

HIGHER EDUCATION STUDENT FINANCIAL ASSISTANCE AND LOAN REPAYMENT PROGRAMS

This memorandum provides an overview of the eligibility requirements and state funding provided for selected student financial assistance and loan repayment programs, including program changes recommended in the 2015-17 executive budget.

STUDENT FINANCIAL ASSISTANCE PROGRAMS Student Financial Assistance Grants

The North Dakota state student grant program provides grants to North Dakota residents pursuing their undergraduate degree while attending a North Dakota public, private, or tribal higher education institution. The purpose of the grant is to assist students with the costs of attending a North Dakota higher education institution and reduce the amount of money students need to borrow for their education.

Grants are distributed to students based on financial need. To be eligible for a grant, a student must meet all of the following requirements:

- Be a citizen or permanent resident of the United States and a North Dakota resident.
- Be a high school graduate or have a general educational diploma.
- Meet all admissions requirements as a full-time student of an eligible institution.
- Use the grant at an eligible institution in North Dakota.
- Be enrolled as a full-time student as defined by the institution attended.
- Enroll in a program of at least one academic year as defined by the institution attended.
- Be a first-time undergraduate student during the period of award.
- Not be in default on any federal financial aid loans.
- Not owe a refund on any Title IV grants or loans.

The application for the grant program is the federal Free Application for Federal Student Aid (FAFSA), and a student may apply for the grant each year by completing the FAFSA or renewal FAFSA application. The maximum grant award available under the program was increased from \$1,500 to \$1,650 per year under 2013 Senate Bill No. 2003. The 2015-17 executive budget recommendation increases the maximum grant award to \$1,716 per year during the 2015-16 academic year and to \$1,784 per year during the 2016-17 academic year.

The following is summary of legislative appropriations for the student financial assistance grant program since the 2007-09 biennium:

Biennium	General Fund	Federal Funds	Other Funds	Total Funds
2007-09	\$5,823,497	\$164,000	\$0	\$5,987,497
2009-11	\$19,025,594	\$348,428	\$0	\$19,374,022
2011-13	\$19,025,594	\$348,428	\$0	\$19,374,022
2013-15	\$21,245,679	\$0	\$0	\$21,245,679
2015-17 - Executive budget	\$22,968,679	\$0	\$0	\$22,968,679

North Dakota Scholars Program

The North Dakota scholars program is a merit-based scholarship program that provides approximately 45 to 50 new scholarships to North Dakota high school graduates who attend a North Dakota higher education institution. To be eligible for the program, a high school student must take the ACT between October and June of the student's junior year and score in the upper fifth percentile of all North Dakota students who take the ACT.

The scholars program provides a full tuition scholarship to eligible students attending a public or tribal North Dakota higher education institution. A recipient who attends a private North Dakota higher education institution is eligible for a scholarship equal to the cost of tuition at a North Dakota public research institution. The scholarship is renewable for up to three years provided the recipient maintains a cumulative 3.5 grade point average.

The following is a summary of legislative appropriations for the scholars program since the 2007-09 biennium:

Biennium	General Fund
2007-09	\$1,478,566
2009-11	\$2,113,584
2011-13	\$2,113,584
2013-15	\$2,113,584
2015-17 - Executive budget	\$2,113,584

Native American Scholarship Program

The North Dakota Native American scholarship program provides scholarships to approximately 240 eligible American Indian students per year. Scholarships range from \$800 to \$1,200 per year, and a student must meet the following requirements to be eligible to receive the scholarship:

- Be an enrolled member of a federally recognized Indian tribe and a resident of North Dakota.
- Have been accepted for admission at an institution of higher learning or state vocational education program in North Dakota.
- Be enrolled full time.
- Have a grade point average of at least 2.0.

The following is summary of legislative appropriations for the Native American scholarship program since the 2007-09 biennium:

Biennium	General Fund
2007-09	\$380,626
2009-11	\$381,292
2011-13	\$574,267
2013-15	\$649,267
2015-17 - Executive budget	\$649,267

Career and Technical Education and Academic Scholarship Programs

The 2009 Legislative Assembly enacted legislation to create the career and technical education and academic scholarship programs. The legislation established eligibility criteria for the scholarship programs in North Dakota Century Code Chapter 15.1-21, and the criteria were subsequently adjusted by the 2011 and 2013 Legislative Assemblies. The current eligibility requirements provide that a student must be a resident of the state and meet the following program requirements for one of the programs:

Career and Technical Education Scholarship	Academic Scholarship
Complete four units of English language arts	Complete four units of English language arts
Complete three units of mathematics, including one unit of Algebra II and two units of other mathematics	Complete one unit of Algebra II and one unit of mathematics for which Algebra II is a prerequisite
Complete three units of science	Complete three units of science
Complete one unit of physical education or one-half unit of physical education and one-half unit of health	Complete three units of social studies
Complete two units of a coordinated study plan as recommended by the Department of Career and Technical Education	Complete one unit of physical education or one-half unit of physical education and one-half unit of health
Complete one unit selected from foreign language, Native American language, American sign language, fine arts, or career and technical education	Complete two units of the same foreign language, the same Native American language, sign language, or career and technical education from a coordinated study plan approved by the Superintendent of Public Instruction
Complete five additional units, two of which must be in the area of career and technical education	Complete one unit selected from foreign language, Native American language, American sign language, fine arts, or career and technical education
Obtain a cumulative grade point average of at least 3.0 on a 4.0 grading scale for all courses taken or only for courses taken that are required for the scholarship	Complete any five additional units
Obtain a grade of at least "C" in each unit or one-half unit required for the scholarship	Obtain a cumulative grade point average of at least 3.0 on a 4.0 grading scale for all courses taken or only for courses taken that are required for the scholarship
Receive a composite score of at least 24 on the ACT or a score of at least five on each of three WorkKeys assessments	Obtain a grade of at least "C" in each unit or one-half unit required for the scholarship
	Receive a composite score of at least 24 on the ACT
	Fulfill one unit required for the scholarship through an advanced placement course or fulfill one-half unit required for the scholarship through a dual-credit course

