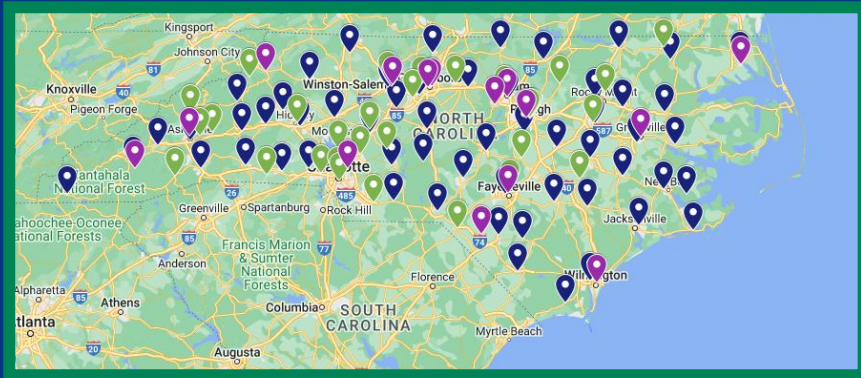




NC STUDENT AID PROGRAMS

FAFSA MODELING

State of North Carolina Colleges & Universities



58 Public Community Colleges

16 Public Universities

41 Eligible Private Colleges & Universities

NCSEAA

North Carolina State Education
Assistance Authority

Helping North Carolinians Pay
for Education



Higher Ed Grants &
Scholarships



Career-Specific
Programs



College Foundation
of North Carolina




Federal & State
Loan Servicing



Residency
Determination Service



529 Savings Plan



Each year, SEAA helps thousands of students pay for their education.

115,677

Number of current NC students who pay for college through state-funded grants and scholarships.

\$271M

State-funded grants and scholarships for students to pursue higher education.

\$23.9M

Funding to support forgivable loans for career-specific college and university programs.

\$2.9B

Participants in the NC 529 Plan have saved nearly \$3B for 144,000 beneficiaries' education.

MAJOR NC STATE-AID PROGRAMS 2022-23

PUBLIC SECTOR

1. **UNC Need-Based Grant (\$132.2 Million)**
Awarded to: UNC System Students
2. **Community College Grant (\$17.2 Million)**
Awarded to: Community College Students
3. **Education Lottery Scholarship (\$30.5 Million)**
Awarded to: UNC System & Community College System Students

PRIVATE SECTOR

1. **Need-Based Scholarship for Private College and University Students (\$91.1 Million)**
Awarded to: Students at eligible private, nonprofit NC colleges and universities

CHALLENGE

Consolidate & Simplify Award of

PUBLIC HIGHER EDUCATION GRANTS

NC STUDENT AID STUDY GROUP

Purpose

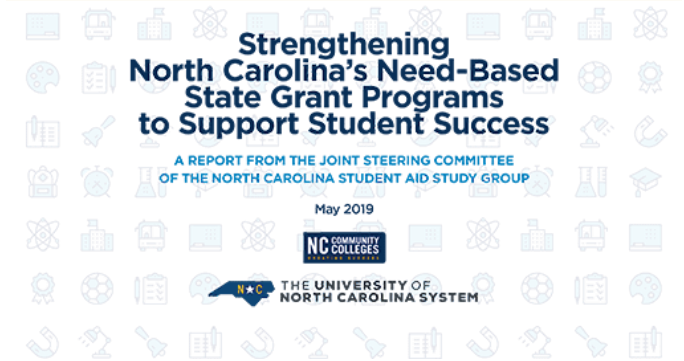
Evaluate primary state grant programs that serve North Carolina's public college students

The Grants

- UNC Need-based Grant
- Community College Grant
- Education Lottery Scholarship

Participants

- Led by UNC System and the NCCCS
- Higher education leaders
- Financial aid officers
- State policy makers



