

Policy Discussion #1: Financial Aid

Need-Based Student Financial Aid

BOG Policy Discussion

April 10, 2014

Presentation Outline

- **Financial Aid Basics**
- **Federal Programs**
- **State Programs**
- **Campus Programs**
- **Comparisons**

Financial Aid Basics

Types of Aid

- **Aid comes in various forms**
 - Grants/scholarships
 - Loans
 - Scholarship loans/forgivable loans
 - Subsidized work
 - Tuition reduction (waiver, resident tuition, etc.)
- **Given for need, merit, or status**

Need-Based Aid

- **Federal government is the largest provider and federal rules dominate the system.**
- **State aid programs work within the federal rules to better leverage federal dollars.**
- **Need-based aid is designed to provide access to and choice of college.**

Financial Aid Basics

What is “need?”

- **Determining a student’s need depends on two factors: cost of attendance and expected family contribution.**

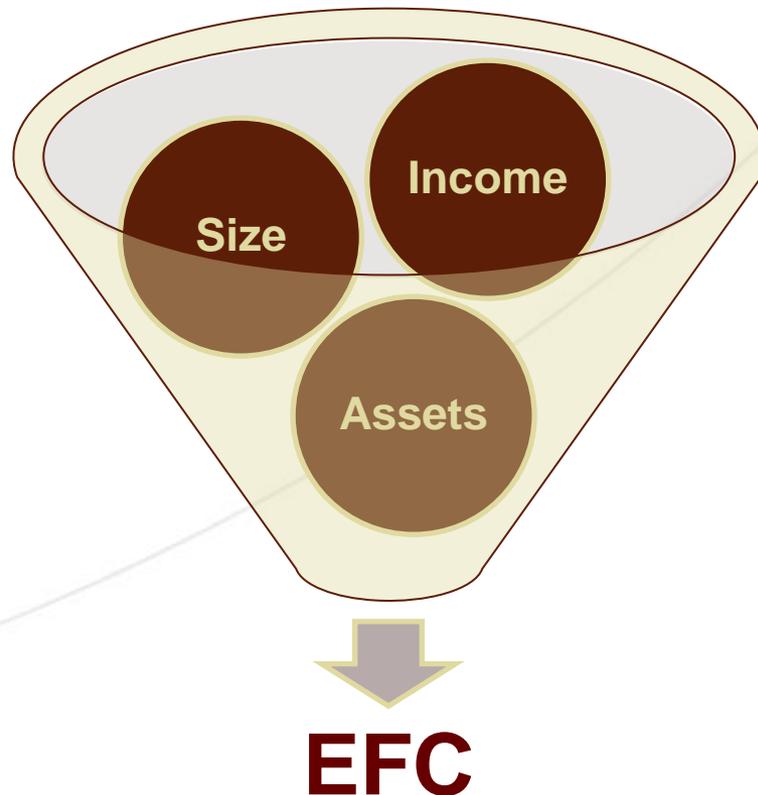


Cost of Attendance

- Tuition
 - Required Fees
 - Room and Board
 - Books and Supplies
 - Transportation
 - Miscellaneous Expenses
-
- Costs of attendance vary by college and students' living situation.

Expected Family Contribution

- Represents the minimum share of expenses a family is expected to bear
- Based on information submitted on the Free Application for Federal Student Aid (FAFSA)
- Exact formula differs by program



Median Household Income

- **North Carolina's median household income is \$46,450.**

Source: US Census Bureau, 2008-2012 American Community Survey (in 2012 inflation-adjusted dollars)

