
FY 2009 Issue Brief – HED – Student Financial Aid

NUMBER USHE-02

SUMMARY

The Analyst recommends placing \$2,942,000 for ongoing funding for FY 2009, \$1,000,000 in one-time funding for FY 2009, and \$659,700 for FY 2008 on the Subcommittee's priority list for student financial aid programs.

OBJECTIVE

Funding of financial aid programs enables students with limited resources to have access to higher educational opportunities. This becomes more important as tuition and other costs of an education increase.

DISCUSSION AND ANALYSIS

The State of Utah administers several campus-based federal financial aid programs, as well as State-funded programs to help offset the costs of tuition.

The Utah Higher Education Assistance Authority (UHEAA) administers the campus-based federal financial aid programs, the Utah Centennial Opportunity Program for Education (UCOPE) and the New Century Scholarship.

Federal Aid Programs

Federal student aid programs often have state matching requirements for program participation. When the federal government changes the matching requirements, state funds are used to replace lost federal dollars to maintain the same level of support. The programs include the Supplemental Educational Opportunity Grants (SEOG) for undergraduate students with a state match requirement of 25 percent; Federal Work-Study Program (FWS) provides jobs for qualified students, also with a state match requirement of 25 percent; Federal Perkins Loan Program offer low-interest loans, requiring a 25 percent match of capital contributions to the loan fund; and the Leveraging Educational Assistance Partnership (LEAP), a grant program which requires a two-for-one state match.

Without additional funding for FY 2009, some of the federal funds will be lost because there will not be the state match. The Analyst recommends the Subcommittee put an ongoing state appropriation in the amount of \$200,000 for the federal aid programs on its priority list.

Utah Centennial Opportunity Program for Education (UCOPE)

UCOPE was established in 1997 to provide need-based financial aid for Utah resident students attending public and private colleges and universities in the state. As tuition costs increase, students' reliance on need-based financial aid also increases. The ongoing UCOPE budget is just under \$4 million along with \$2 million in one-time funds approved by the Legislature last year for FY 2008. The Analyst recommends that the Subcommittee add to its priority list, ongoing base funding of \$1 million as well as one-time funding of \$1 million for FY 2009. This increase in funding will help to adjust for tuition increases over the past several years.

New Century Scholarship

In the 1999 Legislative Session, S. B. 90, "Higher Education Scholarships" was approved to award a two-year, (up to) 75 percent tuition scholarship to a student who completes the requirements of an Associate Degree by the September following their graduation from high school. Since the program was approved, 1,710 students have qualified for a New Century Scholarship. Students from 108 high schools in Utah have qualified for the scholarship. The following tables show the history of the awarding of the scholarships and which institutions have granted those scholarships.

New Century Scholarships Awarded	
1999-2000	13
2000-2001	50
2001-2002	81
2002-2003	132
2003-2004	154
2004-2005	188
2005-2006	271
2006-2007	413
2007-2008 (est.)	408
Total	<u><u>1,710</u></u>

New Century Scholarships Awarded by Granting Institution	
University of Utah	21
Utah State University	381
Weber State University	192
Southern Utah University	46
Snow College	35
Dixie State College	43
College of Eastern Utah	157
Utah Valley State College	442
Salt Lake Community College	384
Brigham Young University	1
Westminster College	2
Unknown	6
Total	<u><u>1,710</u></u>

Section 53B-8-105 states that “. . . The Legislature shall make an annual appropriation from the General Fund to the State Board of Regents for the costs associated with the New Century scholarship program authorized under this section.”

To accommodate expected growth in the New Century Scholarships program, the Analyst recommends adding funding in the amount of \$1,742,000 for FY 2009 and \$659,700 for FY 2008 to the priority list

Summary

The following table summarizes the funding for student financial aid recommended for the Subcommittee’s priority list:

	<u>FY 2009 Ongoing</u>	<u>FY 2009 One-time</u>
Federal Match	\$200,000	
UCOPE	1,000,000	1,000,000
New Century Scholarship	1,742,000	
Total	<u><u>\$2,942,000</u></u>	<u><u>\$1,000,000</u></u>
		<u>FY 2008 Supplemental</u>
New Century Scholarship		\$659,700
Total		<u><u>\$659,700</u></u>