

**STATE CONTRACTUAL SCHOLARSHIP FUND
PROGRAM**

2010-2011 ANNUAL REPORT

For the period ending June 30, 2011

**Administered by the
North Carolina State Education Assistance Authority
10 T.W. Alexander Drive
Research Triangle Park, North Carolina 27709**

GENERAL PROGRAM DESCRIPTION

Background

The 1971 General Assembly of North Carolina created the State Contractual Scholarship Fund (SCSF) to provide financial assistance to needy North Carolina residents attending eligible independent colleges and universities in North Carolina. The State Education Assistance Authority has been the program administrator since 1993, when it was transferred from the University of North Carolina General Administration

SCSF recipients are selected by the Institution on the basis of financial need, using uniform need analysis procedures consistent with the Institution's financial aid policies and the SCSF eligibility criteria. Individual awards vary but may not exceed the financial need of eligible students.

Administration

The *Rules Governing the State Contractual Scholarship Fund, (SCSF Rules)* adopted on March 18, 1994¹ by the Board of Directors of NCSEAA govern the operation of the program. *SCSF Rules* establish the program's definitions, terms of participation, eligibility, procedures, method of payment, refund policy, residence requirements,² and rules. Institutions must enter into a program participation agreement and designate an official to administer the program and liaise with NCSEAA on behalf of the Institution.

SCSF Award Eligibility

To qualify for a SCSF award, an Eligible Student must:

1. be a resident of NC for the purposes of tuition payment under the terms and conditions of the *Residence Manual* of the University of North Carolina;
2. be an undergraduate seeking either a first associate or bachelor's degree and be enrolled full- or part-time at an Institution;
3. be certified to NCSEAA by an eligible Institution as eligible and enrolled;
4. have financial need as determined by the Institution and be eligible under Federal Methodology (FM) needs analysis;
5. not be enrolled in a program of study the objective of which is the attainment of a degree in theology, divinity, or religious education or in any other program of study that is designed by the institution primarily for career preparation in a religious vocation.

¹ Amended: July 8, 1994; September 23, 1994; February 10, 1995; August 21, 1995; February 19, 1999; February 16, 2007.

² A *Manual to Assist the Public Higher Education Institutions of North Carolina in the Matter of Student Residence Classification for Tuition Purposes* (current edition) is Appendix A of the *SCSF Regulations*. The rules of eligibility regarding residency are the same as those which govern eligibility for the payment of in-state tuition rates at North Carolina public universities and community colleges.

To qualify for a SCSF award, a Licensure Student must:

1. be a resident of NC for the purposes of tuition payment under the terms and conditions of the *Residence Manual* of the University of North Carolina;
2. have a bachelor's degree and be enrolled full-time or part-time in an eligible Institution in a program intended to result in licensure as a teacher or a nurse;
3. be certified to NCSEAA by an eligible Institution as eligible and enrolled;
4. have financial need as determined by the Institution and be eligible under Federal Methodology (FM) needs analysis;
5. not be enrolled in a program of study the objective of which is the attainment of a degree in theology, divinity, or religious education or in any other program of study that is designed by the institution primarily for career preparation in a religious vocation.

Eligibility for an award is determined by the SCSF Authorized Official of the Institution. SCSF recipients must be notified in writing of the amount of the scholarship and the source of the scholarship.

Grant Amounts and Conditions

The SCSF annual appropriation is allocated proportionally to Institutions based on each school's full-time equivalent (FTE)³ enrollment of SCSF-eligible students as of October 1. While there is no maximum per student SCSF award, Institutions have agreed through the North Carolina Independent Colleges and Universities (NCICU) that no individual student's award should exceed the in-state per student appropriation for the University of North Carolina system for the prior academic year when combined with the student's North Carolina Legislative Tuition Grant (LTG).

When funds are insufficient to provide the maximum allocation for which each Institution is eligible, a pro rata share of available funds is provided to the Institutions.