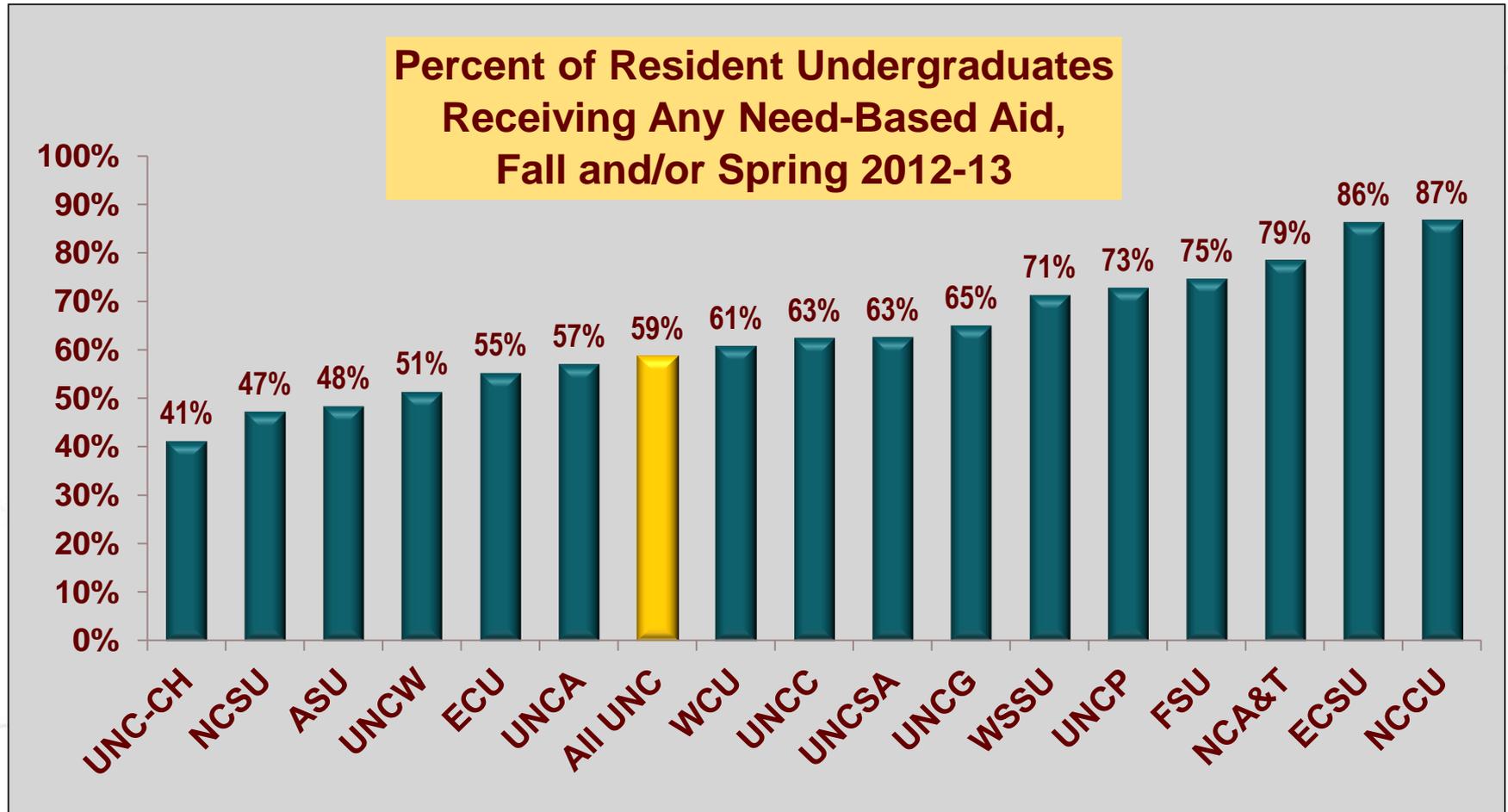
Financial Aid Basics

Undergraduate Student Demographics

2012-13 Resident Undergraduates (Headcount, Fall and Spring)	All Students		Students that Received Need-Based Aid	
	Race/Ethnicity	Headcount	%	Headcount
White	98,354	61.5%	47,484	50.5%
Black or African American	37,579	23.5%	30,987	33.0%
Hispanic	7,418	4.6%	5,058	5.4%
Asian	5,689	3.6%	3,552	3.8%
Unknown	4,591	2.9%	2,831	3.0%
Two or more races/other	4,449	2.8%	2,791	3.0%
American Indian/Alaskan Native	1,737	1.1%	1,272	1.3%
Total	159,817	100.0%	93,975	100.0%

Financial Aid Basics

Undergraduate Student Demographics



Federal Programs

Federal Programs

Pell Grants

- **\$275 million for UNC students in FY 2012-13**
- **Scholarships with a maximum annual award for 2013-14 of \$5,645**

Federal Loans

- **\$794 million for UNC students in FY 2012-13**
- **Subsidized and unsubsidized direct loans, maximum amount varies**

Work-Study Jobs

- **\$14 million for UNC students in FY 2012-13**
- **Subsidized jobs to students who qualify for financial assistance**

State Programs

Major State-Funded Programs for UNC

- **Two major state-funded programs for UNC students:**

UNC Need-Based Grant

- \$122.5M in FY 2013-14
- UNC resident undergraduate students
- Funded from General Fund (61%), Escheat Fund (30%), and Lottery Fund (9%)
- Grants range from \$500 to \$4,200 for FY 2013-14

Education Lottery Scholarship

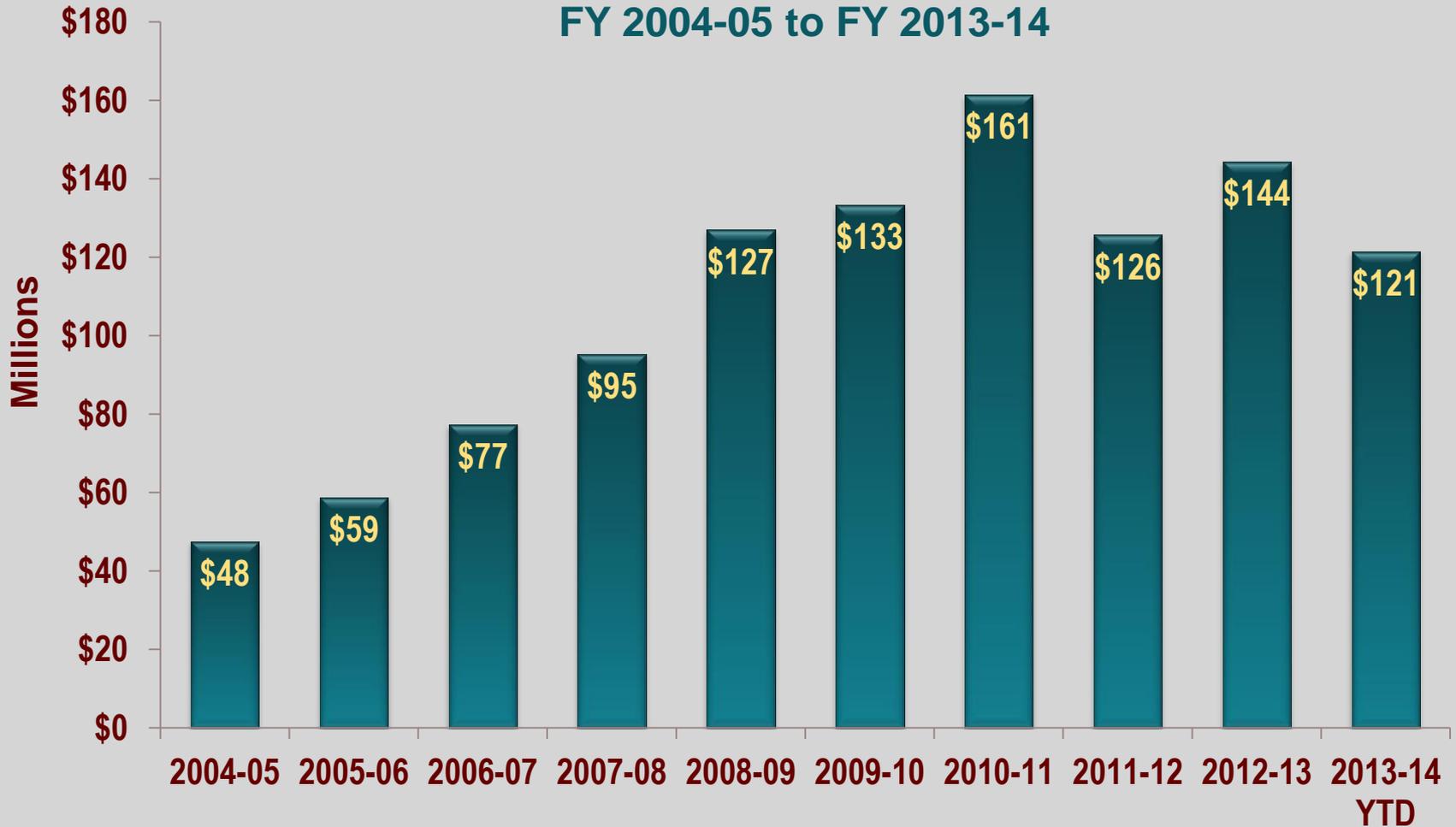
- \$18M for UNC in FY 2013-14
- UNC resident undergraduate students and community college resident degree-seeking students
- Funded from Lottery Fund
- Grants range from \$100 to \$3,100 for FY 2013-14

UNC Need-Based Grant

- **Funding has varied dramatically over the past several years.**
- **As funding has changed, the population served by the program has changed.**

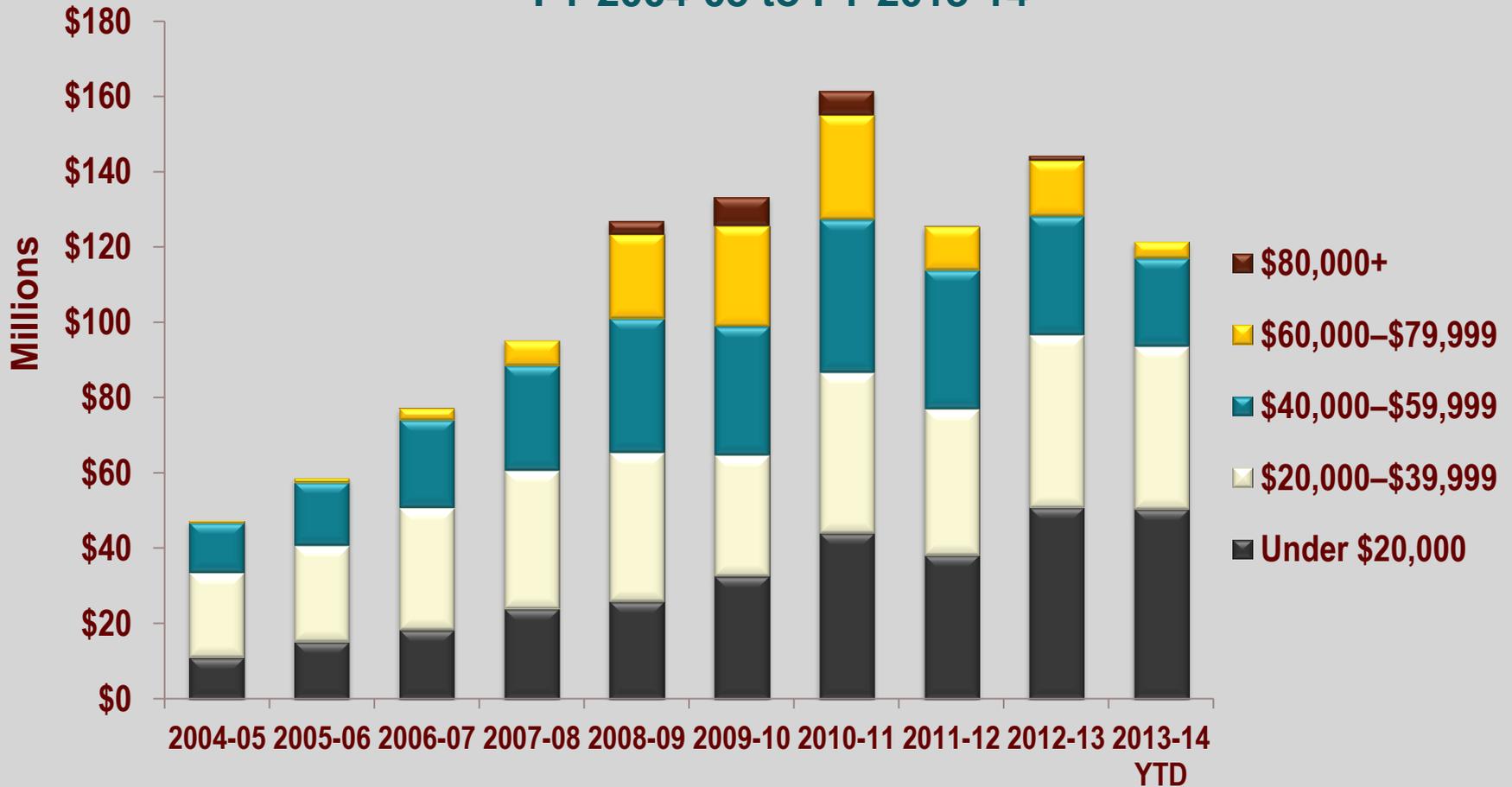
State Programs

Total UNC Need-Based Grant Awards
FY 2004-05 to FY 2013-14



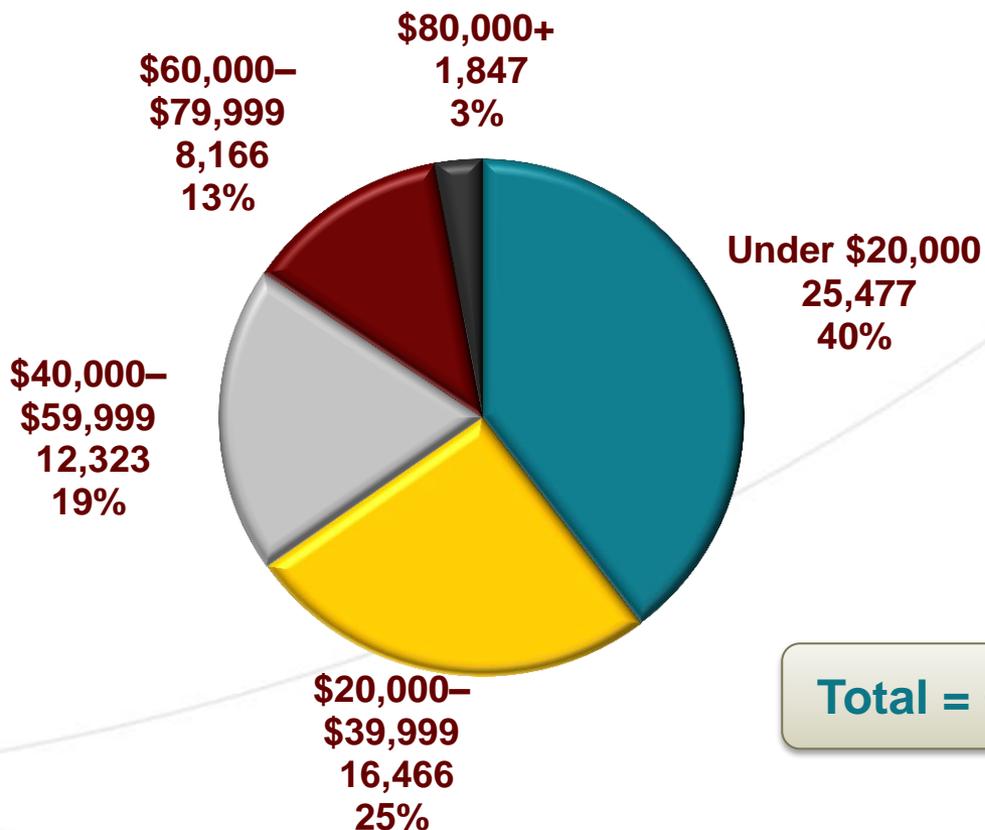
State Programs

**UNC Need-Based Grant Awards by Eligible Parent Income
 FY 2004-05 to FY 2013-14**



State Programs

UNC Need-Based Grant Recipients by Student and Family Income, FY 2012-13



*Note: Awards are made based on a student's demonstrated need, which includes many factors.
Source: Campus Survey, March 2014.*

Campus Programs

Campus Programs

- **Campuses also have aid programs, funded by:**
 - Tuition set-aside
 - ◆ \$126M for resident undergraduates in FY 2012-13
 - Private funds/endowments
 - ◆ \$13M for resident undergraduates in FY 2012-13
 - Campus-specific federal or state grants
 - ◆ \$14M for undergraduates in FY 2012-13

Campus Programs

Campus-Initiated Tuition Increase (CITI) Set-Aside for Need-Based Financial Aid

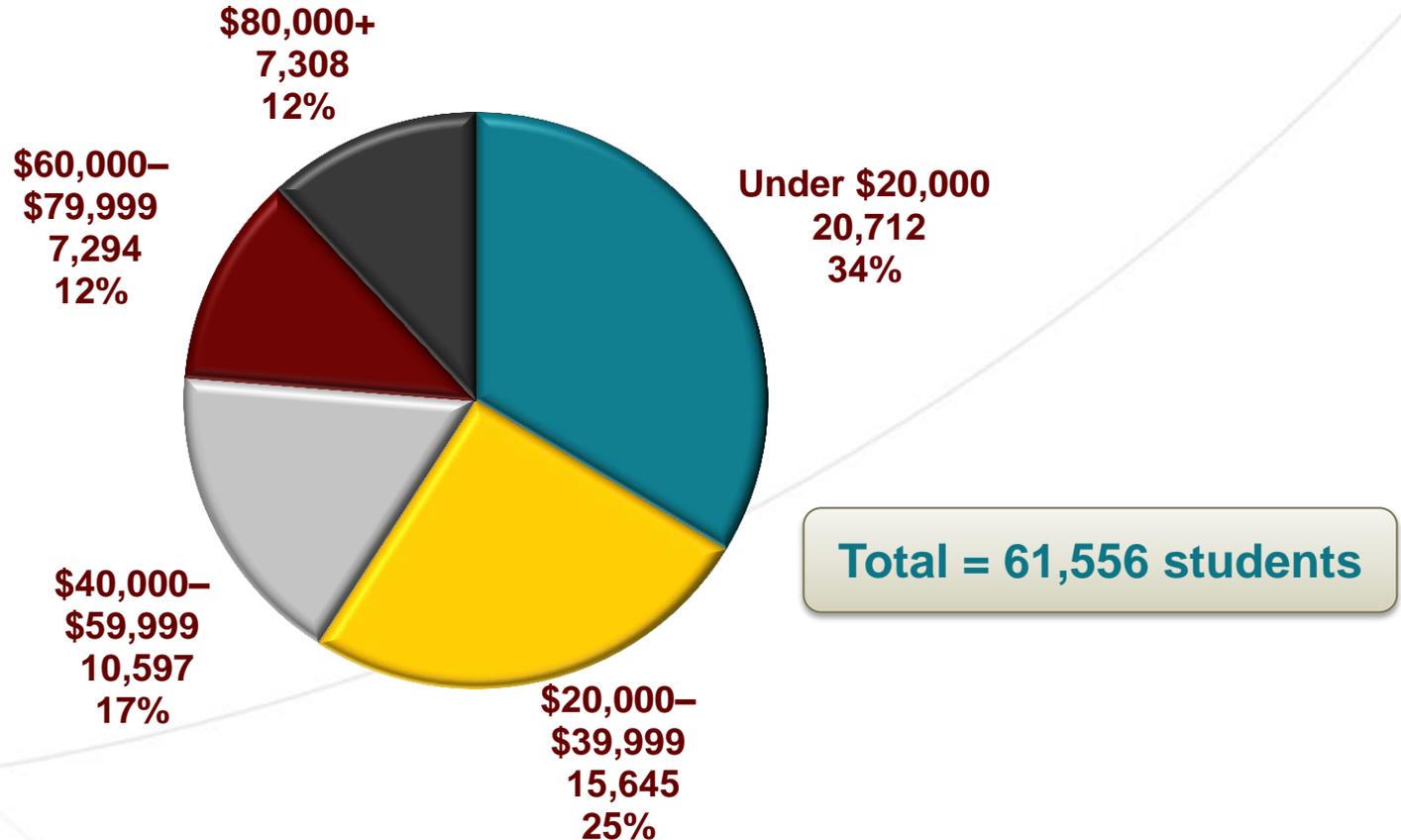
- **Pre-2006: No uniform requirement.**
- **2006: BOG required minimum 25% set-aside.**
- **2010: BOG continued required 25% set-aside.**
 - ◆ For 2010-11, President Bowles increased the minimum set-aside for need-based financial aid to 50%.
- **2012: BOG removed minimum set-aside requirement.**

