

STATE FINANCIAL AID: NORTH CAROLINA

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EDUCATION COMMISSION
OF THE STATES

Your education policy team.

North Carolina State Aid
Study Group

August 2, 2018



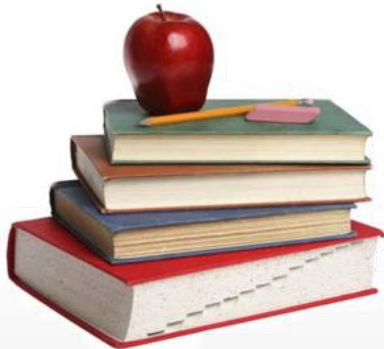
Who we are

The **essential, indispensable** member of any team addressing education policy.

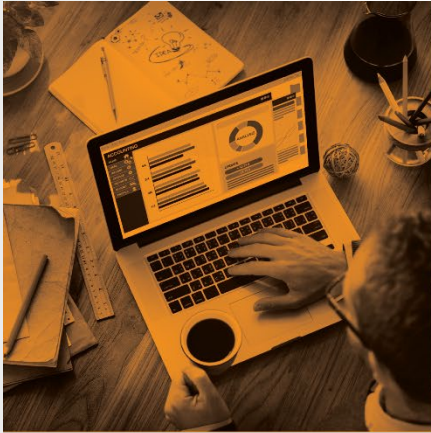


What we do

We believe in the power of **learning from experience** and we know informed policymakers create **better education policy.**



