



LR261

NSWERS EVALUATION OF UNFUNDED TUITION AND FEE WAIVERS

EXECUTIVE SUMMARY

November 13, 2025

The Nebraska Statewide Workforce & Education Reporting System (NSWERS)

insights.nswers.org/evaluations/lr261-2025

Acknowledgment

The Nebraska Statewide Workforce & Educational Reporting System (NSWERS) extends its sincere appreciation to our partners who made this report possible: the Nebraska State College System, the University of Nebraska System, Metropolitan Community College, Northeast Community College, Southeast Community College, Mid-Plains Community College, Western Nebraska Community College and the Nebraska Coordinating Commission for Postsecondary Education (CCPE).

This project required a significant collective effort—drawing on the expertise, collaboration, and dedication of institutional and system partners across Nebraska’s higher education community. We are deeply grateful for their commitment to advancing understanding of this important topic and for their shared efforts to inform the state’s ongoing work to improve access, affordability, and outcomes for Nebraska students.



The Nebraska Statewide Workforce & Educational Reporting System, or NSWERS, is a one-of-a-kind research partnership among Nebraska’s education and workforce systems designed to create a data-informed decision culture that supports pathways of learning and earning for the people of Nebraska. The NSWERS data system is the most comprehensive education-to-workforce longitudinal information source ever created in Nebraska.

Introduction

Since at least the 1970s, Nebraska's public colleges and universities have administered tuition and fee waiver programs that honor public service or advance workforce priorities. These waiver programs were formalized via legislative acts and in many cases were enacted without permanent dedicated state appropriations to offset the tuition revenue forgone by institutions. Over time, these unfunded mandates have expanded in number and scope, creating statutory requirements that differ in eligibility, purpose, and fiscal consequence. Notably, this expansion has been the greatest in the past five years.

In pursuing Legislative Resolution (LR) 261, the Appropriations Committee seeks to examine the fiscal and strategic implications of these unfunded waivers. The interim study is intended to assess:

- The financial impact of unfunded, statutorily mandated waivers on Nebraska's public universities, state colleges, and community colleges;
- The long-term sustainability of such waivers;
- The degree to which waivers support Nebraska's workforce development goals; and
- Potential legislative solutions, including funding mechanisms such as LB 307 (2025).

To carry out this work, LR261 called for a collaborative working group including the Coordinating Commission for Postsecondary Education (CCPE), the Nebraska Statewide Workforce & Educational Reporting System (NSWERS), and representatives of Nebraska's public postsecondary institutions. Following direction from its Executive Council on July 31, 2025, NSWERS launched a coordinated evaluation effort to provide a comprehensive, data-driven view of the scope, distribution, and outcomes associated with these waivers.

Intentions Behind Nebraska's Tuition Waivers

Nebraska's tuition and fee waivers encompass a range of purposes depending on their statutory or administrative origins. Some, such as those for dependents of deceased and disabled veterans, provide tuition benefits as recognition, intended to honor and acknowledge service to the state and the nation. In contrast, the waivers for first responders and their dependents serve similar function to employment benefits for purposes of recruitment or retention of a necessary component of the public good workforce. Other programs, such as those targeting rural health, are explicitly workforce oriented and aim to address shortages in critical sectors.

These programs have varied intents yet are driven by a single policy framework. Examining them together provides a unified view of how unfunded tuition and fee waivers, despite differing purposes, collectively impact institutional finances, long-term sustainability, and state capacity for meeting education and workforce needs.

Importance of Evaluating Student Outcomes

Quantifying education and outcomes for students who receive tuition and fee waivers can supplement decision making around future direction of the programs. In some cases, it is the only way to understand if the programs are contributing to statewide goals of improving college attainment and meeting workforce needs. Because unfunded waivers represent a substantial institutional investment, understanding how recipients progress through college and into employment helps assess both their effectiveness and sustainability.

Scope of this Report

This report includes a comprehensive analysis of Nebraska’s unfunded, statutorily mandated tuition and fee waiver programs, as directed by LR 261. It encompasses all programs between academic years 2016 and 2025 across all public higher education sectors: the University of Nebraska System, the Nebraska State College System, and five of the state’s six independent community colleges. Central Community College elected not to participate in this analysis.

This study integrates fiscal, enrollment, and student outcome data to examine how these waiver programs collectively affect institutional budgets, student success, and state workforce priorities. The waiver programs included are described in the table on the following page.

Programs Included in this Report

This report contains analysis on nine distinct but in some cases closely-related state programs that require or result in foregone tuition via institutional waivers. In most cases, these waivers are statutorily mandated and unfunded, but there are counterexamples. Namely, 1.) Nebraska National Guard waivers are mandated, but fully reimbursed via appropriation through the Guard, and; 2.) the Community College State Dependents waivers are reimbursed and funded at 75 percent, with the remaining 25 percent waived by administrative agreements between the Nebraska Department of Administrative Services and the community colleges. A summary of these programs is provided in the table on the following page.

Program Name	Statutory Citation	Primary Beneficiaries
Nebraska National Guard Tuition Credit	§ 85-505 to § 85-508	Active members of the Nebraska National Guard
Dependents of Deceased or Disabled Veterans	§ 80-411	Spouses and children of veterans killed or permanently disabled in service
Members of Active Selected Reserve	§ 80-901	Members of Nebraska-based units of the Selected Reserve
Spouses and Children of Deceased Guard Members	§ 85-507	Spouses and dependents of deceased National Guard members
Line of Duty Dependent Education Act	§ 85-2301	Dependents of law enforcement officers and firefighters killed in the line of duty
First Responder Recruitment and Retention Act	§ 85-2609 to § 85-2622	Active law enforcement officers, firefighters, emergency medical personnel; Extended to correctional officers in 2027.
First Responder Recruitment and Retention Act (Dependents)	§ 85-2612	Qualifying dependents of active law enforcement officers, firefighters, emergency medical personnel, and their; Extended to correctional officers in 2027.
Community College State Dependents Program	§ 81-1329	Dependents of certain state employees attending community colleges
Rural Health Opportunities Program (RHOP)	§ 71-5684	Students preparing for health professions who commit to rural practice

Attributes of Waiver Programs

Nebraska’s tuition waiver programs have several structural features that determine who benefits, how much support they receive, and how the costs are managed. Most waivers are targeted to specific groups, e.g. military service members and their families, first responders, dependents of those killed in the line of duty, or state employees. These programs require clear documentation of eligibility through the Department of Veterans’ Affairs, the Adjutant General, or the Department of Revenue. Most programs are limited to Nebraska residents or employees serving in Nebraska-based units to ensure the investment benefits the state’s workforce. Academic eligibility is generally restricted to undergraduate study at Nebraska’s public institutions, though a few extend to graduate or professional programs. Some programs, such as those tied to the National Guard and Reserve, require students to maintain satisfactory academic progress and good standing in their service component to retain eligibility.

The extent of financial coverage also varies across programs. Several, including the dependents of deceased or disabled veterans and line-of-duty dependent waivers, provide full tuition and fee coverage, while others such as the Guard and Reserve benefits cover a fixed percentage of tuition (such as 75 percent for undergraduate and 50 percent for graduate study). Most are explicitly structured as “last-dollar” benefits, meaning other grants or federal education assistance must be applied first, with the waiver covering any remaining tuition balance, but some may not explicitly require completion of the FAFSA. Furthermore, none explicitly require meeting a threshold of demonstrated financial need. Time and usage limits are common: many waivers apply to one degree per academic level, cap total years of eligibility (e.g., four or five years of undergraduate study), or require use before a dependent reaches a specific age (25-26). Some programs also impose service or residency obligations after graduation, such as the Guard’s three-year post-education service requirement or the First Responder waiver’s five-year Nebraska residency commitment for dependents.