CITI Set-Aside for Need-Based Financial Aid

- **Beginning this year, CITI set-aside is the largest nonfederal source of student aid for undergraduate resident students.**

Campus Programs

Undergraduate Resident Students Receiving CITI Set-Aside Awards by Student and Family Income, FY 2012-13

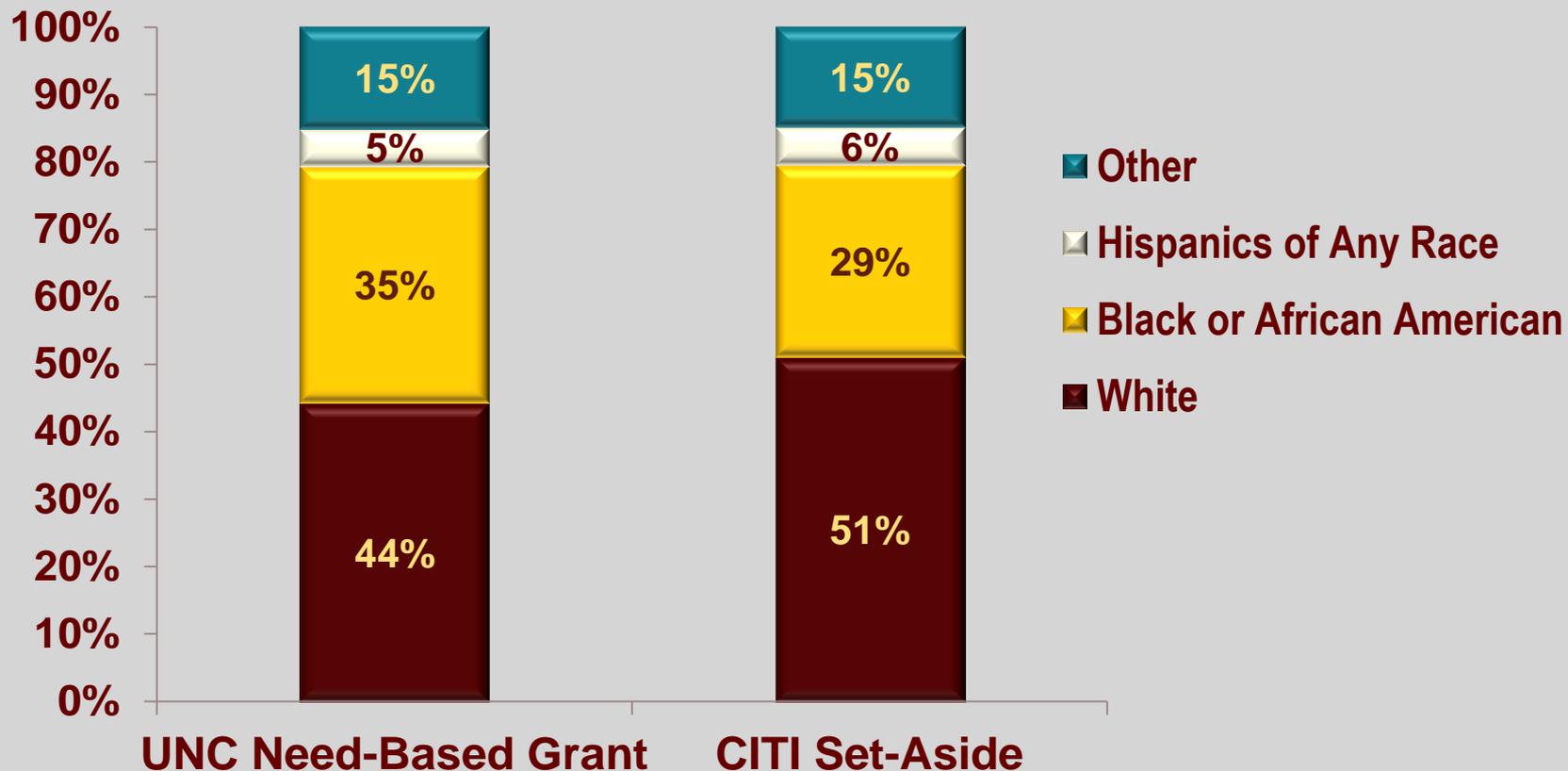


*Note: Awards are made based on a student's demonstrated need, which includes many factors.
Source: Campus Survey, March 2014.*

