

North Dakota University System

2020 Annual Report ND Academic and Career & Technical Education Scholarships



November 2020

600 E Boulevard Ave Dept 215

Bismarck, North Dakota 58505-0230

Website: www.ndus.edu

Executive Summary

The ND Academic and ND CTE scholarships are state merit-based awards aimed at increasing high school rigor and retaining college students in North Dakota. High school students can receive up to \$6,000 under the program by completing specific high school curriculum and fulfilling grade point average and testing score requirements. This annual report provides detailed information about the scholarship program since inception.

- A total of 17,965 students have qualified for the ND Academic and CTE Scholarships. [Table 1]
- Twenty-four percent of seniors have qualified for the scholarship since 2017; 21% since inception. [Table 1]
- North Dakota students have received more than \$58.6 million in scholarship disbursements. [Chart 1]
- Disbursements have been extended at all institution types in North Dakota. [Chart 3]
 - 63% at state research universities
 - 14% at 4-year public universities
 - 12% at 2-year public universities
 - 11% at qualifying state private and tribal colleges and universities
- Disbursements for cohorts 5-8 (\$26.9 million) outpaced disbursements for cohorts 1-4 (\$22.0 million), reflecting an increase in eligibility and usage of the scholarship awards. [Chart 1]
- Since inception, 15,946 students have taken advantage of the scholarship. This equates to 89% of students receiving at least one disbursement of the award at an average of \$3,677 per recipient.
- 17,965 seniors have qualified for the scholarship over the span of 11 cohorts. [Table 2]
 - 10,606 (59%) received the Academic scholarship.
 - 7,359 (41%) received the Career & Technical Education scholarship.
- Scholarships are distributed across the state, with most of the recipients coming from the larger urban areas. [Chart 2]
- Of the 17,965 students eligible for the award, 48% still have remaining scholarship eligibility. [Table 3]
 - 4,270 (24%) have been paid in full at \$6,000.
 - 5,074 (28%) have been suspended from program for not maintaining grade point average or have expired beyond 6 years without fully receiving the \$6,000 award.
- A budget shortfall in FY21 required a transfer of \$2.5 million from the need-based state grant to cover scholarship obligations in the 2020-21 academic year.
- Anticipated awards in the 2021-23 biennium total \$16.4 million. The 2021-23 program budget request will include a \$4.2 million increase to cover these obligations.

Program Overview

Two merit-based scholarships have been awarded to high school seniors since the 2010-11 academic year, the North Dakota Academic scholarship and the North Dakota Career & Technical Education (CTE) scholarship. The scholarships are designed to increase high school rigor and retain college-bound students in North Dakota. Specific high school curriculum, grade point average and testing score requirements are required to earn these merit-based scholarships. The program is authorized in N.D.C.C. § 15.1-21-02.4 through 15.1-21-02.9.

Students who meet the requirements and who apply with the ND Department of Public Instruction are awarded a \$6,000 scholarship, either the ND Academic or the CTE scholarship. Awards may not exceed \$750 per semester or \$500 per quarter. Recipients have up to 6 years following high school graduation to fully utilize the scholarship at a qualifying North Dakota institution. The scholarship may be used for graduate/professional studies and summer terms, provided all eligibility criteria are met.

Program Administration

The ND Academic and ND CTE scholarships are administered jointly by the ND Department of Public Instruction (DPI) and the North Dakota University System (NDUS). Through the Agency Administrative Agreement, DPI is responsible for the application process, including advertising, application, verifying accuracy of applications (includes ACT and WorkKeys scores, high school grade point average (GPA), course work, and graduation requirements), and notifying recipients of their initial scholarship eligibility.

NDUS is responsible for post-award activities, including student communications, notifying financial aid offices of a recipient's scholarship eligibility, verifying eligibility prior to disbursement, distributing scholarship payments to respective colleges and universities, tracking student transfers, verifying eligibility requirements for renewal purposes, and maintaining fiscal files and reporting.

