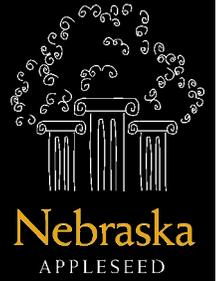


Choosing Education in Nebraska



Education for Nebraska Families

Education has a powerful ability to transform. Individuals, communities, states, and nations that invest in education reap the rewards of increased civic participation, economic stability, and overall well being.

Nebraska has long valued education, and, increasingly, we are recognizing that education is essential for the future economic competitiveness of our families and our state. Specifically, Nebraska has made important strides in increasing access to

education for low income families through our Aid to Dependent Children (ADC) program. In 2009, legislation passed to allow ADC recipients to pursue an Associate's Degree for up to 36 months while receiving assistance in order to develop opportunities for families to gain the education and skills they need for long-term success. In 2011, legislation was introduced to allow young ADC recipients an opportunity to pursue a High School Diploma or GED full time while receiving assistance.

Education and ADC 101

The Aid to Dependent Children (ADC) program provides education, job training, and family assistance to approximately 9,125 low-income families in Nebraska¹. The two main goals of the program are to keep families together and to move families into economic self-sufficiency.² States must meet federal requirements by assuring successful client participation in program activities and/or by making other state investments. Nebraska's program has a history of positive performance. Our combination of robust participation by families in work and

education activities and our state investments mean that since the inception of the program in 1996, we have always met our federal requirements. We are also a national leader in expanding opportunities for education by allowing recipients to pursue Bachelor's and Associate's Degrees. Nebraska's innovative approach to ADC has helped thousands of Nebraska families to gain education and employment and to retain family stability through difficult times, yet we have the capacity to do more.

A Nebraska Success Story: Ashley



Ashley's day starts early. She wakes her three small children and gets them ready for the day. They attend daycare and pre-school while she commutes an hour to and from classes at Southeast Community

College in Lincoln from her home in Beatrice. She did not always know that she wanted to pursue higher education, but enrolled through the encouragement of other young moms in her community.

ADC has helped her to care for her little ones while she attends school. Not only do her days start early, they also end with late night study sessions after dinner is made, clothes are washed, and her kids are finally in bed. Ashley is deeply motivated and wants to give back to the community that has helped her to succeed. She is completing her Associate's Degree in Social Sciences and has plans to enroll at the University of Nebraska in Omaha to complete her Bachelor's Degree. ADC has allowed Ashley the opportunity to pursue her educational goals and care for her family – and she is doing both successfully.

ADC and Education: By the Numbers

While changes expanding an ADC recipient's access to Associates Degree programs are recent, the impact of building educational opportunities for recipients is clear. Families in Nebraska are participating in higher education at increased levels and gaining earning potential, while at the same time as a state we have retained strong program performance.

Increased Educational Participation

Nebraska's policy to provide opportunities for ADC recipients to pursue higher education while receiving assistance has encouraged participation in school. Our program also has capacity to open more doors to education by expanding opportunities for young people to pursue High School Diplomas or GEDs.

There has been an increase in ADC recipients' participation in vocational training and post-secondary education – the two categories of work activities that allow for higher education opportunities.³

Participation in Higher Education, including Vocational Education and Post-Secondary Education increased when comparing September 2009 (when the policy was implemented) to September 2010⁴ and September 2011.

Figure 1: Participation in Higher Education: September 2009, 2010, and 2011⁵

| Year | Total Participants | Percentage of Caseload |
|------|--------------------|------------------------|
| 2009 | 506 | 11.2% |
| 2010 | 591 | 13.2% |
| 2011 | 527 | 13.3% |

Nebraska has additional capacity to increase educational participation. Our strong program performance provides the opportunity for our state

to expand educational options – particularly for those with low educational attainment. Approximately one in ten Nebraska ADC recipients lacks a High School Diploma or GED.⁶ However, less than 1% of ADC recipients are currently participating in educational activities leading to that basic credential.⁷ This is, in part, due to a policy that will not count participation in this activity. Legislation to change this policy has been introduced in the Nebraska Legislature (LB 507) and would allow young adults to pursue a high school diploma or GED full time, increasing their educational attainment and earning capacity.

Increased Earning Potential

Higher education has a clear connection to economic stability for Nebraska families. Individuals in our state with some college or an Associate's Degree earn, on average, over \$9,113 more per year than those without a high school diploma or GED.⁸ While the wage needed for self-sufficiency varies by location and family type, earnings of \$30,576 would be considered above the wage needed for self-sufficiency for a single parent with a school aged child in every county in the state for 2010.⁹ (figure 2). Clearly, access to educational opportunity is connected to economic self-sufficiency.

Figure 2: Educational Attainment and Median Earnings for Population Aged 25 and Older, Nebraska Average 2005-2009¹⁰

| Education Level | Earnings |
|---|----------|
| Less than High School Graduate | \$21,463 |
| High School Graduate (includes equivalency) | \$25,950 |
| Some College or Associate's Degree | \$30,576 |
| Bachelor's Degree | \$41,794 |
| Graduate or Professional Degree | \$53,751 |

(continued)

Strong Program Performance

Nebraska’s program performance has remained strong. Nebraska must meet federal requirements regarding work participation – in other words, an agreed upon portion of the participants in ADC that are capable of working must successfully do so in order for our state to meet federal requirements.

Work participation rates have consistently remained above 50% in each quarter and by each state contractor providing employment and training services in 2010. Further, Nebraska’s “Caseload Reduction Credit” – a credit our state receives for making investments in serving low-income families – is 53%.¹¹ (figure 3). Therefore, Nebraska met the federal requirements twice over in 2010.

