligible students. The Commission would allocate funds to eligible institutions for distribution to students by:

(a) Determining the number of students enrolled in undergraduate programs at the eligible postsecondary educational institution in the last completed award year with an expected family contribution of five thousand five hundred fifty dollars or below as determined pursuant to the federal Pell Grant Program;

- (b) Multiplying the number determined in subdivision (a) by the institution's average educational expenses for all full-time undergraduate students for the last completed award year;
- (c) Dividing the product derived pursuant to subdivision (b) for each eligible postsecondary educational institution by the sum of the products derived pursuant to subdivision (b) for all eligible postsecondary educational institutions; and
- (d) Multiplying the total state funds appropriated for the purpose of distribution pursuant to the act by the ratio derived pursuant to subdivision (c).

The bill contains an emergency clause and provides an operative date of July 1, 2017.

Analysis by Section

Section 1 of LB 490 would name the act the College Choice Grant Program Act.

Section 2 of LB 490 would state the following findings and declarations of the Legislature:

- (1) Nebraska has an interest in providing quality postsecondary educational opportunities to its citizens in an efficient, cost-effective, and rigorous manner;
- (2) As part of Nebraska's commitment to ensuring a successful future for its citizens and helping ensure the state's economic vitality, it is imperative that Nebraska utilize the strengths of its privately controlled, nonprofit colleges and universities;
- (3) In 2013, privately controlled, nonprofit colleges and universities enrolled twenty-four percent of postsecondary education students in Nebraska and awarded more than forty-one percent of all bachelor's and advanced degrees;
- (4) In 2013, privately controlled, nonprofit colleges and universities awarded more than fifty-seven percent of the bachelor's and advanced degrees in business and more than one-third of the bachelor's and advanced degrees in teacher education;
- (5) In 2013, privately controlled, nonprofit colleges and universities enrolled a higher percentage of minority students than public colleges and universities and awarded twice as many degrees to African-American students as the University of Nebraska and state colleges systems combined;
- (6) In 2013, privately controlled, nonprofit colleges and universities played an important role in the future of quality health care in Nebraska as they awarded more than one-half of bachelor's and advanced degrees in the health sciences, including nursing;
- (7) In 2013, students who attended privately controlled, nonprofit colleges and universities received approximately three-tenths of one percent of the total state and local tax expenditures expended for higher education in Nebraska; and
- (8) Nebraska will enhance its ability to meet its postsecondary education goals by providing additional financial assistance to Nebraska residents who wish to attend a privately controlled, nonprofit college or university located in Nebraska.

Section 3 of LB 490 would provide that the definitions in sections 4 through 12 of the bill shall be used for purposes of the act.

Section 4 of LB 490 would define award year as the period from July 1 of one year through June 30 of the succeeding year.

Section 5 of LB 490 would define commission as the Coordinating Commission for Postsecondary Education.

Section 6 of LB 490 would define educational expenses as the published student costs for undergraduates for tuition, fees, room and board, and books and an allowance for such other expenses as the commission determines by rule and regulation to be reasonably related to attendance at an eligible postsecondary educational institution.

Section 7 of LB 490 would define eligible postsecondary educational institution as a nonprofit institution not controlled or administered by any state agency or any political subdivision of the state which is: (1) Located in Nebraska; (2) Primarily engaged in instruction of students; (3) Accredited by a regional accrediting organization recognized by the United States Department of Education; and (4) Offering courses and programs of instruction leading to an associate or baccalaureate degree to regularly enrolled undergraduate students who reside in Nebraska and have received high school diplomas or

their equivalent.

Section 8 of LB 490 would define eligible student as an individual who is a resident of Nebraska as provided by section 85-502, enrolled as a full-time or part-time undergraduate student at an eligible postsecondary educational institution, and eligible to receive student financial assistance pursuant to Title IV of the federal Higher Education Act of 1965, 20 U.S.C. 1001 et seq., as such act and sections existed on January 1, 2017.

Section 9 of LB 490 would define enrollment as the establishment and maintenance of an individual's status as a student in an eligible postsecondary educational institution regardless of the term used at the institution to describe such a status.

Section 10 of LB 490 would provide that the term full-time student shall be defined by the commission in the rules and regulations adopted and promulgated by the commission pursuant to the act.

Section 11 of LB 490 would provide that the term substantial financial need shall be defined by the commission in accordance with the federal needs analysis methodology.

Section 12 of LB 490 would define undergraduate student as an individual who has not earned a first baccalaureate or professional degree and is enrolled in a postsecondary educational program which leads to or is creditable toward a first baccalaureate degree, certificate, diploma, or equivalent.

Section 13 of LB 490 would in subsection 1 state that the act shall provide for awards made directly to eligible students demonstrating substantial financial need and shall be administered by the Commission in conjunction with eligible postsecondary educational institutions.

