

The Outstanding Scholar Recruitment Program

AN EVALUATION

A Report By The Institute For Higher Education Policy

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Figure 4. New Jersey High School Guidance Counselors' Opinions: More High-Achieving Seniors are Applying to and Enrolling in New Jersey Colleges and Universities

Introduction

The New Jersey Higher Education Student Assistance Authority (HESAA) requested that the Institute for Higher Education Policy evaluate the outcomes of the state's Outstanding Scholar Recruitment Program (OSRP). In particular, HESAA asked that the Institute determine the program's effectiveness in increasing the enrollment and retention of high-achieving New Jersey high school graduates at New Jersey colleges and universities. This assessment by the Institute strives to determine effectiveness by examining the growth of the program, the degree of overlap with other financial aid programs in New Jersey, the geographic disbursement of OSRP recipients, the program's impact on regional enrollment patterns, the retention and graduation rates of OSRP students, and comparability with other merit-based programs in other states.

The importance of the OSRP's success is accentuated by the fact that New Jersey experiences significant out-migration of college-going high school graduates. In fact, data from the National Center for Education Statistics (NCES) indicate that New Jersey has the highest total out-migration in the nation. For example, the average net migration for all states was +2,957 in Fall 2000. In comparison, the overall net-migration of New Jersey freshmen in Fall 2000 was -21,187. Although 47,158 New Jersey freshmen attended college in-state, 26,229 freshmen left New Jersey to attend college out-of-state.¹ Among freshmen who graduated from high school in the past 12 months and attended four-year, degree-granting institutions, the net migration was -18,816 (NCES, 2002a).

Although much of the analysis for this study is based on student data provided by the HESAA and the Commission on Higher Education (CHE) research databases, this report also integrates the suggestions and concerns of the campus representatives who work with the program on a daily basis. In addition, the presidents of each of the participating institutions were invited to contribute their comments and concerns regarding the program. This practitioner knowledge and understanding of the OSRP complemented the raw data and helped the Institute conduct a comprehensive evaluation.

The Outstanding Scholar Recruitment Program

The New Jersey OSRP was initiated in FY 1998 as a pilot project designed to increase the enrollment and retention, through state appropriations, of the state's highest achieving secondary school graduates by providing merit-based scholarships. All public and private four-year institutions are eligible to participate in this campus-administered program so long as they meet the following criteria: (1) entry into a participation agreement with HESAA; (2) participation in the CHE Student Unit Record System (SURE); (3) agreement to provide award data for each recipient through SURE; and, (4) agreement to a matching funds requirement for all OSRP eligible students. Students who meet the rigorous eligibility criteria and enroll at participating New Jersey institutions as first-time, full-time freshmen, within two years of completing high school receive annual scholarship awards ranging from \$2,500 to \$7,500. OSRP awards are given without regard to financial need. Award amounts vary according to level of academic achievement, based upon a combination of SAT score and high school rank. Students who receive the highest award

¹ 5,042 freshmen entered New Jersey from other states.

amount must have at least a 1500 combined SAT score and rank in the top 5 percent of their high school class (see Figure 1). If a student receives an award under either of New Jersey's other two merit-based scholarships, the OSRP award is reduced by that amount. The award is renewable for up to four years, or five years for specific programs, if the student maintains a 3.0 grade point average (GPA) and completes at least 24 credits each academic year while enrolled in a participating institution.

FIGURE 1. OSRP-Eligible Combinations of SAT Score and High School Rank Percentile, and the Dollar Award Value Associated with Each

SAT SCORE	CLASS RANK		
	99 to 95% (top 5% of class)	94 to 90% (top 10% of class)	89 to 85% (top 15% of class)
1600 to 1500	A-1 \$7,500	B-1 \$6,000	C-1 \$4,000
1490 to 1400	A-2 \$6,000	B-2 \$5,000	C-2 \$3,000
1390 to 1350	A-3 \$5,000	B-3 \$4,500	C-3 \$2,500
1340 to 1300	A-4 \$4,500	B-4 \$4,000	
1290 to 1250	A-5 \$4,000	B-5 \$3,500	

The program operates without underlying statute. Authority is found in budgetary footnote language in the annual Appropriations Act and administrative guidelines developed as part of the contract with participating institutions. Under these agreements, the state pays a maximum of 70 percent of the award values for those students enrolled at participating eligible public institutions and a maximum of 40 percent of the award values for those students at participating eligible private institutions, up to the total of the annual state appropriation. The participation agreements stipulate that if total requests for reimbursement from institutions exceed state appropriations, each institution's share is decreased on a prorated basis.

The total state funding for the program has increased from \$3.1 million in FY 1998 to \$13.2 million in FY 2005. Since the inception of the program, almost 10,000 high-achieving students have received an OSRP award.

Other Financial Aid in New Jersey

New Jersey has a long-standing history of providing need-based and merit-based aid to its residents. The following is a brief explanation of the state's major need-based program as well as three major merit-based programs.

Need-Based Program

Tuition Aid Grant. The Tuition Aid Grant (TAG) program is the foundation of New Jersey's undergraduate student financial aid programs. The program, administered by the HESAA, was established by statute in 1977 to eliminate or reduce the tuition component of the cost of attending New Jersey colleges and universities for financially needy state residents. Historically, the program has attempted to: (1) provide the neediest students with awards up to full tuition at public institutions or up to 50 percent of the average tuition at independent higher education institutions; and, (2) provide other needy students who are eligible for partial awards with annual awards designed to offset the impact of tuition increases. The TAG program assists about one-third of eligible, full-time undergraduates in New Jersey. Currently, about \$203 million is awarded each year to about 60,000 qualified applicants. More than 280,000 students apply annually. Funding is provided through the state appropriation process, and is supplemented by available matching funds from the federal Leveraging Educational Assistance Partnership (LEAP) program. Award amounts vary depending on an applicant's degree of financial need, cost of college attendance, available program funding, and projected total number of eligible applicants.

HESAA also administers a number of other state-funded special categorical programs, which are relatively small in terms of the number of participating students and allocated funds.

Merit-Based Programs

Edward J. Bloustein Distinguished Scholars. Originated as part of the Garden State Scholarship Program in FY 1986, this program recognizes outstanding high school achievement regardless of students' financial need and ensures that awards are available to

at least three students at every New Jersey high school. Students must rank in the top 10 percent of their high school classes and have a minimum combined SAT score of 1260, or rank first, second, or third in their class at the end of their junior year to be eligible. For the 2004-05 academic year, the annual award is \$1,000, and approximately 5,400 students will receive awards.

Urban Scholars. Created in FY 1989, this program recognizes high achieving students attending public secondary schools in the state's urban and economically distressed areas (Type A and B school districts as defined by the New Jersey Department of Education). Students who rank in the top 10 percent of their classes and have a GPA of at least 3.0 (on a 4.0 or equivalent scale) at the end of their junior year may be selected as Distinguished Scholars through funding provided for the Urban Scholars Program. An Academic Index (AI) for each of these students is computed based on class rank and GPA, and offers are made to candidates with the highest AI. Each participating Type A and B school receives a share of the total awards available based on class size. Scholarships under this program are offered without regard to financial need. The award amount for the 2004-05 academic year is \$1,000, and 2,200 students will receive awards.

NJSTARS Program. The state has recently made an additional commitment to merit-based aid through the creation of the NJSTARS program. This program provides \$10 million in funding to pay the tuition and approved fees (after all other state and federal need and merit aid is applied) for students who graduate in the top 20% of their high school class and attend a New Jersey Community College.

Analysis of the Outstanding Scholar Recruitment Program

This analysis of the OSRP is guided by five overarching research questions: (1) Are more high-achieving students attending New Jersey colleges and universities? (2) What is the relationship of the OSRP with the other major New Jersey financial aid programs? (3) From where do the students come who are awarded the scholarship? (4) What are the retention and graduation rates of the program, along with its effect on out-migration? and, (5) How does the OSRP compare with merit-based programs in other states?

Methodology

A variety of methods were used to answer the major research questions, including conducting data analysis, surveying high school guidance counselors, meeting with campus representatives, and soliciting the input of college presidents. The majority of the findings presented in this section are based on analysis of student unit record data from the CHE's SURE data system and the HESAA financial aid files. Separate files for fall enrollment, degrees conferred, and financial aid awarded were provided from the OSRP-participating institutions.

