

MONTANA GUARANTEED STUDENT LOAN PROGRAM

ITEM 129-102-R1105

Policy: Governor's Postsecondary Scholarship Program

Effective _____; _____

I. Background:

The Governor's Postsecondary Scholarship Program was created by Sections 20-26-601 through 20-26-613 MCA. A Governor's Scholarship Advisory Council was appointed by the Governor to assist the Board of Regents of Higher Education in awarding and administering the scholarship program. The Commissioner of Higher Education, under the authority of the Board and in consultation with the Council, shall administer the Governor's Postsecondary Scholarship Program. The Montana Guaranteed Student Loan Program (MGSLP) will facilitate this program on behalf of the Office of the Commissioner of Higher Education.

The purpose of establishing the Governor's Postsecondary Scholarship Program is to provide Montana residents with greater access to Montana's postsecondary institutions and Montana's private colleges, through scholarships based on academic achievement and financial need, with a goal of alleviating student debt burdens, which will allow more Montanans to stay in the state upon graduation.

II. Board Policy:

The Board of Regents, on the recommendation of the Governor's Scholarship Advisory Council, hereby adopts the following policy for the implementation of the Governor's Postsecondary Scholarship Program and for the awarding of scholarships pursuant to that program.

III. Eligibility:

- A. A student is eligible to receive a Governor's Postsecondary Scholarship providing the student:
1. Has been accepted by an eligible Montana postsecondary institution for full time enrollment.
 2. Has completed the Free Application for Federal Student Aid (FAFSA).
 3. Does not have an expected family contribution (EFC) exceeding the cost of attendance at the postsecondary institution the student will attend.
 4. Has not been awarded a Montana University System Honor Scholarship.
 5. If a male, has met the Title IV selective services registration requirements.
 6. Is not in default on a Title IV or state of Montana education loan.
 7. Does not owe a refund to a federal Title IV or state of Montana student financial aid program.
 8. Is a resident of the state of Montana.
 9. Is not incarcerated.
 10. Is an entering freshman at a qualifying Montana postsecondary institution seeking a first certificate, associate, or baccalaureate degree.

IV. Categories of Scholarships:

- A. The Governor's Postsecondary Scholarship is made up of 3 categories of scholarships: merit-based awards to graduating high school seniors, merit-based awards available to at-large applicants, and need-based awards.
 1. Merit-based awards to graduating high school seniors: MGSLP will award Governor's Postsecondary Scholarships annually in the amount of \$1,000 each, based on merit in accordance with Section 20-26-612 (2)(b) and (c). One scholarship may be awarded to one graduate of each of Montana's accredited high schools, including accredited nonpublic high schools, to a student attending a qualifying 4-year postsecondary institution and one scholarship may be awarded to one graduate of each of Montana's accredited high schools, including accredited nonpublic high schools, to a student attending a qualifying 2-year postsecondary institution.
 2. Merit-based awards available to at-large applicants: MGSLP will award forty (40) Governor's Postsecondary Scholarships annually in the amount of \$2,000 each, based on merit in accordance with Section 20-26-612 (2) (a) and seventy (70) Governor's Postsecondary Scholarships annually in the amount of \$1,000 each, based on merit in accordance with Section 20-26-612 (2) (d).
 3. Need-based awards: MGSLP will award Governor's Postsecondary Scholarships annually in the amount of \$1,000 each, based on financial need in accordance with Sections 20-26-612 (2) (e), (f), and (g).

V. Eligible Institutions:

- A. Recipients of a scholarship under Sections 20-26-612 (2)(a) or (b) may utilize the award at any of the following eligible postsecondary institutions:
 1. **Category a**: a campus of the Montana University System, as defined in Section 20-25-201, whose participation agreement with the US Department of Education allows for the offering of a Bachelors Degree or a Montana tribal college whose participation agreement with the US Department of Education allows for the offering of a Bachelors Degree;

If donations to the Governor's Postsecondary Scholarship Program from private sources are designated for a private college, defined as a nonprofit private educational institution in Section 15-30-163(3)(b), the scholarship may be used at the designated Montana private college, subject to the same restrictions, eligibility and renewal requirements as those for recipients attending the postsecondary institutions listed above. Private colleges are eligible to participate in the Governor's Postsecondary Scholarship Program only to the extent donations are designated expressly for that private college.
- B. Recipients of a scholarship under Sections 20-26-612 (2)(c) or (d) or (e) or (f) or (g) may utilize the award at any of the following eligible postsecondary institutions:
 1. **Category b**: a Montana community college, defined and organized as provided in Section 20-15-101; or
 2. **Category c**: an institution of the Montana University System, as defined in Section 20-25-201 that offers a two year associate degree or certificate program;
 3. **Category d**: a two-year, accredited tribal community college located in the state of Montana or a four-year accredited tribal college located in the state of Montana that offers a two year associate degree or certificate program.

