

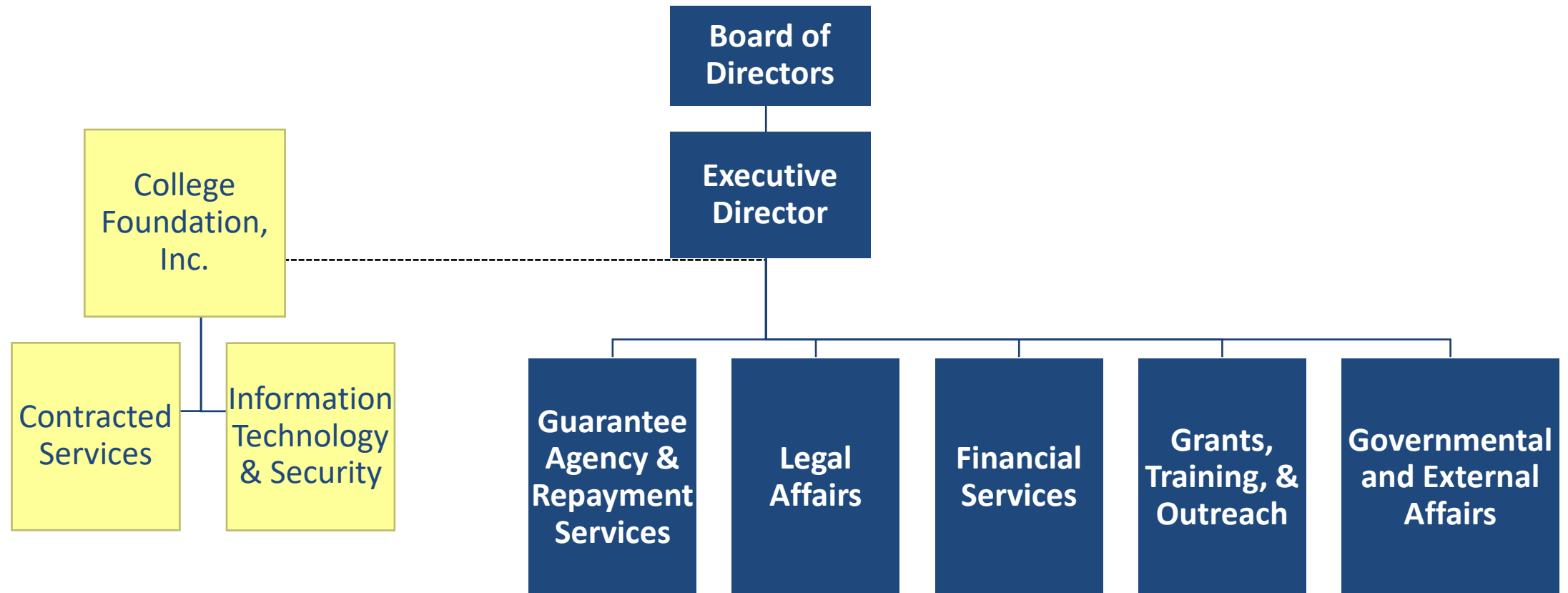
NCSEAA FY 2021-22 Legislative Priorities

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1. Background
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3. K12 Programs
4. COVID Response
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Who SEAA is...



What SEAA Does...

