State Education Assistance Authority

March 14, 2017

NCSEAA
North Carolina State Education
Assistance Authority

Mission: We help North Carolina pay for college

We are the State agency that promotes access to higher education by:

- Administering financial aid and savings programs
- Informing students and families about paying for college
- Training new aid administrators and school counselors about financial aid administration
- Advocating for resources to support students

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Programs Administered, March 2017

State Scholarship and Grant Programs

- Child Welfare Postsecondary Support Program (NCREACH) *(Disbursement)*
- North Carolina Community College Grant
- North Carolina Education Lottery Scholarship
- North Carolina National Guard Tuition Assistance Program
- North Carolina Need-Based Scholarship Program
- UNC Campus Scholarships
- UNC Need Based Grant

State Career-Specific Forgivable Education Loan for Service Programs*

- **Forgivable Education Loans for Service**
- **Principal Fellows Program**
- Board of Governors' Dental Scholarship Loan *(Repayment)*
- Board of Governors' Medical Scholarship Loan *(Repayment)*
- Future Teachers of North Carolina Scholarship Loan *(Repayment)*
- Health, Science, and Mathematics Scholarship Loan *(Repayment)*
- Millennium Teacher Scholarship Loan *(Repayment)*
- North Carolina Optometry Scholarship Loan (*Repayment)*
- Nurse Education Scholarship Loan *(Repayment)*
- Nurse Educators of Tomorrow Scholarship Loan *(Repayment)* (Graduate Nurse Scholarship Program for Faculty Production)
- Nurse Scholars Program *(Repayment)*
- Physical Education-Coaching Scholarship Loan (*Repayment)*
- Prospective Teacher Scholarship Loan *(Repayment)*
- Social Work Education Loan *(Repayment)*
- Teaching Fellows Program *(Repayment)*
- Teacher Assistant Scholarship Loan *(Repayment)*

* While sometimes labeled "scholarships," the awards made through these programs are actually loans that carry a service repayment obligation. The borrower earns forgiveness of the loan by working in a specific career in North Carolina. If the borrower does not complete the service obligation, the loan is repaid in cash, with interest.

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SEAA Programs Administered (con't)

Private Scholarship Programs

- Dr. Wade H. Atkinson Scholarship
- Aubrey Lee Brooks Foundation Scholarship
- Thomas Holmes Carrow Scholarship
- Criminal Justice Scholarship
- Dr. A.P. and Frances Dickson Scholarship
- Mayor Anthony Foxx Scholarship
- Golden LEAF Scholarship Program (UNC and NC Independent Colleges)
- Jagannathan Scholarship
- Ruth Jewel Scholarship
- James Lee Love Scholarship
- Penn Family Scholarship
- C.M. and M.D. Suther Scholarship
- Turrentine Foundation Scholarship
- John Sharpe Williams Memorial Scholarship

Federal Family Education Loan Program (Guaranty and Collections)

- Stafford Loans
- Unsubsidized Stafford Loans
- Graduate/Professional PLUS Loans
- Parental PLUS Loans
- Consolidation Loans

School Services

- EX$EL - Financial Education and Repayment Success
- ISIR Verification
- Residency Determination Service
- State Authorization Reciprocity Agreements

Other Programs

- Opportunity Scholarships
- Special Education Scholarship Grants for Children with Disabilities
- Carolina Computing Initiative Loan Program (Alternative Loan Collections)
- College Foundation of North Carolina (Information Dissemination)
- National Board Certification Loan Program (National Board for Professional Teaching Standards)
- Principal Preparation Program
- North Carolina EXTRA Loan Program (Alternative Loan - Collections)
- North Carolina's National College Savings Program (NC 529 Plan)