Figure 3: Nebraska State Employment First Contractor Performance 2011¹²

| Service Area | Contractor | Work Participation Rate Q1 | Work Participation Rate Q2 | Work Participation Rate Q3 | Work Participation Rate Q4 |
|--|------------|----------------------------|----------------------------|----------------------------|----------------------------|
| Central | ResCare | 59.7% | 56.8% | 61.4% | 66.3% |
| Eastern | ResCare | 63.4% | 59.2% | 62.6% | 60.7% |
| Eastern | PSI | 57.8% | 58.1% | 59.0% | 58.4% |
| Northern | ResCare | 59.3% | 57.5% | 62.3% | 61.1% |
| Southeast | ResCare | 58.6% | 58.8% | 62.6% | 57.6% |
| Western | ResCare | 70.5% | 69.0% | 70.5% | 68.5% |
| Caseload Reduction Credit 2011 (applied to 2012) = 53% ¹³ | | | | | |
| Average Contractor Work Participation Rate 2011 = 61.63% | | | | | |
| Estimated Nebraska Overall Performance = <100% | | | | | |

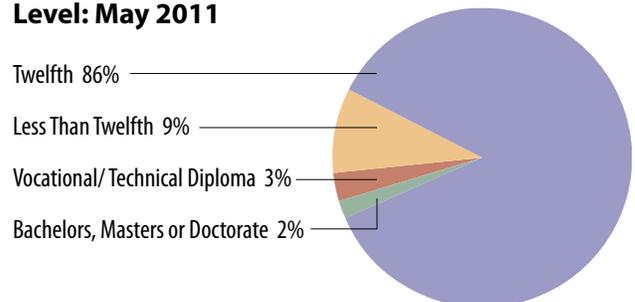
* Rates are estimates until verified by the Administration for Children and Families.

Education, ADC, and Public Policy

Education is transformative for families and communities. Ultimately, education contributes to self-sufficiency and family success. Given this dynamic, Nebraska’s choice to allow ADC recipients to pursue an Associate’s Degree for 36 months is sound public policy. Legislation to further expand educational opportunity for young ADC recipients, also has great potential to build economic stability for young families. In the future, opportunities for those without credentials will decrease significantly because new jobs in Nebraska increasingly require higher education. While longer-term analysis with additional data is needed to fully assess the impact, extended time frames for Associate’s Degree activities have already positively impacted

educational participation and employment outcomes. Opportunities to expand access to High School Diploma and GED activities have the same potential. ADC recipients in Nebraska who pursue education, like Ashley, become not only more economically self-sufficient but also contribute to their communities and promote education to their children.

Figure 4: ADC Participants Current Educational Level: May 2011



Choosing Education in Nebraska

Figure 5: A Snapshot of Educational Opportunity and ADC Participants

| | |
|---|---|
| ADC Participants without a Post-Secondary Credential | 8660 |
| ADC Participants Currently Pursuing a Post-Secondary Credential | 527 |
| ADC Participants without a High School Diploma or GED | 860 |
| ADC Participants without a High School Diploma or GED age 25 or younger | 424 |
| Average yearly increase in earnings for an individual who attains an Associate's Degree | \$4303 |
| Average yearly increase in earnings for an individual who attains a High School Diploma or GED | \$4786 |
| Current Nebraska ADC "work participation rate" and "maintenance of effort" contribution (indicating the strength of Nebraska's work participation in the ADC program) | Current Work Participation Rate (Estimate) = 61.63% Current Maintenance of Effort Contribution = 53% TOTAL = 114.63% (double the federal requirement of 50%) |
| Additional Funding Needed for LB 507 | \$0 |
| Additional Funding Needed for LB 842 | \$0 |
| Value of Educational Opportunity | Invaluable |

References

- 1 "Kids Count in Nebraska," Voices for Children Nebraska, 2011
- 2 Nebraska State Plan for the Temporary Assistance for Needy Families Program, October 2010, <http://www.hhs.state.ne.us/fia/TANFPubNot/TANFPlan10-1-2010.pdf>
- 3 Individuals intending to pursue post-secondary education are categorized in vocational training for the first twelve months (in line with federal rules) and moved into the Nebraska-specific post-secondary education category after that.
- 4 Nebraska Department of Health and Human Services, 2010 working in multiple states
- 5 Nebraska Department of Health and Human Services, "Employment First Participants by Work Component," September 2009-September 2010-September 2011
- 6 Administration for Children and Families, "Percent Distribution of TANF Adult Recipients by Educational Level," 2008 <http://www.acf.hhs.gov/programs/ofa/character/FY2008/tab25.htm>
- 7 Nebraska Department of Health and Human Services, "Employment First Participants by Work Component," September 2009-September 2010 as of September 2010
- 8 American Community Survey, S1501. Educational Attainment, Median Earnings for Nebraska Population over Age 25 2006-2010
- 9 Nebraska Appleseed, Nebraska Self Sufficiency Standard, 2010
- 10 American Community Survey, S1501. Educational Attainment, Median Earnings for Nebraska Population over Age 25 2006-2010
- 11 Administration for Children and Families, "Caseload Reduction Credits Fiscal Year 2009" <http://www.acf.hhs.gov/programs/ofa/particip/2009/tab02.htm>
- 12 Nebraska Department of Health and Human Services, "TANF Work Participation Contractor Performance" <http://www.hhs.state.ne.us/dashboards/tanf/>
- 13 Administration for Children and Families, "Caseload Reduction TANF Report Form ACF 202

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