North Carolina
Student Aid Programs

September 10, 2018

Elizabeth McDuffie, Executive Director
State Education Assistance Authority
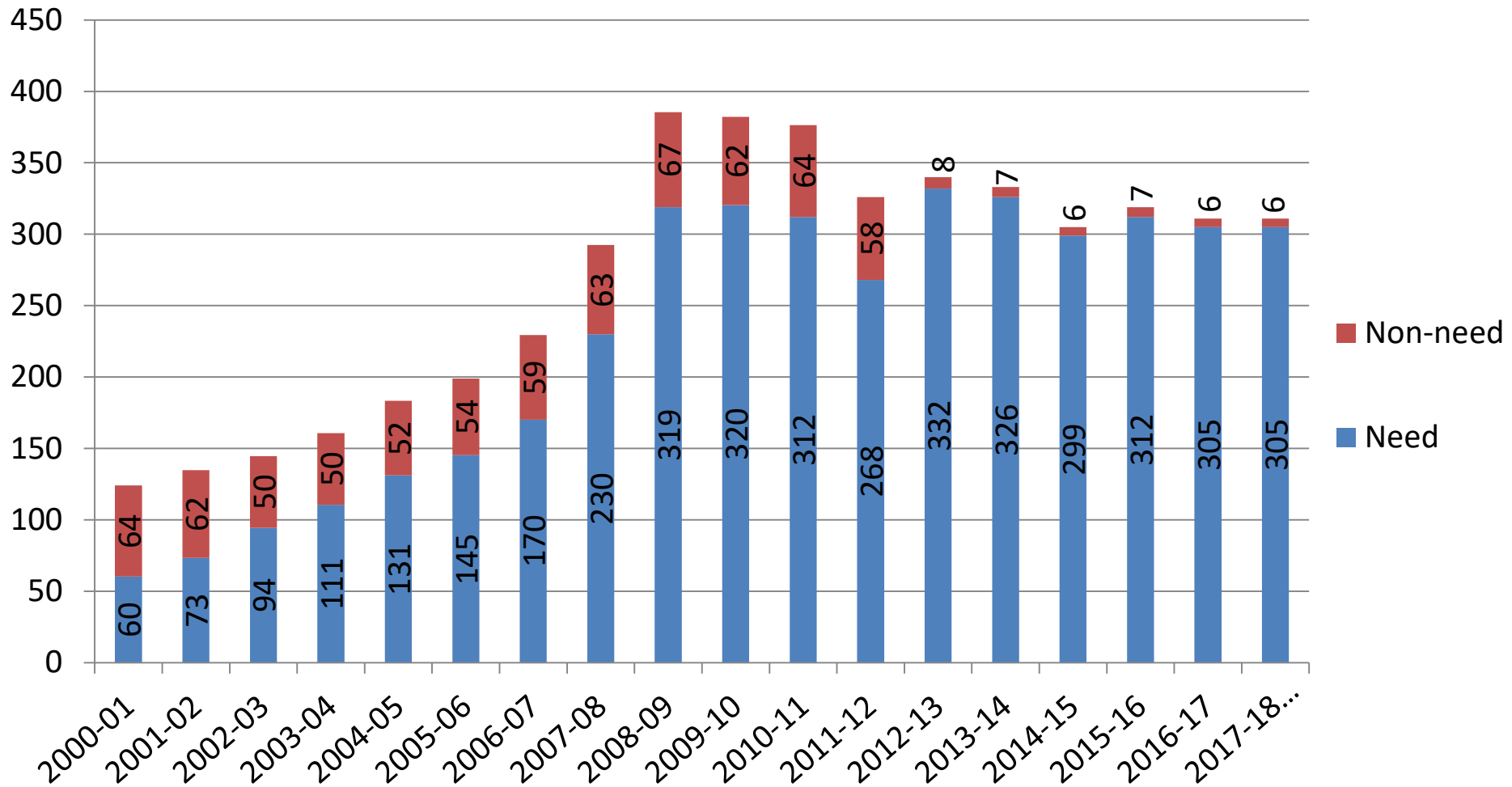
SEAA and College Foundation, Inc.

- State Education Assistance Authority (SEAA) is the designates SEAA as the state agency responsible for a system of financial assistance

  (N.C. G.S. 116, Article 23)

- College Foundation, Inc.– designated as a government supporting organization
  – Non-profit created by Governor Hodges in 1955
  – Has assisted in grant administration since 1975
  – Agent of the Authority

State Aid Programs for Students Attending Public Institutions

- North Carolina Education Lottery Scholarship (2006)
- North Carolina Community College Grant (2001)
- University of North Carolina Need-Based Grant (2001)
- Additional state aid programs for special populations

Above programs are centrally-administered

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Total State Scholarships/Grants (in millions)

	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18…
Non-need	64	62	50	50	52	54	59	63	67	62	64	58	8	7	6	7	6	6
Need	60	73	94	111	131	145	170	230	319	320	312	268	332	326	299	312	305	305

Philosophy of State Need-based Aid

- Serve residents for whom it is difficult to access higher education, even with federal and institutional resources

- Broadens the targets for state aid and provides needed assistance for students receiving inadequate federal aid

- Purpose of the state's efforts is to "fill in gaps" among needy students, making adequate total resources available to assure access

- Sector programs designed to serve the populations identified by each sector as most at risk of inability to meet their costs of higher education
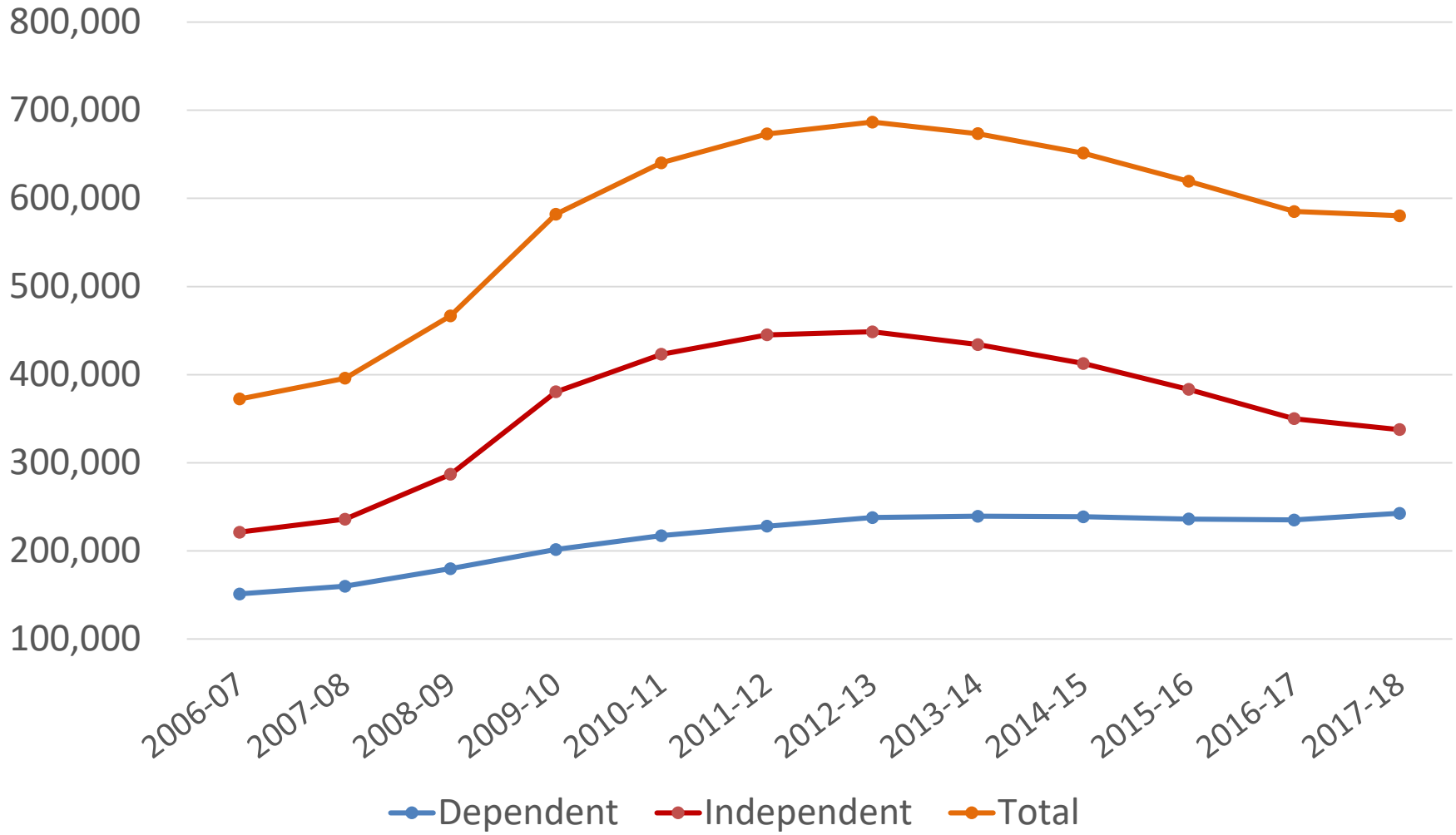
Key Terms

- FAFSA – Free Application for Federal Student Aid

- COA – Cost of Attendance
  - Tuition, fees, room, board, books, supplies, transportation and other misc. expenses

- EFC – Expected Family Contribution
  - Calculated by using student (and parent for dependent students) income and assets, number in the family and number in college

- Need – COA minus EFC

- Aid Package – Combination of aid for student
  - Federal, state, institutional, private third-party sources

Application for State Grants

- Free Application for Federal Student Aid
  - Available on October 1 preceding the fiscal year (July 1)
    - Students entering college in August 2019 can access the FAFSA beginning in October 2018
  - Students list institutions to receive information
  - CFI (on behalf of SEAA) receives information for all NC applicants

Number of NC FAFSAs

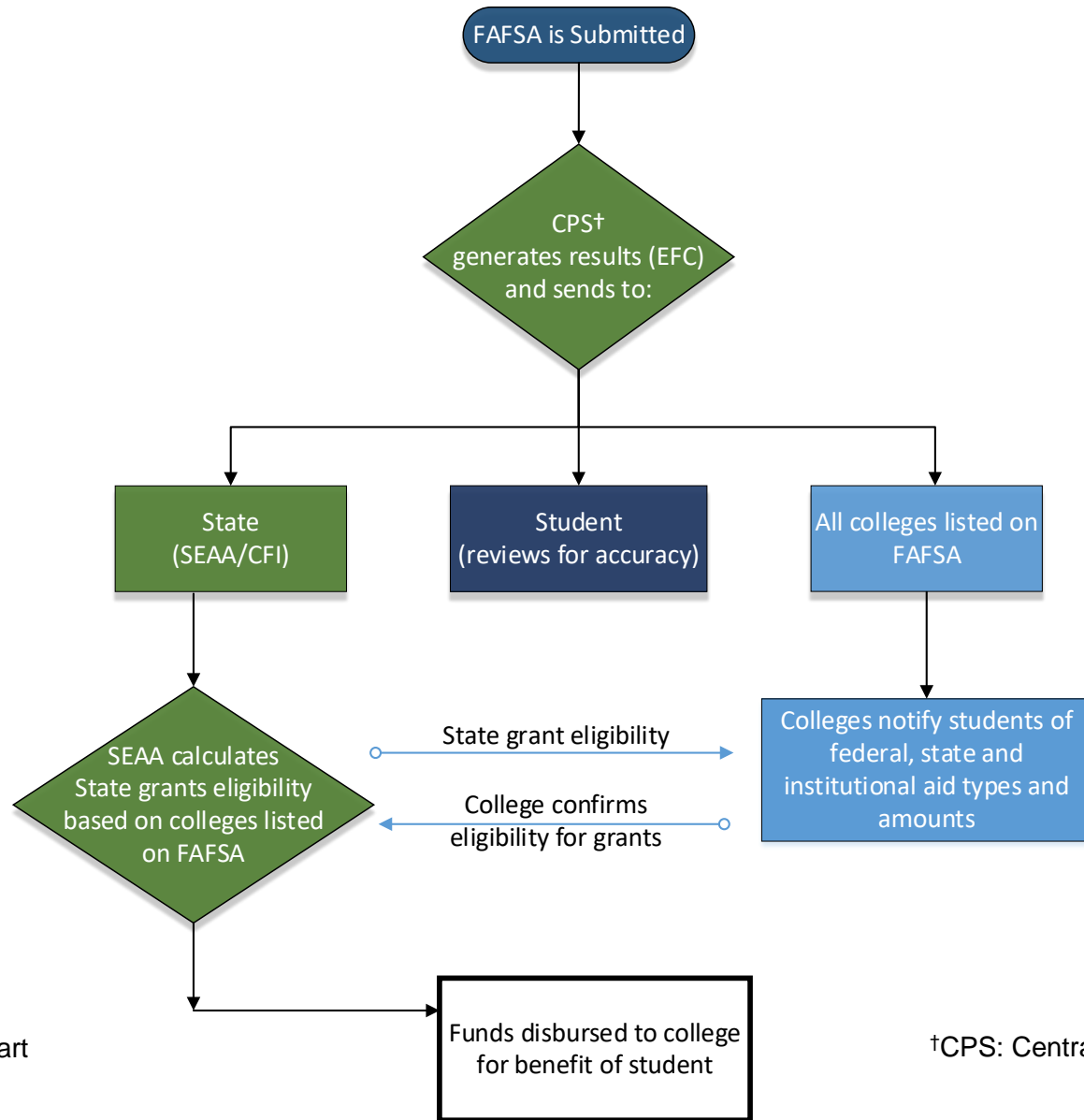# Basic Principles of State Grants

- State programs utilize FAFSA as application
  - State requirements for eligibility piggyback on federal
- State grants should be available to eligible students regardless of when they apply
- State funds do not supplant federal grants
- Grants from the major state programs are determined on broad level (10,000 foot level)
  - Institutions may have insight into individual students needs and accommodate special circumstances or additional needs via campus-controlled funds.

Current State Grant Process

1. After Federal Pell Payment schedules are published, SEAA creates grant payment schedules and updates formula with input from the system offices

2. Grant eligibility is processed for each student and funds are reserved for student

   a) Students may qualify for grants under all programs if they listed multiple institutions on the FAFSA

   b) Funds remain reserved until certification by campus or campus reports student will not enroll

3. Colleges download grant information and communicate total aid package to students

NC State Grant Process
Application to Disbursements

State Grant Flowchart

†CPS: Central Processing System

State Grants Overview

	Institutions	Financial Need 2018-19	Grant Value
NC Education Lottery Scholarship (ELS)	NC Community Colleges / UNC institutions	EFC > 2200 and ≤ 5,000	Combines with Pell, Community College Grant, or UNC Need-Based
NC Community College Grant (CCG)	NC Community Colleges	EFC > 700 and ≤ 8,500	Combines with Pell & Lottery Scholarship
UNC Need-based Grant (UNCNBG)	UNC institutions	Unmet need determined by program formula	Does not use the Federal EFC; separate formula

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Common Elements of Major State Grant Programs

Student Eligibility

- NC resident for tuition purposes

- Undergraduate with no prior bachelor's degree

- Meets Satisfactory Academic Progress

- Has not exceeded the maximum number of semesters for receipt of state aid (6 cc /10 overall programs)

- Aid is primarily for fall and spring semesters

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State Grant Programs

- Students meet **Pell eligibility requirements (except for EFC):**
  - NC Education Lottery Scholarship
  - NC Community College Grant

- Requires meet **Title IV eligibility requirements:**
  - UNC Need-Based Grant

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North Carolina
Education Lottery Scholarship (ELS)

- Scholarship Provisions (G.S. 115C-499.2)
  - Designed to work with Pell to provide a minimum grant foundation to needy North Carolina students
  - Student Eligibility
    - Limited to those with EFCs less than or equal 5,000
    - Must be enrolled at least half-time in a NC Community College or UNC institution

- Value (G.S. 115c-499.3)
  - Grant Foundation (Pell + ELS) cannot exceed $4,000/year
  - For 2018-19, foundation using Pell and Lottery Scholarship is $3,997
  - Award amounts vary, depending on Federal EFC
  - Awards for part-time students are prorated 50%

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North Carolina Education Lottery Scholarship

For 2018-19 year, foundation using Pell and Lottery Scholarship is $3,997.

	Student A	Student B	Student C
Expected Family Contribution	**1,100**	**2,650**	**4,800**
Pell	5,045	3,445	1,345
Education Lottery Scholarship	0	552	2,652
Total Grants	5,045	3,997	3,997

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ELS Notes

- Federal EFC determines the amount of the grant

- Sufficient funding to award all eligible students regardless of when they apply

- Number of recipients and average award is decreasing because the Pell has increased and fewer students have EFCs in the eligible range

- Changes to the program requires legislative action

- 25,919 recipients received $27,971,676

- Average award was $1,079

- 100% were Pell-eligible

- Statutory Provision: G.S. 115D-40.1
  - Grant for required educational expenses
  - Supplement, not replace federal aid

- NCCCS Policy:
  - Be enrolled at least half-time in curriculum program
  - Required educational expenses defined as tuition/fees, books/supplies, and travel allowance

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North Carolina Community College Grant

- Provides need-based assistance for students with EFCs ≤ 8,500 for 2018-19

  - Community College Grant designed to work with Pell Grant and Lottery Scholarship to provide a foundation of $4,680 for students enrolled full-time with EFCs up to 5000

  - Students with EFCs between 5000 and 8500 receive funding according to payment schedule. Grants decrease as EFC increases.