³ Full-time equivalent (FTE) is the unit measuring institutional enrollment based on a credit hour range classification of students enrolled, i.e.: (1) greater than or equal to 12 credit hours is 1 FTE; (2) greater than or equal to 9 but less than 12 hours is 3/4 FTE; (3) greater than or equal to 6 but less than 9 hours is 1/2 FTE; (4) greater than 0 but less than 6 hours is 1/4 FTE.

THE 2010-2011 PROGRAM

The SCSF program experienced an unexpected shortfall in funding due to enrollment growth; with authorized transfers, the final allocations to the eligible Institutions were prorated to \$1,341 per FTE rather than the maximum authorized \$1,350 per FTE. The initial appropriation was \$45,896,963 for the 2010-2011 academic year and the authorized budget transfers enabled the eligible institutions to fund 18,365 students with \$46,398,843, an average award of \$2,526 per recipient.

The General Assembly has appropriated \$40,251,637 for the 2011-2012 academic year.

Allocation, Disbursement and Refund Process

Each October, Institutions submit to NCSEAA (1) the SCSF Enrollment Data Certificate Form and (2) an electronic file of all eligible NC students counted in the SCSF FTE. NCSEAA calculates the funds for which each Institution is eligible: a maximum of \$1,350 (or a lesser prorated amount if insufficient appropriations) times the Institution's FTE as of October 1. Disbursement is usually made only once a year. When awards have been prorated, a supplemental disbursement is made if additional funds are later available.

If an Institution discovers that an ineligible student was funded, monies are returned to the Institution's SCSF account to award another eligible student. After June 30 each year, the Institution submits electronic rosters detailing SCSF awards expended. Funds not expended as of June 30 must be returned to NCSEAA.

Institutional Allocations

NCSEAA received reports from Institutions that totaled 34,966.50 North Carolina resident FTE; using the FTE allocation of \$1,350 created a demand for \$47,204,775. With insufficient appropriations, the disbursement in November 2010 was reduced to \$1,312 per FTE allocation. In May, with approved budget transfers and FTE reductions, a supplemental allotment of \$29 per corrected FTE was disbursed to Institutions for a pro rata total of \$1,341 per FTE.

Private Colleges and Universities with Off-Campus Sites

Thirteen private institutions with off-campus instructional sites disbursed a combined total of \$2,583,830 to 2,793 recipients at off-campus sites. The off-campus site students constituted 15% of the 18,365 students awarded at all private institutions and almost 29% of the overall SCSF-recipients at the 13 institutions with off-campus sites. In 2010-2011, these students received 6% of the total SCSF funds awarded at all of the private colleges and universities, and 12% of the SCSF funds awarded at the 13 institutions with off-campus sites.

2010-2011 Program Summary

As of June 30, 2011 SCSF activity for 2010-2011 can be summarized as follows:

| | |
|-----------------------------------|---------------------|
| Appropriation by General Assembly | \$ 45,896,963 |
| Transfers from 2010-11 NCLTG/CPEI | + 645,007 |
| Refunds for Prior Years | <u>+ 129,772</u> |
| Total Available for Program | 46,671,742 |
| SCSF Net Awards | <u>- 46,398,843</u> |
| Balance | 272,899 |

Appendix

TABLE 1
STATE CONTRACTUAL SCHOLARSHIP FUNDS (SCSF)
MADE TO NEEDY UNDERGRADUATE NORTH CAROLINA STUDENTS
ENROLLED IN PRIVATE COLLEGES AND UNIVERSITIES
2010-2011