To continue receiving a scholarship under the program, a student must be enrolled in at least 12 credits during the student's first two semesters and must be enrolled in at least 15 credits during each semester thereafter. However, 2013 House Bill No. 1258 provides a student may continue to receive the scholarship if the student requires fewer than 15 credits to graduate and is enrolled in at least 12 credits. The Legislative Assembly also adjusted the criteria to receive a scholarship in 2013 House Bill No. 1291. The bill expands the program to allow students who complete a home education program to receive a scholarship.

Any student who meets the requirements for a career and technical education scholarship or an academic scholarship is eligible to receive a scholarship of \$750 per semester, or \$500 per quarter, for each period the student is enrolled full time at a North Dakota higher education institution and maintains eligibility up to a maximum amount of \$6,000. Scholarships may be provided to students for up to six years following the student's graduation from high school and cannot be used for graduate programs.

The 2015-17 executive budget recommends increasing the scholarship award amount for recipients graduating from high school during or after the 2014-15 academic year to \$2,500 per year with a lifetime maximum of \$10,000.

The following is a summary of legislative appropriations for the career and technical education and academic scholarship programs since the 2009-11 biennium:

Biennium	General Fund
2009-11	\$3,000,000
2011-13	\$10,000,000
2013-15	\$10,000,000
2015-17 - Executive budget	\$17,171,000 ¹

¹Of the \$7,171,000 increase under the executive budget, \$3,335,108 relates to costs to continue the program and \$3,835,892 relates to increasing the scholarship award amount from \$1,500 to \$2,500 per year.

Professional Student Exchange Program

The professional student exchange program is administered by the Western Interstate Commission for Higher Education and provides North Dakota students with access to veterinary medicine, optometry, and dentistry programs. In exchange for admitting qualified North Dakota students, out-of-state institutions receive a support fee from the state. The admitted student then pays a reduced tuition rate to attend the program. The support fee paid by the state provides guaranteed access to a certain number of openings in programs for qualified applicants.

The following is summary of legislative appropriations for the professional student exchange program since the 2007-09 biennium:

Biennium	General Fund	Student Loan Trust Fund	Total Funds
2007-09	\$2,199,566	\$523,380	\$2,722,946
2009-11	\$2,346,130	\$990,970	\$3,337,100
2011-13	\$2,856,131	\$465,307	\$3,321,438
2013-15	\$3,809,708	\$465,307	\$4,275,015
2015-17 - Executive budget	\$3,809,708	\$465,307	\$4,275,015

EDUCATION INCENTIVE PROGRAMS

Science, Technology, Engineering, and Mathematics Occupations Loan Forgiveness Program

The science, technology, engineering, and mathematics (STEM) occupations student loan forgiveness program is intended to reduce student loan indebtedness for individuals who have graduated in a technology-related field and have been employed in a STEM occupation in North Dakota for at least one year. Recipients are eligible to receive up to \$1,500 per year in continued loan forgiveness for each year they are employed in an approved STEM occupation in North Dakota subject to a maximum of \$6,000. Eligibility requirements for the program include:

- Successful completion of an approved, technology-related program at a public, private, or tribal higher education institution.
- Maintaining at least a cumulative 2.5 grade point average based on a 4.0 system.
- Having a student loan from the Bank of North Dakota or other participating lender and not being in default on the loan.

- Being employed in a State Board of Higher Education-approved STEM occupation in North Dakota for at least one year following graduation.

The maximum loan forgiveness amount is \$1,500 per year up to a maximum of \$6,000. The 2015-17 biennium executive budget includes \$2,337,000 from the general fund for the program. This represents the same level of funding as the 2013-15 biennium.

Teacher Shortage Loan Forgiveness Program

The teacher shortage loan forgiveness program is intended to reduce the student loan amount of an eligible recipient teaching at a grade level or content area identified by the Department of Public Instruction as having a teacher shortage. Recipients are eligible to receive up to \$1,000 per year for three years up to a maximum of \$3,000. Eligibility requirements for the program include:

- Having taught in a defined teacher shortage area in North Dakota.
- Having a student loan and not being in default on the loan.
- Having been licensed by the Education Standards and Practices Board.
- Having taught in a public or private school in North Dakota.
- Holding a full-time contract to teach a full academic year.

The 2015-17 biennium executive budget includes \$752,000 from the general fund for the program. This represents the same level of funding as the 2013-15 biennium.

Doctoral Programs

The doctoral programs allocation provides funding to the research institutions to increase the number of students obtaining doctoral degrees. Examples of the use of funding include fellowships, research support, student recruitment, and student development.

The 2015-17 biennium executive budget includes \$260,000 from the general fund for the program. This represents the same level of funding as the 2013-15 biennium.