



Education and Local Government Interim Committee

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60th Montana Legislature

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KIM GILLAN
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HOUSE MEMBERS

GARY BRANAE
 WANDA GRINDE
 ROBIN HAMILTON
 BOB LAKE
 BILL NOONEY
 JOHN WARD

COMMITTEE STAFF

CASEY BARRS, Lead Staff
 LEANNE HEISEL, Research Analyst
 EDDYE MCCLURE, Staff Attorney
 FONG HOM, Secretary
 ALAN PEURA, Fiscal Analyst

March 14, 2008

ELG Discussion of Scholarship Plans

This discussion is intended to have two elements. The first is a staff overview of Wyoming's Hathaway Scholarship Program. The HSP is modeled on Louisiana's Taylor Plan—a scholarship program which garnered some legislator interest during the last session, and which the ELG was apprised of during its December meetings. In addition to this overview, staff will extrapolate the costs of a Wyoming-style program in Montana, based on HSP participation rates and costs. The second element of this discussion is to be driven by the committee: *What are the unmet needs in Montana that you see an HSP/Taylor-style scholarship plan addressing and how?* Your thoughts on this matter are very germane to parallel efforts of the PEPB and OCHE over the next few months to examine various components of student financial aid in Montana.

Hathaway scholarship Levels and Eligibility Requirements

	Opportunity	Performance	Honors
Merit Award Amount	\$800 / semester	\$1200 / semester	\$1600 / semester
Eligibility Criteria:			
Minimum HS GPA (cumulative)	2.50	3.00	3.50
Minimum ACT Score (composite, not including writing section)	19	21	25
HS Curriculum	Hathaway Success Curriculum (See year)	Hathaway Success Curriculum (See year)	Hathaway Success Curriculum (See year)
Length of Award	Equivalent of 8 full-time semesters	Equivalent of 8 full-time semesters	Equivalent of 8 full-time semesters
Continued Eligibility Requirements			
Minimum College GPA (cumulative)	2.25	2.50	2.50
Enrollment Status	Enrollment for at least 2 semesters per academic year (excluding Summer)	Enrollment for at least 2 semesters per academic year (excluding Summer)	Enrollment for at least 2 semesters per academic year (excluding Summer)
Hours passed and completed	Full-time – 24 credit hours per academic year (Fall & Spring) Part-time – 12 credit hours per academic year (Fall & Spring)	Full-time – 24 credit hours per academic year (Fall & Spring) Part-time – 12 credit hours per academic year (Fall & Spring)	Full-time – 24 credit hours per academic year (Fall & Spring) Part-time – 12 credit hours per academic year (Fall & Spring)
Need Award Amount	25% of annual unmet need. \$100 / semester minimum award. \$750 / semester maximum award.	25% of annual unmet need. \$100 / semester minimum award. \$750 / semester maximum award.	100% of annual unmet need. \$100 / semester minimum award. Total unmet need is maximum award.



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Projected Cost in Montana:

Based upon the accompanying attachment ("Hathaway Scholarship Program: Headcount and Costs"), 4.56% of all students on Wyoming campuses in Fall '06 were HSP participants, and 4.57% were HSP participants in Spring '07.

For purposes of extrapolation, the **participation rate** is **4.565 %**.

Combined scholarship (\$1,467,408) and administrative (\$396,452) costs were \$1,863,860 in Fall '06. With 1,527 HSP participants, the average cost per head was \$1,220. Comparable figures for Spring '07 were: scholarship (\$1,509,865) and administrative (\$396,452) costs totaling \$1,906,317, with an average cost per head of \$1,265.

For purposes of extrapolation, the **average cost per head** over the two semesters is **\$1,242.50**.

In extrapolating Wyoming's HSP scholarship rates and costs to Montana, no effort is made to isolate for intervening variables, such as economic need, student testing performance (WY and MT ACT scores are close; separated only by four tenths), preexisting scholarship programs (which might dissipate participation or create opportunity for administrative cost-sharing, etc.) Rather, Wyoming's participation rate and average cost per head were simply applied to Montana's postsecondary population.

As of Fall 2006, total enrollment in Montana's colleges and universities, community colleges, and tribal colleges was **41,812**. If we are to assume a Hathaway-style scholarship participation rate of **4.565 %**, then the number of students participating in Montana would be **1,909**. Further assuming an average cost per head of **\$1,265**, the total cost of a Hathaway-style scholarship for Montana would be **\$2,414,885**.

ELG Committee Discussion

Previous discussions of the Taylor plan have not been very detailed as to its purpose and place in the context of Montana's current financial aid opportunities. ELG committee members are thus asked to elaborate on the following:

- √ What do you think are the *problems* that warrant a Taylor/Hathaway style-program solution? What are the *needs* under the current financial aid regimen that you see as having gone unmet?
- √ Why/how do you see a Taylor/Hathaway style-program meeting those needs?
- √ Do you see such a program substituting for, or simply supplementing, the existing scholarship plans in Montana?

Coordination with PEPB and OCHE

As part of its work plan, the PEPB will, together with OCHE, "address the various components of student financial aid, both federal and state funded, (e.g. Baker, MHEG, Pell, LEAP, SLEAP, Governor's Scholarship Program, MPACT, tuition waivers, MUS Honors Scholarship, work study, Perkins Loan,



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etc.) and include findings and recommendations for how the components of the student financial aid program may best achieve the shared policy goals of affordability approved by the interim postsecondary education policy and budget subcommittee.” A report to this effect is due in June. In great part, its purpose is to learn if all the forms of scholarship and financial assistance work harmoniously together, especially in regard to any overlaps or gaps. Obviously, the ELG committee’s consideration of a Taylor/Hathaway style-program is very relevant to that inquiry.

Committee motion. Regardless of whether the ELG committee ultimately pursues a Taylor/ Hathaway style-program further, its discussion of this matter (as well as staff documents) can be shared with OCHE as it prepares the June report. A committee motion urging OCHE to consider its deliberations might be advisable. Do the Regents think a Taylor/ Hathaway style-program would address unmet needs—or be redundant? Could it be administered under current scholarship administrative procedures? What impact might a new Taylor/Hathaway style-program have on existing financial aid? Staff could prepare a letter telling OCHE of the ELG committee motion and putting forward questions such as these. The committee could then revisit the scholarship question in June, with the added benefit of OCHE and PEPB feedback.

Casey

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