



ACCESS. INNOVATION. EXCELLENCE.

2023 Annual Scholarship Report
Academic
Career & Technical Education
North Dakota

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Report Summary

The Academic Scholarship, Career and Technical Education (CTE) Scholarship, and the new North Dakota Scholarship are state merit-based awards aimed at increasing high school rigor and retaining students within North Dakota for postsecondary education. High school students can receive up to \$6,000 under one of the scholarship programs by completing specific high school curriculum and fulfilling grade point average, and test score requirements. This annual report provides detailed information about these scholarships since inception.

- A total of 23,460 students have qualified for one of the three state scholarships. [Table 2]
- Twenty-three percent of seniors have qualified for the scholarship since 2018. Twenty-one percent of seniors have qualified since inception. [Table 2]
- North Dakota students have received over \$81.2 million in scholarship disbursements. [Chart 1]
 - Disbursements have been provided to all institution types in North Dakota, with the majority of payments issued to NDUS research universities and 4-year universities (76%). Two-year NDUS colleges, private institutions, career and technical education colleges, and tribal colleges account for the remaining 24%.
 - Since inception, 20,879 (89%) of students have received at least one payment of the scholarship. This equates to an average of \$3,891 per recipient.
- The average amount disbursed for the first five cohorts was \$5.7 million. The subsequent five cohorts' disbursements averaged \$7.3 million. This reflects the increased usage of the scholarship awards. [Chart 1]
- Awards of the CTE Scholarship have outpaced the Academic Scholarship the past four years. Of qualifying recipients, 55% received the Academic Scholarship and 45% received the CTE Scholarship since inception. Just under 1% of students have earned the new North Dakota Scholarship since it was first awarded in the 2022-23 academic year. [Chart 2]
- Of the 23,460 eligible students since inception,
 - 8,556 (36%) still have remaining scholarship eligibility;
 - 6,786 (29%) have been paid in full at \$6,000;
 - 8,118 (35%) 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 2023-25 biennium are expected to be \$15.8 million, which is a 4% increase over the prior biennium. [Table 3]
- Since inception, \$96.1 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 3]
- Scholarship recipients are retained in ND at a higher rate than non-scholarship recipients following high school graduation. [Chart 5 and Table 4]

Program Overview

The Academic and Career & Technical Education (CTE) Scholarships have been awarded to ND high school graduates since the 2010-11 academic year. Beginning with the 2022 high school graduates, the new North Dakota Scholarship, which is closely aligned to Choice Ready, was also awarded. Beginning with the 2025 high school graduates, only the new North Dakota Scholarship criteria will be used to determine eligibility for the award. The scholarships are designed to increase high school rigor and retain students within North Dakota for postsecondary education. 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 15.1-21-02.10.

Students who meet the requirements and who apply with the ND Department of Public Instruction are awarded a \$6,000 scholarship. Students can qualify for one of the three scholarships. Awards may not exceed \$750 per semester, \$500 per quarter or clock-hour term, or \$500 per apprenticeship term. Beginning in the 2023-24 academic year, students enrolled in a qualifying apprenticeship programs within North Dakota can use the scholarship for a qualifying registered apprenticeship program in North Dakota. Recipients have up to 6 years following high school graduation to fully use the scholarship at a qualifying North Dakota institution. The scholarship may also be used for graduate or professional studies and summer terms, provided all eligibility criteria are met.

The 2023 Legislative Assembly amended eligibility criteria under the following two bills.

HB1382:

- Corrected the effective date for the Academic Scholarship and CTE Scholarship. Current recipients will continue to be eligible for payment under these two scholarships until 2030 when the last cohort reaches 6 years after high school graduation.
- Added eligibility for payment for qualifying apprenticeship programs in the state. A qualifying apprenticeship program is one that is registered with the U.S. Department of Labor/Office of Apprenticeships in North Dakota.

HB1305

- Incorporated new Choice Ready indicators as additional options for students to meet the requirements of the new North Dakota Scholarship guidelines while in high school. These are additional options to meet the indicators to achieve the scholarship, not additional requirements.
 - C or better in 3 fine arts courses for Postsecondary Ready.
 - 3 credits of the same world, indigenous, or sign language may replace the 4 credits of CTE for Workforce Ready.
 - 2 credits of JROTC or Civil Air Patrol in lieu of the two additional indicators for Military Ready.
- Lowered the ASVAB score for the Military Ready portion of the new North Dakota Scholarship from 85 to 50.
- There is now an option for students who have completed basic training to meet the ASVAB requirement with a score of 31 or higher. This bill affords students pursuing this option to complete basic training the summer AFTER high school graduation, provided that all other scholarship requirements are met before the student graduates, and still meet the ASVAB requirement to qualify for the scholarship.

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 makes the initial awards to eligible students and notifies them of their scholarship eligibility.
- NDUS is responsible for postsecondary 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 or hours to graduate, may request a special exemption to waive the requirement. This exception only applies to the student's final term to graduate and may only apply once over the lifetime of the scholarship. Students must request this override from the NDUS financial aid office.
 - For qualifying apprenticeship programs, the apprenticeship sponsor verifies that the student is participating full time in their apprenticeship program.
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 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 requirement after the probationary term, the scholarship is permanently suspended.
 - For programs that grade on a percentage basis, the minimum is 68.7% to meet the 2.75 minimum. For programs that grade on a pass/fail basis, "pass" equates to 2.75 and "fail" equates to 0.00.
3. Maintain program completion progress.
 - To qualify for a subsequent payment, students must establish their program completion progress by earning a minimum number of credits or hours.

- Tracking earned credits or hours, rather than simply measuring current enrollment provides more assurance that students who receive payment under the scholarship are on track for timely completion. It 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 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 hours has been attained. Equitable semester-based, quarter-based, clock-hour based, and apprenticeship term guidelines have been established to track degree progress. The amounts noted in the following table are cumulative.

Table 1	Semester Hours Programs	Quarter Hour Programs	Clock-Hour Programs	Apprenticeship Programs
Pmt #				
1 & 2	Enroll Full-Time			
3	24	24	900	1,000
4	39	39	1,462.5	1,500
5	54	54	2,025	2,000
6	69	69	2,587.5	2,500
7	84	84	3,150	3,000
8+	99	99	3,712.5	3,500

Eligibility Requirements

Students may use the scholarship at the following institutions within North Dakota. The 2023 Legislative Assembly provided the opportunity for students to utilize the award at a registered apprenticeship program in the state. A qualifying apprenticeship program is one that is registered with the U.S. Department of Labor/Office of Apprenticeships in North Dakota.

STATE RESEARCH UNIVERSITIES

North Dakota State University
University of North Dakota

STATE FOUR-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

REGISTERED APPRENTICESHIP PROGRAMS IN THE STATE (beginning with the 2023-24 academic year)

PRIVATE COLLEGES

Rasmussen University (Fargo location)
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

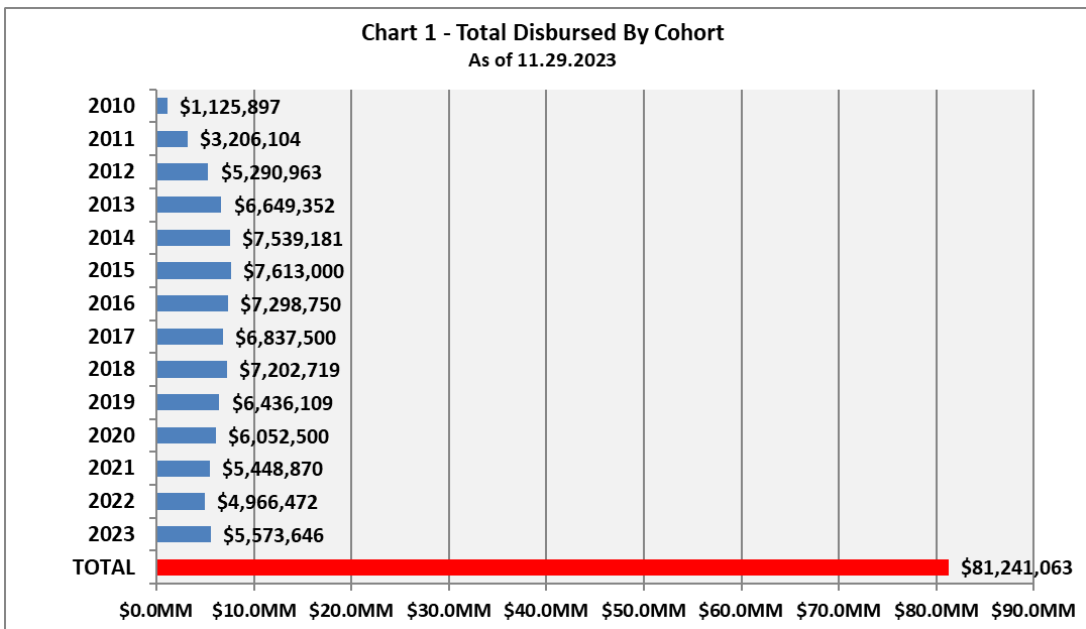
Josef's School of Hair, Skin & Body (Fargo & Grand Forks locations)
Lynnes Welding Training (Fargo & Bismarck locations)
The Salon Professional Academy (Fargo location)
The Hair Academy (Bismarck location)