This analysis represents the first attempt to answer many questions related to the OSRP program using these data. Not surprisingly, unforeseen complications and data limitations were encountered that should be noted. Answering most questions required data elements from more than one of the file types. In addition, some essential variables in the research questions were not available, and in some cases, translating available data elements or creating proxies was very labor intensive. Most importantly, in many of the

files, the data element indicating whether a student received an OSRP award—which is provided by the institutions as part of their SURE records maintained by the CHE grant—was either missing or invalid. Therefore, it was necessary to generate a data element to indicate OSRP-eligibility based on the basic grant criteria and using available data elements (high school rank and SAT score), which were also missing in many cases. Consequently, the following analyses use a proxy for OSRP-eligible students rather than actual OSRP grantees. The likely effect of this proxy would be an underestimate of actual grantees due to missing data. These issues, notwithstanding, the Institute is confident that the available data accurately reflect the characteristics of the OSRP program and allowed for a valid assessment of the program's effectiveness.

Data were only available for students attending one of the OSRP-participating institutions. Therefore, this analysis is focused on students who stay enrolled and complete bachelor's degrees within this group of institutions. Students who transferred out of this group could not be captured. It was also not possible to compare students who chose to attend college in New Jersey with similar students who left the state because of lack of data on the latter group. In order to assist in evaluating the OSRP's effect on out-migration, a survey of high school counselors was conducted.

In addition to the data analysis and survey of high school counselors, the perspectives of campus representatives and presidents were solicited to gain more qualitative information about the value of the program at individual institutions. Using a combination of these methodologies, this section of the report attempts to answer each of the research questions posed.

Are more high-achieving students attending New Jersey institutions?

When the first awards were granted in Fall 1997, six public colleges and universities and two private institutions began participating in the OSRP. Since then, two more public and six more private institutions have begun participating, for a grand total of 16. Two of the private institutions—the College of St. Elizabeth and Caldwell College—started participating in the program in FY 2004. St. Peter's College is just entering the program this year.

Table 1a shows, *for the original eight institutions*, the trends in the enrollment of first-time, full-time, degree-seeking, New Jersey resident freshmen who achieved an OSRP-eligible combination of total SAT score and high school rank percentile. The number of OSRP-eligible freshmen in the public institutions increased from 953 in 1996-97 to 1416, an increase of 49 percent. Every public institution experienced growth, with Rutgers, The State University, and The College of New Jersey showing the most dramatic increase over the seven-year period. In contrast, the two original private institutions experienced a decline in the number of resident freshmen who achieved an OSRP-eligible combination of total SAT score and high school rank percentile, from 67 in 1996-97 to 25 in 2003-04.

Table 1b shows, *for the institutions that joined the OSRP after 1997-98*, trends in the enrollment of first-time, full-time, degree-seeking, New Jersey resident freshmen who achieved an OSRP-eligible combination of total SAT score and high school rank percentile.² Similar to the original public institutions, the two newer public institutions also enjoyed an increase in the number of OSRP-eligible freshmen. OSRP-eligible

² Because of their recent participation, the College of St. Elizabeth, Caldwell College, and St. Peter's College are not included in the table.

TABLE 1A. Trends in the Enrollment of First-Time, Full-Time, Degree-Seeking, New Jersey Resident Freshmen who Achieved an OSRP-Eligible Combination of Total SAT Score and High School Rank Percentile: *Eight Institutions that Joined in the First Year of the OSRP*

	96-97 #	97-98 #	98-99 #	99-00 #	00-01 #	01-02 #	02-03 #	03-04 #
PUBLIC								
Montclair State University	31	28	28	30	34	33	48	46
New Jersey Institute of Technology	31	33	46	34	41	40	38	46
Richard Stockton College of New Jersey	28	54	38	38	48	52	18	36
Rowan University	57	28	51	52	52	58	65	64
Rutgers	574	686	722	800	727	792	729	793
The College of New Jersey (formerly Trenton State College)	232	366	336	310	359	364	418	431
PUBLIC TOTAL	953	1195	1221	1264	1261	1339	1316	1416
PRIVATE								
Drew University	56	60	41	45	49	42	29	25
Fairleigh Dickinson University ¹	11	20	10	8	6	0	1	0
PRIVATE TOTAL	67	80	51	53	55	42	30	25
TOTAL	1020	1275	1272	1317	1316	1381	1346	1441
Source: SURE data system fall enrollment files. ¹ A data file for research files. Notes: Figures in bold for eight institutions that joined the program this year.								

TABLE 1B. Trends in the Enrollment of First-Time, Full-Time, Degree-Seeking, New Jersey Resident Freshmen who Achieved an OSRP-Eligible Combination of Total SAT Score and High School Rank Percentile: *Institutions that Joined after the First Year of the OSRP*

	97-98 #	98-99 #	99-00 #	00-01 #	01-02 #	02-03 #	03-04 #
PUBLIC							
William Patterson University of New Jersey	9	8	14	14	18	11	16
Ramapo College of New Jersey			14	12	22	34	36
PUBLIC TOTAL	9	8	28	26	40	45	52
PRIVATE							
Rider University		0	0	0	3	11	11
Stevens Institute of Technology			48	61	64	47	49
Georgian Court College			—	—	2	1	0
PRIVATE TOTAL	0	0	48	61	69	59	60
TOTAL	9	8	76	87	109	104	112
Source: SURE data system fall enrollment files. --Data not available. Note: Eight institutions that joined the program this year.							

AY 1997-98 with

enrollment at William Paterson University of New Jersey increased from nine in 1997-98 to 16 in 2003-04; and Ramapo College of New Jersey experienced an increase from 14 in 1999-00 to 36 in 2003-04. The three private institutions that joined the program after the inaugural year experienced mixed results. The number of OSRP-eligible students at Stevens Institute of Technology increased from 48 in 1999-00 to 64 in 2001-02 before leveling off at 49 in 2003-04. Rider University experienced a dramatic increase in two years from three to 11, while Georgian Court University dropped from two in 2001-02 to zero in 2003-04.

Another way to analyze the growth of the program is to determine the *percentage* of first-time, full-time, degree-seeking, New Jersey resident freshmen who achieved an OSRP-eligible combination of SAT score and high school rank. Because overall freshmen enrollment is likely to have increased over the life of the OSRP, this analysis allows an examination of whether the *proportion* of freshmen who are high-achieving students has increased. Table 2a displays, *for the eight institutions that joined the program in 1997-98*, the percentage of first-time, full-time, degree-seeking, New Jersey resident freshmen who achieved an OSRP-eligible combination of SAT score and high school rank. In general, the proportion of high-achieving freshmen increased for the public institutions, with The College of New Jersey showing the highest increase—from almost one out of four students in 1996-97 to close to two out of five in 2003-04. The two private institutions experienced a decline in the proportion of high-achieving New Jersey students.

TABLE 2A. Trends in the Percentage of First-Time, Full-Time, Degree-Seeking, New Jersey Resident Freshmen who Achieved an OSRP-Eligible Combination of SAT Score and High School Rank Percentile: *Eight Institutions that Joined in the First Year of the OSRP*

	96-97 %	97-98 %	98-99 %	99-00 %	00-01 %	01-02 %	02-03 %	03-04 %
PUBLIC								
Montclair State University	2.7	2.5	2.6	2.4	2.7	2.5	3.4	3.0
New Jersey Institute of Technology	5.5	6.5	9.0	5.7	6.5	6.0	6.2	7.0
Richard Stockton College of New Jersey	4.2	4.0	2.6	2.8	3.4	3.6	1.2	2.3
Rowan University	5.2	2.8	4.9	4.8	5.1	4.7	5.4	5.3
Rutgers	11.0	12.5	13.2	13.6	12.4	13.3	12.5	14.2
The College of New Jersey (formerly Trenton State College)	24.1	27.3	28.8	26.7	31.1	30.2	35.5	38.7
PUBLIC TOTAL	9.9	11.0	11.4	11.1	11.1	11.3	11.2	12.1
PRIVATE								
Drew University	27.9	30.3	23.8	21.7	22.7	20.0	13.2	12.9
Fairleigh Dickinson University ¹	1.4	2.6	1.2	1.0	0.7	0.0	0.1	0.0
PRIVATE TOTAL	6.6	8.4	5.2	5.5	5.2	4.6	2.8	2.2
TOTAL	9.6	10.8	10.9	10.7	10.6	10.8	10.5	11.2

Source: SURE data system fall enrollment files.

¹A data file for Fairleigh Dickinson University was not available for AY 1996-97. The number of OSRP-eligible students was provided from HESAA research files; the total number of first-time, full-time, degree-seeking, New Jersey resident freshmen was estimated by computing an average of 1997 through 2003 enrollment.

