AGENDA ITEM #xx:

      Reports.

SUBJECT: Academic Scholars Program 2022-2023 Year End Report.

RECOMMENDATION:

      This is an information item only.

BACKGROUND:

For 2022-2023, the State Regents allocated $7,155,862 from appropriations made by the 2022 Oklahoma Legislature for the Academic Scholars Program, which was an increase of $850,000 or 13 percent from 2021-2022. The program provides participants funding to use toward tuition, fees, room and board, and required textbooks or materials for up to four years of undergraduate and graduate study, at accredited institutions of higher education in Oklahoma.

To automatically qualify for the Academic Scholars Program, Oklahoma residents must have received the designation of National Merit Scholar, National Merit Finalist, or Presidential Scholar. Oklahoma residents may also qualify automatically by achieving a score in the top one-half percentile on the ACT or SAT. In addition, each public institution is authorized to award a certain number of freshmen scholarships to Institutional Nominees.

The annual award amounts for automatic qualifiers in the 2022-2023 academic year were $5,500 for students attending a research university, $4,000 for students attending a regional university, and $3,500 for students attending a two-year college. The annual award amounts for Institutional Nominees were $3,200 for students attending a research university, $2,400 for students attending a regional university, and $2,200 for students attending a two-year college. State system institutions also provide scholarship recipients a tuition waiver.

The State Regents have taken the following actions since 2012 in response to funding changes and policy priorities:

- 2012-2013 – Reduced nonresident student funding from the statutory maximum of twenty-five percent (25 percent) to twenty percent (20 percent).

- 2017-2018 – Reduced nonresident student funding from twenty percent (20 percent) to ten percent (10 percent).

- 2018-2019 – Reduced nonresident student funding from ten percent (10 percent) to zero percent (0 percent) and cut 80 Institutional Nominee slots (40 from the University of Oklahoma and 40 from Oklahoma State University).

- 2020-2021– The State Regents maintained the prohibition on funding for nonresident students but were able to increase the number of Institutional Nominee freshmen scholarship slots by 116. In addition, the State Regents increased the Institutional Nominee scholarship award amount by $400 and added a third minimum eligibility criterion option for Institutional Nominee qualification.

- 2021-2022 – Due to a $250,000 or 4 percent reduction in state appropriations for FY2021, 100 freshmen Institutional Nominee scholarship slots were cut for the 2021-2022 academic year.

- 2022-2023 – Due to the restoration of the $250,000 reduction in FY2022, 82 freshmen Institutional Nominee slots were restored for the 2022-2023 academic year.

- 2023-2024 – Based on an increase of state funding in FY2023 of $850,000 or 13 percent, scholarship award amounts were increased between 9 percent – 14 percent. In addition, a total of 20 additional freshmen Institutional Nominee slots were added to the state two-year colleges.

In 2022-2023, over 1400 students participated in the program receiving awards totaling almost $5.6 million.

POLICY ISSUES:

The statutory purpose of the program is to retain high-achieving Oklahoma students in the state for college. This agenda item also fulfills a statutory requirement to report the number of Academic Scholars Program participants who remain in Oklahoma within five years of leaving the program.

ANALYSIS:

Following are some highlights from the report:
- A total of 1,410 students at Oklahoma public and private colleges and universities were enrolled in the Academic Scholars Program in Fall 2022, an increase of 22 students from 1,388 students enrolled for Fall 2021.

- The 2022 freshmen class totaled 401 students (156 "automatic qualifiers" and 245 Institutional Nominees), an increase of 56 or 16 percent compared to 345 students in the 2021 freshmen class (166 "automatic qualifiers" and 179 Institutional Nominees).

- For Fall 2021, the National Merit Corporation reported 122 freshmen designated as National Merit Scholars enrolled in Oklahoma colleges, a decrease of 5 (4 percent) from 127 in Fall 2020.

- In the 2022-2023 fiscal year, total program expenditures were about $5.6 million, a decrease of almost $141,000 or 2 percent compared to fiscal year 2021-2022.

- On average, about 14 percent of participants lose the scholarship after one year in the program; about 73 percent of participants retain the scholarship through their fourth year of eligibility.

- Of the 1,395 resident participants entering into the program between 2015-2017, 86 percent (1,194) earned at least an associate degree from an Oklahoma institution within six years.

- The most recent data show that about 92 percent of the program's graduates who are Oklahoma residents remain in the state one year after graduation. Five years after graduation, about 87 percent remain in the state.

- About 72 percent of the program participants attend three universities—the University of Oklahoma (38 percent), Oklahoma State University (28 percent) and the University of Tulsa (5 percent). The remaining participants are distributed among public regional universities (18 percent), public two-year colleges (7 percent) and other private universities (2 percent).

- Program participants generally come from higher income families, with about 60 percent of those who reported parental income on the 2022-2023 federal student aid application indicating over $100,000 in family income. One-third did not apply for federal financial aid, implying limited financial need.

- Participation rates for some ethnic minority students have remained small over the past 5 years. For 2022-2023, the ethnicity of participants was 70 percent white, 10 percent Asian, 4 percent Hispanic, 3 percent for American Indian, 0.4 percent Black, and 13 percent not reporting/other.

The full Academic Scholars Program 2022-2023 Year End Report is available upon request as a supplement.