

Residency Proposal

*North Carolina Community College System – University of North Carolina –
North Carolina Independent Colleges and Universities – State Education Assistance Authority*

In response to the legislative call to “jointly develop and implement a coordinated and centralized process to be used...when determining the residency for tuition purposes of students who apply for admission...and for ...receiving State-funded financial aid,” the working group submits the following proposal as its report to the Joint Legislative Education Oversight Committee.

We recommend that the process go forward in phases, with the first effort to standardize and centralize initial residency determinations for students using the undergraduate CFNC admissions process (Phases 1 and 2). Once this phase is implemented and as resources permit, future phases will include integration of non-CFNC undergraduate admissions application data into the centralized system (Phase 3), the development and deployment of a centralized reclassification/appeal system (Phase 4), and the integration of graduate admissions application data (Phase 5)

The future phases will require considerable IT development time and capital outlays, as well as per record processing costs that prohibit their initial inclusion; fortunately, however, resources for phase one, adopting standardized questions and a common algorithm, can be found within existing budgets.

Reasons for Recommending the CFNC Coordinated and Centralized Residency Determination Process Outlined in this Document:

1. Locates all CFNC residency information and determinations in one place, and uses coordinated, agreed-upon standard questions and rules to provide consistent determinations across all higher education.
2. Once initial classification is implemented, the process promotes coordinated reclassification and appeals efficiency through economies of scale, since all reclassification determinations will begin with data from a common set of questions.
3. Once the reclassification phase is implemented, the system will provide specialized knowledge and support from central service that reduces staff training time and provides consistent answers to student questions. As noted, however, implementation of this centralized reclassification and support system will require resources and development time; consequently, our recommendation is to pursue this as a later phase.
4. The initial direction has been focused on undergraduate students since they make up 81% of the residency determinations versus 19% for graduate for UNC (and 100% of the residency determinations for the other sectors). Once the first four phases are implemented and optimized then work on enabling the graduate process into the standardized process will begin. In the meantime, coordinated training will be conducted for both undergraduate and graduate residency determination campus officials.

General Design

All applications for admission, both through CFNC and otherwise, to any North Carolina public institution and to any North Carolina independent institution participating in the State student aid programs will contain a set of standardized questions that permit a coordinated and centralized determination of residency for tuition and state student aid purposes.

Using a commonly agreed-upon algorithm/rules engine in accordance with State law and the *North Carolina State Residence Classification Manual*, for CFNC admissions applications a determination will be made and communicated to all campuses to which the student is applying, along with all application data that the student submitted. We estimate that approximately 64% of undergraduate students applying to UNC and NCCCS institutions will be covered through Phases 1 and 2. The recommended approach is:

Phase 1: Question Standardization and Common Algorithm Adoption

Phase 2: CFNC Admissions Applications Enablement

Phase 3: Non-CFNC Admissions Applications Enablement

Phase 4: Centralized Reclassification and Appealsⁱ

Phase 5: Graduate Level Enablement

Multiple Admissions Application Paths used by Students

Most North Carolina students apply for admission using the free College Foundation of North Carolina (CFNC) application. In these cases the commonly agreed-upon residency questions will be embedded in the application and a database created. If a student submits a subsequent CFNC application for another college, and residency is already determined from a former application, the student need not submit answers to those questions a second time for the same term of enrollment.

However, many students also apply for admission using either an electronic application developed directly by a college (*College Application*) or using the *Common Application*, a national service used primarily by selective colleges and universities. The *Common Application* is used by schools that draw students from multiple states and that compete with other national schools that use that process, in order to provide students with ease of application for admission to multiple schools. It will be the responsibility of the campus using either a *College Application* or the *Common Application* to ensure that the residency questions are identical to the ones used by CFNC and that their calculation of residency employs the approved algorithm in a consistent and equivalent manner to the CFNC calculations.

As a part of the centralization of residency determinations, CFNC will revise its application process to better serve colleges now using their own *College Application*, and as a result many of these colleges

may move to CFNC. However, some campuses may continue to prefer their own electronic application (and some students continue to prefer paper applications for admission) and there is no reason to forbid this in order to accomplish coordinated and centralized residency determination. Regardless of application path, currently each higher education institution determines residency based on its own set of questions. These residency-specific questions vary by campus and the methods applied to the questions also vary. Our recommendation immediately reduces these inconsistencies by adopting a coordinated, standard set of residency questions and a common algorithm for all higher education institutions in addition to centralizing the residency determination for the majority of students through the CFNC application. Students providing the same information on different applications for initial classification will no longer receive different residency determinations once Phases 1 and 2 are complete.

Estimated Timeline for Phases 1 and 2

Below is the intended timeline for the implementation of a coordinated residency determination solution. While this timeline is aggressive, we believe it can be met with all parties fully engaged to assure an orderly change. The timeline will be confirmed as part of the detailed requirements definition (January – September 2014 timeframe) but the estimated timeline for the entire project below is as follows:

1. January 2014 – June 2014
 - Build consensus among all three sectors, with the advice of campus residency experts, on the precise common set of questions that must be added to the residency process
 - Build consensus among the same entities on the structure and calculation of the rules engine/algorithm that will use the answers to those questions to make a residency determination
 - Build final specification for the enhanced CFNC admissions application process
2. July 2014 – January 2015
 - Programming of the enhanced CFNC admissions process at College Foundation, Inc. (CFI)
 - Programming at CFI to embed both the questions and the algorithm into the enhanced CFNC admission application process, for all 110 colleges in North Carolina
 - Working collaboratively with education system and campus officials to ensure that the new process can be readily integrated into campus admissions and records management systems
3. February 2015 – March 2015
 - Testing and Quality Control of the new system at CFI
 - Training of campus officials in the new system to ensure a smooth launch
4. March 2015
 - New system is fully implemented and goes live

The working group consisted of the following representatives of their respective organizations:

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ⁱ Future plans: Once the initial classification process is optimized, work can begin on a central reclassification process. The centralized reclassification process will employ an interactive and customized interview program to determine a reclassification determination. The website will also provide the opportunity to submit any documents that may be required, using technology as simple as photographing and emailing the document. It will also permit use of an electronic signature when required.

The student will be advised of the reclassification determination on-screen at the conclusion of the interview or by email if the determination requires additional review of documents uploaded.

- If the reclassification is “in-state,” any colleges that have previously been notified of the initial denial will be sent a file with the reclassification.
- If the reclassification is “out-of-state,” the student will be given an opportunity to appeal via telephone, video-interview, or in-person to the State Education Assistance Authority (SEAA).
- Any appeals beyond the SEAA will be made to the existing State Residency Committee, which will, as currently, have the final say.