Operational Funding

- Most State programs have allocation for administration

- Need funding in advance of new programs to develop and implement programs

- Program funds, including K12 program and independent college funding, are in the UNC budget
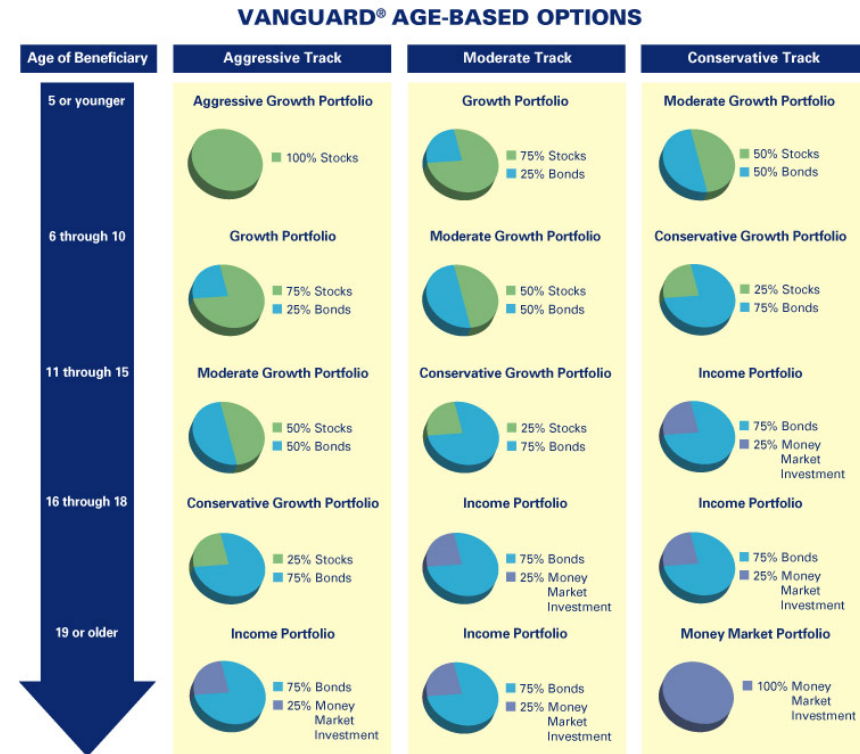
NC529
National College Savings Program