Disbursement Requirements

To qualify for a disbursement under the scholarship program, students must meet all the following requirements:

- Enroll full time at a qualifying institution of higher learning within North Dakota;
- Maintain a 2.75 cumulative grade point average, based on a 4.00 scale; and
- Maintain degree progress.

Full time enrollment for the purpose of the scholarship has the same meaning as is defined by the institution for financial aid purposes. Degree progress is measured by cumulative credits earned. To qualify for a subsequent payment, students must have earned a minimum number of cumulative credits. Tracking earned credits rather than simply measuring current enrollment provides more assurance that students who receive payments under the scholarship are on track to graduate timely, and rewards students for completion rather than simply for enrollment. Additionally, tracking earned credits provides flexibility in how and when students earn their credits, such as dual credit in high school, summer coursework, and terms where enrollment exceeds the minimum requirement. Students who do not meet the degree progress requirements do not lose scholarship eligibility, but rather, must wait for the next payment until the minimum number of earned credits has been attained. Degree progress is determined as follows for purposes of eligibility.

Payment #	# of cumulative credits needed for degree progress
Payment #1	No cumulative credit requirement in year 1
Payment #2	No cumulative credit requirement in year 1
Payment #3	Must have earned 24 cumulative credits
Payment #4	Must have earned 39 cumulative credits
Payment #5	Must have earned 54 cumulative credits
Payment #6	Must have earned 69 cumulative credits
Payment #7	Must have earned 84 cumulative credits
Payment #8	Must have earned 99 cumulative credits

In addition to enrolling full time and maintaining degree progress, students must maintain a 2.75 cumulative GPA for renewal of the scholarship. This criterion is monitored following each term in which a disbursement of the scholarship is made for a student. If a student’s cumulative GPA falls below 2.75, the student will be given one probationary term to bring the cumulative GPA to 2.75 or higher. The scholarship will be suspended if the student fails to meet the GPA requirement following the probationary term.

The 2019 Legislative Assembly added a special exemption category for students in their final semester to graduate. Students who still have scholarship eligibility and who do not require full time credits to graduate, may request a special exemption to waive the full-time requirement. This exception only applies to the student’s final semester to graduate and may only apply once over the lifetime of the scholarship. Students must request this override from the NDUS to have it apply.

Students may use the scholarship at the following institutions within North Dakota. Qualifying institutions must be accredited, and procedure further defines eligible institutions as those offering programs of at least two years in length. Current statutory language does not provide for awards at clock hour schools. Institutions must be following “semester” or “quarter” schedules and thus, clock hours do not fit the requirements to track student eligibility.

STATE RESEARCH UNIVERSITIES

North Dakota State University
University of North Dakota

STATE 4-YEAR UNIVERSITIES

Dickinson State University
Mayville State University
Minot State University
Valley City State University

TWO-YEAR STATE COLLEGES

Bismarck State College
Dakota College at Bottineau
Lake Region State College
ND State College of Science
Williston State College

PRIVATE COLLEGES

Rasmussen College – Fargo
Trinity Bible College
University of Jamestown
University of Mary

TRIBAL COLLEGES

Cankdeska Cikana Community College
Nueta Hidatsa Sahnish College
Sitting Bull College
Turtle Mountain Community College
United Tribes Technical College

Governor Burgum issued Executive Order 2020-32.2 that provided relief for students regarding eligibility requirements due to the national Covid-19 emergency. The requirements that were set aside are as follows.

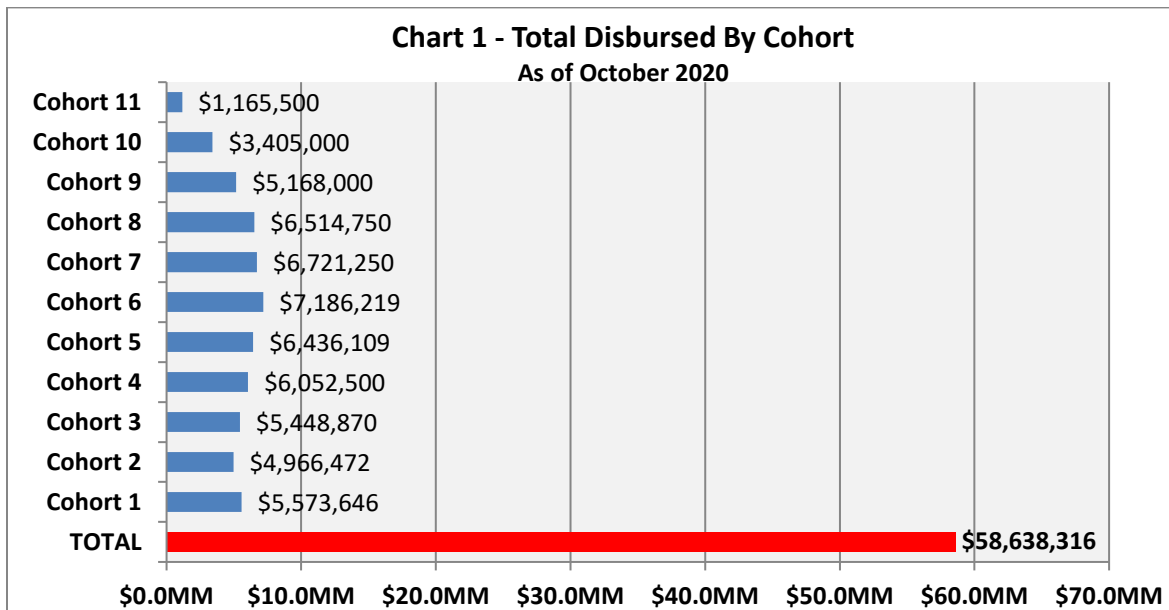
- For high school seniors, the eligibility requirement for CTE Scholarships, requiring high school seniors graduating in May 2020 to achieve a “C” grade or higher for courses in the CTE curriculum, was temporarily suspended for courses completed during the 2020 spring term, provided the student earned credit for the coursework.
- For high school seniors, the eligibility requirement for Academic Scholarships requiring students achieve a grade of “C” or higher required coursework was temporarily suspended for those courses taken during the spring semester 2020, provided the student completed and earned credit for the coursework.
- For students enrolled in college in spring 2020, the requirements to maintain progress toward degree completion, as determined by cumulative credits earned, and achieve a cumulative grade point average (GPA) of 2.75, were temporarily suspended. Any student enrolled in spring 2020 may retain eligibility through fall 2020, regardless of cumulative credits earned or GPA following spring 2020, provided total eligibility of \$6,000 is not exhausted. The Executive Order temporarily set aside a student’s renewal status, allowing for continuing eligibility through fall 2020. At the end of fall 2020, statuses will revert to those earned at the end of spring.

Student Eligibility and Disbursement

Awards under the ND Academic and CTE scholarships have been made since the 2010-11 academic year. Since that time, eleven cohorts of high school seniors have worked during their high school career toward attainment of the scholarships. Since inception, 21 percent of high school seniors have qualified. A more recent average since 2017 shows that 24 percent of seniors have qualified. This points toward an upward trend in eligibility. To-date, 17,965 students have qualified for the \$6,000 award.

Cohort	# of Total Seniors	# of Students Eligible	% of Seniors Eligible
2020	7,874	1,853	24%
2019	7,962	1,876	24%
2018	7,723	1,865	24%
2017	7,752	1,783	23%
2016	7,856	1,668	21%
2015	7,839	1,724	22%
2014	7,768	1,557	20%
2013	8,398	1,499	18%
2012	7,994	1,350	17%
2011	8,674	1,201	14%
2010	7,677	1,589	21%
TOTAL	87,517	17,965	21%

In addition to the number of students eligible increasing, usage of the scholarship is also showing an upward trend. The average total dollars disbursed for cohorts 1-4 was \$5.5 million. Cohorts 5-8 are already averaging far above that amount with total scholarship dollars disbursed at \$6.7 million. Both the increased qualifiers in high school and rise in overall disbursements point toward an increased program cost in the future as more students earn and take advantage of this award. Total award dollars disbursed to-date is \$58.6 million. Overall, 15,946 students have received at least 1 disbursement of the scholarship. This is an average of 89% of recipients utilizing the award, with an average award per recipient of \$3,677.

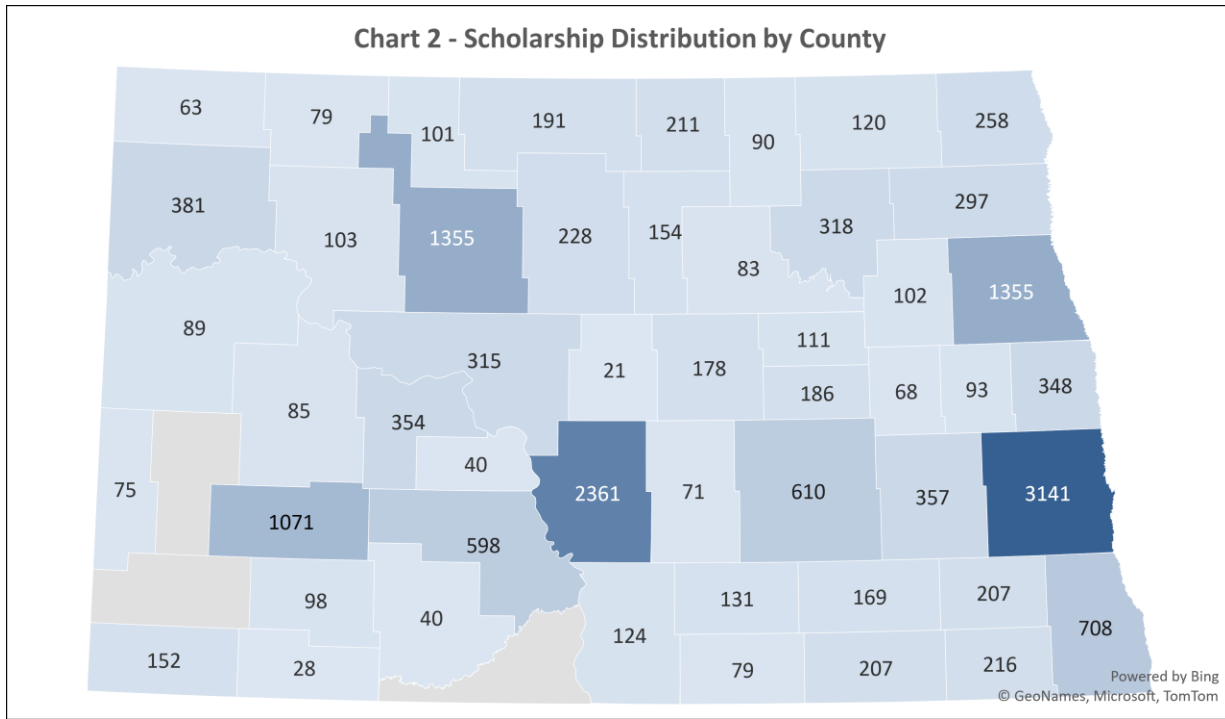


Distribution of Scholarship Awards

Approximately 59 percent of recipients qualify for the ND Academic scholarship and 41 percent for the CTE scholarship. While the number of ND Academic scholarships have outpaced the CTE scholarships, 2020 was the first year where the opposite was true. Academic scholarships have been on a decline while the CTE awards have been increasing.

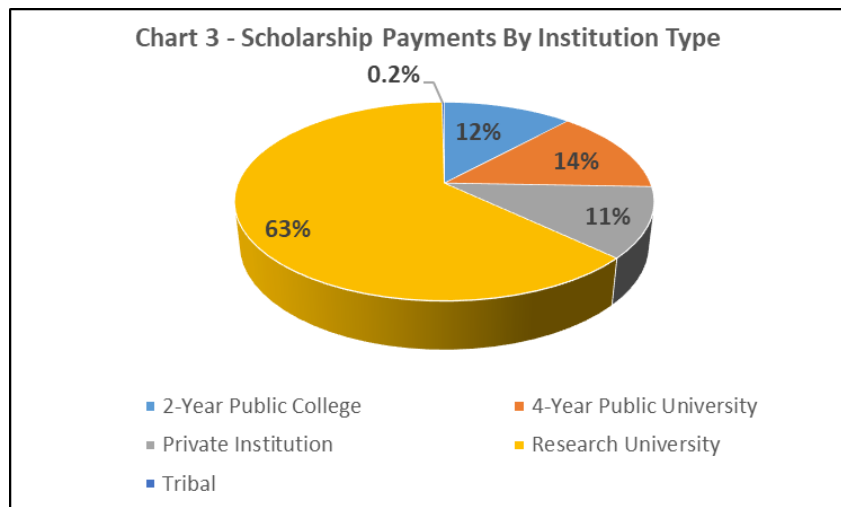
Table 2 – Eligibility by Scholarship Type		
Cohort Year	Academic Scholarship	CTE Scholarship
2020	893	960
2019	974	902
2018	961	904
2017	1,031	752
2016	1,037	631
2015	1,036	688
2014	942	615
2013	932	567
2012	830	520
2011	777	424
2010	1,193	396
TOTAL	10,606 = 59%	7,359 = 41%

Distribution of scholarship eligibility across the state continues to be broad with concentration in urban areas. Only three ND counties have had no recipients, and two of those (Billings and Slope) have not yielded seniors. Chart 2 reflects distribution of the awards since inception.



As of this report date, NDUS had disbursed a total of \$58.6 million in ND Academic and CTE Scholarship dollars since 2010-11. The disbursements were provided to 15,946 individual students, which translates into 89 percent of all eligible recipients (17,965) receiving at least one payment.

Students can utilize the scholarship at all the state colleges and universities, state tribal colleges and four private institutions in North Dakota. Approximately 63 percent of disbursements have been made at the state research universities, 14 percent at the public 4-year universities, 12 percent at public 2-year colleges, and the remaining 11 percent at the state private and tribal colleges and universities.



Scholarship Attrition & Renewal

The NDUS is currently tracking 8,621 students in 6 cohorts that have ongoing eligibility in the scholarship program. The first five cohorts have exceeded 6 years and are considered expired. Twenty-four percent of recipients have been paid in full at \$6,000, and an additional twenty-eight percent no longer have eligibility. Disbursement for fall 2020 as of this report date totaled \$3,885,000, paid to 5,180 students. This is a three percent increase from the same reporting period last year.

Table 3 – Scholarship Attrition & Current Eligibility	
Total Scholarships Awarded	17,965
Paid in Full (\$6,000) Scholarships	4,270
	24%
Suspended (GPA) / Expired (6yrs) / Deceased	5,074
	28%
Current Eligibility	8,621
	48%

Appropriation and Budget

In 2020, the North Dakota University System (NDUS) requested a transfer of \$2.5 million from the need-based state grant to cover the anticipated shortfall in the ND Academic and CTE scholarship starting in spring 2021. This shortfall is a result of increased awards and disbursements, plus an underfunded appropriation level for the current biennium. The 2019-21 biennial awards under the scholarship are expected to be \$15.0 million. Growth is anticipated to continue in the program. The NDUS will be requesting an increase of \$4.2 million to cover expected obligations in the 2021-23 biennium in this scholarship program.

Table 4	Biennial Scholarship Appropriation and Disbursement Levels (in millions)						
	2009-11	2011-13	2013-15	2015-17	2017-19	2019-21 est.	*2021-23 est.
Appropriation (post-allotment)	\$3.00	\$10.00	\$10.00	\$13.13	\$12.02	\$12.02	\$16.22
Fund Transfer to Cover Shortfall	\$.00	\$.00	\$.00	\$.00	\$.00	\$2.50	\$.00
\$ Disbursed	\$1.87	\$6.97	\$11.19	\$12.68	\$14.70	\$15.02	\$16.40
Award Growth	-	273%	61%	13%	16%	2%	9%

*includes \$4.2 million increase