



Massachusetts Board of Higher Education

John and Abigail Adams Scholarship

Background

In 2005, the John and Abigail Adams Scholarship was established by the Board of Higher Education for the purpose of recognizing and rewarding high-achieving students in Massachusetts. The Adams Scholarship provides four years of free tuition at any of the Commonwealth's institutions of higher education.

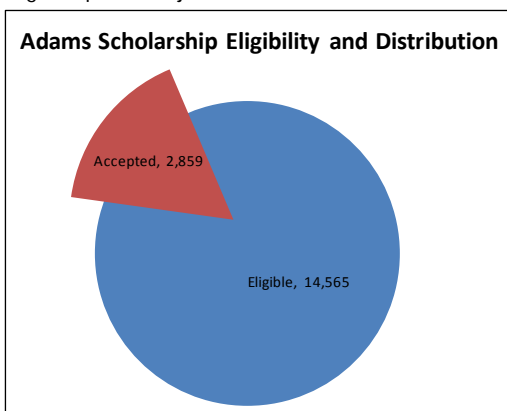
The Adams Scholarship is one of the state's only merit-based financial assistance programs. In order to be eligible, students must:

- score in top 25% of district on the grade 10 MCAS assessment in English or Mathematics, **OR** score in the Advanced category in either English or Math, and score in the Advanced or Proficient category on the second subject, and
- graduate from a Massachusetts' public high school (private school students are not eligible unless their tuition is publicly funded), and
- be a MA resident; US citizen or eligible non-citizen, and
- be enrolled full-time in the fall semester immediately following high school graduation, and
- not be in default with any Federal or State student loan programs, and
- maintain a cumulative GPA of 3.0 at granting institution, or 3.0 GPA at transfer institution, and
- complete Free Application for Federal Student Aid (FAFSA)

The program also requires that students attend college in consecutive semesters.

In FY06, this program provided just under 3,000 students with free tuition valued at \$3.7 million.

Nearly half of all students who used the Adams Scholarship attended UMass Amherst.



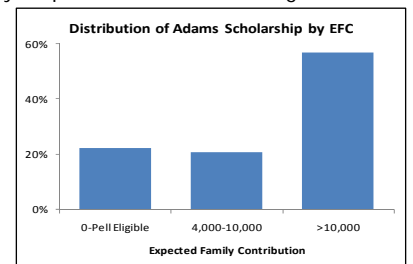
Policy and Process

There are two issues that raise questions about the success of the Adams Scholarship.

- The Adams scholarship only covers the cost of tuition, not fees. Currently, tuition (which is set by the Board of Higher Education and sent back to the Commonwealth's General Fund by the colleges) accounts for less than 20% of direct student charges. Students are responsible for all fees, which are retained and set at each institution. Fees average over \$5,000 per year and can be up to four times the cost of tuition.

FY06	Avg Award	Avg Fees
UMass	1,561	7,687
State Colleges	872	5,173
Community Colleges	787	2,927
All	\$1,307	\$5,072

- Though the waiver provides assistance to high-achieving students, many of these students may not otherwise be eligible for financial assistance. Approximately 60 percent of students using the Adams Scholarship have an expected family contribution (EFC)¹ above \$10,000, roughly equivalent to Massachusetts' median income of \$70,000. Less than 25% of Adams Scholarship recipients are eligible for the Federal Pell Grant program, which requires an EFC under \$3,850.²



Recommendation

The Adams Scholarship currently operates without any direct loss of revenue by the institutions. The program also does not require an annual appropriation because it is a waiver; it is only revenue not realized by the Commonwealth.

Under a tuition retention policy, currently under consideration, the campuses and colleges, particularly UMass Amherst, may have to absorb the cost of the waiver. At current utilization and tuition rates, the scholarship would result in approximately \$15.0 million per year in lost revenue to the institutions. Under tuition retention, the Board of Higher Education supports an annual appropriation to reimburse the colleges and campuses for the associated lost revenue if this program is to continue

¹ EFC is considered a proxy of a family's ability to pay for college.

² The Pell Eligibility EFC has been increased to \$4,110 in FY08.