Subsection (2) of the section would provide that in order to reduce the costs of administering the act, the Commission would be required to allocate the funds to be distributed pursuant to the act to the eligible postsecondary educational institutions which would act as the agents of the Commission in the distribution of funds to eligible students. To determine the allocation amount for each institution the Commission would:

- (a) Determine the number of students enrolled in undergraduate programs at the eligible postsecondary educational institution in the last completed award year with an expected family contribution of five thousand five hundred fifty dollars or below as determined pursuant to the federal Pell Grant Program;
- (b) Multiply the number determined in subdivision (a) of this subsection by the institution's average educational expenses for all full-time undergraduate students for the last completed award year;
- (c) Divide the product derived pursuant to subdivision (b) of this subsection for each eligible postsecondary educational institution by the sum of the products derived pursuant to subdivision (b) of this subsection for all eligible postsecondary educational institutions; and
- (d) Multiply the total state funds appropriated for the purpose of distribution pursuant to the act by the ratio derived pursuant to subdivision (c) of this subsection.

Subsection (3) of the section would require each eligible postsecondary educational institution to distribute the funds to eligible students attending the respective institution in conformance with the rules and regulations of the Commission.

Section 14 of LB 490 would provide that an award may be given to an eligible student for attendance at an eligible postsecondary educational institution if:

- (1) The award is made directly to the eligible student rather than to the eligible postsecondary educational institution;
- (2) The eligible student is accepted for enrollment as follows: (a) In the case of an eligible student beginning his or her first year or freshman year of postsecondary education, such eligible student has satisfied requirements for admission and has enrolled or indicated an intent to enroll in an eligible postsecondary educational institution; or (b) In the case of an eligible student enrolled in an eligible postsecondary educational institution following the successful completion of the first year, he or she continues to meet the requirements of the act and has maintained such minimum standards of performance as are required by the institution in which the eligible student is enrolled;
- (3) The amount of the award given to an eligible student is based on substantial financial need;

- (4) The award covers at least one award period but no more than one award year of attendance as an undergraduate student at an eligible postsecondary educational institution which has adopted and has available for inspection its refund and repayment policies;
- (5) The eligible student receiving such an award signs a statement certifying that the award will be used only for educational expenses; and
- (6) The eligible student has complied with such rules and regulations as may be established by the Commission.

Section 15 of LB 490 would provide that an award may be made for a period not to exceed an award year. If the award recipient discontinues attendance at the eligible postsecondary educational institution before the end of the award period, the award recipient would be required to remit any award balances allowable to the eligible postsecondary educational institution in accordance with the eligible postsecondary educational institution's withdrawal policy. An eligible postsecondary educational institution could redistribute to other eligible students any award balance returned in accordance with its refund policy. The bill would require award funds not distributed or redistributed within the award year in which funds were allocated to be returned to the Commission by the eligible postsecondary educational institution.

Section 16 of LB 490 would require the Commission, in the granting of awards, to give priority to full-time eligible students, though awards may be given to part-time eligible students enrolled in an eligible postsecondary educational institution.

Section 17 of LB 490 would require the Commission and its agents to carry out the act without regard to any eligible student's race, creed, color, national origin, ancestry, age, sex, or handicap.

Section 18 of LB 490 would require the Commission to:

- (1) Supervise the issuance of public information concerning the act;
- (2) Determine criteria for the eligibility of award recipients;
- (3) Determine the effective date of awards made pursuant to the act; and
- (4) Determine criteria for setting the minimum and maximum size of the awards and the eligibility of applicants.

Section 19 of LB 490 would require the Commission to establish a reasonable and fair appeal procedure for students and eligible postsecondary educational institutions which have been adversely affected by the actions of the Commission or eligible postsecondary educational institutions in the distribution of funds or granting of awards pursuant to the act.

Section 20 of LB 490 would provide that the act shall not be construed as granting any authority to the Commission to control or influence the policies of any eligible postsecondary educational institution because the eligible postsecondary educational institution accepts students who receive awards nor as requiring any such eligible postsecondary educational institution to admit or, once admitted, to continue in the eligible postsecondary educational institution any student receiving an award.

Section 21 of LB 490 would provide that the Commission shall require an annual report from each eligible postsecondary educational institution. The report would be required to demonstrate that students receiving funds under the act have met the basic criteria established in the act and the rules and regulations of the Commission adopted pursuant to the act. The report could include other data as required by the Commission.

Section 22 of LB 490 would require the Commission to adopt and promulgate rules and regulations necessary to carry out the act.

Section 23 of LB 490 would amend section 85-1412 to include administration of the act among the duties of the Commission.

Section 24 of LB 490 would provide an operative date of July 1, 2017.

Section 25 of LB 490 would repeal original section 85-1412.

Section 26 of LB 490 would provide the emergency clause.

Explanation of amendments:

LB 490 is amended to prohibit a student from receiving an award under the College Choice Grant Program Act and the Nebraska Opportunity Grant Act for the same academic year.

Mike Groene, Chairperson