| SCSF-Eligible Institutions | 'Eligible' Recipients | | 'Licensure' Recipients | | All SCSF Recipients | | |
|-------------------------------------|-----------------------|---------------------|------------------------|---------------------|---------------------|------------------|---------------------------|
| | Headcount | Net Disbursed Funds | Headcount | Net Disbursed Funds | Total Headcount | Avg Award Amount | Total Net Disbursed Funds |
| Barton College | 454 | \$1,112,360 | | | 454 | \$2,450 | \$1,112,360 |
| Belmont Abbey College | 854 | \$1,462,958 | 4 | \$1,750 | 858 | \$1,707 | \$1,464,708 |
| Bennett College | 143 | \$285,969 | | | 143 | \$2,000 | \$285,969 |
| Brevard College | 183 | \$425,688 | 1 | \$750 | 184 | \$2,318 | \$426,438 |
| Cabarrus College of Health Sciences | 223 | \$341,749 | 16 | \$27,026 | 239 | \$1,543 | \$368,775 |
| Campbell University | 1,366 | \$4,538,944 | | | 1,366 | \$3,323 | \$4,538,944 |
| Catawba College | 464 | \$1,307,475 | | | 464 | \$2,818 | \$1,307,475 |
| Chowan University | 266 | \$692,292 | | | 266 | \$2,603 | \$692,292 |
| Davidson College | 104 | \$522,990 | | | 104 | \$5,029 | \$522,990 |
| Duke University | 335 | \$1,209,955 | 66 | \$95,128 | 401 | \$3,255 | \$1,305,083 |
| Elon University | 289 | \$1,691,337 | | | 289 | \$5,852 | \$1,691,337 |
| Gardner-Webb University | 859 | \$2,648,140 | | | 859 | \$3,083 | \$2,648,140 |
| Greensboro College | 229 | \$795,884 | | | 229 | \$3,475 | \$795,884 |
| Guilford College | 462 | \$1,951,780 | 2 | \$2,200 | 464 | \$4,211 | \$1,953,980 |
| High Point University | 403 | \$1,513,162 | | | 403 | \$3,755 | \$1,513,162 |
| Johnson & Wales University | 713 | \$987,646 | | | 713 | \$1,385 | \$987,646 |
| Johnson C. Smith University | 364 | \$476,600 | | | 364 | \$1,309 | \$476,600 |
| Lees-McRae College | 302 | \$704,696 | | | 302 | \$2,333 | \$704,696 |
| Lenoir-Rhyne College | 762 | \$1,578,773 | | | 762 | \$2,072 | \$1,578,773 |
| Livingstone College | 541 | \$940,041 | | | 541 | \$1,738 | \$940,041 |
| Mars Hill College | 445 | \$1,007,762 | | | 445 | \$2,265 | \$1,007,762 |
| Meredith University | 614 | \$1,986,021 | | | 614 | \$3,235 | \$1,986,021 |
| Methodist University | 635 | \$1,452,475 | | | 635 | \$2,287 | \$1,452,475 |
| Montreat College | 210 | \$727,490 | | | 210 | \$3,464 | \$727,490 |
| Mount Olive College | 2,691 | \$3,446,696 | | | 2,691 | \$1,281 | \$3,446,696 |
| North Carolina Wesleyan College | 221 | \$1,333,955 | | | 221 | \$6,036 | \$1,333,955 |
| Peace College | 201 | \$873,662 | | | 201 | \$4,347 | \$873,662 |
| Pfeiffer University | 385 | \$904,199 | | | 385 | \$2,349 | \$904,199 |
| Queens University | 342 | \$1,361,451 | | | 342 | \$3,981 | \$1,361,451 |
| Salem College | 128 | \$786,832 | | | 128 | \$6,147 | \$786,832 |
| Shaw University | 1,160 | \$2,095,563 | | | 1,160 | \$1,807 | \$2,095,563 |
| St. Andrews Presbyterian College | 89 | \$234,675 | | | 89 | \$2,637 | \$234,675 |
| St. Augustines College | 459 | \$979,845 | | | 459 | \$2,135 | \$979,845 |
| Wake Forest University | 520 | \$1,506,279 | | | 520 | \$2,897 | \$1,506,279 |
| Warren Wilson College | 70 | \$181,035 | | | 70 | \$2,586 | \$181,035 |
| Wingate University | 599 | \$1,620,934 | | | 599 | \$2,706 | \$1,620,934 |
| Louisburg College | 191 | \$584,676 | | | 191 | \$3,061 | \$584,676 |
| Total | 18,276 | \$46,271,989 | 89 | \$126,854 | 18,365 | \$2,526 | \$46,398,843 |

Notes

2010-2011 were allocated to institutions based on the maximum allowed per FTE amount of \$1,341.

