

Appendix 8

Financial Aid Programs

Explanatory Note A8.1 Definitions of Federal and State Title IV Financial Aid Programs

The following are definitions of the types of federal and Title IV financial aid programs available to Nebraska postsecondary students:

- **Federal Pell Grant:** Federal Pell Grants are awarded to undergraduates who have not earned a bachelor's degree and who demonstrate high financial need. Pell Grants do not have to be repaid. The award range for Pell Grants for the award year 2005–06 was \$400 to \$4,050.
- **Federal Supplemental Educational Opportunity Grant (FSEOG):** Undergraduate students with exceptional need and who have not received a bachelor's degree are eligible to receive the FSEOG. FSEOG awards can range from \$100 to \$4,000 and do not have to be repaid, but awards are subject to the availability of funds at a student's institution.
- **Nebraska State Grant (NSG):** State grants are awarded to Nebraska-resident, Pell Grant-eligible students attending eligible Nebraska postsecondary institutions to assist with the students' educational expenses. Funding for the grant comes from both the federal government through its Special Leveraging Educational Assistance Partnership Program authorizations and from the state through the Nebraska Lottery and the state's general fund. Because this program is based on Pell Grant eligibility, students must demonstrate financial need to receive a Nebraska State Grant.
- **Academic Competitiveness Grants (ACGs):** Created under the Higher Education Reconciliation Act of 2005, ACGs are need-based but limited to students who have demonstrated academic achievement. To receive an ACG, a student must be a college freshman or sophomore, a U.S. citizen, Pell Grant-eligible and have completed a program of rigorous high school course work as defined by their state and recognized by the U.S. Secretary of Education. ACGs provide additional funds of up to \$750 for first-year college students and up to an additional \$1,300 for second-year students who are enrolled full time and maintain a 3.0 GPA in college. Institutions began to award these grants beginning in the 2006–2007 academic year.
- **National Science and Mathematics Access to Retain Talent (SMART) Grants:** Created under the Higher Education Reconciliation Act of 2005, SMART grants are need-based but limited to students majoring in specified fields who maintain B averages in college. To receive a SMART grant, a student must be a third- or fourth-year college student; a U.S. citizen; Pell Grant-eligible; enrolled full time; majoring in a designated science, technology, mathematics, or critical language; and maintaining a 3.0 GPA. Students who meet these criteria will automatically receive up to \$4,000 in additional financial aid. Institutions began to award SMART grants beginning in the 2006–2007 academic year.
- **Federal Work-Study (FWS):** The FWS provides on- and off-campus jobs for graduate and undergraduate students who demonstrate financial need. Work-study amounts awarded vary from institution to institution.

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Explanatory Note A8.1 Continued

Definitions of the types of federal and Title IV financial aid programs available to Nebraska postsecondary students, continued:

- **Teacher Education Assistance for College and Higher Education (TEACH) Grants:** The TEACH grant program was established under the College Cost Reduction and Access Act (CCRAA) to benefit current and prospective teachers. Beginning in 2008-2009, students may be awarded up to \$4,000 per academic year. Undergraduate and post-baccalaureate students may receive up to a total of \$16,000, while graduate students may receive up to \$8,000. Eligible students must be currently completing or planning to complete coursework necessary to begin a career in teaching. There are, however, graduate degree alternatives for teachers or retirees with experience in a teacher shortage area. To be considered for a grant, a student must have a score above the 75th percentile on an admissions test, such as SAT, ACE or GRE and at least a 3.25 GPA. Students must sign an understanding of terms document to certify that they understand the terms of the grant and the teaching service requirements. The student must teach full time for at least four years within eight years of completing the program at a Title I school as a highly qualified teacher and/or in a specified subject area (mathematics, science, foreign language, bilingual education, special education, reading or another “high need” field. If service is not met, the grant must be repaid as an unsubsidized direct Stafford Loan with interest from the date(s) of original disbursement.
- **Perkins Loan:** Perkins Loans are fixed, low-interest (5%) loans available to graduate and undergraduate students with financial need. Undergraduate students may borrow up to \$4,000 per year, and graduate students may borrow up to \$6,000 per year, depending on the availability of funds at their institution.
- **Subsidized (Sub) and Unsubsidized (Unsub) Stafford Loans:** Stafford Loans are available to undergraduate and graduate students. Students must demonstrate financial need in order to qualify for a Subsidized Stafford Loan, where the federal government pays the interest while the student is in school. Unsubsidized Stafford Loans are available to all students, but borrowers are responsible for the interest while in school. Loan limits for Stafford Loans range from \$2,625 to \$18,500 depending on grade level and dependency status.
- **PLUS Loans for Graduate and Professional Degree Students (GRAD PLUS):** Graduate and professional degree students eligible to borrow under the PLUS loan program up to their cost of attendance minus other estimated financial assistance. The terms and conditions applicable to Parent PLUS also apply to PLUS loans for graduate and professional students. Applicants must apply for their annual loan maximum eligibility under the Federal Subsidized and Unsubsidized Stafford Loan Program before applying for a Graduate/Professional PLUS loan.
- **PLUS Loans:** PLUS loans are available to the parents of dependent undergraduate students. These loans are not need-based. Parents may borrow up to the student’s cost of attendance, less any other financial aid received.

