



HIGHER EDUCATION STUDENT ASSISTANCE

HIGHER EDUCATION
STAFF: SPENCER PRATT

ISSUE BRIEF

SUMMARY

The Legislature provides funding for various scholarships and need-based financial aid. More students are meeting the eligibility requirements for scholarships, and as tuition increases, more students need the assistance provided by the need-based financial aid. The Legislative Fiscal Analyst recommends that the subcommittee forward to the Executive Appropriations Subcommittee for further consideration, an appropriation for the Regents' Scholarship in the amount of \$1.7 million and a one-time appropriation in the amount of \$1.5 million for the Success Stipend.

OBJECTIVE

The objective of this Issue Brief is to help Legislators make funding decisions dealing with student scholarships and financial aid.

DISCUSSION AND ANALYSIS

The Regents' Scholarship was approved by the Legislature and implemented in 2008. It was put in place to encourage high school students to take a rigorous course of study in high school to prepare themselves for success in college. The base award provides \$1,000 to eligible students. Students who are eligible for the Exemplary Academic Achievement award may receive up to \$5,000 over two years of full-time enrollment. In addition, students who have contributions made to their Utah Educational Savings Plan may receive up to \$400 as a supplemental award.

In 2008, 195 scholarships were awarded. In 2009, that number grew to 393 and in 2010, grew again to 711. Last year (2011), 999 students received a Regents' Scholarship. As the number of eligible students increases, the funding requirement also increases. Funding for this scholarship helps the students complete their degree. The \$1.7 million is based on the following assumption:

<u>Category</u>	<u>Number</u>	<u>Award \$</u>	<u>Total</u>
New base awards (estimated):	354	\$1,000	\$354,000
New exemplary awards (estimated):	786	\$3,500 ¹	\$2,751,000
New UESP awards (estimated):	200	\$400	\$80,000
Deferred scholarships:	41	\$1,000	\$41,000
Exemplary 2 nd year awards:	808	\$2,500	<u>\$2,020,000</u>
Total			<u>\$5,246,000</u>

With a total estimated need of \$5,246,000, and a base of \$3,174,000, the unfunded balance is \$2,072,000. The SBR will utilize nonlapsing funds in this program, resulting in the requested amount of \$1.7 million.

The need-based financial aid program in the State was originally designated as the Utah Centennial Opportunity Education Program (UCOPE), but was changed in the 2011 General Session to the Success Stipend program with the passage of S.B. 107, Higher Education Success Stipend Program (*Niederhauser*). The current funding level for the Success Stipend is approximately \$1.4 million. The Legislature has provided funding for this program, both ongoing and one-time as available. The Analyst recommends that the subcommittee forward a recommendation of \$1.5 million in one-time funding for this purpose, to the Executive Appropriations Committee to provide resources for additional students who are eligible for this

¹ New Exemplary awards includes \$1,000 Base award plus \$2,500 Exemplary award.

stipend. Funding of \$1.5 million would assist approximately 1,750 additional students with work-study or small grants to enable them to attend or complete college (based on an average award of \$850).