Funding mechanisms and reimbursement rules represent a key differentiation point among the waiver programs. A few programs are supported through dedicated appropriations, such as the Nebraska Military Department’s budget for Guard tuition credits or the state fund for the Community College State Dependents program. However, most operate as unfunded mandates, requiring institutions to absorb waived tuition as lost revenue. Programs with participant or dollar caps (for example, the Guard program’s 1,200-member annual limit or the Active Selected Reserve 200 application limit) can be managed predictably within budget, whereas open-ended waivers like the veteran dependent or first responder benefits create variable and uncapped fiscal exposure for campuses.

A complete table describing these attributes for each program can be found in the appendix.

Data Sources and Coverage

This analysis utilizes integrated administrative data from the NSWERS data system, which includes records from public K-12 schools, public postsecondary institutions, and workforce records for those students via the Nebraska Department of Labor. This report was enabled by supplemental data submissions by postsecondary institutions on tuition and fee waiver recipients, terms, quantities of fee waivers, and the statutory basis for the waiver. All public postsecondary institutions contributed data to enable this report, with the exception of Central Community College, who elected not to participate.

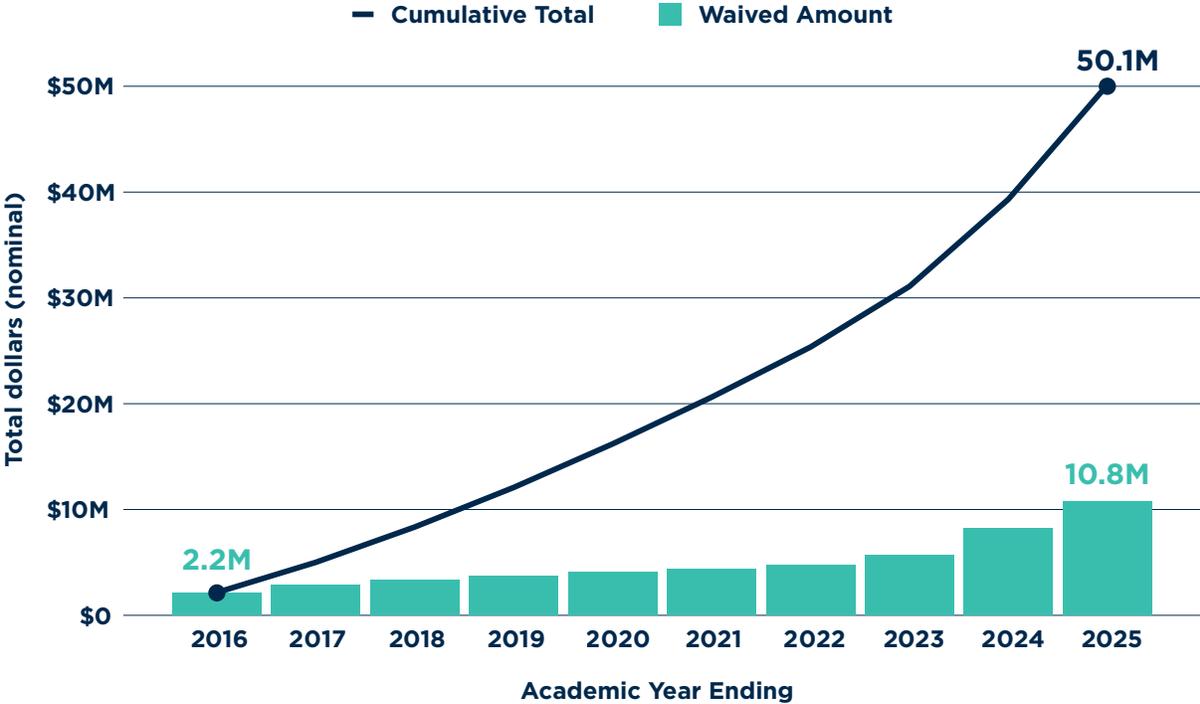
Each institution reported waivers applied from academic years between 2015-16 through 2024-25. No inflation adjustment for waived dollars was applied for this analysis.

Descriptive Statistics

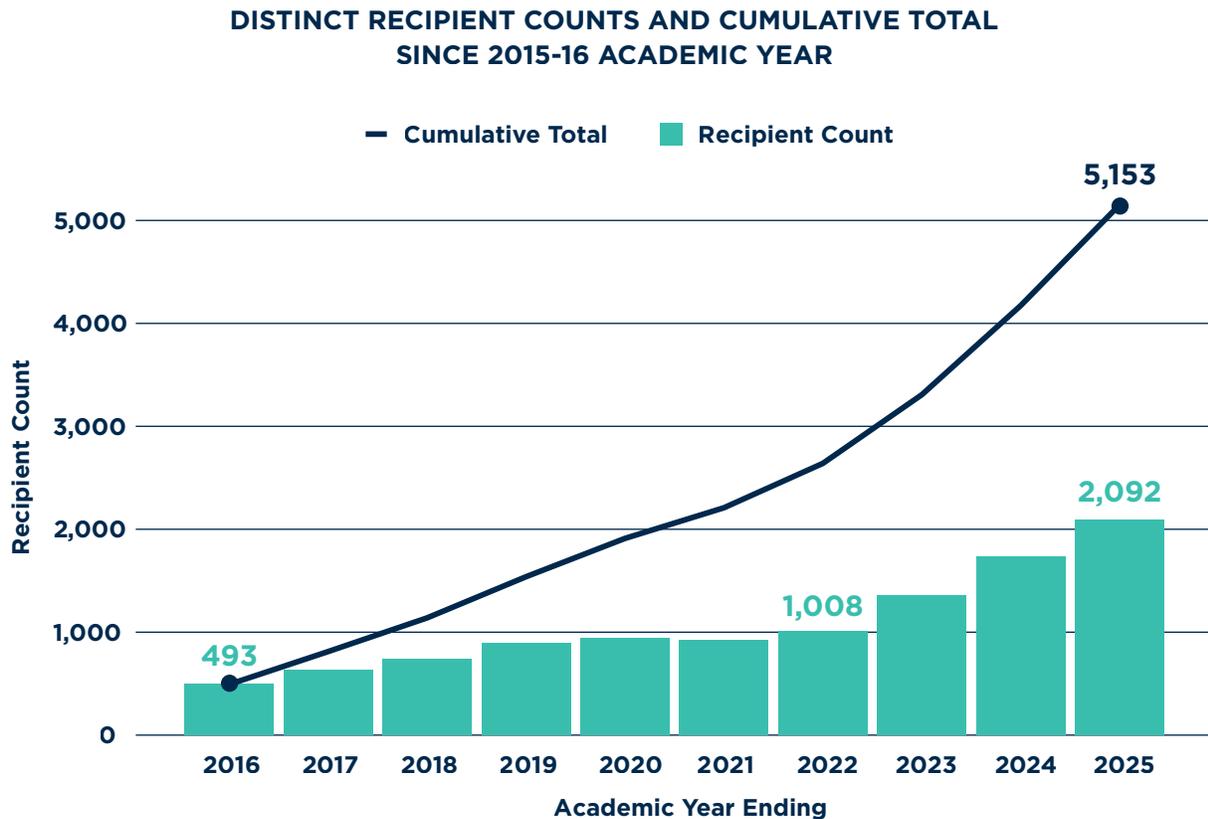
Between academic years 2015-16 and 2024-25, Nebraska’s public institutions reported a total of \$50.1 million in tuition and fee waivers distributed to 5,153 distinct students. Both the number of recipients and the total dollar value of waived tuition have increased steadily each year, reflecting both the expansion of eligible programs and the number of eligible beneficiaries across sectors.

In the baseline year of 2015-16, institutions reported \$2.2 million in waived tuition and fees provided to 493 students. By 2024-25, annual waived amounts had grown nearly fivefold, reaching \$10.8 million, while the number of recipients more than quadrupled to 2,092. Cumulatively, total waiver amounts increased by an average of 22 percent per year, with the most pronounced year-over-year growth occurring after 2021-22, when several newer waiver programs became active, such as the extension of the First Responder Recruitment and Retention Act to qualified dependents.