Comparisons

Comparisons

Students Receiving Awards in FY 2012-13 by Race/Ethnicity

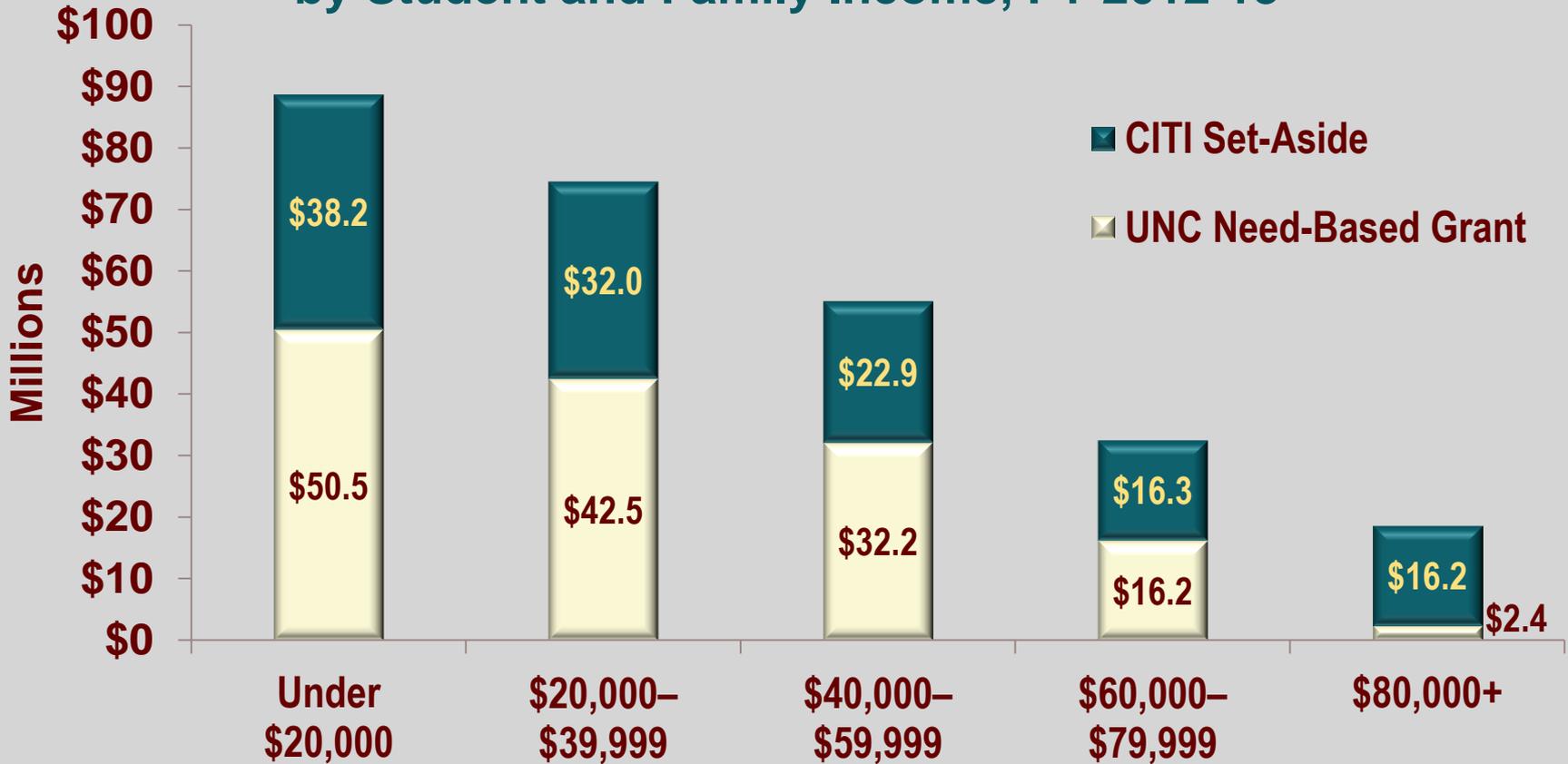


Note: Need-based financial aid awards are not made on the basis of race or ethnicity.

Source: Campus Survey, March 2014.

Comparisons

**Amount Awarded to Resident Undergraduate Students
 by Student and Family Income, FY 2012-13**



*Note: Awards are made based on a student's demonstrated need, which includes many factors.
 Source: Campus Survey, March 2014.*

BOG Discussion

Questions?

Awards to Undergraduate Resident Students by Student and Family Income, FY 2012-13

