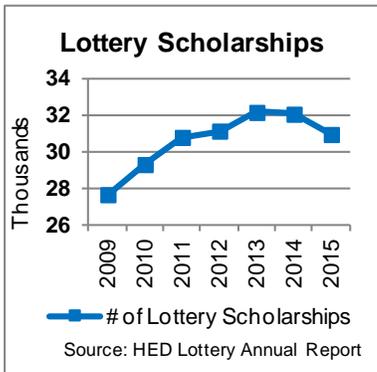




**Legislative Lottery
Scholarship Update**

On May 25, 2016, HED announced lottery scholarship award levels for academic year 2016-2017. The scholarship will cover 90 percent of the average tuition costs for each college and university sector – research institutions, comprehensive institutions, and community colleges. HED noted although revenues for the scholarship are higher than in prior years – \$38.7 million to date compared with \$34.4 million this time last year – 15 institutions have increased tuition levels, requiring a more cautious approach to ensure lottery tuition fund solvency. At 90 percent of average tuition costs, the scholarship will cover a maximum per semester of:

- \$2,465.08 at research institutions;
- \$1,643.11 at comprehensive colleges; and
- \$617.25 at community colleges.



KEY ISSUES

The Higher Education Department's performance measures continue to present a challenge due to the nature of the programs the department administers, particularly because these programs' success is dictated by the academic year calendar.

IMPROVEMENT PLANS

- Submitted by agency? No
- Timeline assigned? No
- Responsibility assigned? No

Higher Education Department

The Higher Education Department (HED) significantly improved this quarter in adult education performance, particularly when compared to second quarter results. However, performance for student loan-for-service continued to lag behind the FY16 target.

Policy Development and Institutional Financial Oversight

In prior years, HED reported data on adult education students in terms of the number of students obtaining employment or the high school equivalency credential. Suggesting that reporting measures in percentages, rather than raw numbers, would more accurately capture program performance, the way these data are reported has changed effective for FY17. Although these changes should take effect in FY17, the department has begun to report percentages in FY16.

The Adult Education Division of HED reports that high school equivalency credential performance fluctuates significantly because many adult education programs do not offer summer instruction. The department further reports there is a lag in reporting workforce data, so the percent of adult education students obtaining employment may be low compared with end-of-year results.

A measure not shown in this report is the number of fiscal watch program quarterly reports submitted to the Department of Finance and Administration and LFC. The department indicates no institutions are currently under fiscal watch at this time.

Policy Development and Institutional Financial Oversight		FY15 Actual	FY16 Target	Q1	Q2	Q3	Rating
Budget: \$22,396.7		FTE: 49.5					
1	Eligible adult education students who earn the high school equivalency credential	New	New	75%	61.9%	83.9%	G
2	Unemployed adult education students obtaining employment	New	New	14.5%	14.7%	35.2%	G
Program Rating		Y					G

Student Financial Aid

Students taking advantage of the loan-for-service programs are allotted a deferment period before they must report their employment activities. As a result, the department indicates the data reported for this measure is artificially low. In previous years, year-end results indicated significant improvement in the fourth quarter for loan-for-service graduates who meet the requirements of the program.

Student Financial Aid		FY15 Actual	FY16 Target	Q1	Q2	Q3	Rating
Budget: \$88,455.2		FTE: 0					
3	Students who receive state loan for service funding who provide service after graduation	98%	92%	66%	66%	66%	Y