AGENDA ITEM #xx:

Reports

SUBJECT: Possible action to acknowledge receipt of the Academic Scholars Program 2023-2024 Year End Report.

RECOMMENDATION:

This item is an informational item only.

BACKGROUND:

For 2023-2024, the State Regents allocated $7,155,862 from appropriations made by the 2023 Oklahoma Legislature for the Academic Scholars Program, which is unchanged from 2022-2023. 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 2023-2024 academic year were $6,500 for students attending a research university, $5,000 for students attending a regional university, and $4,500 for students attending a two-year college. The annual award amounts for Institutional Nominees were $4,000 for students attending a research university, $3,200 for students attending a regional university, and $3,000 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 25 percent to 20 percent.
- 2017-2018 – Reduced nonresident student funding from 20 percent to 10 percent.
- 2018-2019 – Reduced nonresident student funding from 10 percent to 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 to 14 percent. In addition, a total of 20 additional freshmen Institutional Nominee slots were added to the state two-year colleges.

In 2023-2024, almost 1,400 students participated in the program receiving awards totaling almost $5.9 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 1,395 students at Oklahoma public and private colleges and universities were enrolled in the Academic Scholars Program in Fall 2023, a decrease of 15 students from 1,410 students enrolled for Fall 2022.
- The 2023 freshman class totaled 427 students, with 173 automatic qualifiers and 254 institutional nominees. This represents an increase of 26 students, or approximately 6.5 percent, compared to 401 students in the 2022 freshman class, which included 156 automatic qualifiers and 245 institutional nominees.
- For Fall 2022, the National Merit Corporation reported 111 freshmen designated as National Merit Scholars enrolled in Oklahoma universities, a decrease of 11 (9 percent), from 122 in Fall 2021.
- In the 2023-2024 fiscal year, total program expenditures were $5.9 million, an increase of almost $350,000 (6 percent), compared to fiscal year 2022-2023.
- On average, approximately 73 percent of participants retained the scholarship through their fourth year of eligibility, while about 14 percent of participants lost the scholarship after one year in the program.
- Of the 1,312 resident participants entering into the program between 2016-2018, 87 percent (1,140) earned at least an associate degree from an Oklahoma institution within six years.
- The most recent data on 2021-2022 graduates showed that about 84 percent of the program's graduates who were Oklahoma residents remained in the state one year after graduation. Data from 2017-2018 graduates indicated that five years after graduation, about 68 percent remained in the state.
- For 2023-2024, about 67 percent of the program participants attended three universities—the University of Oklahoma (35 percent), Oklahoma State University (27 percent), and the University of Tulsa (5 percent). The remaining participants were distributed among public regional universities (21 percent), public two-year colleges (11 percent) and other private universities (1 percent).
- Of those who reported parental income on the 2023-2024 federal student aid application, 63 percent reported family income of $100,000 or more. About 31 percent of participants did not apply for federal financial aid.
- Participation rates for some ethnic minority students have remained small over the past 5 years. For 2023-2024, the ethnicity of participants was 68 percent White, 10 percent Asian, 5 percent Hispanic, 3 percent for American Indian, 0.3 percent Black, and almost 14 percent not reporting/other.

The full Academic Scholars Program 2023-2024 Year End Report is available upon request as a supplement.