Notes: Figures in bold italics indicate baseline data for the year before the institution joined the program. The program began in AY 1997-98 with eight institutions. Eight additional institutions have joined the program at various points since its inception; however, two institutions, College of St. Elizabeth and Caldwell College, are not included in the analysis because they joined the program in AY 2003-04. St. Peter's College is entering the program this year.

TABLE 2B. Trends in the Percentage of First-Time, Full-Time, Degree-Seeking, New Jersey Resident Freshmen who Achieved an OSRP-Eligible Combination of SAT Score and High School Rank Percentile: *Institutions that Joined After the First Year of the OSRP*

	97-98 %	98-99 %	99-00 %	00-01 %	01-02 %	02-03 %	03-04 %
PUBLIC							
William Patterson University of New Jersey	0.9	0.7	1.3	1.3	1.5	0.9	1.3
Ramapo College of New Jersey			3.0	2.1	3.9	5.4	5.4
Public Total	0.9	0.7	1.8	1.5	2.2	2.4	2.7
PRIVATE							
Rider University		0.0	0.0	0.0	0.5	1.6	1.6
Stevens Institute of Technology			18.7	24.1	23.3	21.0	18.0
Georgian Court College			—	—	1.1	0.6	0.0
PRIVATE TOTAL		0.0	5.6	7.0	6.4	5.3	5.5
TOTAL	0.9	0.5	3.2	3.4	3.8	3.5	3.7
Source: SURE data system fall enrollment files. --Data not available. Notes: Figures in bold in original table. Eight institutions. Eight St. Elizabeth and Ca the program this year.							

Table 2b shows, for the institutions that joined the OSRP after 1997-98, the percentage of first-time, full-time, degree-seeking, New Jersey resident freshmen who achieved an OSRP-eligible combination of SAT score and high school rank. Both public institutions experienced growth in the proportion of high-achieving students, while their private counterparts showed mixed results. Rider University experienced a slight increase in the proportion of high-achieving students in recent years, but Stevens Institute of Technology's proportion of high-achieving students has declined slightly each year since it joined the program.

What is the relationship of the OSRP with other New Jersey financial aid programs?

As described earlier, New Jersey administers several financial aid programs. In addition to the OSRP, the state offers four other major programs—two state-wide merit-based programs, Edward J. Bloustein Distinguished Scholars and Urban Scholars, one merit-based program for county college students, NJSTARS, and one need-based program, Tuition Aid Grant (TAG). The major financial aid programs in New Jersey vary in terms of goals, eligibility criteria, award amounts, and priority when aid is packaged. For example, the eligibility criteria for the three major merit-based programs overlap. However, there are notable differences. The OSRP program is only available to students enrolled at participating institutions to recruit a wide range of high-achieving students. The Distinguished Scholars Program ensures that each high school can nominate the top three students in its graduating class, as well as those within the top 10 percent with SAT scores of 1,260 or above. Additionally, the Urban Scholars Program provides scholarships

TABLE 3: Number and Percentage of OSRP-Eligible First-Time, Full-Time, Degree-Seeking, New Jersey Resident Freshmen Who Also Received Other New Jersey Grant Aid, by Year

Year	Total Number OSRP-Eligible	Tuition Aid Grant (TAG)		Bloustein Distinguished Scholars		Urban Scholars	
		#	%	#	%	#	%
1997	1275	283	22	815	64	22	2
1998	1280	264	21	837	65	24	2
1999	1331	273	21	811	61	41	3
2000	1403	261	19	844	60	32	2
2001	1490	257	17	930	62	33	2
2002	1450	259	18	903	62	42	3
2003	1553	280	18	933	60	39	3

Source: SURE data system fall enrollment files.
NOTE: Other aid categories (TAG, Bloustein Distinguished Scholars, and Urban Scholars) are not mutually exclusive.

to students in Type A & B school districts who rank in the top 10 percent of their class with a GPA of at least 3.0. Unlike OSRP, these two merit-based programs are available to students at all institutions statewide. However, none of the merit-based programs has a need component, while TAG is awarded solely based on financial need. For these reasons, it is important to examine if there is overlap in the students who receive various types of financial aid in light of these variations.

Table 3 shows the number and percentage of OSRP-eligible students who received other New Jersey financial aid. About one in five OSRP-eligible students also received a TAG award. About three out of five also received a Bloustein Distinguished Scholar award, and about 2 percent received an Urban Scholar Award. The award types are not mutually exclusive. It is possible that an OSRP student could, for instance, receive both a Bloustein award and a TAG award. As a result, a large majority of OSRP students receive a combination of financial aid awards.

What is the geographic disbursement of OSRP-eligible students and what impact has the OSRP had on regional enrollment patterns?

The number of OSRP-eligible students from each of the high school districts in New Jersey is illustrated in Table 4. The data show that OSRP-eligible first-time, full-time, degree-seeking, freshmen come from high school districts throughout the state. Since the inception of the program in Fall 1997, all high school districts shown in Table 4 have had at least one OSRP-eligible student, and several have had 50 or more.

Table 5 illustrates the impact that OSRP has had on regional enrollment patterns by displaying the number and percentage of students who have attended college within and outside of their home region over the course of the program. The data allow an examination of whether institutions are enrolling more OSRP-eligible freshmen from outside of their region. For example, Montclair State University enrolled 11 OSRP-eligible students from outside the northern region in the year before OSRP began. In each subsequent year, Montclair State University increased the number of OSRP-eligible freshmen enrolling from the central and southern regions. A careful review of the table

TABLE 4. High School Districts of OSRP-Eligible First-Time, Full-Time, Degree-Seeking, New Jersey Resident Freshmen: Fall 1997 – Fall 2003

DISTRICT NAME	#	%	DISTRICT NAME	#	%
Academy Charter High School	1	0.0	Clifton	93	1.1
Asbury Park	1	0.0	Collingswood Borough	23	0.3
Atlantic City	20	0.2	Cranford Township	25	0.3
Audubon	17	0.2	Cresskill	2	0.0
Bayonne	30	0.4	Cumberland Regional	27	0.3
Belleville	24	0.3	Delaware Valley Regional	23	0.3
Belvidere	17	0.2	Delran Township	30	0.4
Bergen County Special Services	26	0.3	Delsea Regional	34	0.4
Bergen County Vocational	21	0.2	Deptford Township	30	0.4
Bergenfield	30	0.4	Dover Town	5	0.1
Berkeley Heights	8	0.1	Dumont	34	0.4
Bernards Township	6	0.1	Dunellen	7	0.1
Black Horse Pike Regional	86	1.0	East Brunswick Township	124	1.5
Bloomfield Township	48	0.6	East Orange	1	0.0
Bogota	8	0.1	East Windsor Regional	31	0.4
Boonton Town	24	0.3	Eastern Camden County Regional	58	0.7
Bordentown Regional	7	0.1	Edison Township	256	3.0
Bound Brook Borough	2	0.0	Egg Harbor Township	34	0.4
Brick Township	57	0.7	Elizabeth	17	0.2
Bridgeton	5	0.1	Elmwood Park	20	0.2
Bridgewater-Raritan Regional	72	0.9	Emerson Boro	13	0.2
Buena Regional	17	0.2	Englewood City	2	0.0
Burlington City	13	0.2	Essex County Vocational	1	0.0
Burlington County Vocational	2	0.0	Ewing Township	29	0.3
Burlington Township	14	0.2	Fair Lawn	45	0.5
Butler	16	0.2	Florence Township	12	0.1
Caldwell-West Caldwell	13	0.2	Fort Lee	26	0.3
Camden City	3	0.0	Franklin Township	51	0.6
Camden County Vocational	1	0.0	Freehold Regional	360	4.3
Cape May County Vocational	3	0.0	Garfield	9	0.1
Carlstadt-East Rutherford Regional	16	0.2	Gateway Regional	16	0.2
Carteret Borough	14	0.2	Glassboro	15	0.2
Cedar Grove Township	10	0.1	Glen Ridge Boro	4	0.0
Central Regional	33	0.4	Glen Rock	8	0.1
Cherry Hill Township	98	1.2	Gloucester City	10	0.1
Cinnaminson Township	36	0.4	Gloucester County Vocational	1	0.0
City Of Orange Township	2	0.0	Greater Egg Harbor Regional	76	0.9
Clark Township	20	0.2	Hackensack	40	0.5
Clayton	4	0.0	Hackettstown	27	0.3
Clearview Regional	24	0.3	Haddon Heights	14	0.2
Cliffside Park	17	0.2	Haddon Township	17	0.2
See notes at end of table.					