	UNC Need-Based Grant					CITI Set-Aside				
	Students		Awards		Avg. Award per Student	Students		Awards		Avg. Award per Student
	Number	%	Amount	%		Number	%	Amount	%	
ASU										
Under \$20,000	1,423	29%	2,961,635	27%	2,081	1,366	31%	2,793,495	31%	2,045
\$20,000 to \$39,999	1,171	24%	3,204,272	29%	2,736	1,219	27%	2,536,845	28%	2,081
\$40,000 to \$59,999	1,154	24%	3,060,596	28%	2,652	1,094	25%	2,159,617	24%	1,974
\$60,000 to \$79,999	903	19%	1,708,122	15%	1,892	566	13%	1,134,750	13%	2,005
\$80,000+	175	4%	184,719	2%	1,056	193	4%	375,616	4%	1,946
ASU Total	4,826	100%	\$11,119,344	100%	\$2,304	4,438	100%	\$9,000,323	100%	\$2,028
ECU										
Under \$20,000	2,524	37%	5,228,658	34%	2,072	2,117	36%	5,901,150	36%	2,788
\$20,000 to \$39,999	1,682	25%	4,453,229	29%	2,648	1,520	26%	4,420,740	27%	2,908
\$40,000 to \$59,999	1,495	22%	3,767,349	25%	2,520	1,138	20%	3,142,495	19%	2,761
\$60,000 to \$79,999	926	14%	1,746,122	11%	1,886	719	12%	1,939,013	12%	2,697
\$80,000+	142	2%	152,637	1%	1,075	339	6%	958,671	6%	2,828
ECU Total	6,769	100%	\$15,347,995	100%	\$2,267	5,833	100%	\$16,362,069	100%	\$2,805
ECSU										
Under \$20,000	862	53%	997,499	45%	1,157	518	50%	521,084	44%	1,006
\$20,000 to \$39,999	497	31%	771,050	35%	1,551	306	30%	352,479	30%	1,152
\$40,000 to \$59,999	187	11%	315,319	14%	1,686	111	11%	130,177	11%	1,173
\$60,000 to \$79,999	80	5%	110,472	5%	1,381	66	6%	108,200	9%	1,639
\$80,000+	2	0%	2,054	0%	1,027	33	3%	60,541	5%	1,835
ECSU Total	1,628	100%	\$2,196,394	100%	\$1,349	1,034	100%	\$1,172,481	100%	\$1,134
FSU										
Under \$20,000	1,526	62%	1,881,687	55%	1,233	1,523	50%	665,116	51%	437
\$20,000 to \$39,999	598	24%	986,757	29%	1,650	921	30%	376,994	29%	409
\$40,000 to \$59,999	255	10%	417,568	12%	1,638	344	11%	155,153	12%	451
\$60,000 to \$79,999	82	3%	115,567	3%	1,409	171	6%	75,071	6%	439
\$80,000+	11	0%	17,910	1%	1,628	105	3%	43,342	3%	413
FSU Total	2,472	100%	\$3,419,489	100%	\$1,383	3,064	100%	\$1,315,675	100%	\$429

Awards to Undergraduate Resident Students by Student and Family Income, FY 2012-13

	UNC Need-Based Grant					CITI Set-Aside				
	Students		Awards		Avg. Award per Student	Students		Awards		Avg. Award per Student
	Number	%	Amount	%		Number	%	Amount	%	
NCA&T										
Under \$20,000	1,909	42%	3,193,636	37%	1,673	1,132	40%	1,347,923	37%	1,191
\$20,000 to \$39,999	1,542	34%	3,235,355	38%	2,098	1,039	36%	1,310,847	36%	1,262
\$40,000 to \$59,999	781	17%	1,595,888	19%	2,043	456	16%	562,949	15%	1,235
\$60,000 to \$79,999	270	6%	444,391	5%	1,646	172	6%	217,968	6%	1,267
\$80,000+	29	1%	49,061	1%	1,692	50	2%	194,256	5%	3,885
NCA&T Total	4,531	100%	\$8,518,331	100%	\$1,880	2,849	100%	\$3,633,943	100%	\$1,276
NCCU										
Under \$20,000	2,128	54%	3,706,523	49%	1,742	1,877	55%	2,190,774	54%	1,167
\$20,000 to \$39,999	1,056	27%	2,356,816	31%	2,232	1,010	29%	1,240,032	31%	1,228
\$40,000 to \$59,999	520	13%	1,108,063	15%	2,131	365	11%	430,155	11%	1,179
\$60,000 to \$79,999	187	5%	315,806	4%	1,689	121	4%	127,360	3%	1,053
\$80,000+	39	1%	67,905	1%	1,741	60	2%	69,794	2%	1,163
NCCU Total	3,930	100%	\$7,555,113	100%	\$1,922	3,433	100%	\$4,058,115	100%	\$1,182
NCSU										
Under \$20,000	1,952	27%	6,001,627	28%	3,075	1,685	20%	6,177,753	22%	3,666
\$20,000 to \$39,999	1,587	22%	5,449,956	26%	3,434	1,576	19%	6,153,694	22%	3,905
\$40,000 to \$59,999	1,550	22%	5,232,141	25%	3,376	1,473	18%	5,149,726	18%	3,496
\$60,000 to \$79,999	1,486	21%	3,768,455	18%	2,536	1,402	17%	4,565,695	16%	3,257
\$80,000+	621	9%	890,746	4%	1,434	2,173	26%	6,169,770	22%	2,839
NCSU Total	7,196	100%	\$21,342,925	100%	\$2,966	8,309	100%	\$28,216,638	100%	\$3,396
UNCA										
Under \$20,000	592	47%	1,129,124	42%	1,907	499	44%	878,903	42%	1,761
\$20,000 to \$39,999	270	21%	682,089	25%	2,526	238	21%	440,854	21%	1,852
\$40,000 to \$59,999	234	18%	557,416	21%	2,382	140	12%	262,767	13%	1,877
\$60,000 to \$79,999	167	13%	299,872	11%	1,796	132	12%	246,463	12%	1,867
\$80,000+	7	1%	6,944	0%	992	133	12%	240,298	12%	1,807
UNCA Total	1,270	100%	\$2,675,445	100%	\$2,107	1,142	100%	\$2,069,285	100%	\$1,812

Awards to Undergraduate Resident Students by Student and Family Income, FY 2012-13