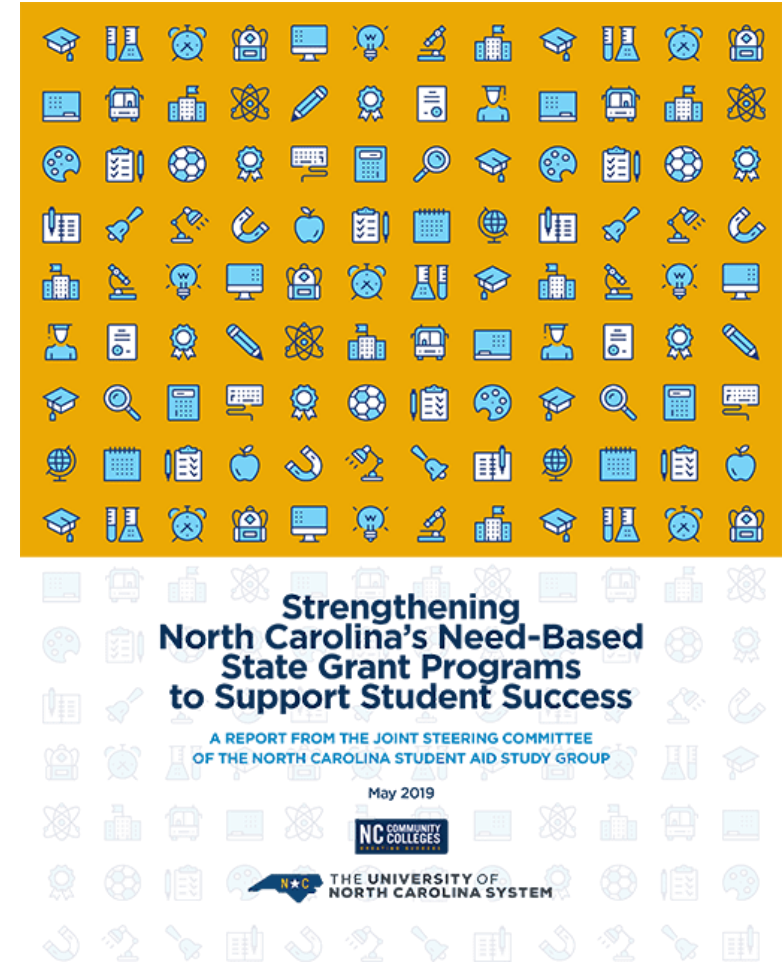
NC STUDENT AID STUDY GROUP

Study Group Process

- Assessed NC's grant programs and strengths and weaknesses
- Heard from national experts in student financial aid practices across the country
- Gathered lessons learned through research and best practices in other states

Outcomes

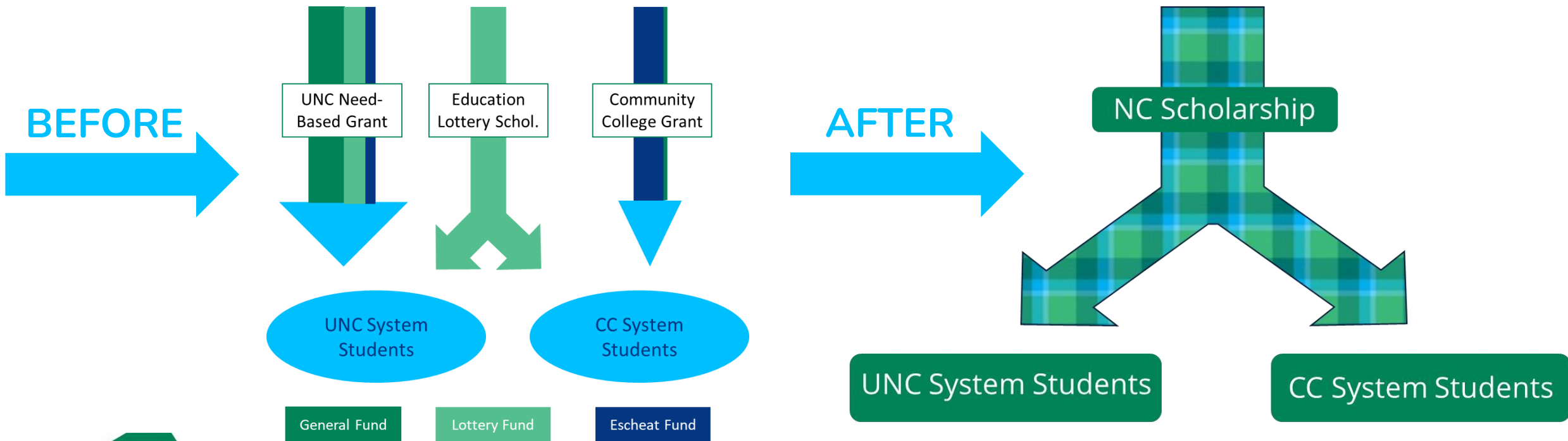
Based on its findings, the Aid Study Group developed evidence-based reforms to enhance the effectiveness of state aid investments.