TABLE 4. High School Districts of OSRP-Eligible First-Time, Full-Time, Degree-Seeking, New Jersey Resident Freshmen: Fall 1997-Fall 2003 (continued)

DISTRICT NAME	#	%	DISTRICT NAME	#	%
Haddonfield Borough	12	0.1	Lyndhurst Township	10	0.1
Hamilton Township	106	1.3	Madison	7	0.1
Hammonton Town	15	0.2	Mahwah Township	12	0.1
Hanover Park Regional	44	0.5	Mainland Regional	40	0.5
Harrison	7	0.1	Manasquan	11	0.1
Hasbrouck Heights	15	0.2	Manchester Township	20	0.2
Hawthorne	16	0.2	Manville Borough	7	0.1
Hazlet Township	44	0.5	Maple Shade Township	12	0.1
Henry Hudson Regiona	1	0.0	Matawan-Aberdeen Regional	27	0.3
High Point Regional	41	0.5	Metuchen	17	0.2
Highland Park	11	0.1	Middle Township	17	0.2
Hillsborough Township	72	0.9	Middlesex Borough	19	0.2
Hillside Township	14	0.2	Middletown Township	103	1.2
Hoboken	4	0.0	Midland Park Borough	11	0.1
Holmdel Township	16	0.2	Millburn Township	10	0.1
Hopatcong Borough	15	0.2	Millville	30	0.4
Hopewell Valley Regional	22	0.3	Monmouth County Vocational	73	0.9
Hudson County Vocational	1	0.0	Monmouth Regional	28	0.3
Hunterdon Central Regional	45	0.5	Monroe Township	80	1.0
Irvington Township	1	0.0	Montclair	7	0.1
Jackson Township	66	0.8	Montgomery Township	16	0.2
Jefferson Township	33	0.4	Montville Township	21	0.2
Jersey City	37	0.4	Moorestown Township	14	0.2
Keansburg Borough	6	0.1	Morris Hills Regional	86	1.0
Kearny	37	0.4	Morris	16	0.2
Kenilworth	7	0.1	Mount Olive Township	25	0.3
Keyport	5	0.1	Mountain Lakes	3	0.0
Kingsway Regional	35	0.4	Neptune Township	13	0.2
Kinnelon Borough	9	0.1	New Brunswick	2	0.0
Kittatinny Regional	31	0.4	New Milford	20	0.2
Lacey Township	44	0.5	New Providence	6	0.1
Lakeland Regional	39	0.5	Newark	13	0.2
Lakewood Township	32	0.4	Newton	20	0.2
Lawrence Township	23	0.3	North Arlington	8	0.1
Lenape Regional	189	2.2	North Bergen	12	0.1
Lenape Valley Regional	13	0.2	North Brunswick Township	60	0.7
Leonia	19	0.2	North Hunterdon/Voorhees Regional	48	0.6
Linden	18	0.2	North Plainfield Borough	17	0.2
Livingston Township	23	0.3	North Warren Regional	10	0.1
Lodi	22	0.3	Northern Burlington County Regional	26	0.3
Long Branch	7	0.1	Northern Highlands Regional	13	0.2
Lower Cape May Regional	11	0.1	Northern Valley Regional	36	0.4
See notes at end of table.					

TABLE 4. High School Districts of OSRP-Eligible First-Time, Full-Time, Degree-Seeking, New Jersey Resident Freshmen: Fall 1997-Fall 2003 (continued)

DISTRICT NAME	#	%	DISTRICT NAME	#	%
Nutley	50	0.6	Ridgewood Village	5	0.1
Ocean City	26	0.3	River Dell Regional	16	0.2
Ocean Township	34	0.4	Riverside Township	11	0.1
Old Bridge Township	121	1.4	Roselle Park	18	0.2
Palisades Park	13	0.2	Roxbury Township	46	0.5
Palmyra Borough	9	0.1	Rumson-Fair Haven Regional	8	0.1
Paramus	39	0.5	Rutherford	21	0.2
Park Ridge	11	0.1	Saddle Brook Township	18	0.2
Parsippany-Troy Hills Township	104	1.2	Salem City	4	0.0
Pascack Valley Regional	25	0.3	Sayreville	47	0.6
Passaic City	23	0.3	Sch Dist Of The Chathams	4	0.0
Passaic County Manchester Regional	15	0.2	Scotch Plains-Fanwood	25	0.3
Passaic County Vocational	2	0.0	Secaucus	23	0.3
Passaic Valley Regional	33	0.4	Shore Regional	10	0.1
Paterson	9	0.1	Somers Point	1	0.0
Paulsboro	11	0.1	Somerset Hills Regional	7	0.1
Pemberton Township	19	0.2	Somerville Borough	25	0.3
Penns Grove-Carneys Point Regional	7	0.1	South Amboy City	4	0.0
Pennsauken Township	21	0.2	South Brunswick Township	61	0.7
Pennsville Township	13	0.2	South Hunterdon Regional	1	0.0
Pequanock Township	19	0.2	South Orange-Maplewood	24	0.3
Perth Amboy	4	0.0	South Plainfield	36	0.4
Phillipsburg	36	0.4	South River	9	0.1
Pine Hill Borough	27	0.3	Southern Regional	53	0.6
Pinelands Regional	26	0.3	Sparta Township	28	0.3
Piscataway Township	95	1.1	Spotswood	23	0.3
Pitman	14	0.2	Springfield Township	9	0.1
Pittsgrove Township	12	0.1	Sterling High	39	0.5
Pleasantville	2	0.0	Summit City	7	0.1
Plumsted Township	1	0.0	Sussex County Vocational	9	0.1
Point Pleasant Beach	10	0.1	Teaneck	30	0.4
Point Pleasant Borough	20	0.2	Tenafly	14	0.2
Pompton Lakes	23	0.3	Toms River Regional	149	1.8
Princeton Regional	11	0.1	Trenton	1	0.0
Rahway	13	0.2	Union City	3	0.0
Ramapo Indian Hills Regional	30	0.4	Union County Vocational	3	0.0
Ramsey	13	0.2	Union Township	87	1.0
Rancocas Valley Regional	49	0.6	Upper Freehold Regional	14	0.2
Randolph Township	20	0.2	Vernon Township	25	0.3
Red Bank Regional	18	0.2	Verona	16	0.2
Ridgefield	7	0.1	Vineland City	46	0.5
Ridgefield Park	10	0.1	Waldwick	13	0.2

See notes at end of table.

TABLE 4. High School Districts of OSRP-Eligible First-Time, Full-Time, Degree-Seeking, New Jersey Resident Freshmen: Fall 1997-Fall 2003 (continued)

DISTRICT NAME	#	%	DISTRICT NAME	#	%
Wall Township	28	0.3	Westwood Regional	11	0.1
Wallington	10	0.1	Wildwood City	6	0.1
Wallkill Valley Regional	15	0.2	Willingboro Township	5	0.1
Warren Hills Regional	24	0.3	Winslow Township	48	0.6
Washington Township	92	1.1	Woodbridge Township	119	1.4
Watchung Hills Regional	25	0.3	Woodbury City	7	0.1
Wayne Township	75	0.9	Wood-Ridge	7	0.1
Weehawken Township	3	0.0	Woodstown-Pilesgrove Regional	16	0.2
West New York	5	0.1	Private/Parochial	856	10.2
West Orange	34	0.4	GED	3	0.0
West Windsor-Plainsboro Regional	36	0.4	Other State	59	0.7
Westfield	10	0.1	Outside U.S.	11	0.1
TOTAL				8414	100.00
Source: SURE data system fall enrollment files; College Board 2003; NJCHE website. NOTE: 1,368 cases had invalid or missing data. The private/parochial category includes 95 religiously affiliated schools, 18 nonsectarian schools (of which three are special education schools) and one school of unknown type.					

suggests that the OSRP may have encouraged high-achieving students to attend New Jersey institutions outside of their home regions; however, this finding is not true for all institutions.

What are the retention and graduation rates of the students participating in the program?

Table 6 shows the graduation rates for three cohorts (freshmen starting in 1997, 1998, and 1999) of OSRP-eligible first-time, full-time, degree-seeking, New Jersey resident freshmen. Around two-thirds of the students graduated in four years, over four out of five graduated in five years, and almost nine out of 10 graduated in six years³ (although the OSRP program provides year five funding only for certain programs and no funding in year six).

For comparison, results of the NCES Integrated Postsecondary Education Data System (IPEDS) Graduation Rate Survey indicate that the six-year graduation rate for all students at New Jersey bachelor's degree granting institutions was 62 percent⁴ for the AY 1996-97 to AY 2001-02 cohort (NJCHE, 2004). At the national level, results of the 2001 follow-up to the NCES 1995-96 Beginning Postsecondary Students (BPS) longitudinal study found that 55 percent of freshmen completed bachelor's degrees at the first institution they attended within six years, and 63 percent completed a bachelor's degree at any institution within six years (NCES, 2002b). Despite slight discrepancies in the data sources, this analysis clearly illustrates that OSRP-eligible students in New Jersey

³ For the purposes of this study, graduation rates are limited to students completing bachelor's degrees within the group of OSRP-participating institutions. Data were not available to capture students who may have transferred out of this group. Therefore, actual graduation rates for these students may be somewhat higher than presented.

⁴ This graduation rate figure is limited to students completing bachelor's degrees at the first institution they attended.

Table 5. Geographic Enrollment Patterns of OSRP-Eligible First-Time, Full-Time, Degree-Seeking, New Jersey Resident Freshmen, by Year and Institution

Students' Regional Residence by Year		NORTHERN REGION INSTITUTIONS														
		Drew University		Fairleigh Dickinson University ¹		Montclair State University		New Jersey Institute of Technology		Ramapo College of New Jersey		Stevens Institute of Technology		William Patterson University of New Jersey		
		#	%	#	%	#	%	#	%	#	%	#	%	#	%	
1996																
Northern		18	32	—	—	20	65	18	58							
Central		22	39	—	—	5	16	8	26							
Southern		16	29	—	—	6	19	5	16							
Subtotal—Outside Region		38	68	—	—	11	35	13	42							
1997																
Northern		22	37	9	45	16	57	16	48					5	56	
Central		21	35	3	15	6	21	10	30					2	22	
Southern		17	28	8	40	6	21	7	21					2	22	
Subtotal—Outside Region		38	63	11	55	12	43	17	52					4	44	
1998																
Northern		11	27	7	70	14	50	27	59					5	63	
Central		17	41	1	10	10	36	11	24					1	13	
Southern		13	32	2	20	3	11	8	17					2	25	
Subtotal—Outside Region		30	73	3	30	13	46	19	41					3	38	
1999																
Northern		17	38	6	75	14	47	22	65	4	29	27	56	8	57	
Central		16	36	1	13	6	20	7	21	2	14	13	27	4	29	
Southern		12	27	1	13	10	33	5	15	8	57	8	17	2	14	
Subtotal—Outside Region		28	62	2	25	16	53	12	35	10	71	21	44	6	43	
2000																
Northern		20	41	4	67	19	56	22	54	3	25	34	56	9	64	
Central		17	35	0	0	7	21	12	29	5	42	16	26	2	14	
Southern		12	24	2	33	8	24	7	17	4	33	10	16	3	21	
Subtotal—Outside Region		29	59	2	33	15	44	19	46	9	75	26	43	5	36	

See notes at end of table.

Table 5. Geographic Enrollment Patterns of OSRP-Eligible First-Time, Full-Time, Degree-Seeking, New Jersey Resident Freshmen, by Year and Institution (continued)

Students' Regional Residence by Year		NORTHERN REGION INSTITUTIONS														
		Drew University		Fairleigh Dickinson University ¹		Montclair State University		New Jersey Institute of Technology		Ramapo College of New Jersey		Stevens Institute of Technology		William Patterson University of New Jersey		
		#	%	#	%	#	%	#	%	#	%	#	%	#	%	
2001																
Northern		24	57	0	0	19	58	18	45	7	32	30	47	9	50	
Central		10	24	0	0	4	12	12	30	8	36	20	31	4	22	
Southern		8	19	0	0	10	30	9	23	7	32	14	22	5	28	
Subtotal—Outside Region		18	43	0	0	14	42	21	53	15	68	34	53	9	50	
2002																
Northern		13	45	1	100	22	46	18	47	14	41	20	43	7	64	
Central		10	34	0	0	12	25	13	34	14	41	15	32	3	27	
Southern		6	21	0	0	14	29	6	16	6	18	12	26	1	9	
Subtotal—Outside Region		16	55	0	0	26	54	19	50	20	59	27	57	4	36	
2003																
Northern		9	36	0	0	23	50	21	46	20	56	17	35	10	63	
Central		6	24	0	0	9	20	12	26	10	28	16	33	1	6	
Southern		10	40	0	0	14	30	10	22	6	17	14	29	4	25	
Subtotal—Outside Region		16	64	0	0	23	50	22	48	16	44	30	61	5	31	

See notes at end of table.

Table 5. Geographic Enrollment Patterns of OSRP-Eligible First-Time, Full-Time, Degree-Seeking, New Jersey Resident Freshmen, by Year and Institution (continued)

CENTRAL REGION INSTITUTIONS				SOUTHERN REGION INSTITUTIONS									
Students' Regional Residence by Year	Rider University		Rutgers		The College of New Jersey		Students' Regional Residence by Year	Georgian Court College		Richard Stockton College of New Jersey		Rowan University	
	#	%	#	%	#	%		#	%	#	%	#	%
1996													
Northern			178	31	72	31				2	7	6	11
Central			265	46	82	35				10	36	2	4
Southern			130	23	78	34				16	57	49	86
Subtotal—Outside Region			308	54	150	65				12	43	8	14
1997													
Northern			220	32	123	34				8	15	4	14
Central			331	48	128	35				12	22	4	14
Southern			134	20	115	31				34	63	20	71
Subtotal—Outside Region			354	52	238	65				20	37	8	29
1998													
Northern	0	0	226	31	109	32				4	11	4	8
Central	0	0	332	46	103	31				8	21	4	8
Southern	0	0	164	23	124	37				26	68	42	82
Subtotal—Outside Region	0	0	390	54	233	69				12	32	8	16
1999													
Northern	0	0	277	35	95	31				8	21	4	8
Central	0	0	387	48	97	31				2	5	15	29
Southern	0	0	135	17	118	38				28	74	32	62
Subtotal—Outside Region	0	0	412	52	213	69				10	26	19	37

See notes at end of table.

Table 5. Geographic Enrollment Patterns of OSRP-Eligible First-Time, Full-Time, Degree-Seeking, New Jersey Resident Freshmen, by Year and Institution (continued)

CENTRAL REGION INSTITUTIONS				SOUTHERN REGION INSTITUTIONS										
Students' Regional Residence by Year	Rider University		Rutgers		The College of New Jersey		Students' Regional Residence by Year	Georgian Court College		Richard Stockton College of New Jersey		Rowan University		
	#	%	#	%	#	%		#	%	#	%	#	%	
2000														
Northern	0	0	240	33	112	31				6	13	2	4	
Central	0	0	331	46	119	33				8	17	7	13	
Southern	0	0	155	21	128	36				34	71	43	83	
Subtotal—Outside Region	0	0	395	54	240	67				14	29	9	17	
2001														
Northern	0	0	240	30	108	30			0	0	2	4	5	9
Central	2	67	383	48	122	34			0	0	8	15	6	10
Southern	1	33	166	21	134	37			2	100	42	81	47	81
Subtotal—Outside Region	1	33	406	51	242	66			0	0	10	19	11	19
2002														
Northern	1	9	233	32	139	33			0	0	2	11	6	9
Central	3	27	327	45	149	36			1	100	2	11	9	14
Southern	7	64	164	22	130	31			0	0	14	78	50	77
Subtotal—Outside Region	8	73	397	54	269	64			1	100	4	22	15	23
2003														
Northern	2	18	250	32	128	30			0	0	4	11	4	6
Central	3	27	403	51	135	31			0	0	6	17	11	17
Southern	5	45	140	18	164	38			0	0	26	72	49	77
Subtotal—Outside Region	7	64	390	49	292	68			0	0	10	28	15	23

Source: SURE data system fall enrollment files.

--Data not available.

'A data file for Fairleigh

les.

Notes: Percentages may not add to 100 because students from unknown regions were omitted from the table. Figures in bold italics indicate baseline data for the year before the institution joined the program. The program began in AY 1997-98 with eight institutions. Eight additional institutions have joined the program at various points since its inception. Two institutions, College of St. Elizabeth and Caldwell College are not included in the analysis because they joined the program in AY 2003-04. St. Peter's College is entering the program this year.