VI. Renewal of Scholarships:

- A. The Governor's Scholarship is renewable annually provided the student meets the following conditions:
1. A recipient who is awarded a merit-based scholarship to attend a 2-year postsecondary program is eligible to receive the scholarship for a maximum of 2 consecutive years provided the recipient meets all applicable requirements of **III. Eligibility**, and has earned a cumulative 2.5 GPA at the postsecondary institution and completes a minimum of 30 semester hours after one year.
 2. A recipient who is awarded a merit-based scholarship to attend a 4-year postsecondary institution is eligible to receive the scholarship for a maximum of 4 consecutive years, provided the recipient meets all applicable requirements of **III. Eligibility**, and maintains a cumulative 2.5 GPA at the end of the school term in which the student completes a minimum of 30 semester hours after one year, 60 semester hours after two years, and 90 semester hours after three years.
 3. A recipient who is awarded a need-based scholarship to attend a 2-year postsecondary program is eligible to receive the scholarship for a maximum of 2 consecutive years provided the recipient meets all applicable requirements of **III. Eligibility**, and has completed all first year requirements for a certificate or associate degree, including satisfactory academic progress.

VII. Transferability:

This scholarship is transferable between eligible campuses upon notification by the student, provided continued eligibility requirements have been met. In such case the student's initial scholarship eligibility period will remain the same (e.g. a two-year scholarship may only be transferred to another qualifying two-year program and a four-year scholarship may only be transferred to another qualifying four-year program).

VIII. Appeals:

Students may appeal termination of their awards to the Commissioner of Higher Education. The Commissioner's decision is final.

IX. Procedures:

- A. Merit-based awards to graduating high school seniors.
1. Recipients will be selected based upon a listing of class rank provided by the high school principal or designee. The high school principal, or designee, must certify to the MGSLP, acting on behalf of the Commissioner of Higher Education, that the prospective recipient is a graduate of a Montana high school accredited by the state Board of Public Education and is a US citizen and resident of Montana for in-state tuition under the board's policy. The high school principal, or designee, will provide a list to the MGSLP of the school's highest-ranking students (the highest one-fourth of the graduating class with a minimum grade point average of 3.00), and who have met the admission requirements of the respective postsecondary institutions the students plan to attend. The student ranked the highest in scholarship in the graduating class desiring to attend an eligible postsecondary institution will have the first choice of attending a two or four-year school. If a four-year school is chosen, a scholarship to a two-year school will be offered to the next student meeting those eligibility requirements. If the highest ranked student chooses a two-year school, a four-year scholarship will be offered to the next student meeting those eligibility requirements.

2. A high school student who fails to complete a FAFSA or gain acceptance into a Montana postsecondary institution by March 31st of the award year will not be considered for a Governor's Postsecondary Scholarship.
3. If it is determined that a student is ineligible for the scholarship, based on any of the circumstances listed in **III: Eligibility**, the student and high school counselor will receive written notification, and another recipient will be selected.
4. If the recipient of a Governor's Postsecondary Scholarship decides not to attend an eligible campus, the student should relinquish the scholarship at once. In such cases where the scholarship is relinquished prior to May 15th of the award year, the high school principal or designee may certify the next ranking eligible member of the same graduating class, but such person will be subject to the same restrictions as the original holder of the scholarship.
5. If there is a tie between top ranking students, the principal, or designee, shall use the following process to break the tie:
 - a. If the GPA for the students is exactly the same, the results of the students' ACT composite test score taken before December 31st of the previous calendar year will be used.
 - b. If the students did not take the ACT test, the results of the SAT test taken before December 31st of the previous calendar year will be used.
 - c. If one student took the ACT and the other the SAT, a comparability chart will be used, with the highest test score based on the comparability chart prevailing.
 - d. If the test scores are the same, the number of honors classes the students have completed will be used, with the student scoring the highest points in GPA and numbers of honors classes prevailing.
6. A recipient must utilize the scholarship within 9 months after high school graduation.
7. The computation of actual grade point averages shall be as of the end of the 6th semester of high school or, in the case of a student graduating in three years, at the end of the 4th semester of high school. To remain eligible the student must maintain a 3.00 or higher GPA through the 7th semester (the 5th semester in the case of a student graduating early).
8. MGSLP will present to the Council a list of all recipients awarded a Governor's Scholarship under this section, which will then review the recipient list and report to the Board of Regents by November of each year.