RECOMMENDATION: SIMPLIFY

Study Group Recommendation

- Consolidate state's 3 need-based grants into 1 need-based financial aid program
- Allows students and families to understand options and eligibility earlier
- Approved in 2021 State Budget



IMPLEMENTATION

- Roll out for the 2023-2024 academic year using EFC
- Scholarship designed within existing grant funds with sector funding protected
- The budget provides funds for public awareness campaign to inform students, families, and high schools about the simplified grant
- State-funded need-based aid based on student's Pell eligibility
- In 2024-2025, Pell calculation will move from EFC to Student Aid Index (SAI)
 - Additional formula revisions will be necessary

BASICS

Base Guarantee

- AGI under **\$75,000**
- EFC under **\$7,500**
- Students guaranteed state and federal aid of at least **\$2,800 (NCCCS)** or **\$5,000 (UNC)**

Need-based Supplement

- Additional aid will be available for the lowest income students in both Systems
- The need-based supplement will be based on need and cost of attendance.

AGI < \$75,000
EFC < \$7,500

Guarantee
NCCCS \$2,800
UNC \$5,000
+
Supplement

ANALYSIS

SAI Modeling and Future Steps

SAI MODEL

By Dependency Category

- Dependent
- Independent with no dependents
- Independent with dependents



Additional Analysis

- Institution sector
- State grant type
- Consolidated State Grant analysis
- Pell Grant analysis

SAI MODEL - Consolidated State Grant Analysis

- Public and unknown institutions (has grant and no grant)
- Students attending private institutions (those that received the NBS) are excluded from these counts

Public & Unknown Institutions	Currently Eligible		Total
	No	Yes	
Estimated Eligible			
No	97,932	581	98,513
Yes	10,629	229,191	239,820
Total	108,561	229,772	338,333

 Newly eligible students if SAI cutoff remains the same
 Previously eligible students who lose eligibility if SAI cutoff remains the same

SAI MODEL - Consolidated State Grant Analysis

Public institutions (CC, UNC, ELS)

PUBLIC 2-YEAR	Currently Eligible		Total
	Estimated Eligible		
Estimated Eligible	No	Yes	Total
No	2,784	155	2,939
Yes	1,105	15,983	17,088
Total	3,889	16,138	20,027