TABLE 6. Graduation Rates and Average Time to Degree for Three Cohorts of OSRP-Eligible First-Time, Full-Time, Degree-Seeking, New Jersey Resident Freshmen

Year	Fall Enrollment	Average Time to Degree in Months	Four Year Graduation Rate ¹		Five Year Graduation Rate ¹		Six Year Graduation Rate ¹	
			#	%	#	%	#	%
1997	1275	47	856	67	1051	82	1117	88
1998	1280	45	836	65	1033	81	na	na
1999	1331	44	874	66	na	na	na	na

Source: SURE data system degree files.
NOTE: For the purpose of this study, graduation rate is defined as completing a bachelor's degree at one of the 13 institutions that participated in the OSRP as of AY 2000-01.
¹ Gr equivalent to 56 months; and the six-year rate is equivalent to 68 months.

have significantly higher six-year graduation rates, in comparison to both New Jersey and national averages.

Table 7 addresses the retention rates of OSRP students who remained eligible and those who did not maintain the minimum requirements—maintaining a 3.0 GPA and completing at least 24 credits each academic year. Focusing on five cohorts of OSRP-eligible freshmen, the percentage retention of those students who remained eligible for the OSRP was higher in virtually every year. This is not surprising; however, it is interesting to note that a substantial number of those students who lost their eligibility for an OSRP award chose to continue their education at one of the OSRP-participating institutions.

How has the OSRP affected out-migration of high-achieving students?

At the outset, it is important to note that, given New Jersey's small geographic size, and the relative wealth of its residents, many students opt to study out-of-state for the simple reason of "getting away" or "spreading their wings," regardless of OSRP-based incentives to remain in-state. Nevertheless, in an effort to understand the degree to which the OSRP impacts the out-migration of high-achieving students, a survey was sent to the guidance counselors of all New Jersey public and private high schools. The survey addressed guidance counselors' perceptions of student awareness of the program and the effect of the program upon high-achieving students applying to and enrolling in New Jersey colleges and universities. One-hundred seventeen high schools responded to the survey, for a response rate of 18 percent.

As illustrated in Figure 2, 44 percent of the counselors agreed that *high-achieving* seniors were aware of the OSRP, while a similar percentage (43) disagreed. Eleven percent indicated that they did not know. Since the inception of the OSRP in 1997, have the counselors noticed more high-achieving students *applying to* New Jersey colleges and universities? Figure 3 shows that 35 percent agreed with the statement, 35 percent disagreed, and 26 percent did not know. Have the counselors noticed more high-achieving students *enrolling in* New Jersey colleges and universities? Figure 3 also shows that 32 percent agreed with the statement, 41 percent disagreed, and 23 percent did not know.

These figures are somewhat misleading, however. More detailed analysis reveals that more than one-fourth (26 percent) of the respondents indicated in the comment section of the survey that they were not aware of the OSRP. This may, in part, explain the

TABLE 7. Retention by OSRP-Eligibility Status for Five Cohorts of OSRP-Eligible First-Time, Full-Time, Degree-Seeking New Jersey Resident Freshmen

	AY 1998-1999			AY 1999-2000			AY 2000-2001			AY 2001-2002			AY 2002-2003		
	Continue	Did not Continue	% Continue	Continue	Did not Continue	% Continue	Continue	Did not Continue	% Continue	Continue	Did not Continue	% Continue	Continue	Did not Continue	% Continue
AY 1997-1998															
Maintained OSRP-Eligibility	944	25	97	895	26	97	750	70	91						
Lost OSRP-Eligibility	238	68	78	31	17	65	68	23	75						
AY 1998-1999															
Maintained OSRP-Eligibility				950	26	97	875	18	98	790	29	96			
Lost OSRP-Eligibility				235	69	77	64	18	78	53	7	88			
AY 1999-2000															
Maintained OSRP-Eligibility							1003	17	98	922	27	97	836	31	96
Lost OSRP-Eligibility							214	97	69	60	11	85	52	13	80
AY 2000-2001															
Maintained OSRP-Eligibility										1084	32	97	966	51	95
Lost OSRP-Eligibility										201	86	70	72	27	73
AY 2001-2002															
Maintained OSRP-Eligibility													1100	0	100
Lost OSRP-Eligibility													239	151	61

Source: SURE data system enrollment files.
NOTE:

FIGURE 2. New Jersey High School Guidance Counselors' Opinions:
High-Achieving Seniors are Aware of the OSRP

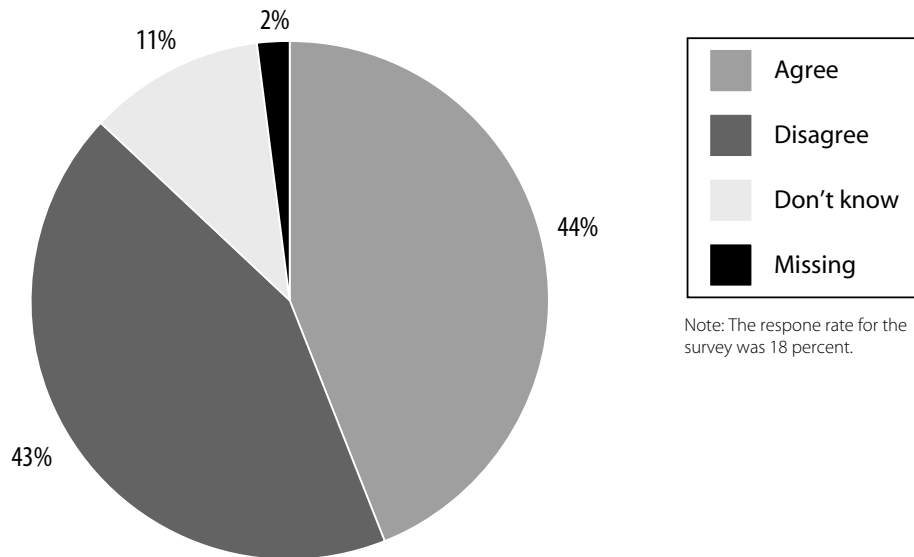
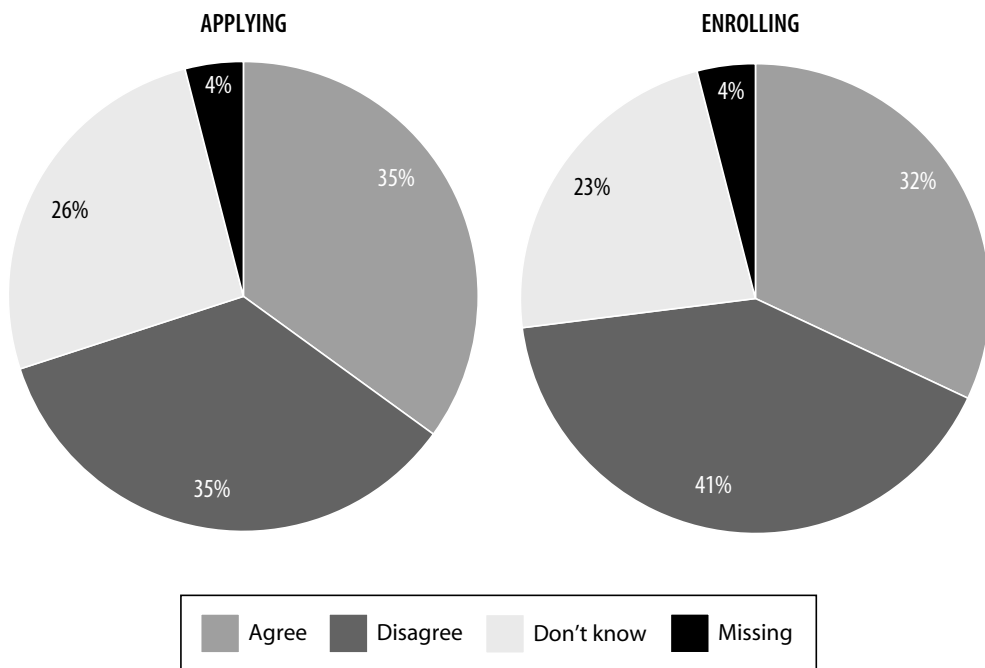


FIGURE 3. New Jersey High School Guidance Counselors' Opinions: More High-Achieving Seniors are Applying to and Enrolling in New Jersey Colleges and Universities
(ALL HIGH SCHOOL GUIDANCE COUNSELORS)