	UNC Need-Based Grant					CITI Set-Aside				
	Students		Awards		Avg. Award per Student	Students		Awards		Avg. Award per Student
	Number	%	Amount	%		Number	%	Amount	%	
UNC-CH										
Under \$20,000	960	25%	3,303,852	27%	3,442	1,110	20%	6,087,818	23%	5,485
\$20,000 to \$39,999	948	25%	3,562,242	29%	3,758	1,069	19%	6,332,040	24%	5,923
\$40,000 to \$59,999	901	24%	3,105,508	25%	3,447	971	18%	4,772,092	18%	4,915
\$60,000 to \$79,999	737	19%	1,883,643	15%	2,556	855	15%	3,748,887	14%	4,385
\$80,000+	274	7%	398,258	3%	1,453	1,513	27%	5,002,720	19%	3,306
UNC-CH Total	3,820	100%	\$12,253,503	100%	\$3,208	5,518	100%	\$25,943,557	100%	\$4,702
UNCC										
Under \$20,000	3,513	40%	6,488,525	36%	1,847	2,011	31%	2,360,342	26%	1,174
\$20,000 to \$39,999	2,117	24%	5,221,468	29%	2,466	1,576	24%	1,997,495	22%	1,267
\$40,000 to \$59,999	1,725	20%	4,246,824	23%	2,462	1,183	18%	1,784,463	20%	1,508
\$60,000 to \$79,999	1,118	13%	2,000,363	11%	1,789	930	14%	1,547,462	17%	1,664
\$80,000+	240	3%	280,008	2%	1,167	887	13%	1,233,829	14%	1,391
UNCC Total	8,713	100%	\$18,237,188	100%	\$2,093	6,587	100%	\$8,923,591	100%	\$1,355
UNCG										
Under \$20,000	2,872	42%	6,287,145	38%	2,189	2,972	44%	4,250,429	45%	1,430
\$20,000 to \$39,999	1,895	27%	5,372,429	33%	2,835	2,206	33%	3,028,025	32%	1,373
\$40,000 to \$59,999	1,314	19%	3,385,589	21%	2,577	1,206	18%	1,602,632	17%	1,329
\$60,000 to \$79,999	750	11%	1,261,697	8%	1,682	357	5%	463,303	5%	1,298
\$80,000+	61	1%	55,884	0%	916	29	0%	37,800	0%	1,303
UNCG Total	6,892	100%	\$16,362,744	100%	\$2,374	6,770	100%	\$9,382,189	100%	\$1,386
UNCP										
Under \$20,000	1,305	50%	1,812,045	43%	1,389	673	36%	755,868	36%	1,123
\$20,000 to \$39,999	706	27%	1,344,726	32%	1,905	512	28%	603,583	29%	1,179
\$40,000 to \$59,999	385	15%	716,819	17%	1,862	275	15%	304,709	14%	1,108
\$60,000 to \$79,999	210	8%	308,491	7%	1,469	224	12%	253,086	12%	1,130
\$80,000+	28	1%	41,158	1%	1,470	176	9%	199,984	9%	1,136
UNCP Total	2,634	100%	\$4,223,239	100%	\$1,603	1,860	100%	\$2,117,230	100%	\$1,138

Awards to Undergraduate Resident Students by Student and Family Income, FY 2012-13

	UNC Need-Based Grant					CITI Set-Aside				
	Students		Awards		Avg. Award per Student	Students		Awards		Avg. Award per Student
	Number	%	Amount	%		Number	%	Amount	%	
UNCW										
Under \$20,000	1,321	39%	2,823,723	35%	2,138	1,356	30%	2,282,853	31%	1,684
\$20,000 to \$39,999	694	20%	1,982,554	25%	2,857	931	20%	1,619,914	22%	1,740
\$40,000 to \$59,999	755	22%	2,081,662	26%	2,757	815	18%	1,433,079	19%	1,758
\$60,000 to \$79,999	561	16%	1,039,078	13%	1,852	697	15%	1,134,083	15%	1,627
\$80,000+	97	3%	111,717	1%	1,152	752	17%	989,823	13%	1,316
UNCW Total	3,428	100%	\$8,038,734	100%	\$2,345	4,551	100%	\$7,459,752	100%	\$1,639
UNCSA										
Under \$20,000	61	37%	206,460	40%	3,385	65	31%	173,172	35%	2,664
\$20,000 to \$39,999	34	21%	128,230	25%	3,771	41	20%	106,284	22%	2,592
\$40,000 to \$59,999	33	20%	106,456	21%	3,226	35	17%	82,701	17%	2,363
\$60,000 to \$79,999	26	16%	63,842	12%	2,455	29	14%	62,175	13%	2,144
\$80,000+	10	6%	13,271	3%	1,327	38	18%	67,989	14%	1,789
UNCSA Total	164	100%	\$518,259	100%	\$3,160	208	100%	\$492,321	100%	\$2,367
WCU										
Under \$20,000	1,162	36%	2,359,441	33%	2,031	1,296	28%	1,108,222	31%	855
\$20,000 to \$39,999	840	26%	2,156,470	30%	2,567	1,049	23%	924,474	26%	881
\$40,000 to \$59,999	671	21%	1,717,182	24%	2,559	810	18%	671,808	19%	829
\$60,000 to \$79,999	495	15%	897,041	12%	1,812	712	16%	459,565	13%	645
\$80,000+	97	3%	98,827	1%	1,019	725	16%	430,421	12%	594
WCU Total	3,265	100%	\$7,228,961	100%	\$2,214	4,592	100%	\$3,594,490	100%	\$783
WSSU										
Under \$20,000	1,367	50%	2,105,375	44%	1,540	512	37%	685,971	35%	1,340
\$20,000 to \$39,999	829	30%	1,642,264	34%	1,981	432	32%	578,325	30%	1,339
\$40,000 to \$59,999	363	13%	740,298	15%	2,039	181	13%	283,034	15%	1,564
\$60,000 to \$79,999	168	6%	270,134	6%	1,608	141	10%	234,818	12%	1,665
\$80,000+	14	1%	19,707	0%	1,408	102	7%	157,362	8%	1,543
WSSU Total	2,741	100%	\$4,777,778	100%	\$1,743	1,368	100%	\$1,939,509	100%	\$1,418
UNC Total	64,279		\$143,815,442		\$2,237	61,556		\$125,681,169		\$2,042

Source: Campus survey, March 2014.