

March 22, 2017

MEMORANDUM

TO: State Board of Regents

FROM: David L. Buhler

SUBJECT: New Century and Regents' Scholarship Award Amounts for 2017-18 College Academic Year

Background

The Utah State Board of Regents administers two scholarship programs: the New Century and Regents' Scholarships. The Board of Regents is authorized to set the award amounts for both scholarships each year based on legislative appropriation and the number of qualified applicants. Since 2010, the Commissioner's Office, on 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.

The Regents' Scholarship

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 challenging college preparatory 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.

The Regents' Scholarship has three levels of awards:

1. The Base Award - This scholarship provides a one-time payment of up to \$1,000 for students who complete the required college preparatory course of study, meet a minimum cumulative high school GPA of 3.0, earn minimum grades on each of the courses required for scholarship eligibility, and take the ACT.
2. The Exemplary Achievement Award - Students qualify for the Exemplary Achievement Award by having no grade lower than a "B" in the classes required for scholarship eligibility, earn at least a 3.5 cumulative high school GPA, and reach a composite ACT score of 26. The amounts of the Exemplary Award vary based on legislative funding; the maximum amount a student may receive is \$1,250 per semester, renewable each semester during the students' first four semesters at college. Students who earn the Exemplary Award are also given the Base Award.
3. The Regents' Scholarship Utah Educational Savings Plan (UESP) Supplemental Award - This award is granted if a student has met the minimum requirements of the Base Award and if they have contributed to a UESP account each year during ages 14-17. The award provides a \$100

match per year for each \$100 the student contributed to their own UESP account for a maximum supplemental award of \$400.

The New Century Scholarship

The New Century Scholarship was established by the Utah Legislature in 1999 to encourage students to accelerate their education by earning an associate degree from an institution within the Utah System of Higher Education while still in high school. The scholarship requires at least a 3.0 cumulative college GPA and at least a 3.5 cumulative high school GPA. The New Century Scholarship award amount may vary based on legislative funding; the maximum amount a student may receive is \$1,250 per semester, renewable each semester during the students' first four semesters at college.

Issue

Since their introduction, The Regents' Scholarship and the New Century Scholarship have seen a steady rise in applications and awards. For example, this year the Regents' Scholarship has seen a 17% increase in applications from last year and the New Century Scholarship has seen a 23% increase in applications.

This growth raised questions about the sustainability of the scholarships, particularly since the Regents' Scholarship was dependent on an annual request for one-time funding from the legislature each fiscal year. To address these concerns, during the 2017 legislative session, the Utah State Board of Regents requested \$8 million in new, on-going state dollars to fully fund the Regents' Scholarship program. The 2017 legislature appropriated a total of \$12.7 million in on-going funds (which includes \$8 million in new on-going dollars) for the Regents' Scholarship and \$1.9 million for the New Century Scholarship. This appropriation is sufficient to fully fund the New Century and Regents' Scholarships for the 2017-18 academic year.

The 2017 passage of S.B. 256, *Regents' Scholarship Amendments* also outlined changes to the scholarship program that will improve efficiency and coordination and will maximize the use of all scholarship dollars distributed to an individual student by a Utah college or university. The Commissioner's Office will continue to receive applications, conduct initial eligibility reviews, and administer the front-end of the scholarship. However, beginning with the 2019 cohort of applicants, after the Commissioner's office has determined a student's qualification for the scholarship, the financial aid office of the institution the student is attending will award the dollars to the student. This will allow institutions to determine each student's Regents' Scholarship award amount based on available funds and packaging with other institutional scholarships or financial aid. Regents' Scholarship awards will not exceed tuition and fees.

It is important to note there are no changes for current high school seniors or juniors or those who have already been awarded the scholarship. Changes will be implemented beginning with the 2019 cohort.

Commissioner's Recommendation

The Commissioner recommends, 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 2017-18:

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

David L. Buhler
Commissioner of Higher Education

DLB/JH/CFB