

February 1, 1971

PRESIDENT: LB152 for discussion. Chair recognizes Senator Carpenter.

SENATOR CARPENTER: Mr. President, at least in my judgment and the judgment of everyone I've contacted in the field of education and those who have the opportunity to obtain a higher education or those adults who for whatever the reason might have been have not been able to obtain a high school diploma which would in itself except in certain cases preclude them from attempting to get a higher education. At the hearing the University of Nebraska was in favor of this bill, Dr. Ross did not testify because the hearing was so long, in other matters that he didn't have the time to wait. The normal schools are in favor of it. I'm sure that the junior colleges are in favor of it. What does this bill do? All it does as an illustration, two years ago we passed the amendment to the Constitution which gave this body the right to make loans to people who go to both public and private schools. It gave this body without limitations the right to lend its money or credit in order to do what. To say to every boy and girl in this state whether he's black or white, whatever religion, whether they want to go to a public or private school, that they can have this opportunity. Now the amount that's provided in which the federal government will guarantee within itself in my judgment is not enough in order to have anyone go to a school of higher learning and not put forth some effort or to supplement the loan with some other fund in order to allow them to stay there even on a two-year basis. Now up to the present time the federal government has attempted to have (inaudible) at similar institutions to make these loans to these students for (inaudible) within a broad limitation of the federal government rules which are I think very (inaudible). (End of belt #2)

And upon the recommendation of the school to which they want to attend, but I presume they haven't made many loans. I'm sure that the reason because of the mechanics necessary to service a loan and because of the indefiniteness of the loans themselves from the standpoint of time, they have only scratched the surface. Now what we propose to do is that if the federal government of this country will use the State of Nebraska as a (inaudible) in order to make loans for them that they expect to back, in which the federal government in writing will enter into a contract with this state to guarantee both interest and principle of the prevailing rate of interest now on these loans is about 8½ percent. It fluctuates within an area. A month or so ago it was 9 percent. Now the federal government does not appropriate money on the federal level except in order to guarantee the interest and the other things which are pertinent to this type of a legislation. I think they would like to see what would happen. Because they would like to take these youngsters off the streets. They'd like to take away the complaints that now exist because of the circumstances, because of low-income