



LAST-DOLLAR SCHOLARSHIP

Model Policy

ExcelinEd Policy Toolkit - 2019

This document contains a model policy for a last-dollar scholarship program. Download this model policy as an [editable Microsoft Word document](#).

SUMMARY

The last-dollar scholarship program provides funding for tuition and applicable fees for recent high school graduates and adult learners entering a two- or four-year postsecondary institution to complete an associates or bachelor's degree which they have already begun to earn.

ADDITIONAL CONSIDERATIONS

This model legislation has been designed to provide a last-dollar scholarship for two-and four-year postsecondary institutions. If funding is not available for this policy, states could consider:

- Funding only two-year institutions,
- Funding only recent high school graduates,
- Placing an income requirement for eligible students, and
- Limiting funding to certain courses of study.

MODEL POLICY - LAST-DOLLAR SCHOLARSHIP

Be it Enacted by the Legislature of the (state):

Section 1: [Title]

- A. There is hereby established a last-dollar scholarship program (*state specific name*) to provide recent high school graduates and adult learners the opportunity to complete a certificate, diploma, or associates or bachelor's degree program free of charge to the student.

Section 2: [Definitions]

- A. As used in this section, the terms have the following meanings:
- a. "Eligible student" means a student who:
 - i. Has completed and submitted a FAFSA for the academic year for which the grant is requested;
 - ii. Is a resident of the state; and
 - iii. Meets the eligibility requirements outlined in section 3(A) for recent high school graduates and section 3(B) for adult learners.
 - b. "Continuous enrollment" means a student is enrolled in the fall and spring semesters of a single academic year. Enrollment in summer semester or inter-session terms is not required.
 - c. "Eligible high school" means:
 - i. A (*state*) public secondary school;
 - ii. A private secondary school that is located within the state and is in compliance with (*insert*);
 - iii. A secondary school operated by the United States Department of Defense on a military base that is located in whole or in part in this state;
 - iv. An approved juvenile detention or neglected and delinquent school graduating students with high school diplomas or GEDs; or
 - v. An approved home school that meets the homeschool requirements outlined in (*insert*).
 - d. "Eligible postsecondary institution" means:
 - i. A postsecondary institution eligible for state grant funds;
 - ii. A private, non-profit school that:
 1. Is accredited by (*authorized accrediting agencies*); and



2. For two-year programs only: In addition to offering diploma, certificate, and associate degree program, offers a baccalaureate degree through an articulation agreement with a regionally accredited postsecondary institution.
- e. "Eligible postsecondary program" means a curriculum of courses leading to a certificate, diploma, associate or bachelor's degree at an eligible postsecondary institution.
- f. "Full-time student" means a student who is enrolled in a minimum of twelve (12) semester hours or meets the full-time criteria outlined by the eligible postsecondary institution. "Full-time student" includes a student with a documented learning disability who receives accommodations because of the student's disability and who is unable to take twelve (12) semester hours per semester as a direct result of the student's disability, provided that the student takes the maximum number of semester hours that is established by the eligible postsecondary institution as feasible for the student to attempt.
- g. "Part-time student" means a student attending a postsecondary educational institution and enrolled for at least six (6) semester hours, but less than twelve (12) semester hours, during a semester of attendance.
- h. "Gift aid" means financial aid received from the federal Pell grant and all additional applicable state and federal aid grants.
- i. "Home school student" means a student who completed high school in a [state] home school associated with a church-related school as defined by (insert) or an independent home school student whose parent or guardian has given notice to the local director of a local education agency under [insert] of intent to conduct a home school.
- j. "Resident" means a student as defined by regulations promulgated by the (*authorizing entity*).
- k. "Semester" means fall, spring or summer semester at a postsecondary institution if the institution is on a semester system or its equivalent.