A total of 23,460 students, or 21% of high school seniors, have qualified for one of the scholarships since inception. More recently, over the past 6 years 23% of high school seniors have qualified.

Cohort	# Seniors	# Eligible	% Seniors Eligible
2023	8,205	1,777	22%
2022	8,095	1,779	22%
2021	7,877	1,915	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	111,694	23,460	21%

Disbursements & Appropriations

Total awards disbursed as of November 2023 are \$81.2 million. Eighty-nine percent, or 20,879 students have received at least one disbursement of the scholarship since inception, giving an average disbursement per recipient of \$3,891. Disbursements in the 2023-24 academic year, as of this report, totaled \$3.8 million, paid to 5,051 students. This is nearly equivalent to this time last year. It is important to note that program usage has been increasing over the years. The average total dollars disbursed for the first five cohorts was \$5.7 million. The subsequent five cohorts' disbursements averaged \$7.3 million, with students still qualifying for disbursements in two of these cohorts. This growth impacts program costs.



The 2023 Legislative Assembly increased appropriations by \$1 million to support anticipated increases in scholarship payments. Statute does not allow for a reduction of the payment amount if appropriations are exhausted. Payment amounts are \$750 per semester, \$500 per quarter, \$500 per clock-hour term, or \$500 per apprentice term. In the 2019-21 biennium, a shortfall required a transfer of \$2.5 million from the ND State Grant to this scholarship program to cover expenditures. The following table shows the increase in disbursements through the years. In the first biennium, there was only one year of payments, resulting in an extremely high increase. Payments in the 2021-23 biennium grew by 2% from the prior biennium. Payments in the 2023-25 biennium are expected to be \$15.8 million, which is a 4% increase from the prior biennium.

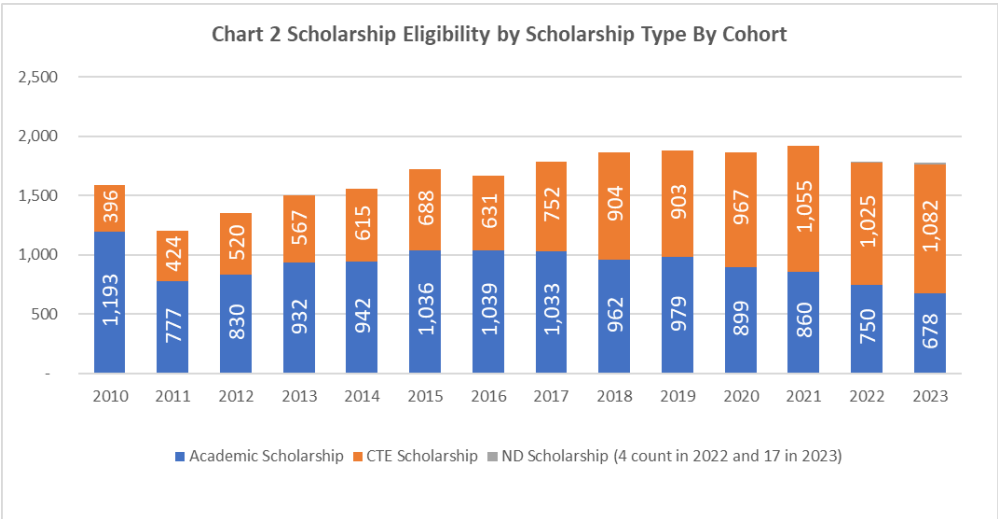
Table 3	Biennial Scholarship Appropriation and Disbursement Levels (in millions)							
	2009-11	2011-13	2013-15	2015-17	2017-19	2019-21	2021-23	*2023-25
Appropriation (post-allotment)	\$3.00	\$10.00	\$10.00	\$13.13	\$12.02	\$12.02	\$16.22	\$17.22
Fund Transfer to Cover Shortfall	-	-	-	-	-	\$2.50	-	-
\$ Disbursed	\$1.87	\$6.97	\$11.19	\$12.68	\$14.70	\$14.84	\$15.20	\$15.76
Award Growth	-	273%	61%	13%	16%	1%	2%	4%

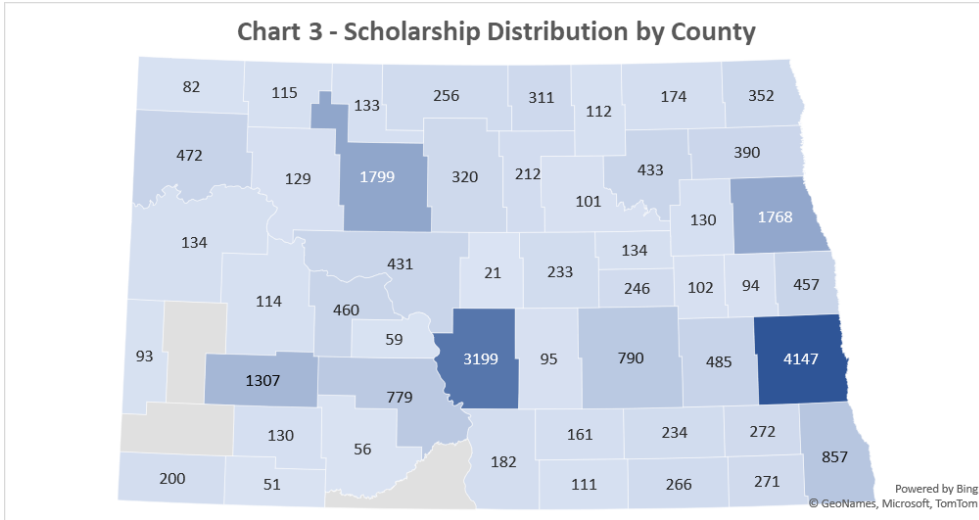
*Est. as of October 2023

Distribution of Scholarship Awards

Of high school seniors qualifying for the scholarship, approximately 55% have received the Academic Scholarship, 45% the CTE Scholarship, and just under 1% have received the new North Dakota Scholarship. Beginning with the 2025 high school graduates, the only scholarship that will be awarded is the new North Dakota Scholarship. Twenty-one students have qualified for the new North Dakota Scholarship thus far. The largest revamp of the program eligibility requirements since the program began was 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 is more rigorous. The Academic and CTE Scholarships will sunset after 2024, however, students who have earned these awards will continue to receive payments through 2030.

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.

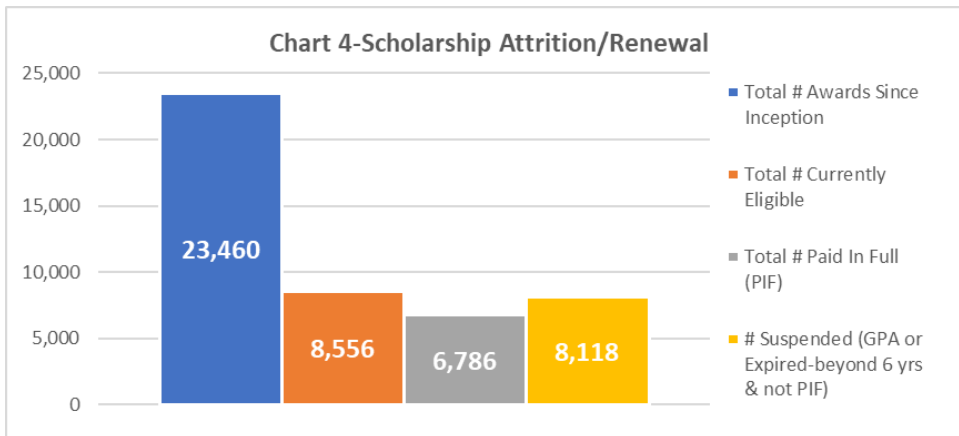




Students can receive scholarship payments at any accredited public, private or tribal institution with a physical presence in the state, which includes accredited career colleges in the state. In addition, qualifying registered apprenticeship programs also qualify for payment beginning in the 2023-24 academic year.