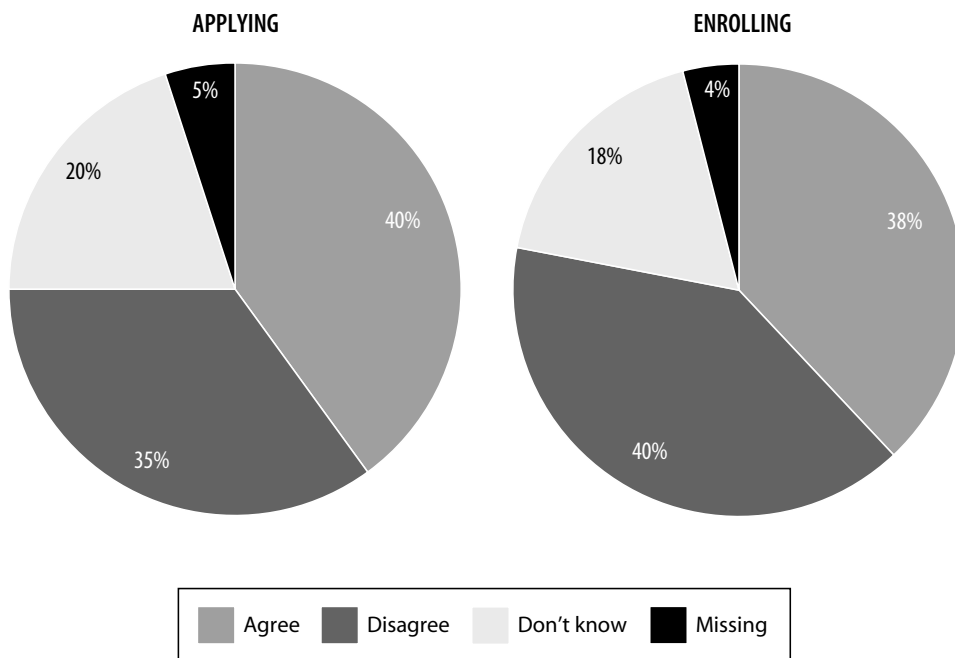
reason for the relatively low response rate. This finding, nevertheless, is interesting because HESAA trains over 1,200 guidance counselors annually.

The following comments are representative of their responses. “Our school needs additional information on the OSRP.” “Our counselors are unaware of the initiative and the ongoing process.” “No counselor was familiar with this program!” “I am very sorry but I wasn’t aware of the OSRP program. Please send info! Thank you!”

It is perhaps more informative, therefore, to compile the data from only those respondents who were knowledgeable of the OSRP. This analysis sharpens the research question pertaining to the out-migration of high-achieving students. That is, what is the impact on the out-migration of high-achieving students from the perspective of high school guidance counselors who were *aware* of the program? As shown in Figure 4, the data are somewhat different. Forty percent of the counselors noticed more high-achieving students *applying* to New Jersey colleges and universities, and 38 percent noticed more of these types of students *enrolling*.

The survey provided space for comments, and several counselors chose to respond. Many encouraged the state to continue the program. The following comments are typical. “This program has definitely impacted the choices our students have made over the past seven years. Students have especially chosen Montclair State and the College of New Jersey

FIGURE 4. New Jersey High School Guidance Counselors’ Opinions: More High-Achieving Seniors are Applying to and Enrolling in New Jersey Colleges and Universities
(HIGH SCHOOL GUIDANCE COUNSELORS WHO ARE AWARE OF THE PROGRAM)



Note: The response rate for the survey was 18 percent.

over more selective, previously desirable choices. Others have found it difficult to pass up but did so anyway. They very seriously considered staying in-state.” “Please continue this excellent program. It has encouraged many more of our high-achieving students to attend N.J. schools.”

Last year, Rutgers University surveyed the 2,517 students who participated in the program at the university to determine whether their OSRP award influenced their decision to enroll at Rutgers. Of the 1,334 respondents (53 percent), 82 percent said their OSRP award had a very important influence in their decision to enroll in Rutgers, and 16 percent indicated that the award was somewhat important in their decision—for a total of 98 percent. Three-fourths of the respondents (76 percent) indicated that they were accepted by an out-of-state school. Two-thirds of the respondents (67 percent) indicated that they would enter graduate school or the workforce in New Jersey.

More than 1,200 students expressed their personal opinion of the value of the program and virtually all were positive. The following quote is a good representation of the comments:

“It was the single most important factor in helping me decide to attend Rutgers. I could have gone to more prestigious schools out of state but would have ended up heavily in debt. The Outstanding Scholar’s Program made it possible for me to attend college with a minimum of debt, so now I can afford to attend graduate school and further my education.”

Another student succinctly wrote, “If Rutgers didn’t have the Outstanding Scholar’s Program, I wouldn’t be here.”

How does the OSRP compare with merit-based programs in other states?

According to the National Association of State Student Grant and Aid Programs (NASSGAP), there are 29 states that offer non-need-based grant programs with a merit eligibility requirement. In the 2001-2002 academic year, expenditures for these programs ranged from \$327 million in Georgia to \$102 million in Louisiana to \$65,000 in Alabama (NASSGAP, 2003). The programs use a range of eligibility requirements, award amounts, and participating institutions. Table 8 provides a snapshot of some of the major programs across the nation.⁵ With respect to high school requirements, Florida is the most rigorous by requiring a 3.5 GPA along with a high SAT or ACT score. Kentucky only requires a 2.5 GPA. A college preparatory curriculum is a requirement for some programs, but not others. College enrollment requirements range from a 2.0 GPA, minimal satisfactory progress, to a 3.0 GPA, a “B” average. Finally, the annual award amount varies considerably. The smallest annual award is \$125 for the Kentucky Educational Excellence Scholarship, while the OSRP provides for an annual award up to \$7,500. All of the selected merit financial aid programs offered awards to students attending both public and private institutions, but several criteria vary.

This review of state merit scholarship programs suggests that the OSRP is in the mainstream. The OSRP awards are among the more generous awards in comparison to other states. At the same time, New Jersey demands one of the highest levels of high school academic requirements.

⁵ Information on other state merit-based aid programs contained here and in Table 8 was gathered from the respective state education websites, supplemented by interviews with agency staff.

TABLE 8. Criteria of Selected Merit-based Scholarship Programs in the United States

Name	H.S. Achievement	H.S. Curriculum	Annual Award Amount	College Enrollment Requirements	Comments
Georgia HOPE Scholarship	3.0 GPA	College Preparatory	"Public Colleges: full tuition, mandatory fees, and \$300 book allowance. Private Colleges: \$3,000 plus qualifying for \$900 grant."	3.0 GPA	Students are not required to be enrolled full-time at public institutions, but must at private institutions.
Kentucky Educational Excellence Scholarship	2.5 GPA	College Preparatory	For both public and private colleges: A maximum award of \$2,500 for a HS student who earned a 4.0 GPA all four years and obtained an ACT score of 28.	2.5 GPA for the freshman year and 3.0 GPA for succeeding years.	Awards are on a sliding scale: the minimum award is \$125 for a student who earned at least a 2.5 GPA one time during his/her four-year curriculum.
Florida Academic Scholars Award	3.5 GPA and best composite score of 1270 SAT or 28 ACT	College Preparatory plus 75 Hours of Community Service	"Public Colleges: 100% tuition and fees, plus \$300 per semester for college related expenses. Private Colleges: fixed award amount based on 100% of average tuition and fees at comparable Florida public colleges including the \$300 per semester for college-related expenses."	3.0 GPA; students who receive a GPA between 2.75 and 2.99 are eligible for a lesser award.	Minimum hours per term is 6 semester hours or its equivalent in quarter or clock hours.
Ohio Academic Scholarship Program	Based on GPA and ACT, at least one scholarship is awarded to a student from each participating high school	N/A	\$2,205 each year for up to four years of study. Public and private colleges can participate.	2.0 GPA	1,000 scholarships are awarded each year.
Louisiana Tuition Opportunity Program for Students	2.5 GPA and 20 ACT for Opportunity Award; 3.0 GPA and 23 ACT for Performance Award	College Preparatory	Tuition and certain fees for the Opportunity Award. Tuition and certain fees + \$400 for the Performance Award—at public colleges. Weighted average tuition of public schools for approved private schools.	2.3 GPA for freshman year and 2.5 for succeeding years for the Opportunity Award. 3.0 GPA end of each academic year for the Performance Award	
New Jersey Outstanding Scholar Recruitment Program (OSRP)	SAT scores and H.S. rank	N/A	Awards range from \$2,500 to \$7,500 for both public and private colleges.	3.0 GPA and complete at least 24 credits each academic year	

Source: In

Summary and Recommendations

The overriding purpose of this analysis is to determine the effectiveness of the OSRP in increasing the enrollment and retention of high achieving New Jersey high school graduates at New Jersey colleges and universities. This evaluation addresses several questions regarding growth of the program; the degree of overlap with other financial aid programs in New Jersey; the geographic disbursement of OSRP recipients; and the program's impact on regional enrollment patterns, the retention and graduation rates of OSRP students, and comparability with merit-based programs in other states. A variety of methods were used to answer the major research questions, including conducting original data analysis of student unit record data provided by the CHE and HESAA. In addition, a survey of high school counselors was conducted to solicit their opinion on the OSRP's effect on out-migration, and a meeting with campus representatives was convened to discuss their experience with and perception of the program. Also, the presidents of the participating institutions were invited to comment on the program.

