



**Report on**  
**Implementation of Residency Determination Service**

Submitted by the  
North Carolina State Education Assistance Authority  
December 3, 2018

In 2013, at the direction of the NC General Assembly (SL 2013-360), a cooperative effort of higher education officials began to establish a centralized process to determine residency for purposes of tuition and administration of State financial aid. The goal was to provide consistent and accurate determinations regardless of which institution a student chooses to attend. At the time, each individual NC institution of higher education (58 community colleges, 16 UNC campuses and 40 independent colleges, universities, and nursing schools) made their own residency determinations. In some situations, the same student or siblings would receive different residency classifications as a result of campuses interpreting and applying residency law and policy inconsistently. In addition, students were required to answer residency questions multiple times if they were applying to more than one institution; further, this method lacked a safeguard to prevent different answers to the same questions when there were no changes in the student's circumstances.

In 2015, administrative authority to perform all functions necessary to implement the centralized process to determine residency was legislatively assigned to the State Education Assistance Authority (SEAA) and certain State agencies were directed to cooperate with the SEAA in electronically verifying evidence submitted in the online interview. The Higher Education Collaborative Advisory Committee (HECAC), comprised of representatives of the University of North Carolina, the North Carolina Community College System and the North Carolina Independent Colleges and Universities guides and assists SEAA in formulating, developing and implementing any policies necessary for the proper administration, maintenance, and enhancements of this coordinated and centralized process. The HECAC has had, from its inception, the goal of streamlining and simplifying the process for students while still complying with all aspects of the law.

After an intense project development period and in partnership with subject matter experts from the campuses, the new Residency Determination Service (RDS) became operational in December 2016. Due to the magnitude of on-boarding all undergraduate, graduate, and professional school programs, a phased implementation approach was conducted with the private colleges going live in December 2016, the UNC institutions in February and March 2017, the community colleges between March and October 2017, and graduate and professional schools between May and November 2018. All higher education institutions now direct students to RDS for a determination on residency for tuition and state-funded financial aid purposes.

With the oversight of HECAC, approximately 1,400<sup>1</sup> individuals from System Offices, State agencies, campus leadership, campus staff, subject matter experts, high school counselors, and student advocacy groups have worked together on implementation and training to assist students through this service. As of November 30, 2018, over 610,000 students have received

residency determinations. Since inception, the residency classification breakdown has been 86% Residents, 2% Military and 12% Non-residents.

RDS utilizes a conversational interview technology which customizes questions asked of a student based on the student's situation. The system is uniquely designed to ask as few questions as possible to determine a student is a resident and as many questions as necessary before determining that the student is non-resident. At the completion of the interview, RDS provides the student with a Residency Certification Number (RCN) and a determination (Resident or Non-Resident). Students simply provide the RCN to institutions as part of the admission process. RDS also informs the State Grant System of residency; eligibility for state grants is determined and shared with institutions as part of the grant process. Thus, a student only has to complete one interview through RDS to apply to multiple campuses and to be considered for both in-state tuition and financial aid.

RDS employs data matching with various State and federal agencies to electronically validate information that a student provides in the online interview, thereby ensuring the accuracy of the determination and reducing the amount of documentation needed from the student. In addition, call centers are available to support students and colleges.

Students have the opportunity to ask for a reconsideration or appeal in the event that they have a change in circumstances or disagree with an RDS determination. As part of a reconsideration, the student can submit additional or corrected information. An appeal permits a student to provide additional information and work one-on-one with an RDS specialist to review his or her unique circumstances. A final level of appeal is available with the SEAA if the student believes an error has been made at the RDS appeal level. During the final appeal, SEAA conducts an administrative review of the entire process, including consideration of all information and documentation provided by the student and validating agencies. Of the 610,000 determinations, 11% of students have requested a reconsideration and 3% of students have requested an RDS appeal. Less than 40 students have requested a second level appeal from SEAA; all have been sustained with one exception.

As with any new state-wide program, challenges remain with the new process. For example, some students apply to college just as the semester is beginning and do not complete the RDS interview. Continued education along with ongoing communications from both colleges and RDS is critical in reducing the number of students who never complete the interview.

A special report was prepared for the NC Association of Community College Presidents in June 2018 in response to concerns raised about community college students having difficulties with RDS. Data from calendar year 2017 was analyzed for the report. This analysis identified that while the vast majority of all students (94%) completed and received an immediate determination

through the system, 6% of students started the RDS online interview and never returned to complete the remaining portion. Of the 6% not returning to the online interview, approximately one-third were community college students.

In keeping with North Carolina's philosophy of promoting access to postsecondary education, and recognizing that the demographics of students seeking higher education today are changing, RDS continues to perform data analyses to identify any common roadblocks for students completing the RDS interview. The HECAC considers the analyses and implements improvements to the online interview, both from policy and operational perspectives. Statutes pertaining to residency for tuition purposes were drafted in the early 1970's and amended through the years. During the intervening years, family structures of students seeking postsecondary education have changed significantly. North Carolina G.S. 116-143.1(e) sets out the presumption that a student's residency is based on the domicile of the parent(s) or legal guardian(s), with a few exceptions, including age and general circumstances of the student. In order to reduce the burden of providing parental information, HECAC analyzed students ages 18-23 and those over 24, many of whom are community college students, and implemented a policy in May 2018 to define students who are considered to be independent of their parents. With this change, only students who are under 24, unmarried, not veterans, and not financially self-sufficient are required to provide parent or legal guardian information. In cases where students cannot (or will not) supply this information, RDS works with the students one-on-one in an appeal to understand their specific situations and apply the law and policy in a consistent manner.

Today, we celebrate the success of RDS across North Carolina higher education with an awareness that improvements will continue to be identified and implemented. Evaluation of residency for both tuition and State grant purposes is now consistently performed across all 114 higher education institutions — yielding one highly accurate determination — with the additional benefit that students only complete one application/interview whether they apply to one or multiple institutions.

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<sup>1</sup> Estimates used for the total number involved in implementation of RDS:

- Systems Offices – 25 (HECAC, IT, Leadership)
- State Agencies – 10 (2 per agency)
- Campus Leadership – 110 (1 per campus)
- Campus Liaisons – 110 (1 per campus)
- Campus Staff – 550 (1 enrollment manager, 1 Admissions Director, 1 financial aid Director, 1 Registrar, and 1 IT)
- Subject Matter Experts – 10 (Residency experts from UNC and NCCCS, Military Affairs experts, and legal experts in residency and immigration)
- High School Counselors – 500 (there are an estimated 1500 high school counselors in North Carolina. This estimate estimates 1/3 of all counselors were trained through counselor conferences)
- Student Advocacy Groups – 100 (Advocacy group examples include College Advising Cores, Durham Community Counselors, Emily K Center, Forsyth Promise, JUNTOS, Upward Bound, Talent Search, NC Military and Veterans Advisors, NC Homeless Advocates)