

## **The need for need-based scholarships**

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The time has come for the South Dakota Legislature to make need-based scholarships not merely a policy for the Board of Regents, but a top priority for our state.

College scholarships are basically two types: merit and need. A merit scholarship is granted by a university or the state based on certain criteria, like the South Dakota Opportunity Scholarship. Additionally, we at Dakota Wesleyan University and all other universities in South Dakota award scholarships based for academic, artistic or athletic merit.

The term “need” in reference to college scholarships refers to the financial ability of a student and/or their parents to pay for a college education. Unlike K-12 public education, virtually all colleges in America charge tuition to attend — even state schools.

The federal government has a process to determine the financial need of a student. Widely used throughout American higher education is the Free Application for Federal Student Aid. Some of the information submitted includes parental income, parental and student assets, and number of children in college. Through their own formulas, the government determines the amount parents can reasonably be expected to contribute to their child’s education — the expected family contribution. At a certain level, a student becomes eligible for a federal grant to help pay for their college education. This federal grant to students who demonstrate financial need is called a Pell Grant. Pell-eligibility is a good measure to determine the relative wealth of a particular family or the aggregate wealth of students and families in a particular university. Although individual qualification of Pell eligibility is a private matter, the percentage of Pell eligibility of the student body in a specific university is public knowledge.

What the legislature must not miss is the significant, demonstrable financial need of our students in South Dakota private and Regental universities. Based on 2005 figures, more than 25 percent of the student bodies of the University of South Dakota and South Dakota State University are Pell eligible. On average, about 40 percent of the students at South Dakota’s private colleges are Pell eligible.

Throughout South Dakota, there are more than 9,000 Pell-eligible students in our colleges. They come from loving families who want the best for their kids. However, they have little ability to help their son or daughter pay for college.

It is true that the cost of attending college, public or private, is less expensive in South Dakota than in most other states. However, that is little consolation for those struggling to stay in college now. According to the state report card from the National Center for Public Policy and Higher Education, South Dakota, despite the lower costs needed to attend college here, receives an “F” for affordability. And the center points out that higher education in our state is less affordable today than it was in the early 1990s. This is a particularly bad grade for South Dakota as we did so well in other areas of higher education assessment like preparation, participation and completion.

There is a way to help families in every town all over our state. The glaring problem is to come up with a program for need-based scholarships. Such a program will help make college affordable for thousands of our South Dakota students. At one time we had such a program. We could have one again, and the cost of such a program would be equally shared by the federal government.

For many years, the federal government has funded what it calls the Leveraging Educational Assistance Partnership program. This program is a matching dollar-for-dollar federal/state student aid program for undergraduate and graduate students having substantial financial need. In other words, the federal government partners with the state in a 50/50 deal that is geared to the most financially needy students. The state would need to match this through a direct appropriation.

This is not a new program. In fact, South Dakota had the program at one time. Then it was called the State Student Incentive Grant. For some reason it ceased to be funded from state appropriations, and hence, the federal money went away.

In the 2001 legislative session, Rep. Clarence Kooistra sponsored a bill to establish the LEAP program. It had bipartisan support but failed to gain legislative approval.

Perhaps the time is right for the legislature to pass a bill that will establish a LEAP program. It will create a need-based scholarship program. The federal government will pay for half of the program. The result will be more students completing their degrees. And if more students complete their degree at South Dakota universities, there is a good likelihood that they will stay in our state and become responsible citizens and taxpayers.