A total of 16 colleges and universities are participating in the program, 13 of which have been in the program long enough to present meaningful data. The eight public institutions participating in the program all experienced growth in the number of high-achieving freshmen, and seven out of eight enjoyed growth in the proportion of high-achieving students in their freshmen classes. In contrast, two of the five private institutions experienced an increase of high-achieving freshmen, and one had growth in the proportion of high-achieving students in its freshman class. Indeed, the two original private institutions experienced a dramatic decrease in the number of high-achieving New Jersey OSRP students over a seven-year period.

Turning to the relationship of the OSRP to the other major state financial aid programs, OSRP students tend to receive other state financial aid. In fact, around 20 percent of OSRP students were financially needy and, thus, received a TAG award. Also, more than 60 percent also received other merit-based awards.

The OSRP appears to have some influence on regional enrollment patterns. That is, the lure of a merit-based scholarship has tended to encourage students to attend New Jersey colleges and universities outside of their home region. In addition, it appears that students from all corners of the state are taking advantage of the OSRP.

The OSRP has positively affected the graduation rates of students. Approximately 66 percent of OSRP students graduated in four years. Around 81 percent graduated in five years; and close to 90 percent graduated in six years. These figures compare favorably with statewide and national data, which indicate that, on average, between 55 and 65 percent of students complete bachelor's degrees in six years. Closely aligned to graduation rates is retention. Again, OSRP students tend to stay in school, and even those students who lose their eligibility tend to continue their education at one of the OSRP-participating institutions.

One of the more difficult questions to answer was the effect of the OSRP program upon the out-migration of high-achieving students. To address this issue, high school counselors were surveyed regarding their opinion of whether high-achieving students are applying and enrolling more than in past years at New Jersey colleges and universities. While 40 percent of the respondents to the survey agreed that more high-achieving students are applying to New Jersey institutions, 35 percent disagreed. Also, in response to the statement that more high-achieving students are enrolling in New Jersey colleges

and universities, 38 percent agreed and 40 percent disagreed. Perhaps the more interesting result of the survey is that more than one-fourth of the counselors were not aware that the OSRP program existed. A survey by Rutgers University of more than 2,500 OSRP students strongly suggests that the program had a significant impact upon the students' decisions to attend the university.

How does the OSRP compare with merit-based programs in other states? There are 29 states that offer non-need-based, merit-based programs. A review of some of the major programs, in terms of dollars, suggests that the OSRP is among the more generous with individual student awards. At the same time, the OSRP requires one of the highest levels of high school academic achievement.

This analysis suggests the following conclusions regarding the effectiveness of the OSRP program.

- ▶ Since the inception of the program, significantly more high-achieving freshmen are attending New Jersey colleges and universities. All of the public institutions participating in the program enjoyed an increase in high-achieving freshmen. The private institutions participating in the program have had mixed results, with at least two institutions experiencing a decline in high-achieving freshmen.
- ▶ Since the program began, the proportion of high-achieving freshmen has increased. By and large, the public colleges and universities participating in OSRP enjoyed this growth, while the private institutions have had mixed results.
- ▶ For a majority of the students who received an OSRP award, the award is part of a total financial aid package, including other merit-based and need-based awards. One in five OSRP-eligible students received need-based financial aid in the form of a TAG award.
- ▶ The OSRP has tended to encourage high-achieving students to attend New Jersey institutions outside of their home region.
- ▶ The four-year, five-year, and six-year graduation rates of OSRP students compare favorably with students in the state and the nation overall, and the retention of OSRP students is high.
- ▶ The answer to the question of how the OSRP has affected out-migration is elusive. The survey of high school counselors does not present a clear picture; however, a comprehensive survey by Rutgers provides strong evidence of the program's effect on high-achieving students leaving the state to attend college. The more important conclusion may be that over one-fourth of the respondents to the high school guidance counselor survey were not aware of the program. This figure may be even higher because of the low response rate of the survey.
- ▶ The OSRP is similar to mainstream merit-based programs in other states; yet its high school academic requirements are among the most rigorous.

The following recommendations are provided based upon the analysis of the data, a review of the administrative guidelines for the program, the discussion with institutional representatives, and the comments of the institutional presidents. Fortunately, the OSRP's success has not developed at the expense of the state's efforts to provide financial assistance to needy students. Merit aid equals 12.9 percent of total funds when not

including categorical state programs. In the recently approved FY 2005 state budget, more than \$200 million has been appropriated for need-based TAG awards, with additional funds for the Educational Opportunity Fund program. The OSRP will receive \$13.2 million, along with another \$17-18 million targeted for other merit-based awards. We believe this balance in funding between need-based and non-need-based aid is correct, and should generally be maintained.

- ▶ **Recommendation 1: Continue the OSRP.** The overall weight of the evidence demonstrates the program's effectiveness. The fundamental criterion of effectiveness is that the program has increased the enrollment and retention of high-achieving New Jersey high school graduates at New Jersey colleges and universities. Since the beginning of the program, more high-achieving freshmen are attending New Jersey higher education institutions and comprise a greater proportion of high-achieving freshmen. The college retention rates of these students are exemplary, and the graduation rates are dramatically higher than state and national figures. With respect to out-migration, although the data are not sufficient to present an unequivocal picture, the available information strongly suggests that the program has had a positive effect.
- ▶ **Recommendation 2: Enhance the marketing of the program to improve its effectiveness.** It is currently the responsibility of individual institutions to market the program to high school students and their families. Although it appears that, for some of the larger public higher education institutions, the marketing has been successful, many institutions—particularly private colleges and universities—may not have the wherewithal to undertake effective advertising. Since this is a statewide program, limited to those institutions who participate in the SURE program, it is the obligation of the state to help ensure that high-achieving students are aware of its availability.
- ▶ **Recommendation 3: Place the OSRP in statute.** Authority for the program currently is found in budgetary footnote language in the Annual Appropriations Act. By operating without underlying statute, colleges and universities cannot rely upon the program's availability—which makes it very difficult to plan and implement the OSRP. Higher education institutions must commit institutional resources to the recruitment of these students, provide scholarship program information to prospective students, and make offers of scholarship awards to students well before the state budget is passed. Institutions are challenged to cover the program's funding at the last minute if state support is less than expected. To place this program in statute would recognize the legislature's intent of assisting institutions with recruiting the best and brightest in New Jersey.
- ▶ **Recommendation 4: Encourage more four-year institutions to participate in the program.** Increasing the number of four-year institutions that participate in the OSRP will enhance opportunities to retain high-achieving high school graduates by expanding their institutional choices. To accomplish this recommendation, the Board should review the program requirement to participate in the SURE system. In light of NJSTARS, eligibility for the OSRP program should continue to be limited to four-year institutions.

- ▶ **Recommendation 5: Develop procedures to improve the quality and completeness of data provided by institutions to enhance the ability to regularly chart the progress of the OSRP.** Essential variables in the research questions for this report were not available, and in some cases, translating available data elements or creating proxies was very time intensive. Most importantly, in many of the files, the data element which indicated whether a student received an OSRP grant was either missing or invalid. More complete, accurate, and appropriate data would allow HESAA and other agencies to respond to inquires and conduct evaluations in a more efficient manner.
- ▶ **Recommendation 6: Equalize the percentage of the OSRP award value paid for by the state for private institutions.** Currently, the state pays a maximum of 70 percent of the award values for public institutions and 40 percent at private institutions. Increasing the state's contribution to 70 percent for private institutions would decrease the financial burden at these institutions and represent a relatively minor increase in state expenditures. In addition, this increase may encourage more private institutions to participate in the program.

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