VANGUARD ® AGE-BASED OPTIONS

- Aggressive Track
- Moderate Track
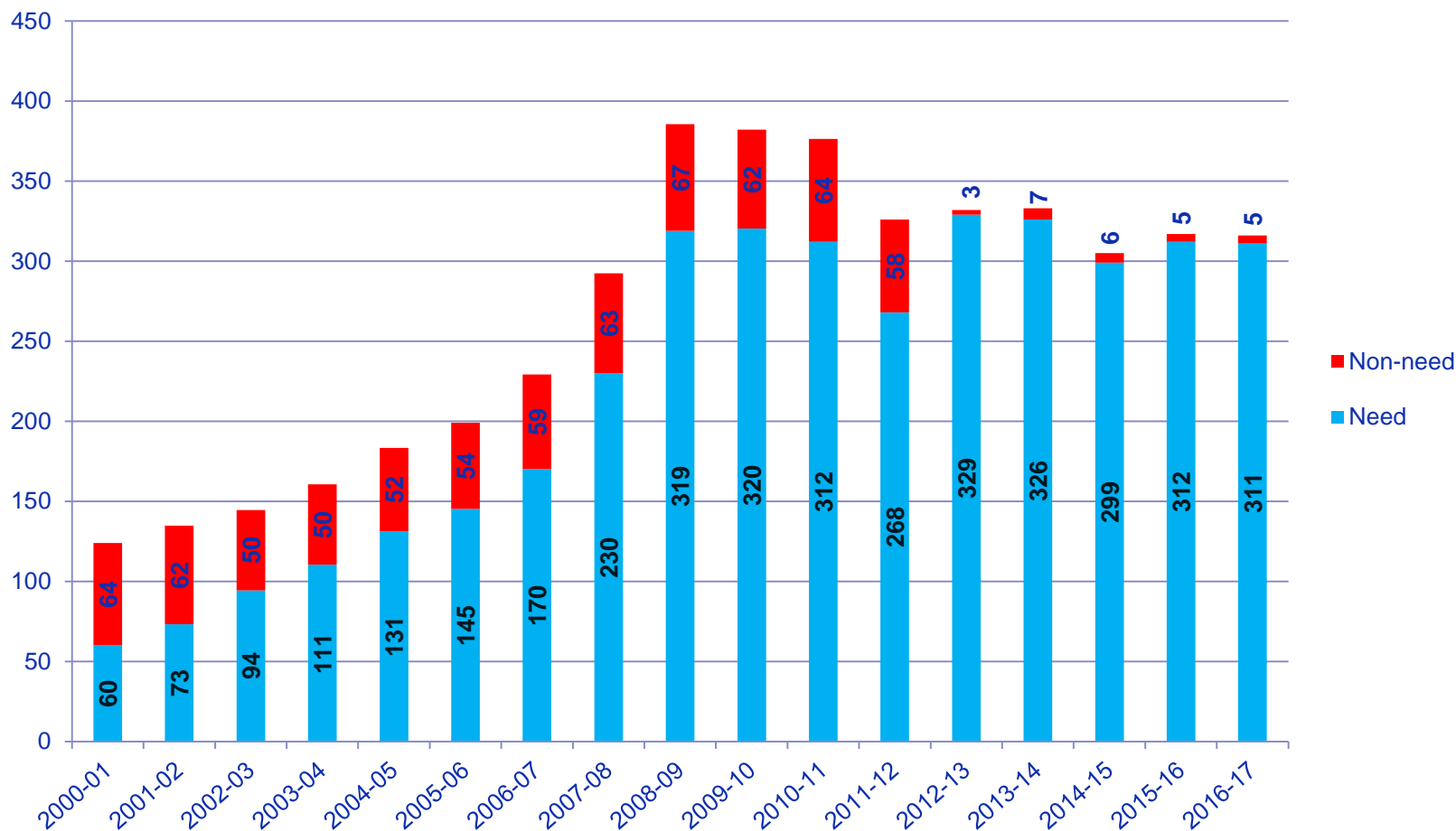- Conservative Track

INDIVIDUAL OPTIONS

- Federally-Insured Deposit Account (Provided by State Employees' Credit Union)
- Vanguard Aggressive Growth Portfolio
- Vanguard Growth Portfolio
- Vanguard Moderate Growth Portfolio
- Vanguard Conservative Growth Portfolio
- Vanguard Income Portfolio
- Vanguard Interest Accumulation Portfolio
- Vanguard Total Stock Market Index Portfolio
- Vanguard Total International Stock Index Portfolio
- Vanguard Total Bond Market Index Portfolio

VANGUARD® AGE-BASED OPTIONS

Age of Beneficiary	Aggressive Track	Moderate Track	Conservative Track
5 or younger	Aggressive Growth Portfolio — 100% Stocks	Growth Portfolio — 75% Stocks, 25% Bonds	Moderate Growth Portfolio — 50% Stocks, 50% Bonds
6 through 10	Growth Portfolio — 75% Stocks, 25% Bonds	Moderate Growth Portfolio — 50% Stocks, 50% Bonds	Conservative Growth Portfolio — 25% Stocks, 75% Bonds
11 through 15	Moderate Growth Portfolio — 50% Stocks, 50% Bonds	Conservative Growth Portfolio — 25% Stocks, 75% Bonds	Income Portfolio — 75% Bonds, 25% Money Market Investment
16 through 18	Conservative Growth Portfolio — 25% Stocks, 75% Bonds	Income Portfolio — 75% Bonds, 25% Money Market Investment	Income Portfolio — 75% Bonds, 25% Money Market Investment
19 or older	Income Portfolio — 75% Bonds, 25% Money Market Investment	Income Portfolio — 75% Bonds, 25% Money Market Investment	Money Market Portfolio — 100% Money Market Investment