TOTAL WAIVED AMOUNTS AND CUMULATIVE TOTAL SINCE 2015-16 ACADEMIC YEAR



Participation expanded most rapidly in the latter half of the study period: from 1,008 recipients in 2021-22 to 2,092 in 2024-25, representing a 108 percent increase in just three years. The cumulative recipient count surpassed 5,000 individuals in 2025, indicating the growing reach of these statutory programs across Nebraska’s higher education systems.

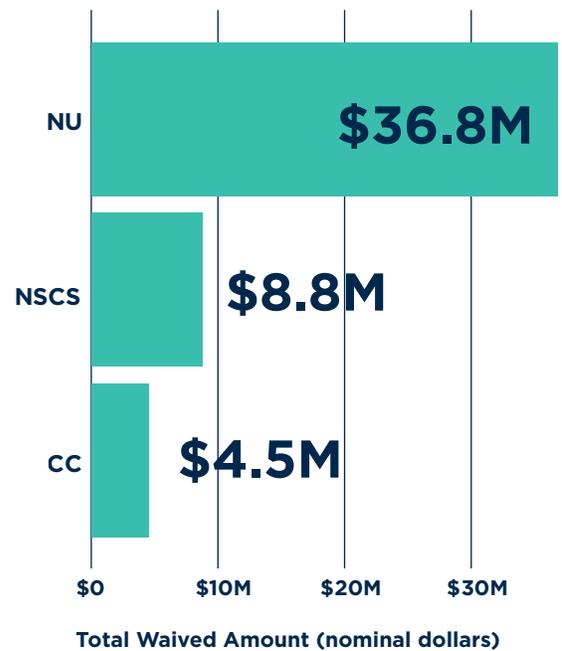


Overall, the data show a consistent upward trend in both participation and fiscal exposure. Waived tuition and fee values have outpaced enrollment growth across systems, suggesting that eligibility expansions and rising participation among indirect beneficiaries, particularly dependents of deceased and disabled service members and first responders, are key drivers of the recent increases.

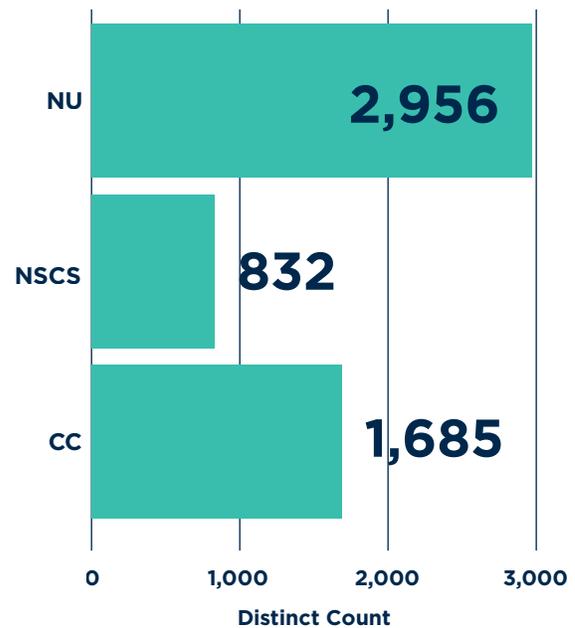
System

Across Nebraska's public higher education sectors, the distribution of unfunded tuition waivers varies substantially in both scale and reach. The University of Nebraska (NU) system accounts for the largest share, with approximately \$36.8 million waived for 2,956 students, reflecting its higher tuition rates and larger population of eligible dependents. The Nebraska State College System (NSCS) follows with about \$8.8 million in waived tuition for 832 recipients, while the community colleges (CC) collectively waived roughly \$4.5 million for 1,685 students. These differences highlight distinct program footprints and cost structures across the systems: community colleges serve more waiver recipients at lower per-student amounts, whereas the university system carries the greatest fiscal exposure overall.

TOTAL WAIVED AMOUNTS BY SYSTEM



DISTINCT WAIVER RECIPIENTS BY SYSTEM

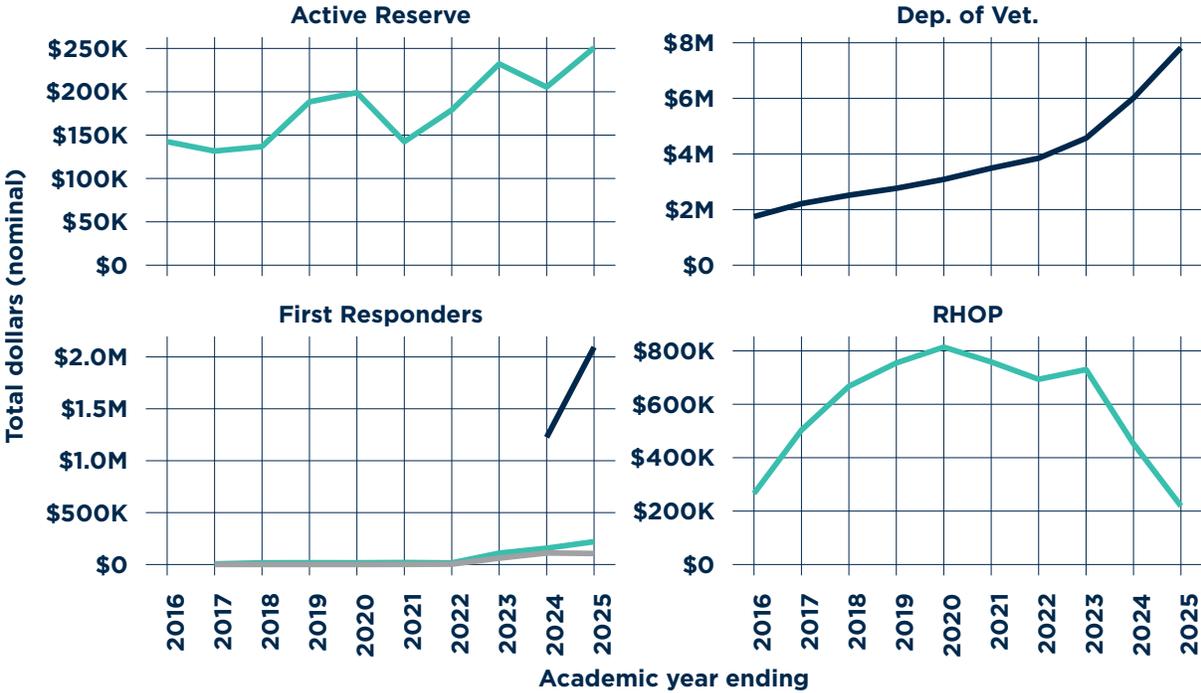


Growth Trends

Across the ten-year analytic window, some programs grew markedly in scale, with the Dependents of Veterans program accounting for the largest and fastest-growing share of unfunded costs. The Dependents of Veterans waiver expanded from \$1.7 million (366 students) in 2016 to \$7.8 million (1,211 students) in 2025, a more than fourfold increase over the decade.