Scholarship Usage and Student Retention

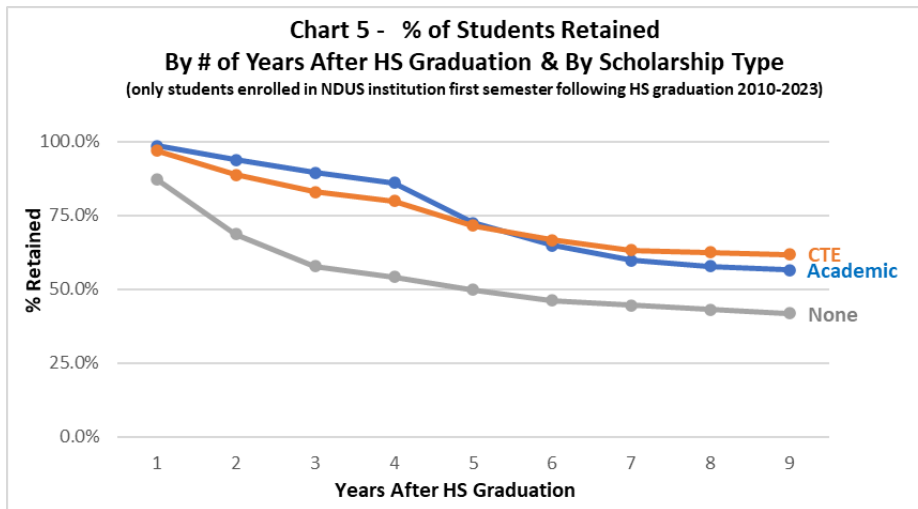
Scholarship eligibility can extend up to 6 years beyond high school graduation. The maximum award is \$6,000. NDUS is currently tracking 8,556 students in 6 active cohorts. Of the 23,460 awarded students, 6,786 (29%) have been paid in full at \$6,000 and 8,118 (35%) no longer have eligibility. Loss of 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 and the award has expired.



ND Information Technology Dept. (NDITD) performed analysis of scholarship recipients between 2010 and 2023 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-graduation for students graduating 2010-2017 all will have at least 2 years post-graduation, however, at nine years, only 2010 graduates will have had nine years post-graduation. There are fewer cohorts that have students who are 9 years post-graduation. North Dakota Scholarship recipients have not yet been tracked as there are so few students receiving this new scholarship type. The analysis performed by NDITD showed that:

- Students earning the Academic Scholarship and CTE Scholarship are retained at 99% and 97% respectively one year after graduation, while only 87% of those who did not earn a scholarship are retained.
- Students who earn the state scholarship are retained in North Dakota at a higher rate following high school graduation than non-recipients for each year reviewed.
- Retention for either the Academic or the CTE Scholarship is fairly consistent the first five years after high school graduation. Beyond the first five years, retention of CTE Scholarship recipients is greater 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.



# Years After Graduation	Academic Scholarship Recipients		CTE Scholarship Recipients		No Scholarship	
	# of Students	% Retained	# of Students	% Retained	# of Students	% Retained
1	7,453	98.5%	6,295	96.9%	24,390	87.1%
2	6,880	93.8%	5,501	88.7%	22,690	68.6%
3	6,304	89.5%	4,751	82.9%	20,984	57.8%
4	5,654	86.0%	4,034	79.8%	19,218	54.1%
5	5,006	72.4%	3,332	71.6%	17,477	49.7%
6	4,320	64.9%	2,733	66.6%	15,512	46.2%
7	3,620	59.8%	2,247	63.2%	13,576	44.6%
8	2,882	57.7%	1,707	62.5%	11,570	43.0%
9	2,205	56.5%	1,210	61.8%	9,575	41.8%