

**SOUTH DAKOTA BOARD OF REGENTS
PLANNING SESSION
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SUBJECT: Restructuring Scholarship Programs

Access to postsecondary education continues to be a defining feature for developing skills necessary for the impending knowledge-based economy and for social mobility. The purpose of state scholarship programs is to provide that access by making postsecondary education more affordable for students, especially those demonstrating scholastic merit, financial need, or intent to fill key workforce shortages. South Dakota currently has five scholarship programs administered in whole or in part by the Board of Regents (Regental institutions administer additional scholarship programs on each campus). These programs include:

- *South Dakota Opportunity Scholarship*: Provides up to \$5,000 over the course of postsecondary career; recipients are selected from those who meet minimum qualifications including in-state residency, ACT of 24 or higher, 3.0 GPA, and completion of required coursework in English, Mathematics, Science, Social Studies and Fine Arts.
- *Dakota Corps Scholarship*: Provides full tuition to qualified applicants in state identified critical need occupations (K-12 teachers in special education and foreign language; high school teachers in math, science, and career and technical education; registered nurses; accountants/auditors; and, the information technology field).
- *Jump Start Scholarship*: Provides \$1,800 for the first year of college for students who graduate from a state public high school in three years or less and enroll in a participating postsecondary institution located in South Dakota.
- *Critical Teaching Needs Scholarship*: Provides funding equivalent to thirty credit hours of public postsecondary education for students in final two years of school and planning to work in K-12 special education, or teaching high school math, science or career and technical education.
- *South Dakota Needs Based Scholarship Program*: Provides between \$500 and \$2,000 to students demonstrating financial need through their FAFSA form as determined by financial aid directors on each Regental campus.

State support for student access and degree completion through grant and aid awards has been unpredictable; individual programs have been established with limited sustainability as the state has cycled through a series of economic downturns and recoveries. Creating an enduring

foothold for such programs in South Dakota requires a holistic approach to student grant and aid awards recognizing the shortcomings of the current approach utilized in South Dakota.

In particular, three significant issues exist with South Dakota's approach toward state funded/managed scholarship programs. First, the absence of a mechanism for maintaining the buying power for merit-based scholarship programs hinders its long-term viability. As a result, the Board must utilize routine budget request to address the declining revenue available to students to address affordability concerns. Second, the absence of a realistic need-based funding structure adversely affects postsecondary affordability for academically prepared low-income students in the state. Third, stakeholders (parents, educators, students, and staff) lack a common gateway for obtaining information and the necessary guidance for successful utilization.

In their analysis of State Scholarship programs, the Western Interstate Commission for Higher Education (WICHE)¹ denotes eight recommendations for states as they seek to establish a comprehensive scholarship structure to meet the increasing needs of students in their state. These recommendations include:

1. States can adopt a Shared Responsibility Model (SRM) as the framework for determining the eligibility for a state grant, as well as the amount of the grant.
2. States can encourage well-designed, state-supported programs to assist students in meeting their student contribution.
3. States can embed demand-side incentives that promote student success.
4. States can embed supply-side incentives that ensure that institutions share in both the risk and rewards of student success.
5. States can leverage grant aid programs to encourage institutional aid expenditures that are aligned with state goals for student success, affordability, transparency, and predictability.
6. The federal government can recommit to its historic partnership with states in promoting well-designed grant programs through a contemporary LEAP program.
7. States can ensure that their grant programs include an expectation that standards of academic quality are maintained.
8. States can require that their financial aid programs are systematically evaluated.

When considering the issues currently confronting the state's approach to six divergent scholarship programs, a discussion is warranted that seeks to align recommendations presented by WICHE to the creation of a more comprehensive, sustainable, and impactful scholarship framework.

¹ Brian T. Prescott and David A. Longanecker, *States in the Driver's Seat: Leveraging State Aid to Align Policies and Promote Access, Success, and Affordability* (Western Interstate Commission for Higher Education: 2014), available from http://www.wiche.edu/info/publications/States_in_the_Drivers_Seat.pdf.