B. Merit-based awards available to at-large applicants.

1. **Eligible high school students must apply for the scholarship.** To be eligible to receive an at-large scholarship, the student must apply to and be accepted by one of the eligible postsecondary institutions identified above and complete the Free Application for Federal Student Aid (FAFSA). The student must also submit a completed scholarship application to the MGSLP, acting on behalf of the Commissioner of Higher Education, not later than March 31st of the award year. Any eligible student who does not submit the required scholarship application by the application deadline will not be considered for an at-large scholarship.
2. In consultation with the Governor's Postsecondary Advisory Council, the MGSLP will forward to eligible postsecondary institutions ranked lists of potential recipients. Potential recipients will be identified based upon some or all of the following criteria:
 - a. The applicant's high school grade point average
 - b. The applicant's coursework
 - c. The applicant's ACT or SAT results
 - d. The applicant's extra-curricular activity
 - e. The applicant's community service or volunteer work
 - f. The applicant's financial need
 - g. The impact or difference a scholarship would make for the applicant's college attendance
 - h. The quality of any additional required documents attached to the application
 - i. References, when required

3. Postsecondary institutions, upon receipt of the ranked lists, will check the applicant for enrolled status and financial need. Postsecondary institutions are responsible for making the scholarship offer based upon the rankings provided and will report to the MGSLP accepted awards.
4. A recipient must utilize the scholarship within 9 months of the award date.
5. MGSLP will present to the Council a list of all recipients awarded a Governor's Scholarship under this section, which will then review the recipient list and report to the Board of Regents by November of each year.

C. Need-based awards:

1. After consultation with the Council, the MGSLP, acting on behalf of the Commissioner of Higher Education, will allocate need-based awards each year to eligible postsecondary institutions based upon the most recent full time equivalent enrollment information available to the MGSLP for students enrolled in two-year certificate or associate programs.
2. Each eligible postsecondary institution will receive a minimum of five (5) need-based scholarships, regardless of the actual FTE calculation.
3. The MGSLP will advise each postsecondary institution of the specific number of general, health science, and technology scholarships it must award.
4. The financial aid office at each postsecondary institution shall be solely responsible for identifying and awarding scholarships to need-based recipients. No standard criteria will be used for selecting candidates other than the primary consideration of financial need. Because many students have expected family contributions of zero, institutions may use the following guidelines for identifying need-based recipients:
 - a. The ability of the recipient to benefit from the scholarship
 - b. The past academic performance of the recipient
 - c. The status of the student, specifically a first generation or non-traditional college student.
 - d. The impact a scholarship would have on a recipient's debt-load, need to work while attending college, or ability to remain in the state of Montana after graduation.
5. Recipients must utilize the scholarship within 9 months of the award date.
6. Postsecondary institutions will report to MGSLP not later than October 31st of each year the recipients and their courses of study for need-based scholarships.
7. MGSLP will present to the Council a list of all recipients awarded a Governor's Scholarship under this section, which will then review the recipient list and report to the Board of Regents by November of each year.

X. **Authorization to Distribute Funds:**

- A. Funds from a scholarship must be used towards payment of tuition and mandatory fees, excluding room and board, rounded up to the nearest dollar, and may not be used to pay for remedial or college-preparatory course work. Following consultation with the Governor's Postsecondary Scholarship Advisory Council and selection of eligible recipients, the MGSLP, on behalf of the Commissioner of Higher Education, is authorized to pay the costs of a Governor's Postsecondary scholarship at a eligible postsecondary institution at which a recipient has enrolled. Additionally:
 1. The recipient of a Governor's Postsecondary scholarship award is not precluded from receiving other financial aid, awards, or scholarships that would result in an overpayment of financial aid as determined by the postsecondary institution's financial aid office.
 2. Each Governor's Postsecondary scholarship will be distributed directly to the postsecondary institution in equal installments at the beginning of each semester/quarter that correspond with the terms of the postsecondary institution's academic year, for payment of the recipient's tuition and mandatory fees.

3. If a Montana high school has no graduates who qualify for a scholarship awarded under Sections 20-26-602 (2)(b) or (c) or if a recipient of a scholarship becomes ineligible for renewal of a scholarship, the money for those scholarships reverts and may be reallocated by the MGSLP to scholarships for at-large students, as described in Sections 20-26-612 (2) (a) and (d).
4. Except when otherwise designated, per Section 20-26-612 (8), scholarship awards are determined solely in accordance with this policy and are not subject to appeal.
5. Except for funds donated from private sources, the obligation for funding the governor's postsecondary scholarship program is an obligation of the State. The Board is not required to provide a scholarship to an eligible student without a line item appropriation to the Board for this purpose.
6. If the line item appropriation is insufficient to fully fund the Governor's Postsecondary Scholarship Program, recipients seeking renewal of their scholarships will have priority for available funds.
7. If the line item appropriation is insufficient to fully fund the Governor's Postsecondary Scholarship Program, the number of scholarships will be reduced, but individual scholarship amounts will remain unchanged (i.e. the award amount will remain \$1,000 or \$2,000 depending upon the type of scholarship received).
8. A Governor's Scholarship Recipient who is called to active military duty does not lose his or her eligibility or right to renew the scholarship by that reason, provided he or she returns to school within nine months of discharge from active military duty.
9. Recipients of a Governor's Postsecondary Scholarship are limited to one Governor's Postsecondary Scholarship (i.e. one merit, or one need-based, or one at-large scholarship).

History: