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2022 Annual Report
Academic/Career & Technical
Education/North Dakota Scholarships

November 2022

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Table of Contents

REPORT SUMMARY	1
PROGRAM OVERVIEW	2
PROGRAM ADMINISTRATION	3
DISBURSEMENT REQUIREMENTS	3
STUDENT ELIGIBILITY AND DISBURSEMENT	4
DISTRIBUTION OF SCHOLARSHIP AWARDS	6
SCHOLARSHIP USAGE AND STUDENT RETENTION	7

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Report Summary

The Academic, ND Career and Technical Education (CTE), and North Dakota 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 (GPA) and test score requirements. This annual report provides detailed information about the scholarship program since inception.

- A total of 21,671 students have qualified for the state scholarships. [Table 1]
- Twenty-three percent of seniors have qualified for the scholarship since 2017. This is down from 24% in recent years. Twenty-one percent of senior have qualified since inception. [Table 1]
- North Dakota students have received nearly \$73.8 million in scholarship disbursements. [Chart 1]
 - Disbursements have been provided to all institution types in North Dakota - 62% at state research universities; 14% at 4-year public universities; 12% at 2-year public universities; 12% at state private and tribal colleges and universities, including awards to accredited career and technical schools beginning fall 2022.
 - Since inception, 19,201 (89%) of students have received at least one payment of the scholarship. This equates to an average of \$3,842 per recipient.
- The average amount disbursed for cohorts 2015-2019 (\$7.1 million) outpaced the average disbursed for the first five cohorts (\$5.7 million), reflecting an increase in usage of the scholarship awards. [Chart 1]
- Awards of the CTE scholarship have outpaced the Academic scholarship the past three years. Of qualifying recipients, 56% received the Academic scholarship and 44% received the CTE scholarship since inception. Four students qualified for the new ND Scholarship in 2022. [Chart 2]
- Of the 21,671 eligible students since inception,
 - 8,605 (40%) still have remaining scholarship eligibility;
 - 5,933 (27%) have been paid in full at \$6,000;
 - 7,133 (33%) have lost scholarship eligibility due to not maintaining a 2.75 GPA or not fully utilizing the award within 6 years of high school graduation. [Chart 4]
- Disbursements in the 2021-23 biennium are expected to be \$15.4 million. Since inception, \$78.8 million has been appropriated to this scholarship program, which includes a \$2.5 million transfer from the ND State Grant to cover a shortfall in the 2019-21 biennium. [Table 2]
- Scholarship recipients are retained in ND at a higher rate than non-scholarship recipients. [Chart 5 and Table 3]

Program Overview

The Academic and ND Career & Technical Education (CTE) scholarships have been awarded to ND high school graduates since the 2010-11 academic year. Beginning with the 2022 cohort, the new North Dakota scholarship may also be achieved. The scholarships are designed to increase high school rigor and retain post-secondary students in North Dakota. Specific high school curriculum, GPA 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 15.1-21-02.10.

Students who meet the requirements and who apply with the ND Department of Public Instruction are awarded a \$6,000 scholarship. Students can qualify one scholarship, either the Academic, CTE scholarship, or the new North Dakota scholarship. Awards may not exceed \$750 per semester or \$500 per quarter or clock-hour program. 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.

The 2021 Legislative Assembly made several amendments to the eligibility criteria that reflect the dynamic nature of education.

SB2136:

- Eligibility added for students enrolled in vocational programs of study at clock-hour schools. Students enrolled in short-term career and technical programs at accredited ND institutions can now receive payment of their award.
- Modified the CTE scholarship requirement whereby Integrated Math II or Integrated Math III may replace the Algebra II requirement and changed the General Education Teacher pathway from 3 credits to 2 credits.

SB2141:

- Added the ability for students to qualify for the scholarship with not only ACT and WorkKeys scores, but also equivalent SAT scores.

HB1135:

- Added language to allow students to qualify for the scholarship based on proficiency-based grades, provided these grades are the equivalent of a C grade or higher.