Headcounts of students are unique per school for the academic year.

All funds are net of returns received by June 30, 2011.

TABLE 2
STATE CONTRACTUAL SCHOLARSHIP FUNDS (SCSF)
MADE TO NC UNDERGRADUATE STUDENTS WITH FINANCIAL NEED
ENROLLED IN PRIVATE COLLEGES AND UNIVERSITIES WITH OFF-CAMPUS SITES
2010-2011

| SCSF-Eligible Institutions with Off-Campus Sites | Total Institutional Recipients (On- and Off-Campus Site Students) | | # of Off-Campus Sites | Off-Campus Site Recipients | | | | | | |
|---|--|---------------------|-----------------------|----------------------------|--------------------|----------------------|----------------|------------------|------------------|---------------------|
| | | | | 'Eligible' Students | | 'Licensure' Students | | Off-Campus Total | | |
| | Head-count | Avg Award Amount | | Head-count | Funds | Head-count | Funds | Head-count | Avg Award Amount | Net Disbursed Funds |
| Belmont Abbey College | 858 | \$1,464,708 | 2 | 227 | \$208,224 | 4 | \$1,750 | 231 | \$909 | \$209,974 |
| Campbell University | 1,366 | \$4,538,944 | 4 | 164 | \$140,074 | | | 164 | \$854 | \$140,074 |
| Catawba College | 464 | \$1,307,475 | 1 | 2 | \$500 | | | 2 | \$250 | \$500 |
| Gardner-Webb University | 859 | \$2,648,140 | 21 | 347 | \$61,023 | | | 347 | \$176 | \$61,023 |
| High Point University | 403 | \$1,513,162 | 1 | 84 | \$143,350 | | | 84 | \$1,707 | \$143,350 |
| Lees-McRae College | 302 | \$704,696 | 3 | 79 | \$96,502 | | | 79 | \$1,222 | \$96,502 |
| Mars Hill College | 445 | \$1,007,762 | 5 | 35 | \$40,768 | | | 35 | \$1,165 | \$40,768 |
| Mount Olive College | 2,691 | \$3,446,696 | 6 | 1,404 | \$1,327,573 | | | 1,404 | \$946 | \$1,327,573 |
| North Carolina Wesleyan College | 221 | \$1,333,955 | 2 | 1 | \$4,075 | | | 1 | \$4,075 | \$4,075 |
| Pfeiffer University | 385 | \$904,199 | 3 | 64 | \$40,315 | | | 64 | \$630 | \$40,315 |
| Shaw University | 1,160 | \$2,095,563 | 11 | 364 | \$508,376 | | | 364 | \$1,397 | \$508,376 |
| St. Andrews Presbyterian College | 89 | \$234,675 | 1 | 6 | \$400 | | | 6 | \$67 | \$400 |
| St. Augustines College | 459 | \$979,845 | 1 | 12 | \$10,900 | | | 12 | \$908 | \$10,900 |
| Total | 9,702 | \$22,179,820 | | 2,789 | \$2,582,080 | 4 | \$1,750 | 2,793 | \$925 | \$2,583,830 |

Notes

2010-2011 funds were allocated to SCSF-eligible schools based on an allowance of \$1,341 per FTE.

Headcounts of students are unique per school for the academic year.

All funds are net of returns received by June 30, 2011.