Students must demonstrate financial need to be considered for all aid programs listed above except for the TEACH, the Unsubsidized Stafford Loan, the GRAD PLUS and the PLUS. Financial need is the difference between the student’s costs to attend his or her respective institution and the ability of the family to contribute toward college costs. That ability is determined through completing the Free Application for Federal Student Aid (FAFSA). For example, if the cost of attendance is \$8,000 and the student’s contribution is \$1,000, the student demonstrates a need of \$7,000.

**Table A8.1
Nebraska State Grants (NSG) Awarded by Sector
2007–2008 Compared to 2003–2004 Baseline¹**

	2003–04	2007–08	% Change
Nebraska Public Institutions			
Number of Nebraska-Resident, Pell Grant-Eligible Students	21,373	20,596	-3.6%
Number of Students Awarded an NSG	8,740	8,780	0.5%
Percent of Nebraska-Resident, Pell Grant-Eligible Students Awarded an NSG	40.9%	42.6%	-
Total NSG Awarded	\$4,970,800	\$7,760,671	56.1%
Average NSG Award	\$569	\$884	55.4%
Independent Colleges & Universities			
Number of Nebraska-Resident, Pell Grant-Eligible Students	3,837	4,045	5.4%
Number of Students Awarded an NSG	2,674	2,576	-3.7%
Percent of Nebraska-Resident, Pell Grant-Eligible Students Awarded an NSG	69.7%	63.7%	-
Total NSG Awarded	\$2,559,826	\$2,471,413	-3.5%
Average NSG Award	\$957	\$944	-1.4%
Private Career Schools			
Number of Nebraska-Resident, Pell Grant-Eligible Students	3,012	3,430	13.9%
Number of Students Awarded an NSG	1,617	1,802	11.4%
Percent of Nebraska-Resident, Pell Grant-Eligible Students Awarded an NSG	53.7%	52.5%	-
Total NSG Awarded	\$1,204,537	\$2,189,740	81.8%
Average NSG Award	\$726	\$1,215	67.4%
Total Nebraska State Grants Awarded			
Number of Nebraska-Resident, Pell Grant-Eligible Students	28,222	28,071	-0.5%
Number of Students Awarded an NSG	13,031	13,158	1.0%
Percent of Nebraska-Resident, Pell Grant-Eligible Students Awarded an NSG	46.2%	46.9%	-
Total NSG Awarded	\$8,735,163	\$12,421,824	42.2%
Average NSG Award	\$668	\$944	41.3%
¹ Data Source: Nebraska State Grant Expenditure Reports, September 2004 and October 2008.			

Table A8.2
Nebraska State Grants (NSG) Awarded by Sector and Income of Recipient
2007–2008 Compared to 2003–2004 Baseline¹

As shown in this table, students who reported incomes of \$0 to \$19,999 received the highest percentage of state grants in each sector, with the exception of students attending independent colleges and universities in 2003–2004.

Higher Education Sector and Income Level of NSG Recipients	2003–2004		2007–2008		% Change in No. of Recipients
	No. of Recipients	% of Recipients	No. of Recipients	% of Recipients	
Nebraska Public Institutions					
\$0 to \$19,999	4,398	50.3%	4,116	46.9%	-6.4%
\$20,000 to \$39,999	3,079	35.2%	2,947	33.6%	-4.3%
\$40,000 or higher	1,263	14.5%	1,717	19.5%	35.9%
Total	8,740	100.0%	8,780	100.0%	0.5%
Independent Colleges and Universities					
\$0 to \$19,999	946	35.4%	1,004	39.0%	6.1%
\$20,000 to \$39,999	1,147	42.9%	952	36.9%	-17.0%
\$40,000 or higher	581	21.7%	620	24.1%	6.7%
Total	2,674	100.0%	2,576	100.0%	-3.7%
Private Career Schools					
\$0 to \$19,999	1,353	83.7%	1,518	84.2%	12.2%
\$20,000 to \$39,999	202	12.5%	240	13.3%	18.8%
\$40,000 or higher	62	3.8%	44	2.5%	29.0%
Total	1,617	100.0%	1,802	100.0%	11.4%
Total Nebraska State Grants Awarded					
\$0 to \$19,999	6,697	51.4%	6,638	50.4%	-0.9%
\$20,000 to \$39,999	4,428	34.0%	4,139	31.5%	-6.5%
\$40,000 or higher	1,906	14.6%	2,381	18.1%	24.9%
Total	13,031	100.0%	13,158	100.0%	1.0%

¹Data Sources: Nebraska State Grant Expenditure Reports, September 2004 and October 2008.