Section 3: [Eligibility]

- A. (*Managing agency*) shall administer the last-dollar scholarship program for [state] eligible recent high school graduates to be admitted to, and enrolled full-time in, an eligible postsecondary program in the fall term following:
 - a. Graduation from an eligible high school;
 - b. Completion of high school as a home school student or student in a juvenile detention or neglected and delinquent facility;
 - c. Obtaining a GED(R) or HiSET(R) diploma, provided that the student obtains the GED(R) or HiSET(R) diploma prior to the student reaching nineteen (19) years of age; or
 - d. Graduation from an out-of-state secondary school operated by the government of the United States, accredited by the appropriate regional accrediting association for the state in which the school is located, or accredited by an accrediting association recognized by the foreign nation in which the school is located. This Section 3(A)(d) shall apply only to a dependent child of a military parent.
- B. (*Managing agency*) shall administer the last-dollar scholarship program for [state] eligible adult learners to be admitted to, and enrolled in part-time or full-time, an eligible postsecondary program who meet the following:
 - a. Age 20 years or older;
 - b. Have been a [state] resident for one (1) year immediately preceding the date of application for the grant;
 - c. Have not obtained or completed a postsecondary degree; and
 - d. Possess a postsecondary degree outside of current in-demand business and industry.
- C. Exceptions to initial enrollment may be made for extenuating circumstances as provided in rules promulgated by (*managing agency*).
- D. All recent high school graduates must enroll as a full-time student. Adult learners may enroll as part-time or full-time students as long as they meet the enrollment requirements outlined in Section 3(F)d. (*Managing agency*) is authorized to provide exceptions based on an outlined set of rules for enrollment.
- E. (*Managing agency*) shall annually publish the eligible list of in-demand business and industry degrees for adult learners who have already completed a postsecondary degree.
- F. To continue to be eligible for a last-dollar scholarship, a student shall:
 - a. Maintain continuous enrollment in each semester while receiving the scholarship;
 - b. Maintain a minimum cumulative grade point average of 2.0 or as set forth in the rules promulgated by the (*managing agency*); and
 - c. Be in good standing as determined by the postsecondary institution.



- d. Adult learners only: Enroll in at least six (6) semester hours per semester during any fall or spring semester, unless otherwise required by the specific academic program in which the student is enrolled. The student may enroll in fewer than six (6) semester hours in a summer semester.

Section 4: [Elements of the Last-Dollar Scholarship]