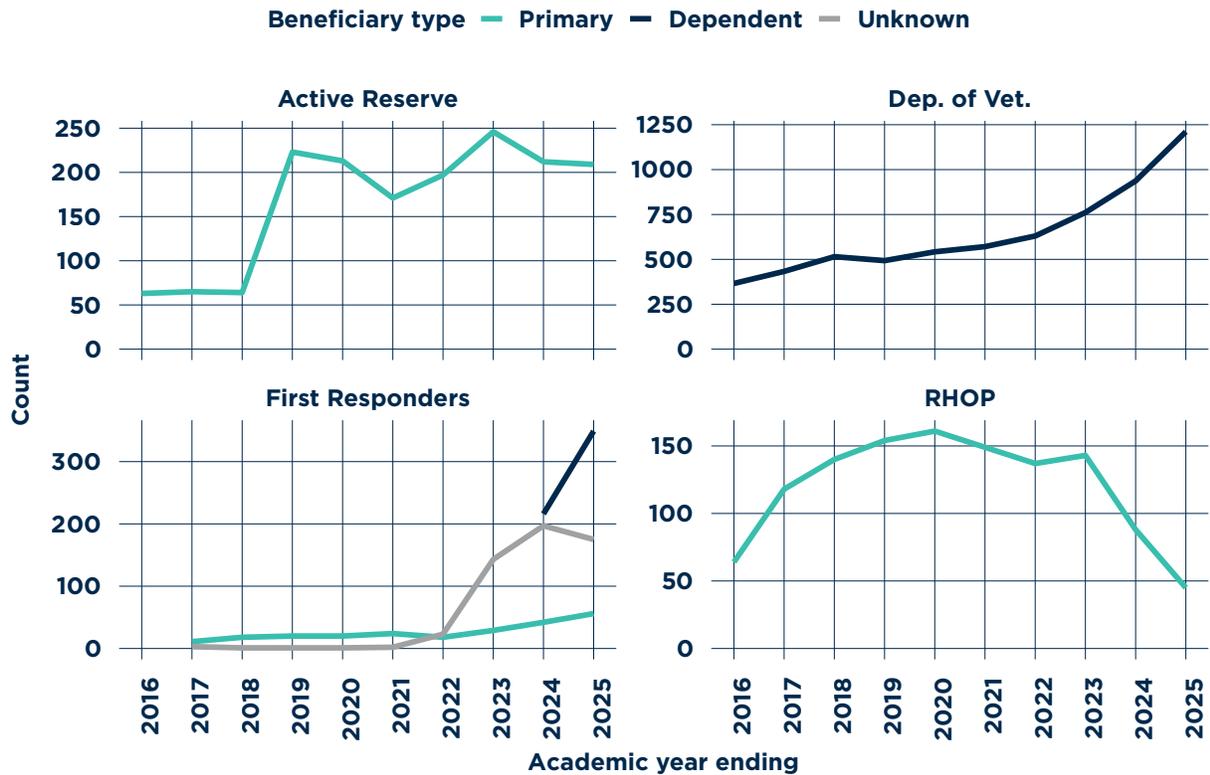
TOTAL WAIVED AMOUNTS BY WAIVER PROGRAM

Beneficiary type — Primary — Dependent — Unknown



The First Responder program growth emerged later in the study period, with minimal early utilization but rapid growth following its expansion under the First Responder Recruitment and Retention Act after the expansion to provide the benefit to qualified dependents. Reported waivers jumped from only \$20,000 in 2020-2021 to \$1.49 million in 2024 and \$2.42 million in 2025, indicating both increased awareness and substantial uptake among eligible dependents of first responders.

DISTINCT COUNT OF RECIPIENTS BY WAIVER PROGRAM



Finally, the Rural Health Opportunities Program (RHOP) received partial funding for tuition and fee waivers beginning in FY 2024, and thus the counts and dollar figures in this report represent the portion foregone by NSCS who administer that program. The declines in unfunded RHOP waived costs and students in 2024 and 2025 are explained by this recent partial funding.

Overall, the data show that while several programs have remained stable, the Dependents of Veterans and First Responder waivers have driven most of the recent fiscal growth. These trends highlight a concentration of unfunded obligations in benefit-based programs that serve dependents, underscoring the fiscal importance of sustainability planning for these rapidly expanding categories.

Student Outcomes

This section quantifies the education and workforce outcomes of students that receive unfunded, statutorily mandated tuition and fee waivers. The student outcomes evaluated in this report include college graduation, employment in Nebraska, and annual earnings in Nebraska. These outcomes were chosen based on their connection to a range of purposes encompassed by the tuition and fee waivers as a benefit to students in waiver-eligible populations and for state goals surrounding credential attainment and workforce development.

Comparisons

To understand outcomes of students who received tuition and fee waivers, this study compares their results with students who did not receive a waiver. Two kinds of comparison groups were used:

1. All Nebraska Students

This group includes students at Nebraska public colleges and universities who did not receive an unfunded waiver, excluding out of state students who would not have been eligible for a waiver.

2. Similar Students

Non-waiver students who attended the same institutions and had similar academic records, work experience, and backgrounds before receiving the waiver.

The first comparison provides a broad look at how waiver recipients perform relative to the overall student population. However, this approach does not account for important differences between students who received waivers and those who did not. For example, Rural Health Opportunities Program (RHOP) participants are already high-achieving students, and first responders often have stable employment in Nebraska before enrolling, both of which could affect outcomes independently of the waiver.

To address this, a second, more appropriate comparison uses a matched sample of students enrolled in the same institutions and terms, with comparable academic progress, work history, and demographic characteristics. This method provides a more accurate picture of whether differences in graduation, employment, or earnings are linked to the waiver itself rather than to pre-existing differences between groups.

For each waiver program, the evaluation presents three findings:

1. The overall outcomes for students receiving waivers.
2. The difference in outcomes between waiver recipients and the all Nebraska Students group (comparison group 1).
3. The difference in outcomes between waiver recipients and similar non-waiver students, which better isolates the effect of the waiver from other factors (comparison group 2).

Together, these comparisons show how recipients of Nebraska's unfunded tuition and fee waivers achieve student success, employment, and long-term outcomes compared to their non-waiver receiving peers.

Postsecondary Graduation



Key Question

Do waiver recipients graduate at higher rates?

Outcome Definition and Purpose

Postsecondary graduation measures whether students complete a college degree or certificate in a timely manner. A student is considered to have graduated if they finished an award at any institution within 150 percent of the expected degree duration, which is three years at a two-year institution or six years at a four-year institution.

Cohort and Comparison Groups

The analysis included students who entered a Nebraska public college or university between 2015-16 and 2018-19 academic years. This time frame was selected to provide a full six-year follow-up period for students at four-year institutions.

Analysis

Graduation rates, based on any postsecondary award attainment after waiver receipt, were calculated for each waiver program individually and the no waiver reference group. Group sizes, graduation rates, and a difference (Δ = waiver group - comparison group) are presented in the table on the following page. An adjusted difference is provided in the rightmost column based on the matched samples.

Results

Overall, this analysis of award attainment of waiver recipients provides neutral to mixed findings on the effects of waivers on postsecondary graduation. RHOP students were the only waiver program that exhibited notably higher rates of postsecondary graduation than matched peers, although this may be at least partially due to the selection process which could impose additional requirements for academic preparation. Members of Active Selected Reserve students were the only waiver program that showed some evidence of reduced graduation rates when compared with similar students. However, this could be due to a higher likelihood of disruptions to their academic enrollment, due to service-related duties of these waiver recipients. All other programs under evaluation did not provide evidence of difference in graduation between waiver recipients or matched comparison groups of students that had similar educational and work backgrounds as the students in each waiver program.

Waiver Program	Count	Observed Graduation Rate	Δ Reference Group	Adjusted Δ (95% CI)
Comparison Group (No Waiver)	124,206	44%	0%	-
RHOP	230	90%	46%	13% (6%, 19%)
Dep. of Vet.	722	44%	-1%	-1% (-6%, 4%)
CC State Dep.	*	-	-	-
Active Reserve	278	52%	8%	-13% (-21%, -5%)
Line of Duty Dep.	*	-	-	-
First Responders (non-dependent) [†]	51	40%	-4%	3% (-16%, 22%)

* *Insufficient sample for reporting.*

[†] *Dependent beneficiaries are excluded from analyses of student outcome. Eligibility for dependents began in Fall 2023, and insufficient time has passed to observe outcomes for this group.*

Postsecondary Graduation Key Findings



Postsecondary graduation was:

- **44 percent** among students who did not receive waiver.
- **90 percent** among Rural Health Opportunities Program (RHOP, § 71-5684) students. These waiver recipients had higher graduation rates both when compared with students that did not receive a waiver and with a matched group of non-waiver students.
- **44 percent** among Dependents of Deceased or Disabled Veterans (§ 80-411) students. These waiver recipients had similar graduation rates when compared with all students that did not receive a waiver as well as the matched group of non-waiver students. Overall, the evidence suggests that these waiver recipients have similar graduation outcomes as students with similar education, work, and demographic backgrounds.
- **52 percent** among Members of Active Selected Reserve (§ 80-901) students. These waiver recipients had higher graduation rates than all non-waiver students. However, these waiver recipients had lower graduation rates compared to a matched group of non-waiver students. However, this does not necessarily imply waiver receipt is associated with decreased graduation. A plausible alternative explanation is that these students have additional factors related to membership that impact graduation that were not accounted for. For example, if these waiver recipients are more likely to experience disruptions to their education compared to students with similar levels of educational and work history.
- **40 percent** among First Responder Recruitment and Retention Act (§ 85-2609) students. These waiver recipients had slightly lower graduation rates than non-waiver students. However, as with several of the other waiver programs, these waiver recipients had similar graduation rates to their peers when adjusting for background student characteristics.

