

## **MEMORANDUM**

March 24, 2023

## **Board Scholarship Allocations**

Through <u>H.B. 1</u> from the 2023 Legislative General Session, the Legislature appropriated \$23.7 million to three scholarships administered by the Board of Higher Education. The following shows the appropriation for each program:

Opportunity Scholarship \$18,092,700¹ New Century Scholarship \$1,983,900 Utah Promise Program \$3,665,800

Each program serves a unique purpose to improve affordability, increase access, and/or reward high performing students. Each program can be summarized, as follows:

Opportunity Scholarship: Rewards students who complete advanced courses in mathematics, language arts, and science while maintained a 3.3 grade point average in high school. This scholarship provides the last dollar in for tuition and fees for up to four semesters. The awardees for the 2022-2023 academic year received up to \$1,000 per semester.

*New Century Scholarship*: Awarded to students who obtained an associate degree while in high school while maintaining a 3.0 GPA. The Legislature retired this scholarship during the 2022 Legislative General Session and all ongoing and remaining funds should be transferred to the Utah Promise Program.<sup>2</sup> The New Century Scholarship currently has a \$6.3 million fund balance, of which only \$300,000 is necessary to fulfill existing obligations to students. These funds could be transferred to the Utah Promise Program at one time or over a specified time period.

*Utah Promise Program*: Provides funding, up to the cost of attendance, to student who demonstrate financial need. The Commissioner's Office allocates funds to institutions in proportion to each institution's percentage of the total Federal Pell Grant funds. Institutions use their allocated funding to administer unique programs based on their own established criteria.

<sup>&</sup>lt;sup>1</sup> *Utah Code* 53B-8-201(2)(c) allows the Board of Higher Education to use up to three percent of this appropriation for administrative and overhead costs associated with the Opportunity Scholarship.

<sup>&</sup>lt;sup>2</sup> See Utah Code 53B-8-105(9)(d).

## **Commissioner's Recommendation**

The Commissioner recommends that the Board of Higher Education allocate 1) the ongoing appropriation for the New Century Scholarship and 2) \$2 million each year for the next three years (FY 2024, FY 2025, and FY 2026) from the New Century Scholarship fund balance to the Utah Promise Program.