

March 19, 2014

MEMORANDUM

TO: State Board of Regents
FROM: David L. Buhler
SUBJECT: New Century and Regents' Scholarship Award Amounts for 2014-15

Background

The New Century Scholarship was established by the Utah Legislature in 1999 to encourage students to accelerate their education by earning an Associate's degree in high school from an institution within the Utah System of Higher Education, and requires at least a 3.0 college cumulative GPA and at least a 3.5 high school cumulative GPA. The Utah Legislature created the Regents' Scholarship in 2008 to encourage Utah high school students to prepare for college academically and financially by taking a core course of study during grades 9-12 while also saving for college. We support continued investment in these students who have worked hard during high school to be college ready in support of the 66% goal.

For the Regents' Scholarship, the Base Award is a one-time payment of up to \$1,000 for students who complete a core course of study, meet a minimum GPA, minimum grades on specific courses, and ACT requirements. Students qualify for the Exemplary Achievement Award by having no grade lower than a "B" in the required classes, at least a 3.5 cumulative GPA, and a composite ACT score of 26. The New Century and Regents' Scholarship Exemplary Award is a flat dollar amount and the maximum amount a recipient may receive is \$1,250 per semester, renewable for up four semesters. The Utah Educational Savings Plan (UESP) Supplemental Award in the Regents' Scholarship is available for students who earn the Base Award and who have contributed to a UESP account during ages 14-17 (a maximum award of \$100 per year for each \$100 contributed to their account). The scholarships maybe used at any public college or university in the Utah System of Higher Education, as well as at Brigham Young University, LDS Business College and Westminster College.

The Board of Regents is authorized to set the award amounts based on legislative appropriation and number of qualified applicants. Since 2010, the Commissioner's Office, in behalf of the Board of Regents, has also been required by law to advise scholarship applicants and potential applicants that the level of awards are subject to legislative appropriation and may be reduced and vary from year to year.

Issue

In September 2013, based on prior growth, compliance data and trend analysis estimates, the Regents requested \$6 million of ongoing money to fund the scholarships and this amount was recommended by the Fiscal Analyst and prioritized by the Higher Education Appropriations Subcommittee. Following the February 1 deadline it was determined Regents' Scholarship applications grew by 17 percent over the previous year. This is slowed growth compared to the staggering 44% increase in 2013. Similarly, New Century applications grew by 14 percent over the prior year. Therefore, based on the number of applications and the percentage of those who now appear likely to receive awards, we estimated that \$3.5 million was needed to fully fund both scholarships at \$1,250 per semester (\$2,500 per year). In these projections we accounted for a larger number of previously deferred recipients (such as for LDS missionaries) who will start returning and activating their scholarships during the academic year. As we have done the past couple of years, to maximize the use of state dollars and to treat all students equitably we have combined scholarship administration and budgets.

We are pleased to report the legislature approved an increase of \$3 million one-time funding for the Regents' Scholarship program and a \$500,000 one-time appropriation for the New Century Scholarship program. These appropriations will provide enough resources to set the amount for the New Century and Regents' Exemplary awards to be fully funded at \$1,250 per semester for 2014-15 college academic year.

Commissioner's Recommendation

The Commissioner recommends that, pursuant to Utah Code Annotated 53B-8-108(8)(b), the Board approve the following amounts for the New Century and Regents' Scholarships for the college academic year 2014-15:

<u>New Century Scholarship:</u>	<u>\$1,250 per semester (100% of full amount)</u>
<u>Regents' Base Award:</u>	<u>\$1,000 one-time (100% of full amount)</u>
<u>Regents' Exemplary Award:</u>	<u>\$1,250 per semester (100% of full amount)</u>
<u>Regents' UESP Savings Match</u>	<u>Up to \$400 one-time (100% of full amount)</u>

David L. Buhler
Commissioner of Higher Education

DLB/MMK