Talent Retention



Key Question

Do waiver recipients stay and work in Nebraska after college?

Outcome Definition and Purpose

Talent retention measures whether students are working in Nebraska after leaving college, indicating their contribution to the state's workforce. A student is considered to have been retained in Nebraska's workforce if they worked at least four quarters within two years of exiting college.

Cohort and Comparison Groups

The analysis includes students who graduated or otherwise stopped attending a Nebraska public college or university between 2015-16 and 2022-23 academic years.

Analysis

Talent retention rates were estimated for each waiver program and the comparison groups, as in the prior analysis. Adjusted differences were based on a matched sample that is balanced on baseline factors such as exit year, institution type, demographic information, and pre-cohort academic background. These estimates are presented as percentage point changes between the comparison (non-waiver) group and the waiver group, by program. Positive values for the difference (Δ) indicate higher in-state employment in the waiver group relative to the non-waiver comparison group.

Results

Overall, this analysis of talent retention of waiver recipients does not provide evidence that these waiver programs increase the chances that waiver recipients stay and work in Nebraska. Waiver recipients generally have similar talent retention rates when compared to students with similar education and workforce backgrounds (RHOP, First Responders) or they exhibit lower rates of talent retention (Dependents of Deceased and Disabled Veterans and Active Selected Reserve).

Waiver Program	Count	Observed Talent Retention Rate	Δ Comparison Group	Adjusted Δ (95% CI)
Comparison Group (No Waiver)	164,733	72%	0%	-
RHOP	235	67%	-4%	1% (-7%, 10%)
Dep. of Vet.	1,091	56%	-16%	-9% (-13%, -6%)
CC State Dep.	*	-	-	-
Active Reserve	415	31%	-41%	-25% (-31%, -18%)
Line of Duty Dep.	*	-	-	-
First Responders (non-dependent) [†]	89	89%	18%	3% (-5%, 11%)

* *Insufficient sample for reporting.*

[†] *Dependent beneficiaries are excluded from analyses of student outcome. Eligibility for dependents began in Fall 2023, and insufficient time has passed to observe outcomes for this group.*

Talent Retention Key Findings



Talent retention was:

- **72 percent** among students without an unfunded waiver.
- **67 percent** among Rural Health Opportunities Program (RHOP, § 71-5684) students. These waiver recipients had lower talent retention rates when compared with all students that did not receive a waiver. However, these waiver recipients have similar talent retention rates when compared with a matched group of non-waiver students. RHOP students are similarly likely to stay when compared to other high achieving students at four-year institutions in Nebraska.
- **56 percent** among Dependents of Deceased or Disabled Veterans (§ 80-411) students. These waiver recipients had lower talent retention rates when compared with all students that did not receive a waiver as well as the matched group of non-waiver students.
- **31 percent** among Members of Active Selected Reserve (§ 80-901) students. These waiver recipients had lower talent retention rates than all non-waiver students as well as the matched group of non-waiver students. However, these results may be influenced by a limitation of the state unemployment insurance quarterly wage records used to identify retention. These wage records cover the majority of employment in Nebraska, but do not include employees in non-UI covered jobs which includes federal workers and military.
- **89 percent** among First Responder Recruitment and Retention Act (§ 85-2609) students. These waiver recipients had higher retention rates than all other non-waiver students. However, when compared to similar non-waiver students, recipients had similar talent retention rates as matched non-waiver students. This indicates that when First Responder waiver recipients may have talent retention rates that are comparable to non-waiver recipients with similar work histories in Nebraska.

Results are not presented for Community College State Dependents or Line of Duty Dependent Education Act waiver recipients since there were too few students to include in our evaluation.

Earnings



Key Question

How much do waiver recipients earn after college?

Outcome Definition and Purpose

Earnings represent wages paid to students for employment within Nebraska. The amount shown is the typical (defined as the median) pay for one year of work, estimated using wage information reported over the two years after students left college.

Cohort and Comparison Groups

The analysis includes students who graduated or stopped attending a Nebraska public college or university between 2015-16 and 2022-23 academic years.

Analysis

Median annual earnings were estimated for each waiver program and the comparison groups, as in the prior analyses. Adjusted differences were based on a matched sample that is balanced on baseline factors such as exit year, institution, demographic information, and pre-cohort academic and workforce background. These estimates are presented as median differences between the comparison (non-waiver) group and the waiver group, by program. Positive values for the difference (Δ) indicate higher median annual earnings in the waiver recipient group compared to the non-waiver comparison group.

Results

Overall, this analysis of median annual earnings of waiver recipients provides mixed evidence for whether waiver programs increase median annual earnings. RHOP students had substantially higher earnings compared to similar students, likely due to their high rates of degree attainment and higher wages in health fields. There is some evidence that Dependents of Deceased and Disabled Veterans may have slightly lower earnings compared to similar students. All other programs did not show strong evidence that there was a difference in earnings when compared to non-waiver students with similar education, work, and demographic backgrounds. However, this may partly be due to low sample sizes for the earnings in some programs. As more data can be collected on waiver recipients over time, some of the existing trends in earnings may change.

Waiver Program	Count	Observed Annual Earnings	Δ Comparison Group	Adjusted Δ (95% CI)
None	137,477	\$34,386	\$0	-
RHOP	188	\$49,071	\$14,685	\$13,039 (\$4,387, \$21,691)
Dep. of Vet.	869	\$28,588	-\$5,798	-\$2,236 (-\$4,422, -\$49)
CC State Dep.	*	-	-	-
Active Reserve	182	\$40,188	\$5,802	\$81 (-\$5,830, \$5,993)
Line of Duty Dep.	*	-	-	-
First Responders (non-dependent) [†]	85	\$67,538	\$33,153	\$10,520 (-\$4,186, \$25,225)

* *Insufficient sample for reporting.*

[†] *Dependent beneficiaries are excluded from analyses of student outcome. Eligibility for dependents began in Fall 2023, and insufficient time has passed to observe outcomes for this group.*

Earnings Key Findings



Median annual earnings were:

- **\$34,386** among students without an unfunded waiver.
- **\$49,071** among Rural Health Opportunities Program (RHOP, § 71-5684) students. These waiver recipients had substantially higher wages when compared with all students who did not receive a waiver and when compared with a matched group of non-waiver students. This finding is likely explained by higher rates of degree completion and medical focus of students in this group. Both degree attainment and health degree programs are strongly associated with higher earnings.
- **\$28,588** among Dependents of Deceased or Disabled Veterans (§ 80-411) students. These waiver recipients had lower wages when compared with all students who did not receive a waiver as well as the matched group of non-waiver students.
- **\$40,188** among Members of Active Selected Reserve (§ 80-901) students. These waiver recipients had higher wages than all non-waiver students but had similar wages as the matched group of non-waiver students. This indicates that, among those waiver recipients with earnings in Nebraska's UI quarterly wage records, there is no difference in earnings among similar non-waiver recipients. However, since many of these waiver recipients are not observed in the wage records (possibly due to limited information on federal employees in this data), this finding could change with more comprehensive sources of wage data.
- **\$67,538** among First Responder Recruitment and Retention Act (§ 85-2609) students. These waiver recipients had higher wages than all other non-waiver students. However, when compared to similar non-waiver students, waiver recipients had similar wages as matched non-waiver students. This difference in findings between the two comparisons indicates that while first responders earn more than the general non-waiver student population, they do not earn significantly more when compared to those with similar work histories in Nebraska. While there is some evidence that these waiver recipients earn more, the data is too uncertain to provide strong evidence for this.