- A. Students applying for the last-dollar scholarship shall complete the application for their initial year of enrollment in accordance with the schedule determined by (*managing agency*). Students shall complete the free application for federal student aid (FAFSA) each academic year in which they seek to receive the last-dollar scholarship.
- B. Students shall comply with renewal procedures determined by the (*managing agency*).
- C. Scholarship recipients shall participate in mentoring and community service programs under the rules promulgated by (*managing agency*). (*Managing agency*) shall develop the selection and renewal criteria for students and shall have the authority to work with outside organizations to develop the most effective means for delivering the scholarships. In selecting outside organizations for participation in the last-dollar scholarship program, (*managing agency*) shall give preference to locally established entities that meet designated standards specified by the program's promulgated rules.
- D. A last-dollar scholarship at an eligible postsecondary institution shall be the cost of tuition and mandatory fees at the eligible postsecondary institution attended less all other gift aid. Gift aid shall be credited first to the student's tuition and mandatory fees.
- E. A last-dollar scholarship student who has an approved medical or personal leave of absence from an eligible postsecondary institution may continue to receive the scholarship upon resuming the student's education at an eligible postsecondary institution so long as the student continues to meet all applicable eligibility requirements. The sum of all approved leaves of absence shall not exceed six (6) months, except as provided for in rules promulgated by (*managing agency*).
- F. A student shall be eligible for the last-dollar scholarship until the occurrence of the first of the following events:
 - a. The student has earned a diploma, certificate, associate degree or bachelor's degree.
 - b. Full-time students: The student has attended an eligible postsecondary institution as a scholarship student for five (5) semesters for a two-year institution and nine (9) semesters for a four-year institution, if the institution is on a semester system, or its equivalent if the institution is on a system other than a semester system. The semester limit shall not include an approved leave of absence;
 - c. Part-time students (adult learners only): The student has attended an eligible postsecondary institution as a scholarship student for ten (10) semesters for a two-year institution and fourteen (14) semesters for a four-year institution, if the institution is on a semester system, or its equivalent if the institution is on a system other than a semester system. The semester limit shall not include an approved leave of absence.
 - d. A student with a documented learning disability shall be eligible for the last-dollar scholarship until the occurrence of the first of the following events:
 - i. The student has earned a diploma or associate degree or bachelor's degree; or
 - ii. The student has attended an eligible postsecondary institution as a last-dollar scholarship student for the minimum number of semesters the eligible postsecondary institution establishes as feasible for the student to complete the course work for the diploma or degree the student is attempting to obtain, if the institution is on a semester system, or its equivalent if the institution is on a system other than a semester system. Such semester limit shall not include an approved leave of absence.
- G. Annually, the (*managing agency*) is required to publish a report on the last-dollar scholarship by student demographic and socio-economic status. The report shall include items such as:
 - a. Student enrollment and persistence by eligible institution and area of study;
 - b. Annual student enrollment, persistence and retention by eligible institution and area of study; and
 - c. Annual growth in student enrollment, persistence and retention by eligible institution and area of study.
- H. If a student ceases to be eligible for the last-dollar scholarship at any point, then the student shall not be able to regain the grant.



- I. (*Managing agency*) is authorized to promulgate rules to establish deadlines for applications, and appeal procedures for the denial or revocation of the scholarship, and to otherwise effectuate the purposes of this legislation;
- J. The (*managing agency*) board of directors shall appoint a special advisory committee comprised of representatives from existing college access programs in the state. The committee shall take steps necessary to eliminate barriers to access to scholarships and hold mentoring organizations to the highest standard in serving the students receiving the scholarship. Members of the committee shall serve without compensation.

Section 5: [Funding]

- A. The last-dollar scholarship endowment fund is created and managed by the (*managing agency*). The last-dollar scholarship endowment fund shall be established and funded under the following terms and conditions:
 - a. The fund shall consist of the last-dollar endowment account and the last-dollar special reserve account;
 - b. The principal amount allocated to each account is (\$ *amount*) and (\$ *amount*);
 - c. Gifts are allowable to be added into the funds based on the rules promulgated by the (*Department of the Treasury*).
- B. OPTIONAL (if available lottery funds): Beginning in fiscal year (*insert*), all funds in the lottery for education account, in excess of the sum of the general shortfall reserve subaccount and (\$ *amount*), shall be transferred on at least an annual basis to the last-dollar scholarship special reserve account, or more frequently as determined by the state treasurer and the commissioner of finance and administration. Such transfers shall occur after all required expenditures have been made for education lottery scholarship programs. The last-dollar scholarship special reserve account shall be a part of the fund, and the funds in the special reserve account may be commingled with, co-invested with and invested or reinvested with the other assets of the funds.
- C. The principal of the fund shall not be expended for any purpose. Funds shall be expended only to fund the last-dollar scholarship program and pay expenses incurred in administering and investing the assets.
- D. Unexpended funds remaining in the fund in any fiscal year, whether principal or funds in the last-dollar scholarship special reserve account shall not revert to the general fund.
- E. All requests for withdrawals for the payment of program funding that are presented to the state treasurer shall be used only to fund the last-dollar scholarship program. Such requests for withdrawals shall not be commingled with requests for withdrawals presented to the state treasurer for any other purpose, and the individual or entity requesting the withdrawal of funds shall attest to the same upon presentation of the request for withdrawal to the state treasurer.

Section 6: [Effective Date]

The Act becomes effective _____.