SB2289:

- Provided the broadest change to the program requirements since inception. The bill re-defined eligibility criteria for students to earn the scholarship, creating a new program called the North Dakota scholarship. The new criteria align with Choice Ready requirements but are more rigorous and therefore, students earning the scholarship will also graduate Choice Ready, but not all students who graduate Choice Ready will earn the scholarship. Students will be able to earn the Academic, CTE or the new North Dakota scholarship through the 2024 graduating class. Beginning with the graduating class of 2025, all students will be evaluated for the North Dakota scholarship criteria only.

HB1083:

- Waived the required letter grade of C or better for any class taken during the second semester of the 2019-20 school year. This one-time waiver acknowledges the potential impact on students due to the quick adjustment to distance learning at the beginning of the pandemic.

Program Administration

The program is jointly administered by the ND Department of Public Instruction (DPI) and the North Dakota University System (NDUS). Through the Administration and Data-Sharing Agreement, the agencies define their respective roles.

- DPI is responsible for the application process, including promotion and advertising, guidance, and assistance to high schools, application creation and collection, verifying accuracy of application data, course work, and graduation requirements. DPI also notifies recipients of their initial scholarship eligibility.
- NDUS is responsible for post-award activities, including student payment and eligibility communications, notifying financial aid offices of a recipient's scholarship eligibility, verifying eligibility prior to disbursement, distributing scholarship payments to institutions, 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:

1. Enroll full time at a qualifying institution of higher learning within North Dakota.
 - Full time enrollment for the purpose of the scholarship has the same meaning as is defined by the institution for financial aid purposes.
 - 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 financial aid office.
2. Maintain a 2.75 minimum cumulative GPA, or equivalent.
 - In addition to enrolling full time, students must maintain a minimum GPA, or its equivalent, 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 GPA, or equivalent, falls below 2.75, the student may receive payment under a probationary term. If the student fails to meet the GPA requirements after the probationary term, the scholarship is permanently suspended.
3. Maintain program completion progress.
 - Finally, to qualify for a subsequent payment, students must establish their program completion progress by earning a minimum number of credits or clock hours.
 - Tracking earned credits or clock hours, rather than simply measuring current enrollment provides more assurance that students who receive payment under the scholarship are on track for a timely completion, and rewards students for completion rather than simply for enrollment. Tracking progress in this manner also provides flexibility in how and when students earn their credits or clock hours, such as dual credit in high school, summer coursework, and terms where enrollment exceeds the minimum requirement. Students who do not meet the progress

requirements do not lose scholarship eligibility, but rather, must wait for the next payment until the minimum number of earned credits or clock hours has been attained.

Student Eligibility and Disbursement

Students may use the scholarship at the following accredited institutions within North Dakota. The 2021 Legislative Assembly amendments provide the opportunity for students to utilize the award at accredited ND career and technical institutions.

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 University – 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

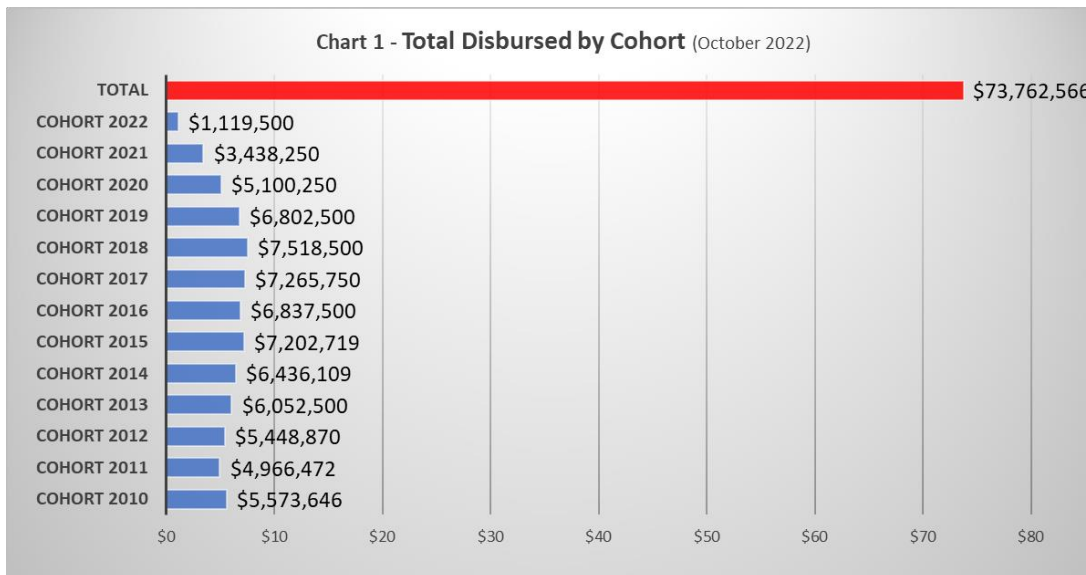
CAREER & TECHNICAL SCHOOLS (beginning 7/1/21)

Josef’s School of Hair, Skin & Body (Fargo & Grand Forks)
Lynnes Welding Training (Fargo & Bismarck)
The Salon Professional Academy (Fargo)
The Hair Academy (Bismarck)

Thirteen cohorts of ND resident students have worked toward scholarship attainment in high school. Since program inception, 21% of high school seniors have qualified, however, the average qualifying over the past 6 years is 23%. This is down from recent years wherein 24% of high school seniors qualified. The 2022 cohort was the smallest since 2016 wherein 22% of the seniors qualified for the scholarship. To-date, a total of 21,671 students have qualified for the \$6,000 award. (Table 1).

Table 1 - ND High School Seniors Meeting the Scholarship Requirements			
Cohort	# Seniors	# Eligible	% Seniors Eligible
2022	8,095	1,771	22%
2021	8,081	1,911	24%
2020	7,874	1,866	24%
2019	7,962	1,882	24%
2018	7,723	1,866	24%
2017	7,752	1,785	23%
2016	7,856	1,670	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	103,693	21,671	21%

Total awards disbursed as of October 2022 are \$73.8 million (Chart 1). Eighty-nine percent, or 19,201 students have received at least one disbursement of the scholarship since inception, giving an average disbursement per recipient of \$3,842. This is a 2.7% increase in the average award from the prior year. Disbursements in the fall 2022 semester, as of this report, totaled \$3,862,500, paid to 5,151 students. This is also an increase from the prior year of 2% more in awards and recipients. Additionally, the average total dollars disbursed for the first five cohorts was \$5.7 million. The subsequent five cohorts' disbursements average \$7.1 million, with students still earning the award in three of these cohorts. The increase to the number of students utilizing the award and the increase in overall disbursements, point toward an increased program cost in the future as students earn and take advantage of this award at a greater rate.



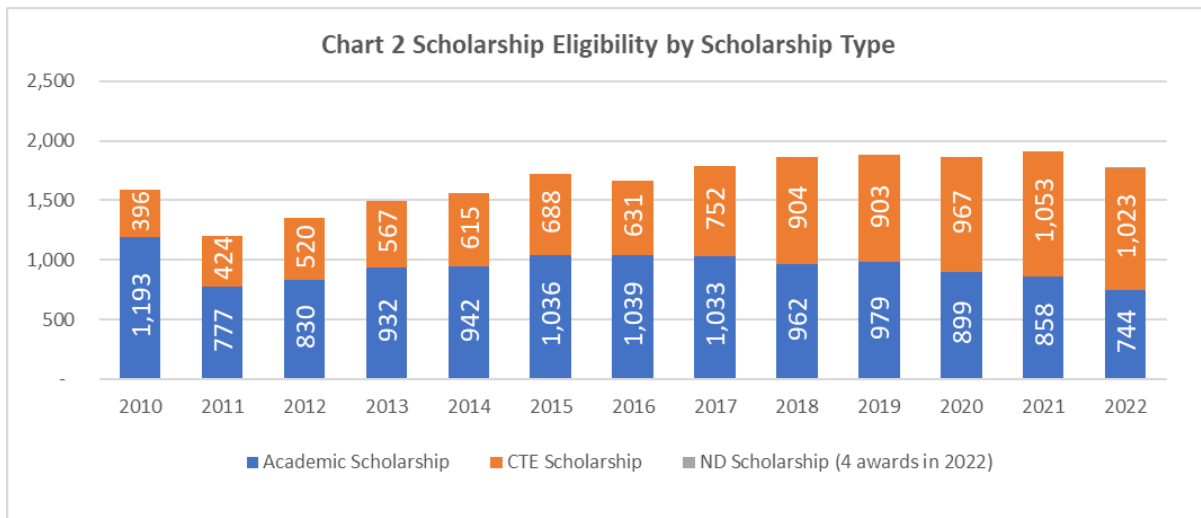
It is anticipated that a shortfall to program funding will occur in the 2023-25 biennium based on program usage. As a result, additional appropriation in the 2023 legislative session will be requested in the amount of \$1.0 million. This increase to appropriated funds is required to ensure that qualifying students will receive their award. Statutory requirements do not allow for a reduction of the payment amount (\$750/semester or \$500/quarter or clock hr.) if appropriations are exhausted. It is anticipated that the 2021-23 biennial awards will total \$15.4 million (Table 2).

Table 2	Biennial Scholarship Appropriation and Disbursement Levels (in millions)						
	2009-11	2011-13	2013-15	2015-17	2017-19	2019-21	2021-23
Appropriation (post-allotment)	\$3.00	\$10.00	\$10.00	\$13.10	\$12.00	\$12.00	\$16.20
Fund Transfer to Cover Shortfall	-	-	-	-	-	\$2.50	-
\$ Disbursed	\$1.87	\$6.97	\$11.19	\$12.68	\$14.70	\$14.84	15.4*
Award Growth	-	273%	61%	13%	16%	1%	4%

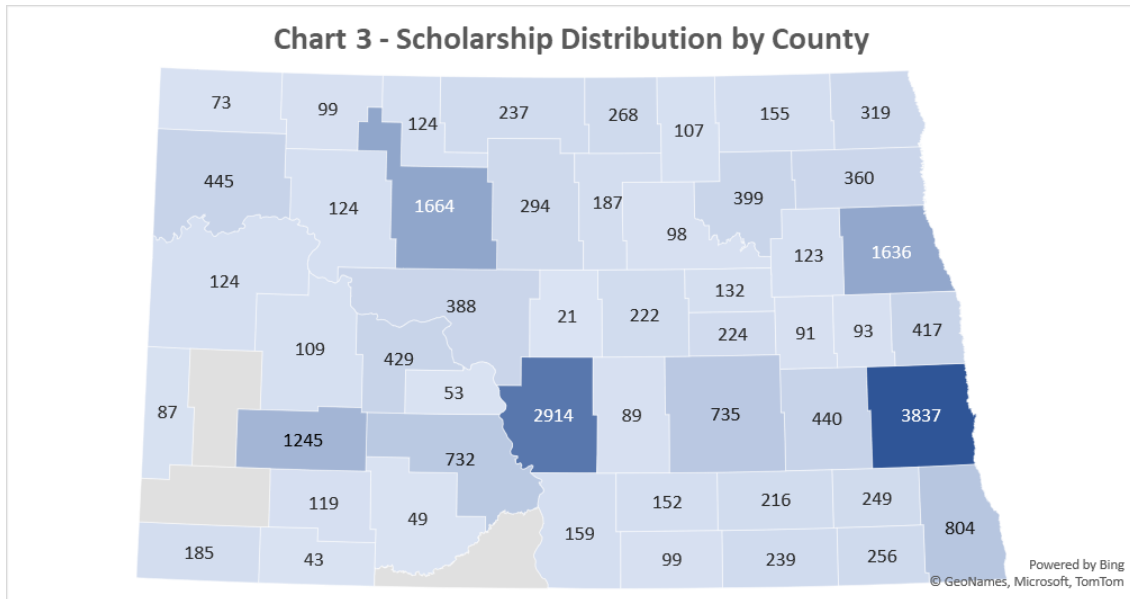
*Est. as of October 2022

Distribution of Scholarship Awards

Of high school seniors qualifying for the scholarship, approximately 56% have received the Academic scholarship and 44% the CTE scholarship. There has been a movement from Academic scholarship earners to CTE scholarship earners in the past 3 years (Chart 2). Starting in the 2022-23 academic year, students can also earn the new North Dakota Scholarship. Through 2024, DPI will first evaluate an applicant for either the Academic or the CTE scholarship. If the student does not qualify for either of those, then DPI will evaluate for the new North Dakota scholarship. Four students from the 2022 cohort received this award. The largest revamp of the program eligibility requirements since the program began were made by the 2021 Legislative Assembly. As a result, the new North Dakota Scholarship was established. This scholarship is more closely aligned with state Choice Ready requirements but are more rigorous. The Academic and CTE scholarships will sunset after 2024. Starting with the graduating class of 2025, only the North Dakota scholarship will be available. Students who have earned the Academic or CTE scholarship prior to 2025 will be grandfathered so that they do not lose eligibility for payment.



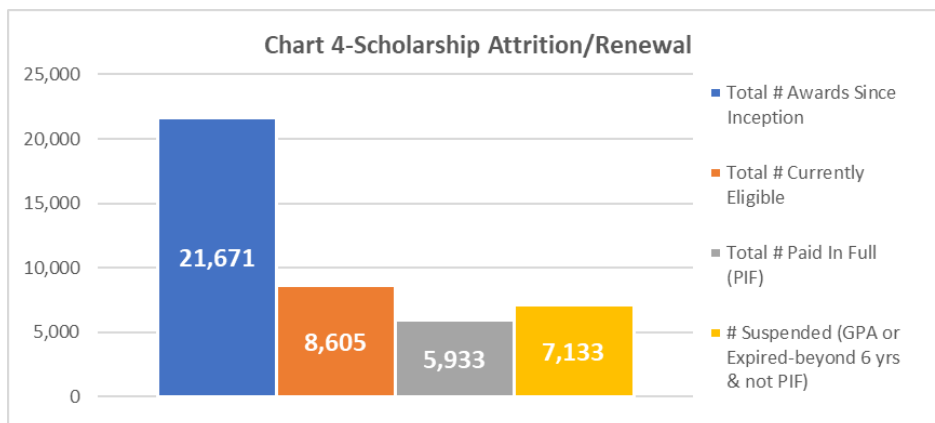
Distribution of scholarship eligibility across the state continues to be broad. Only three ND counties have had zero recipients, and two of those (Billings and Slope) have not yielded seniors. Chart 3 reflects distribution of the awards since inception.



Qualifying students can receive scholarship payment at any accredited public, private or tribal institution with a physical presence in the state. As indicated, eligible institutions now also include accredited private career schools with a physical presence in the state. For the first time, beginning in fall 2022, awards may now be disbursed to students enrolled at Josef’s School of Hair, Skin and Body, Lynnes Welding Training, The Hair Academy, and The Salon Professional Academy. Approximately 62% of disbursements have been made at the state research universities, 14% at the public 4-year universities, 12% at public 2-year colleges, and the remaining 12% at state private and tribal colleges and universities.

Scholarship Usage and Student Retention

Scholarship eligibility can extend up to 6 years beyond high school graduation. The maximum award is \$6,000. The NDUS is currently tracking 8,605 students in 6 active cohorts. Of the 21,671 awarded students, 5,933 (27%) have been paid in full at \$6,000 and 7,133 (30%) no longer have eligibility. Loss of eligibility can occur if the student’s GPA does not meet the minimum requirement of 2.75, or if the scholarship was not fully utilized within 6 years of high school graduation.



ND Information Technology Dept. (NDITD) performed analysis of scholarship recipients who attended a NDUS institution immediately following high school graduation between 2010 and 2020 to determine the percentage of students retained in North Dakota. Retention was determined by either enrollment in a NDUS institution and/or employment in ND. An important note is that the farther away from high school graduation, the fewer students are available to evaluate. For example, if looking at two years post-high school graduation, all students graduating in 2010-2017 have had two years post-graduation. However, at nine years post-graduation, only cohort 2010 will have had nine years post-graduation. The analysis performed by NDITD showed that:

- Students who earn the state scholarship are retained in North Dakota at a higher rate following high school graduation than non-recipients.
- Retention for either the Academic or the CTE scholarship is fairly consistent the first five years after high school graduation, however, beyond that, retention of CTE scholarship recipients is at a greater rate than Academic scholarship recipients.

Chart 5 and Table 3 show the outcome of the analysis and are being reported with the permission of NDITD and Job Service North Dakota.

Chart 5

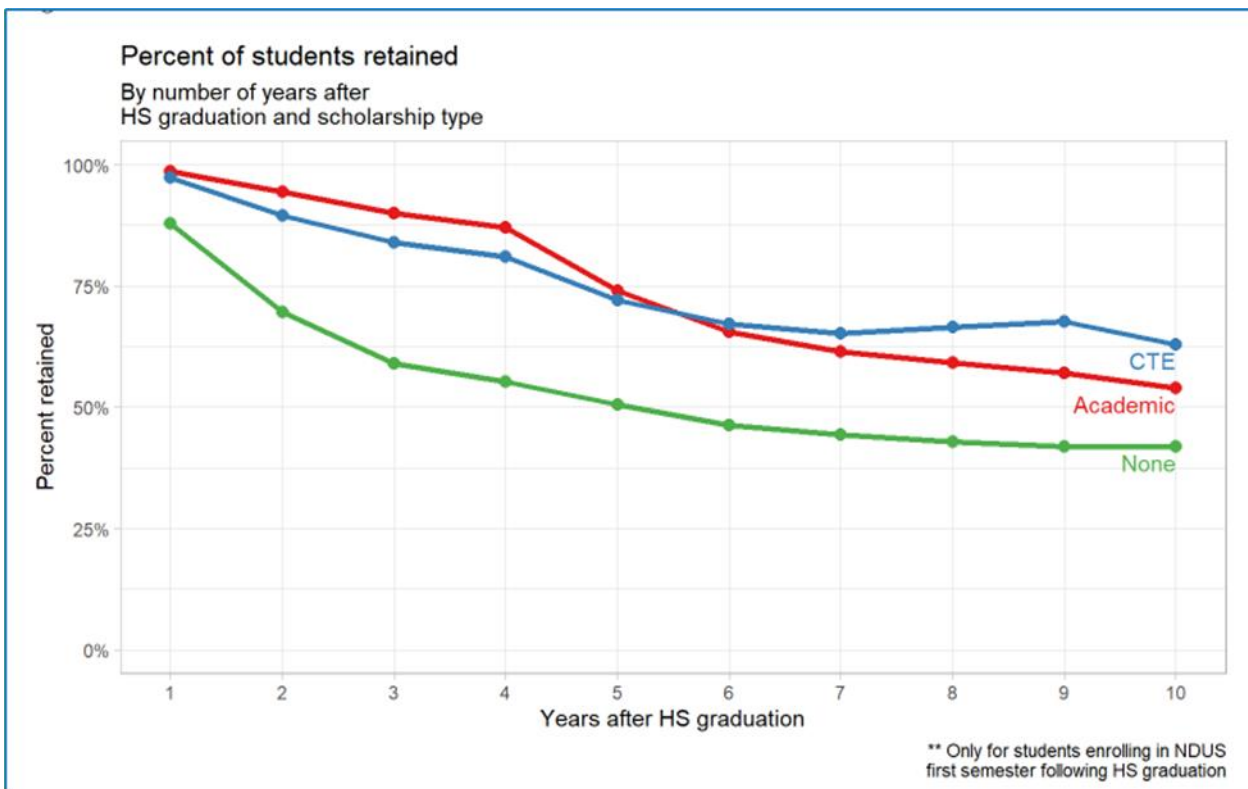


Table 3	Academic Scholarship Recipients		CTE Scholarship Recipients		Not Receiving Academic or CTE Scholarship	
	# Students	% Retained in ND	# Students	% Retained in ND	# Students	% Retained in ND
1	6,304	98.70%	4,751	97.30%	20,983	87.80%
2	5,654	94.30%	4,034	89.60%	19,218	69.60%
3	5,006	90.00%	3,332	83.90%	17,477	59.00%
4	4,320	87.10%	2,733	81.00%	15,512	55.20%
5	3,620	74.00%	2,247	72.10%	13,576	50.50%
6	2,882	65.60%	1,707	67.10%	11,570	46.30%
7	2,205	61.50%	1,210	65.20%	9,575	44.30%
8	1,563	59.20%	751	66.60%	7,478	42.90%
9	975	57.10%	331	67.70%	5,288	41.80%
10	526	54.00%	116	62.90%	2,726	41.90%