Results are not presented for Community College State Dependents or Line of Duty Dependent Education Act waiver recipients since there were too few students to include in our evaluation.

Summary of Student Outcomes

This evaluation of Nebraska's unfunded tuition and fee waivers reveals mixed patterns in student success across three key areas: graduation, workforce retention, and earnings. The Rural Health Opportunities Program (RHOP) stands out as the only waiver program consistently associated with more favorable outcomes. RHOP students graduated at higher rates and reported higher average earnings than both the general student population and matched peers, patterns that may reflect the program's academic standards for waiver eligibility and its focus on high-demand, high-wage health professions.

For most other waiver programs, graduation rates were either comparable to or lower than those of similar students, indicating no clear association between waiver participation and improved academic outcomes. Talent retention results showed that most waiver recipients were about as likely as their matched peers to remain and work in Nebraska, while some groups—such as Dependents of Deceased or Disabled Veterans and Active Selected Reserve members—had lower observed in-state employment rates. These differences should be interpreted cautiously, as limitations in wage record coverage may influence the apparent outcomes for certain types of employment. Therefore, these results should not be viewed as evidence that participation in these programs reduces talent retention.

Earnings outcomes also displayed variation across programs. While First Responders and Active Selected Reserve members had higher average earnings than the general population of non-waiver students, their earnings were not significantly different from those of matched peers with similar academic and employment characteristics. Dependents of Deceased or Disabled Veterans had slightly lower average earnings relative to comparable students.

Overall, the analysis suggests that most unfunded waiver programs examined in this evaluation are not strongly associated with measurable differences in graduation, retention, or earnings outcomes after accounting for prior academic and employment characteristics. RHOP remains an exception to this general observation, aligning closely with Nebraska's workforce and education goals. Continued data collection and more program-specific evaluation would help clarify the nature and magnitude of these relationships over time and support future policy discussions.

Sustainability

LR261 directed the participating entities to assess the fiscal sustainability of unfunded tuition/fee waivers and to inform policy with forward-looking analysis. This evaluation design includes a dedicated sustainability/risk modeling component to support that requirement, aligned with the tiered framework of descriptive, fiscal, and student/workforce outcomes endorsed for the interim study.

Net New

For tuition waiver programs that may benefit students on a traditional college pathway, i.e. attending college directly after high school graduation or following a less-than-one-year gap, it is an important consideration whether the waiver programs are resulting in “net new” students or whether the program is creating a process in which students who would typically be paying tuition and fees are now provided waivers. This is of particular concern for programs that feature dependent eligibility for the waiver, such as the Dependents of Deceased or Disabled Veterans and the First Responder Recruitment and Retention Act programs.

Analysis

The number of net new students was estimated among waiver recipients who received the waiver at any time during the study timeframe. Using NSWERS’s established college-going cohorts and models, each recipient’s probability of matriculation absent a waiver was predicted utilizing core predictors of college-going such as high school GPA, ACT and assessment scores, and demographic information. This analysis is limited to waiver recipients and comparison groups who attended public K-12, as these records were necessary for the analysis.

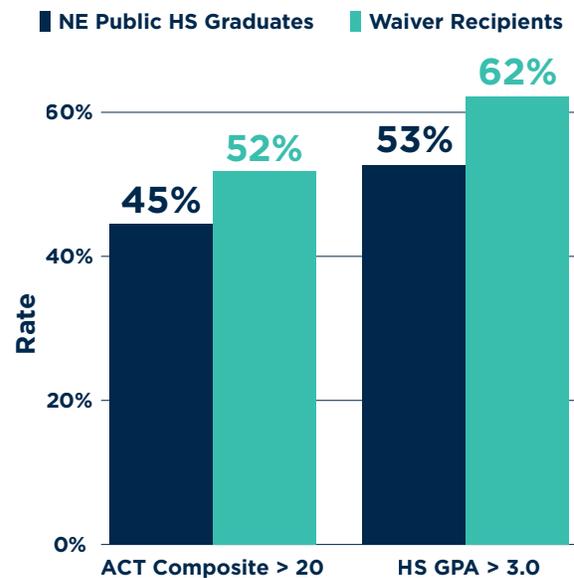
Findings

Waiver recipients tend to have modestly higher ACT composite scores and high school GPAs than the overall population of Nebraska public high school graduates. In other words, recipients' pre-college academic profiles skew stronger than the statewide baseline. This finding is descriptive, but it is consistent with the supposition that many recipients were on a college-going trajectory prior to waiver receipt.

A majority of waiver recipients in these dependent eligibility programs have profiles that suggest they are highly likely to enroll in postsecondary. Programs differ in the populations they serve, the timing of eligibility, and family income distributions, which can change the net-new share. For waivers aimed at adult learners (or groups without observable K-12 history in the NSWERS system), net-new cannot currently be estimated with the same method due to unknown pre-college attributes.

Across the examined recipients who enrolled shortly after high school, about 85 percent were already predicted to attend college based on pre-college profiles, meaning only ~15 percent appear “net new” in aggregate. Net-new share varies by program, with some programs exhibiting higher incrementality than others.

HIGH SCHOOL ACADEMIC PROFILE OF WAIVER RECIPIENTS VS. NEBRASKA PUBLIC HIGH SCHOOL GRADUATES



15%

of dependent waiver recipients are estimated to be **NET NEW** college students.



85%

of dependent waiver recipients are predicted to have **ENROLLED IN COLLEGE EVEN WITHOUT A WAIVER.**

Risk Landscape

Program sensitivity to federal aid changes

Most Nebraska statutory waivers are prescribed to be awarded after federal/state grants are applied. A dollar lost in grants becomes a dollar of institutional waiver liability; conversely, a dollar added to grants reduces that liability. This section briefly reviews several recent or currently active federal proposals that, if enacted, would materially affect institutional exposure.

Because waiver programs are structurally last-dollar, these proposals represent first-order risks (up or down) to institutional budgets even when they are not aimed at Nebraska’s waivers.

Proposal	Description	Expected Fiscal Effect on Nebraska Waivers	Status
Redefine full-time enrollment to 15 credit hours (H.R. 1, 2025)	Would make 12-14 credits less than full time for Pell eligibility. Students taking fewer credits would receive smaller Pell awards.	Increase liability. Students enrolling part-time under the new definition would have smaller Pell grants, raising institutional waiver amounts.	Passed U.S. House; not enacted.
Reduce maximum Pell award (FY26 presidential budget draft)	Proposed lowering the maximum annual Pell award below FY25 levels.	Increase liability. Would have a dollar-for-dollar replacement of reduced grant aid with institutional waivers.	Proposed; not adopted.
“Pell Plus” program (118th Congress, 2024)	Double Pell awards for on-track juniors/seniors.	Decrease liability. Would cover more tuition before waiver applies for advanced 4-year students.	Not enacted but reintroduced as a legislative priority.
Index Pell to inflation (H.R. 1666, 2025)	Ties Pell maximum to CPI, automatically increasing with inflation.	Stabilize liability. Would keep Pell proportionally constant, but maintain existing relative waiver burden.	Introduced; in committee.

Interaction with State Eligibility Expansion

Federal risk does not occur in isolation. Nebraska statute has already broadened eligibility by adding new occupational groups, most notably corrections officers, who will become eligible under the First Responder Recruitment and Retention Act in 2027 at 50 percent tuition coverage. Even with a reduced reimbursement rate, the additive effect of new eligibility layers means total potential liability continues to rise, especially if paired with downward federal adjustments.