- Over $1.97 Billion on deposit (3/6/2017) in 134,400 accounts
- No broker fees
- Low cost fee structure

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State Aid Programs and Process

NC State Grants – Undergraduates 2000-01 to 2016-17 (est)

Average Debt at Graduation

	2010	2015	Change
North Carolina	$20,959	$25,645	22%
% With Debt	53%	61%	
United States	$25,250	$30,100	19%
% With Debt	66%	68%	
NC Average Debt Below US Average	-17%	-15%	

Source: Project on Student Debt

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Methods of Paying for College

- Save
  - NC National College Savings Program (529)
- Borrow
  - Federal loan programs
  - State forgivable loan programs
- Pay from current income
  - Payment plans offered by colleges

Role of financial aid—help students pay for college when family resources are insufficient

Free Application for Federal Student Aid (FAFSA)

- Student completes FAFSA annually with family income and asset information and number in the household and college

- Federal formula calculates Expected Family Contribution (EFC)

- EFC is used to determine eligibility for Federal Pell Grant and most state and institutional assistance programs

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Financial Aid Basic Formula

Cost of Attendance

Minus   Expected Family Contribution(EFC)

_____

Equals   Need

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Income and Estimated EFC

Example: Family with two dependent children

Adjusted Gross Income	Estimated EFC
$40,000	1,891
$60,000	4,958
$80,000	10,466
$100,000	17,168

Forbes, Troy Onink, 2017 Guide to College Financial Aid

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State Aid Programs
for North Carolinians

- North Carolina Community College Grant
- North Carolina Education Lottery Scholarship
- North Carolina Need-Based Scholarship (NBS)
- University of North Carolina Need-Based Grant

- Forgivable Education Loans for Service (FELS)

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State Grant Expenditures 2015-16

	Recipients	Funds	Average Grant
NC Community College Grant	26,047	$ 14,382,863	$ 552
NC Ed Lottery Scholarship	26,958	$ 29,543,331	$ 1,096
NC Need-Based Scholarship	24,147	$ 86,315,763	$ 3,575
UNC Need-Based Grant	53,601	$ 128,491,066	$ 2,397
Total	130,753	$ 258,733,023	

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Elements of State Grant Programs

Student Eligibility

- NC resident for tuition purposes
- Undergraduate with no prior bachelor's degree
- Satisfactory Academic Progress
- Meet Pell eligibility criteria (other than EFC)
- Has not exceeded the semester limitation
    - 6 semesters FT equivalent for community college grant
    - 10 semesters FT equivalent for all programs

Application method—FAFSA

No hard deadline--funding available until exhausted
Goal is to fund students throughout the academic year

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Grant Program Design

- Payment schedule using federal EFC
  - Works with the Federal Pell Grant to provide a foundation of grants to neediest students
    - NC Community College Grant
    - NC Education Lottery Scholarship
    - NC Need-Based Scholarship
- Formula
  - Calculates need for grant after Pell Grant, Lottery Scholarship, self-help expectation, Federal tax credit
    - UNC Need-Based Grant

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Centralized Grants Program

- Student files FAFSA
- College Foundation, Inc.(CFI) and colleges listed by student get the data
- CFI calculates grant for student depending on types of institutions listed
- Grant funds reserved for student first-come first-served
- Colleges retrieve grant information-confirm eligibility (ex. satisfactory academic progress)
- College notifies student of aid package
- College certifies grant (locks it); funds disbursed

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Thirty-Hour Incentive

- Additional state grant funds for students to encourage enrolling in 30 hours/year
  - Built into grant payment schedule for Community College and Need-Based Scholarship (NBS)
  - Summer funding for UNC Need-Based Grant
    - Builds on the existing incentive to enroll in more hours due to flat tuition for full-time students
    - Targets students who are within reach of 30 semester hours