How we do it



RESEARCH



REPORT



COUNSEL

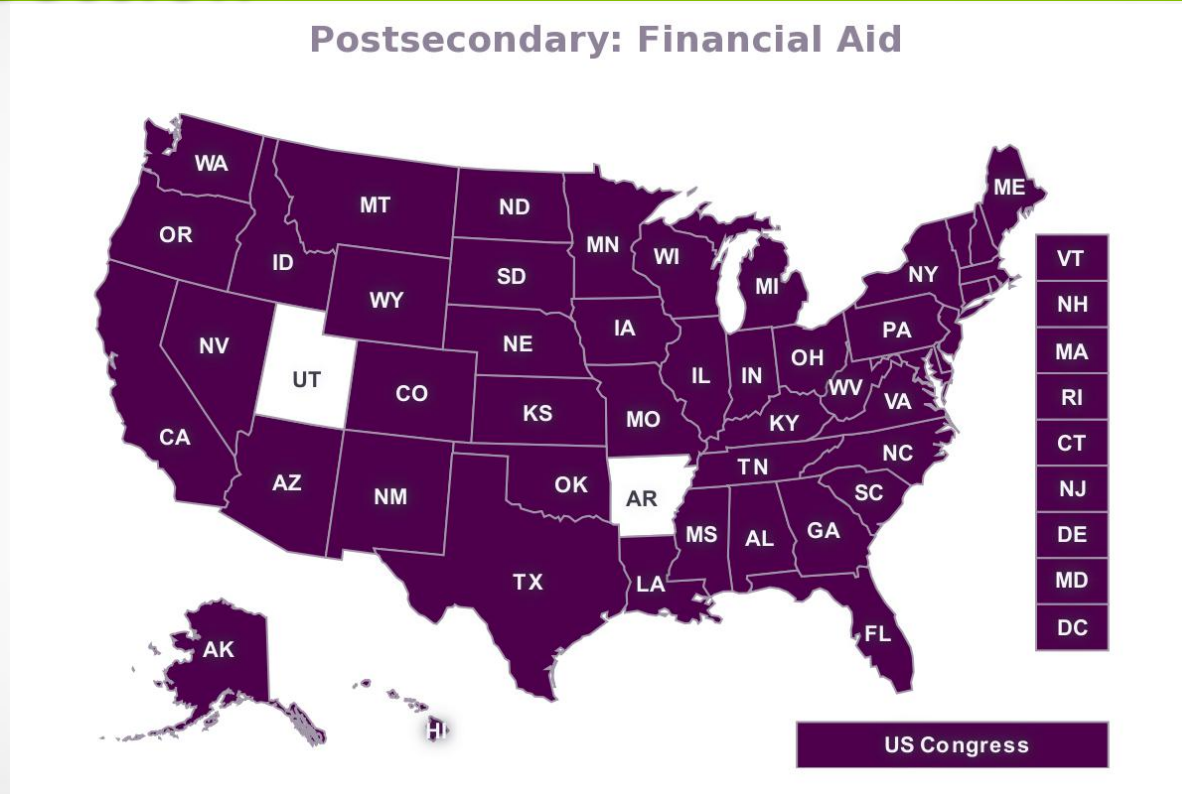


CONVENE

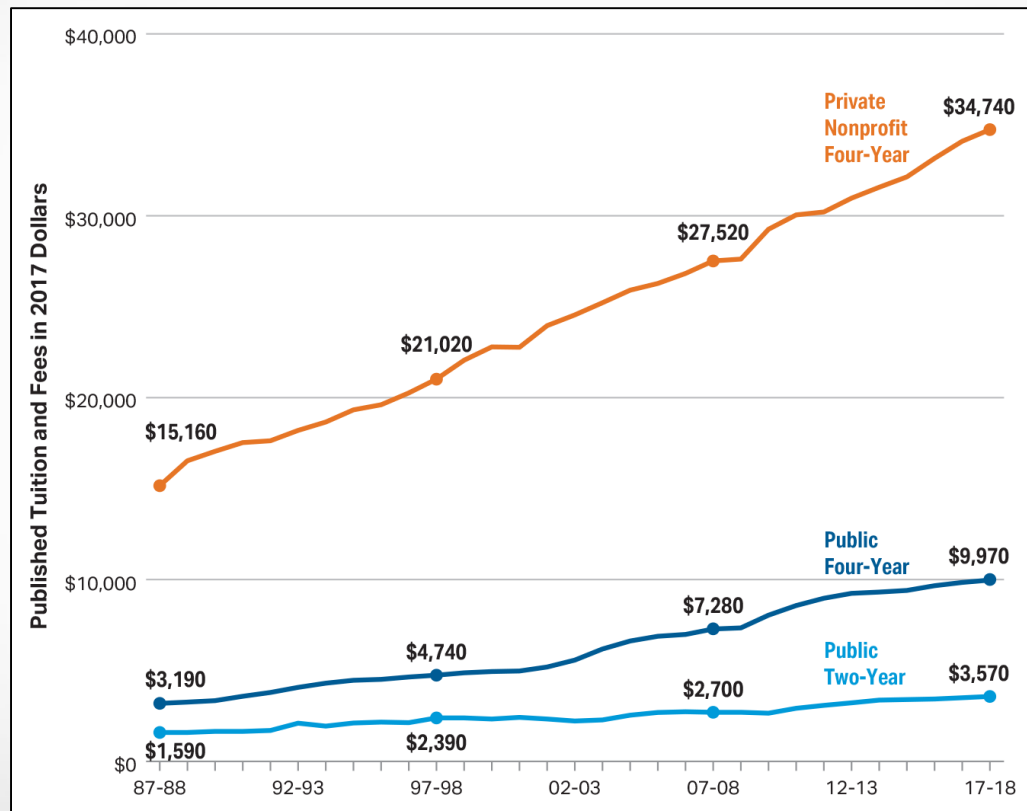
Key Takeaways

- States across the country are grappling with state financial aid reform as college prices climb and the need to focus on adults intensifies.
- Across federal, state, and institutional aid sources, about \$2.1 billion was disbursed to North Carolina students in 2016.
- While 49 states have aid programs, policies in North Carolina are unique. Examples from other states can highlight possibilities for policy change.

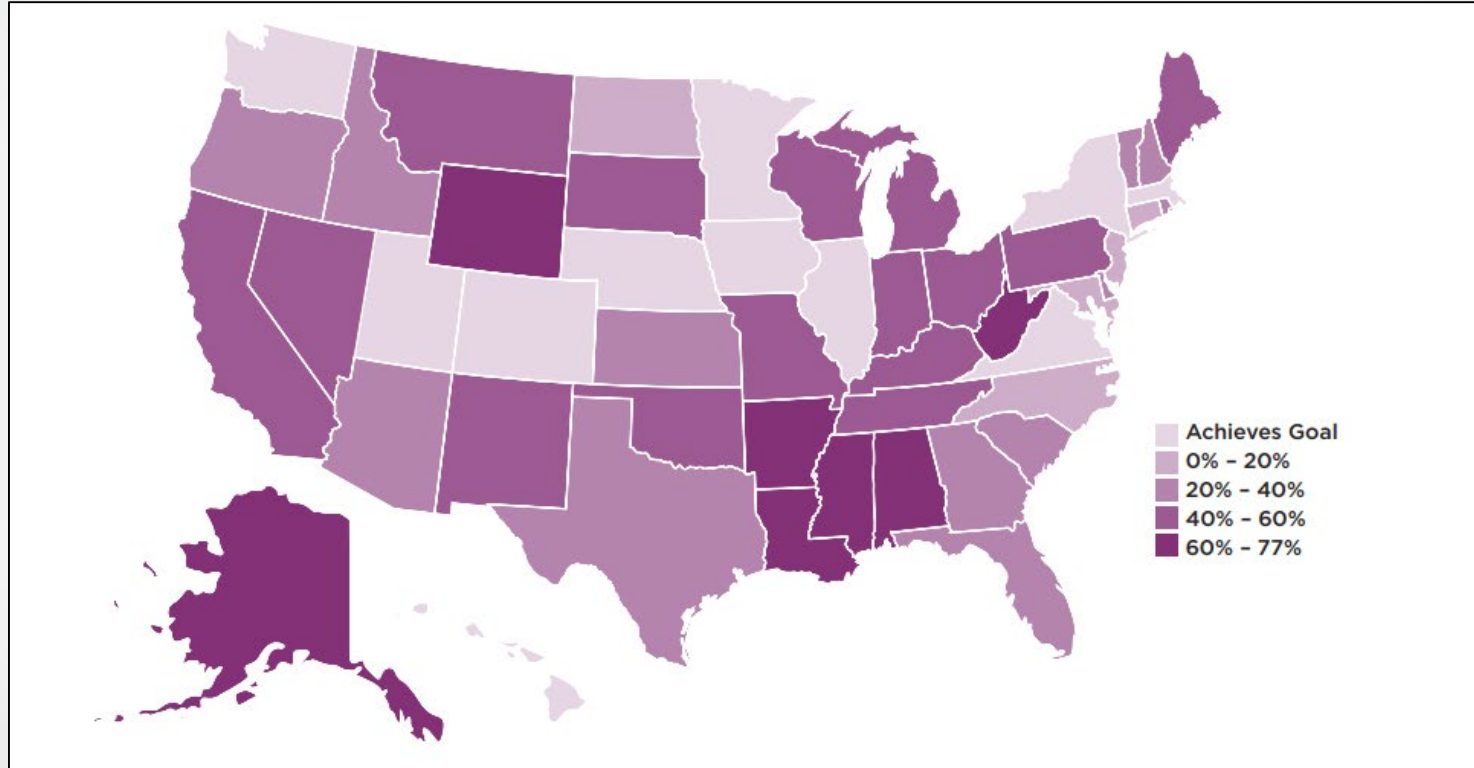
States Considering Aid-Related Legislation in Current Session



Why are policymakers so concerned about financial aid?



Adults Need to be Part of the Equation



Federal Financial Aid Dollars in North Carolina

Spending Across Funding Sources at Public Institutions

PELL GRANTS



\$652.5 MILLION

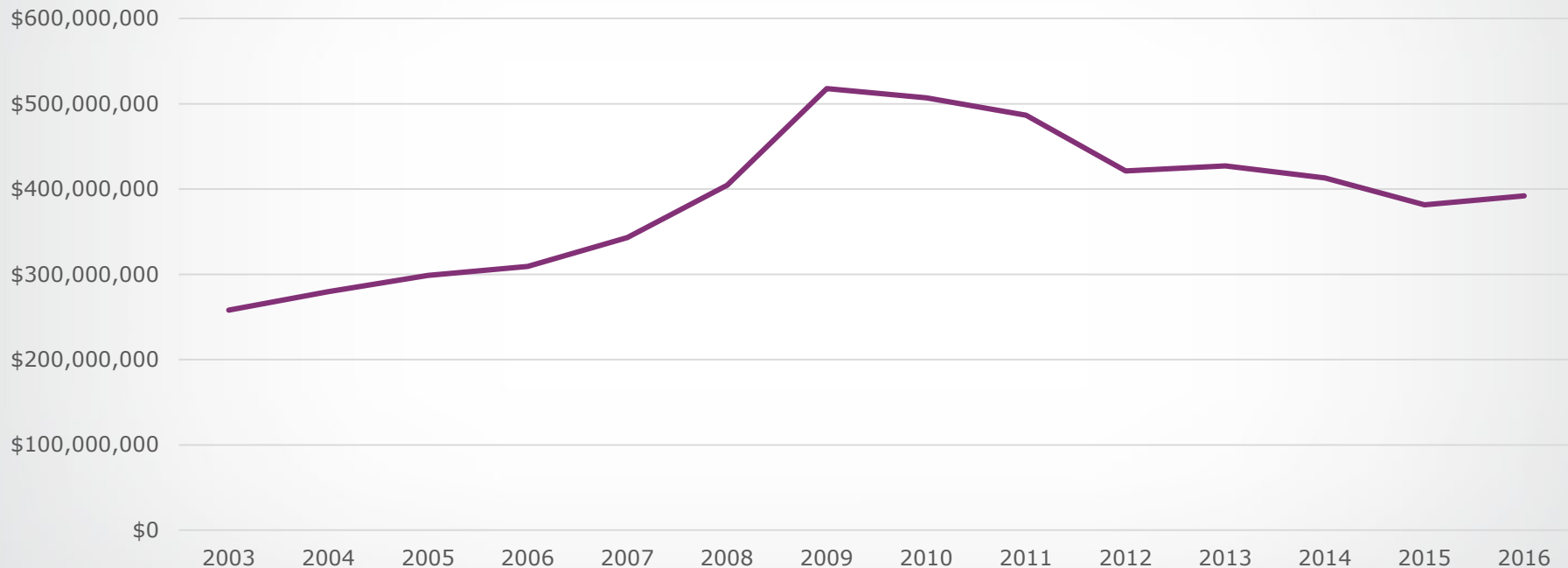
FEDERAL STUDENT LOANS



\$828.8 MILLION

North Carolina's Investments in Financial Aid

Total State Aid Disbursements in North Carolina, 2003-2016



Source: NASSGAP

North Carolina's Three Main State Aid Programs

	System Served	Student Application Process	Need-Based?	Expenditures and Recipient Count (2016)
UNC Need-Based Scholarship Program	UNC System	Complete FAFSA as early as possible and list a UNC campus	Yes, but use a unique method to determine need	\$128,491,064 53,601 recipients
Education Lottery Scholarship Program	UNC System and Community College System	Complete FAFSA	Yes, according to federal need definition	\$29,543,332 26,958 recipients
Community College Grant	Community College System	Complete FAFSA	Yes, must be Pell-eligible	\$14,382,863 26,047 recipients



Situating North Carolina in National Context

Similarities

- Use of the FAFSA application
- Reliance on early filing to identify eligible students
- Prioritizing student financial need
- Treating sectors individually

Unique Qualities

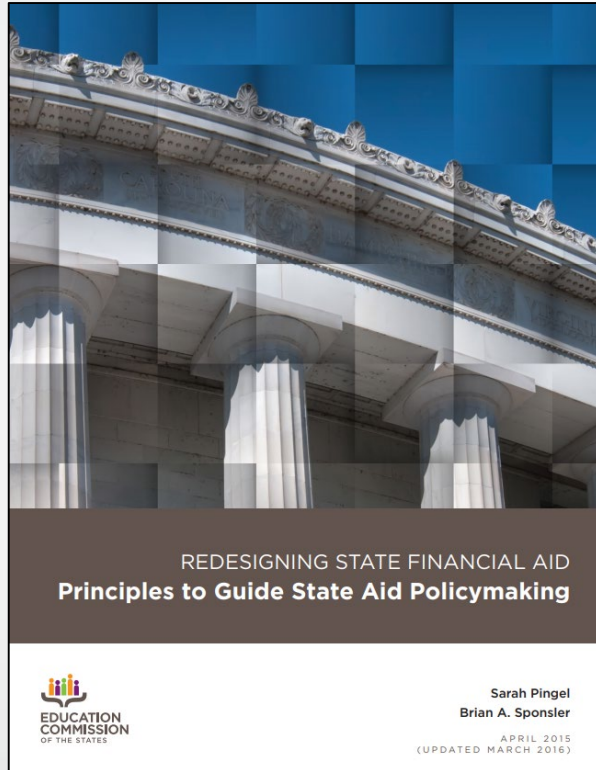
- Authority largely at regulatory level for 3 major programs
- Recalculating student EFCs
- Direct linkages to institutional needs analysis methodology



Possibilities from Other States

- **Wyoming:** Recognizing full cost of attendance
 - ◆ The sum of a student's federal, state, and institutional aid can exceed tuition price.
- **Indiana:** Focus on completion, but without compromising access
 - ◆ Award amounts increase for students taking 15 credit hours, but students taking less do not completely lose state support.
- **Idaho:** Rethink exclusive focus on traditionally-aged students
 - ◆ Up to 20 percent of state aid dollars designated for adult student population.
- **Oregon:** Decoupling legislative calendar from award timing
 - ◆ Eligibility is based on student need, not solely a priority filing deadline.

More to Come: A Framework for State Financial Aid



Four Principles of State Financial Aid Redesign:

- Student Centered
- Goal-Driven, Data Informed
- Timely and Flexible
- Broadly Inclusive

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