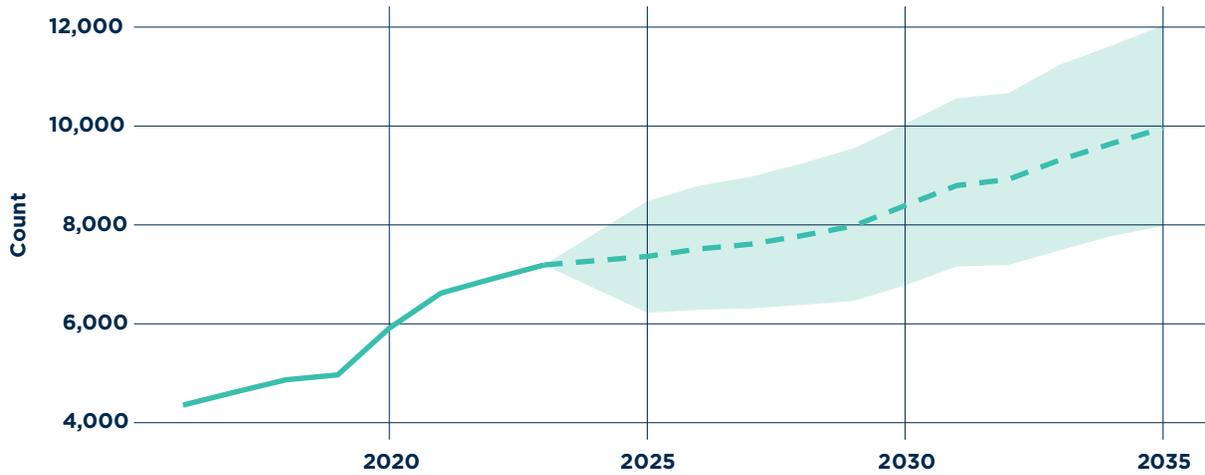
Organic Growth in Eligible Populations

The Dependents of Deceased and Disabled Veterans program represents one of the most fiscally significant unfunded waivers in Nebraska’s higher education system. Its size and cost trajectory are primarily driven by the underlying population of veterans who meet the statutory criteria for total and permanent service-connected disability. This is a group that has been steadily growing over the past decade as veterans from recent past conflicts exit the service, a portion of whom will be assigned total and permanent disability status. This group shows no indication of decline, and has increased year-over-year since at minimum 2008.

Understanding the population driver

Eligibility for this waiver is conferred to dependents of Nebraska veterans who are rated as 100 percent service-connected disabled and permanent, or who have died as a result of their service. Neither the state nor the federal government publish counts of veterans who meet the “total and permanent” definition. To model future participation, NSWERS used a proxy measure derived from the American Community Survey (ACS)—the number of Nebraska veterans reporting a $\geq 70\%$ service-connected disability rating—combined with data from the U.S. Department of Veterans Affairs (VA) Annual Benefits Reports on beneficiaries of the federal Dependents’ Educational Assistance (DEA) program (Chapter 35). The DEA program closely mirrors Nebraska’s state-level waiver, offering educational stipends to dependents of deceased or disabled veterans. Both series show a clear upward trend in eligible beneficiaries since 2015, and both align closely in slope and rate of change when adjusted for population.

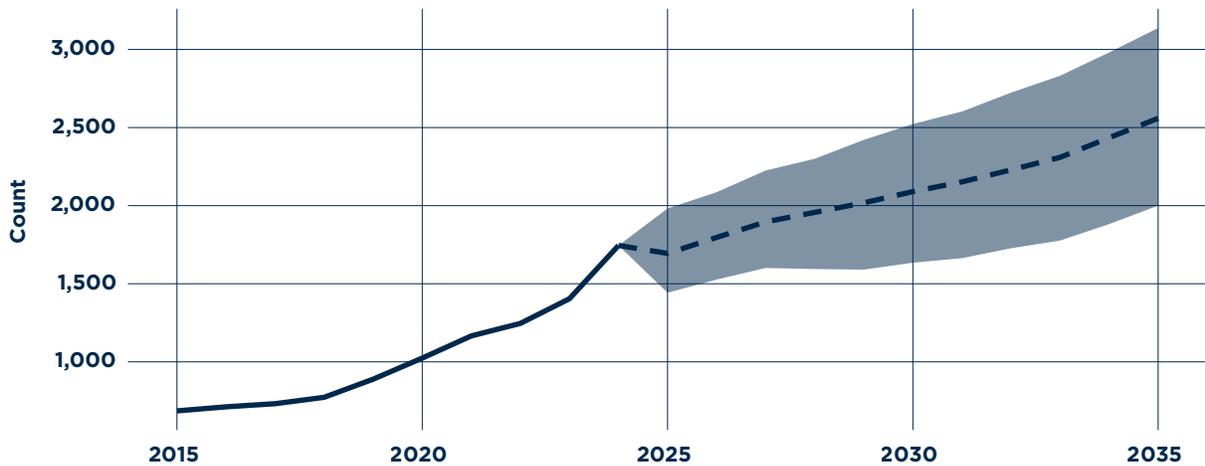
**ESTIMATED AND FORECASTED NEBRASKA VETERANS > 70% SERV. DISABILITY
2015-2035**



The growth counts of high-disability veterans stems from two structural factors:

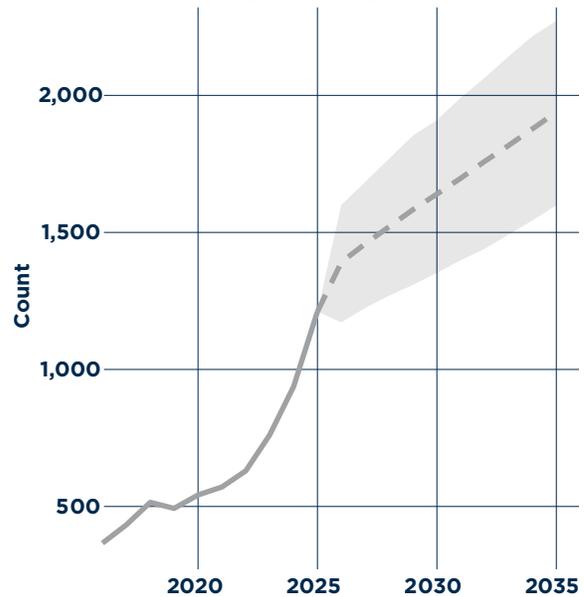
1. Aging of the post-9/11 veteran cohort, which is now entering middle age with a higher incidence of long-term service-connected injuries relative to earlier generations.
2. Improved recognition and adjudication of disability claims by the VA, especially following legislative reforms expanding presumptive conditions (e.g., conditions under the PACT Act of 2022). These policy shifts increase the number of veterans whose dependents qualify under Nebraska’s statute without any state-level change.

**OBSERVED AND FORECASTED NEBRASKA PARTICIPANTS
CHAPTER 34 DEA, 2015-2035**



Federal data show that Nebraska’s participation in the DEA program increased in parallel with national totals, indicating that the state’s trend is not an anomaly. Between 2015 and 2023, the number of Nebraska beneficiaries receiving DEA assistance rose by roughly 40 percent, even as overall veteran population declined modestly. This divergence reflects the compounding effect of higher disability ratings among a smaller but more severely impacted cohort. State waiver submissions from Nebraska institutions display the same pattern: total recipients and total tuition waived both increased each year since 2016, with no evidence of plateau.

**OBSERVED AND FORECASTED COUNTS
DEPT. OF VET. [\$80-411] , 2015-2035**



Based on ACS estimates and federal program trajectories, NSWERS projections indicate that the number of Nebraska dependents qualifying under the state waiver will not decrease in the near future under any realistic demographic scenario. Even assuming flat veteran population and no new statutory expansions, the proportion of veterans meeting the 100 percent permanent disability threshold is expected to continue to rise. Under a conservative scenario, participation remains stable; under a more likely trajectory, the eligible population continues to expand modestly through 2035.