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Community College Grant Payment Schedule 2017-18

| EFC Ranges | Pell Grant Full-Time | State Awards - CC Grant | | | Total FT Full-Time (12-14 hrs) | Total 15+ 15+ |
		Full Time (12-14 hrs)	15+ Time			
$00801 to $00900	$5,070	$0	$0		$5,070	$5,070
$00901 to $01000	$4,970	$0	$100		$4,970	$5,070
$01001 to $01100	$4,870	$0	$200		$4,870	$5,070
$01101 to $01200	$4,770	$0	$300		$4,770	$5,070
$01201 to $01300	$4,670	$0	$400		$4,670	$5,070
$01301 to $01400	$4,570	$100	$500		$4,670	$5,070
$01401 to $01500	$4,470	$170	$570		$4,640	$5,040
$01501 to $01600	$4,370	$270	$670		$4,640	$5,040
$01601 to $01700	$4,270	$370	$770		$4,640	$5,040
$01701 to $01800	$4,170	$470	$870		$4,640	$5,040
$01801 to $01900	$4,070	$570	$970		$4,640	$5,040
$01901 to $02000	$3,970	$670	$1,070		$4,640	$5,040

Financial Aid Calendar

- October 1 — FAFSA available for the following academic year (July/August)

- December—fall — Campus aid offices verify applications and notify students of aid amounts

- January 15 — State Grants processing begins

- May 1 — *Acceptance notification date (students notify colleges if they will attend*

- July 1-Sept — Campus begins to certify state grants

- August 1→ — State grant funds sent to campuses as certified by financial aid office each term

- August 15-Sept — Fall terms begin

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Forgivable Loans for Service

- North Carolina Forgivable Education Loan for Service

  – Loans made to students who commit to work in careers experiencing shortages

  – Teaching, Nursing, Medicine, Allied Health fields

- Program initiated for 2012-13 academic year

- Consolidated and replaced numerous existing loan programs created by the General Assembly

- Service cancellation/cash repayment administration continues for prior programs.

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NC Forgivable Education Loans for Service (FELS)

- Standards-based loan provides financial assistance to qualified students who are committed to working in North Carolina in identified critical employment shortage professions

  – Undergraduate and graduate students

- Apply through CFNC.org (December-March 1)
- Priority to upperclassmen who are already admitted to their areas of study in four-year programs

http://www.cfnc.org/FELS

FELS – How Much?

Annual Loan Amounts are as follows:

- Diploma, Certificate and/or associate degree programs: $3,000
- Bachelor's degree program: (freshmen and sophomores) $3,000
- Bachelor's degree program: (juniors and seniors) $7,000
- Master's degree program: $10,000
- Doctoral degree program: $14,000

Maximum Aggregate Loan Limits:

- Diploma, Certificate and/or associate degree programs: $6,000
- Bachelor's degree program: $20,000
- Graduate Certificate Programs $20,000
- Master's degree program: $20,000
- Doctoral degree program: $56,000

Note: Recipients must be enrolled for at least six credit hours each semester to qualify for funding. Awards for students enrolled less than full-time are prorated.

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College Foundation of North Carolina

- Officially an "information dissemination program" of SEAA: purpose is to help North Carolinians "Plan, Apply, and Pay" for college

- Comprehensive Web Site at http://www.CFNC.org

- Toll-free telephone advice at 866.866.CFNC

- Field representatives in each area code

- Six-way strong relationship:
  - SEAA
  - College Foundation, Inc.
  - DPI
  - UNC
  - Community Colleges
  - Independent Colleges

Pathways of North Carolina

The University of North Carolina · College Foundation, Inc. · State Education Assistance Authority · Community College System · Independent Colleges and Universities · Department of Public Instruction

College Foundation of North Carolina

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CFNC Statistics
6/30/16 (fiscal year)

- More than 6.2m user accounts
- Average 11,842 visits/day
- Call center responded to 114,600 phone calls about paying for college and 14,758 regarding careers and admissions
- 2,578 presentations to nearly 100,000 people
- College applications submitted: 438,094
- Transcripts processed: 439,427 for 559 high schools

Questions