North Carolina Community College Grant

For 2018-2019 year, students with EFCs of 5,000 or less receive at least $4,680 in total grants from Pell, Community College Grant and Education Lottery Scholarship

	Student A	Student B	Student C	Student D	Student E
Expected Family Contribution	100	1,850	2,650	5,150	7,050
Pell	6,045	4,245	3,445	945	0
Edu. Lottery Scholarship	0 (Pell > 4,000)	0 (Pell > 4,000)	552	0 (EFC > 5,000)	0 (EFC > 5,000)
CC Grant	0	435	683	2,000	1,700
Total Grants	6,045	4,680	4,680	2,945	1,700

Students with EFCs of 5,486 to 8,500 receive CCG only

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2018-2019
Community College Grant for Non-Pell Eligible Students
(EFCs greater than $5,328)

EFC Range	Community College Grant (Full-time Enrollment - 12-14 hrs.)
5,487-6,000	$ 2,000
6,001-6,500	$ 1,900
6,501-7,000	$ 1,800
7,001-7,500	$ 1,700
7,501-8,000	$ 1,600
8,001-8,500	$ 1,500

- Federal EFC determines the amount of the grant

- Sufficient funding to award all eligible students regardless of when they apply

- Program has been level funded for years; grant average is increasing due to fewer student applicants, particularly independent students, and the addition of the incentive to enroll in 15 or more hours

Community College Grant Program 2017-18

- 23,863 students received $17,311,062

- Average grant was $725

- 72% of funds went to Pell-eligible students

- 54% of recipients were eligible for ELS

The University of North Carolina Need-Based Grant

- Session Law 2000-67: Established to provide need-based financial assistance for students enrolled at one of the 16 UNC campuses
  - Formula that offsets Pell Grants and federal tax credits
  - Self-Help requirement--Combination of student earnings, savings, loans, or institutional/outside aid to help pay for college
- Goals:
  - Make UNC more affordable for low-income students

- Program created and implemented under BOG policy
  - November 1999
  - Prior to this program, no statewide need-based grant program; rather a reliance on low tuition policy for affordability

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UNC Grant Calculation

Value

- Maximum grant is $4,200 / minimum is $500

- Awards for part-time enrollment are pro-rated (50% of award amount)

Cost of Attendance	$15,000
Minus:	
Family Contribution (not Federal EFC)	$3,500
Pell Grant (capped at $5,730)	$2,645
Federal American Opportunity Tax Credit Estimate	$900
Self Help	<u>$5,325</u>
Difference = Grant	**$2,630**

- Unsustainable in current form
- Calculation of family contribution in "black box" and institutions cannot estimate awards
- Calculation of grant uses percentage of total costs of tuition/fees and other costs rather than actual costs because of insufficient funding
- Family income cap of $70k imposed to direct the funds to the neediest students and to preserve funding for late applicants

- 50,154 students received $120,991,629
  - An additional $3m was reserved and allocated for summer
- Average grant was $2,410
- 94% of funds went to Pell-eligible students
- 80% of funds went to students who had EFCs less than 2000
- 54% of funds went to students who had EFCs of 0
- 12% of recipients were eligible for ELS

State Grant Summary 2018-19

State Grants	Qualifying Campuses	Amount	Application Details	Application Deadline	Additional Information
North Carolina Community College Grant	NC community colleges	$100 to $2,800	FAFSA; list at least one qualifying NC community college	Funds awarded until exhausted	www.CFNC.org/NCCCG
North Carolina Education Lottery Scholarship	UNC and NC community colleges	$152 to $2,852	FAFSA; list at least one qualifying NC institution	Funds awarded until exhausted	www.CFNC.org/ELS
UNC Need-Based Grant	UNC	$500 to $4,200	FAFSA; list at least one qualifying NC public university	Funds awarded until exhausted	www.CFNC.org/UNCNB