Quantitatively, this analysis suggests:

- By 2030, approximately 1,650 dependents may be eligible and participating in Nebraska’s waiver program.
- Assuming constant tuition rates in real dollars, this equates to an estimated \$11.5 million in annual waived tuition statewide for this single program.
- Extending the model to 2035 under the same assumptions produces a range of 1,600–2,250 participants and \$12.4–\$17.8 million in annual waivers, depending on tuition rate increases and veteran disability trends.

In general, the findings represent the best-case scenario from a fiscal perspective is stability, with a more realistic estimate of a 40 percent increase over the next 5-7 years. No available evidence supports a contraction in this population.

Implications

This organic growth creates an increase of waived tuition independent of any legislative or programmatic changes. Even if no new waiver programs are created and existing eligibility definitions remain fixed, the underlying demography guarantees upward pressure on institutional waiver obligations. Because this category already accounts for a large share of all foregone tuition statewide, small percentage increases in eligible dependents translate into disproportionately large fiscal impacts.

Appendix

Total waiver and recipients over time (2016 - 2025 AYE)

Academic Year	Total Waiver Amount	Distinct Recipients	Cumulative Waiver Amount	Cumulative Recipients
2015-16	\$2,154,985	493	\$2,154,985	493
2016-17	\$2,854,621	629	\$5,009,605	812
2017-18	\$3,336,462	738	\$8,346,067	1,139
2018-19	\$3,736,177	891	\$12,082,245	1,539
2019-20	\$4,117,143	938	\$16,199,387	1,911
2020-21	\$4,414,779	919	\$20,614,166	2,209
2021-22	\$4,741,327	1,008	\$25,355,493	2,640
2022-23	\$5,729,300	1,353	\$31,084,793	3,307
2023-24	\$8,240,313	1,735	\$39,325,105	4,174
2024-25	\$10,802,618	2,092	\$50,127,723	5,153

Total waiver and recipients by postsecondary system (2016 - 2025 AYE)

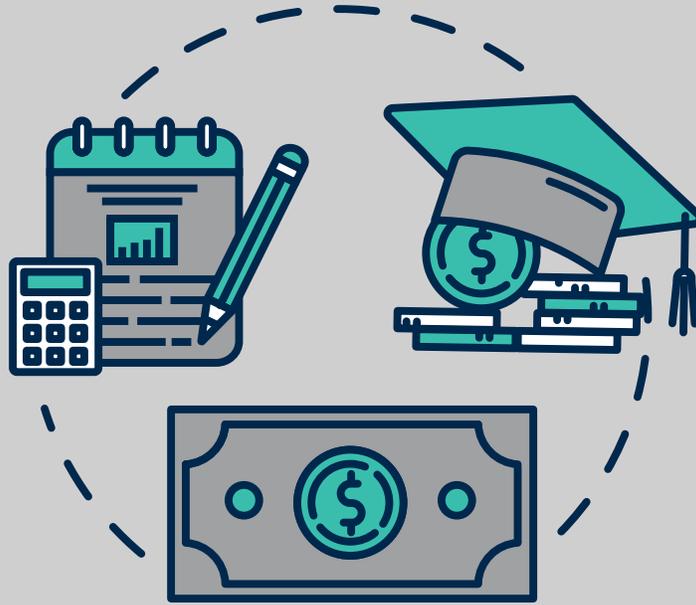
System	Total Waiver Amount	Distinct Recipients
CC	\$4,535,744	1,685
NSCS	\$8,798,934	832
NU	\$36,793,045	2,956

**Total waiver and recipients by waiver program and beneficiary type
(2016 - 2025 AYE)**

waiver program	beneficiary type	total waivers	distinct recipients
Active Reserve	Primary	\$1,808,249	859
CC State Dep.	Dependent	\$140,323	98
Dep. of Vet.	Dependent	\$38,066,066	2,790
First Responders	Primary	\$577,885	134
First Responders	Dependent	\$3,319,475	412
First Responders	Unknown	\$284,137	370
Line of Duty Dep.	Dependent	\$73,030	*
RHOP	Primary	\$5,858,558	548

Program (statute)	Primary eligibility group	Coverage level (tuition/fees)	“Last-\$\$\$” sequencing	Degree scope / level
RHOP (§71-5684)	Rural health candidates admitted via RHOP	Full tuition at state colleges (pre-UNMC phase)	Typically last-\$\$\$ against other aid	Undergrad (pre-professional)
Dependents of Deceased or Disabled Veteran (§80-411)	Spouse, surviving spouse, child/step-child of qualifying veteran	Tuition + mandatory fees (undergrad)	Yes (applies after VA/Pell/other aid)	One CC program + one baccalaureate
Community College State Dependents (§81-1329)	Dependents of state employees at NE community colleges	Tuition (benefit design via MOU/pilot rules)	Program rules coordinate with other aid	For-credit CC programs
Nebraska National Guard (§§85-505-508)	Enlisted NE National Guard	Percent of tuition (UG higher; GR lower); tuition only	Yes, after federal Tuition Assistance (TA), etc.	Diploma/Cert/AA/BA (one per level); GR/Prof allowed
Spouse & Children of Deceased Guard Member (§85-507)	Spouse/children of Guard member killed in active state service	100% tuition (publics; parity cap at UNL if private)	N/A (tuition fully waived; other aid may still apply)	Undergraduate (up to 4 years)
Active Selected Reserve (§80-901)	Enlisted members of NE-based Selected Reserve units	Percent of tuition (UG/GR tiers); tuition only	Yes (after federal TA)	Diploma/Cert/AA/BA (one per level); GR/Prof allowed
Line of Duty Dependent Education Act (§§85-2301-2308)	Children of law enforcement, firefighters, (EMS added) killed in line of duty	Tuition + mandatory fees	Yes (last-\$\$\$ against Pell/other aid)	Bachelor’s (full-time)
First Responder Recruitment & Retention Act (§§85-2601-2608)	First responders (LEO/Fire) and their dependent children	100% resident tuition (fees typically excluded)	Yes (after grants/scholarships)	Undergrad; field constraints for responders; any field for dependents

Program (statute)	Time & age limits (survivors/dependents)	Service / residency obligations	Funding & reimbursement	Admin/ certification locus
RHOP (§71-5684)	Program-defined (cohort/credit caps)	Rural return-to-practice expectation (programmatic)	State-supported (appropriations to offset costs)	NSCS + UNMC joint selection/oversight
Dependents of Deceased or Disabled Veteran (§80-411)	Statute governs degree limits; no explicit age in statute for child use in brief	Nebraska residency; institutional SAP	Unfunded mandate (institution absorbs)	NDVA determination; institution applies waiver
Community College State Dependents (§81-1329)	Program/pilot-defined	Employee status; student SAP	State fund + MOU (partial reimbursement; not a standing mandate)	DAS + community colleges via inter-agency agreement
Nebraska National Guard (§§85-505-508)	Use within service-clock; cease at degree	Pre-term service remaining; post-education service commitment	State-funded with participant/\$ caps; reimbursement available	Adjutant General certifies; campus applies credit
Spouse & Children of Deceased Guard Member (§85-507)	Spouse: within 10 years of death; Child: before age 25	None.	State-funded via Guard tuition program	Adjutant General certificate to institution
Active Selected Reserve (§80-901)	Use within service-clock; cease at degree	Pre-term service remaining; service agreement	Unfunded (no dedicated state reimbursement)	Commanding officer performance cert; campus applies credit
Line of Duty Dependent Education Act (§§85-2301-2308)	Statute-defined survivor limits; full-time required	Residency/SAP; degree/time caps	Unfunded	State certification of "line-of-duty" + institutional processing
First Responder Recruitment & Retention Act (§§85-2601-2608)	Max ~5 years of UG use	Responder: satisfactory performance; Dependents: 5-year NE residency post-degree or clawback	Unfunded (no standing reimbursement); new program	Annual DOR verification + employer performance letter; institutional approval



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