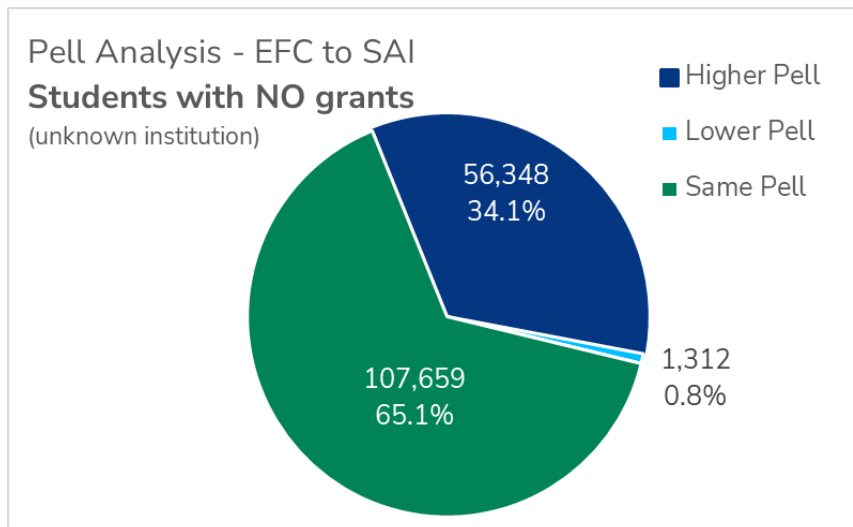
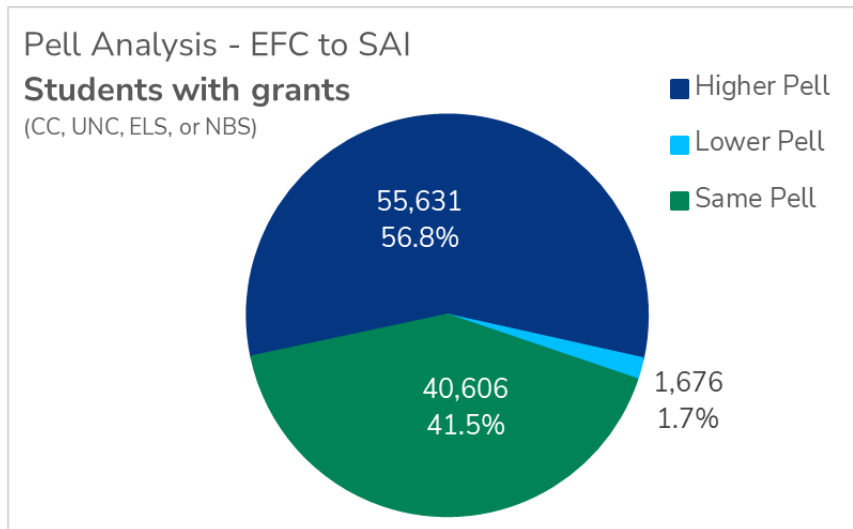
PUBLIC 4-YEAR	Currently Eligible		Total
	Estimated Eligible		
Estimated Eligible	No	Yes	Total
No	1,823	65	1,888
Yes	1,230	53,524	54,754
Total	3,053	53,589	56,642



Newly eligible students if SAI cutoff remains the same

Previously eligible students who lose eligibility if SAI cutoff remains the same

SAI MODEL - Pell Grant Analysis (Preliminary)



Students with grants*	pell_flag	_FREQ_	Sum
Public 2-year	1 Higher Pell	20,622	\$43,436,350
Public 2-year	2 Lower Pell	549	(\$588,335)
Public 2-year	3 Same Pell	7,076	\$0
Public 2-year	4 No Pell	2,487	\$0
Public 2-year	Total	30,734	\$42,848,015

Students with grants*	pell_flag	_FREQ_	Sum
Public 4-year	1 Higher Pell	27,996	\$51,633,265
Public 4-year	2 Lower Pell	921	(\$823,160)
Public 4-year	3 Same Pell	26,949	\$0
Public 4-year	4 No Pell	776	\$0
Public 4-year	Total	56,642	\$50,810,105

Students with grants*	pell_flag	_FREQ_	Sum
Private	1 Higher Pell	7,013	\$12,723,020
Private	2 Lower Pell	206	(\$203,145)
Private	3 Same Pell	6,581	\$0
Private	4 No Pell	2,484	\$0
Private	Total	16,284	\$12,519,875

Students with NO grants*	pell_flag	_FREQ_	Sum
Unknown institution	1 Higher Pell	56,348	\$96,393,615
Unknown institution	2 Lower Pell	1,312	(\$1,921,345)
Unknown institution	3 Same Pell	107,659	\$0
Unknown institution	4 No Pell	85,671	\$0
Unknown institution	Total	250,990	\$94,472,270

*CC, UNC, ELS, or NBS

FUTURE STEPS

1. SAI Review Committee
 - Financial Aid Community
 - Analyze Impact by Sectors, Individual Colleges
2. "Smoothing" Funds for Continuing Students with Loss of Aid
 - Treatment of Small Businesses and Family Farms as Assets
 - Shift from considering number of family members in college
3. Pell "Savings" Impact on 24-25 State Aid Payment Schedules
 - SAI is expected to increase the overall number of Pell Grant recipients and provide higher Pell awards

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