Higher Ed Grants & Scholarships

➤ \$247.4M in appropriations

Career-Specific Programs

➤ \$30.5M in appropriations

Federal and State Loan Servicing

➤ \$1.1B on financial statement

K12 Programs

➤ \$90.9M in appropriations

529 Savings Plan

➤ \$2.7B on financial statement

Residency Determination Service

CFNC

Other

➤ \$4.4M in private and institutional funds

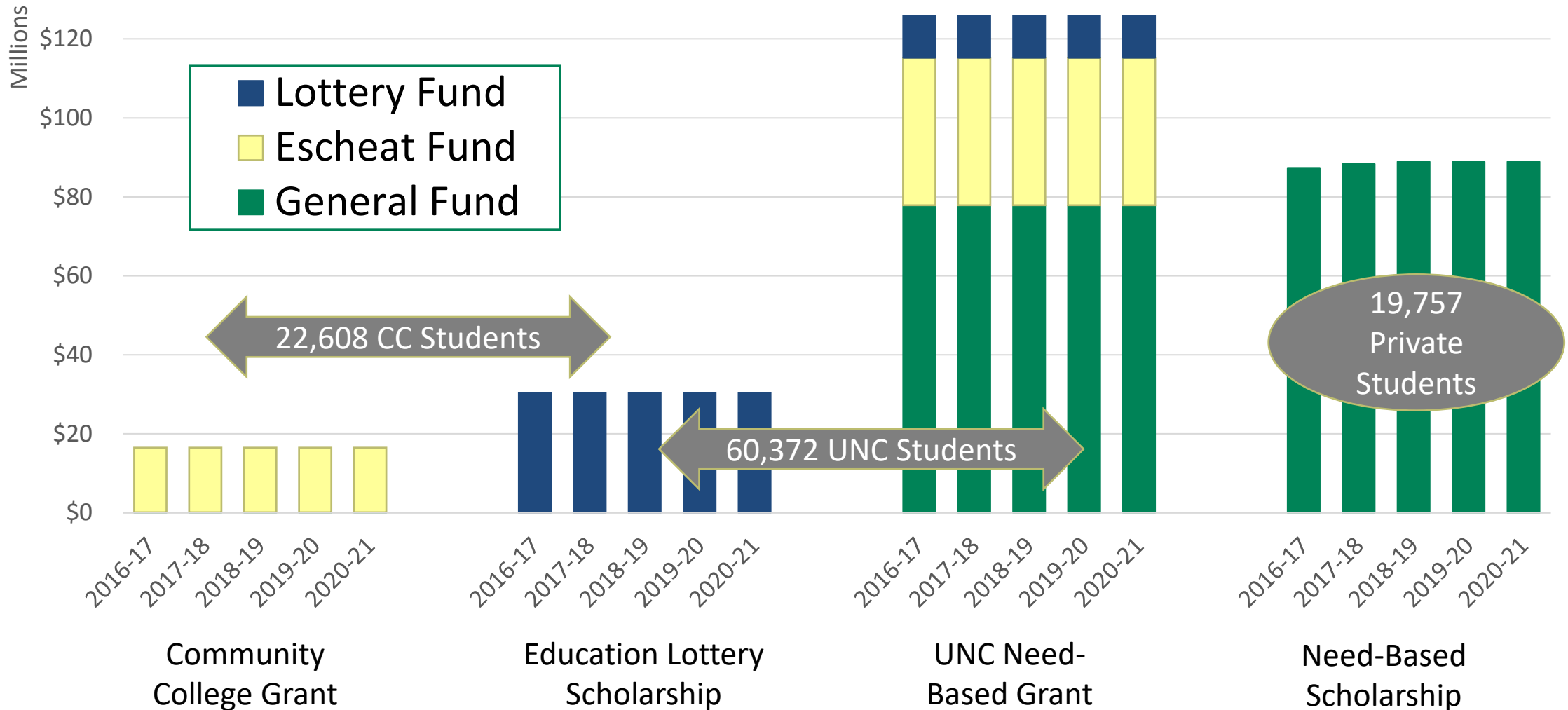


North Carolina State Education
Assistance Authority

State Aid Programs

Higher Education

State-Funded Higher Education Programs



- The **Forgivable Education Loans for Service (FELS)** aims to fill career fields experiencing shortages in NC in education, nursing, medicine, and allied health.
 - Historical data on FELS indicates that 87% of the total debt loaned has been repaid by the work of borrowers employed in a high need career field in North Carolina.
 - In 2019-20, SEAA cancelled \$23.9 million in loans for FELS borrowers repaying their debts through service. SEAA collected \$5.5 million in principal / interest from borrowers who did not fulfill their service obligations.
- NCSEAA also administers:
 - Forgivable loans for the **NC Teaching Fellows** and the **Transforming Principal Preparation Program**.
 - Loans for **National Board Certification** fees for teachers.

- Major changes to federal student aid included in the federal Consolidated Appropriations Act of 2021, including:
 - Pell Grant Changes (effective for the 2023-24 school year)
 - Simplifying Pell eligibility
 - Expanding number of students eligible for maximum award and eligible for any award
 - FAFSA simplification (effective by the 2023-24 school year)
 - Reducing number of questions from 108 to 36 questions for most low-income students
 - Changes will impact NC programs' statutory requirements.

K12 Programs

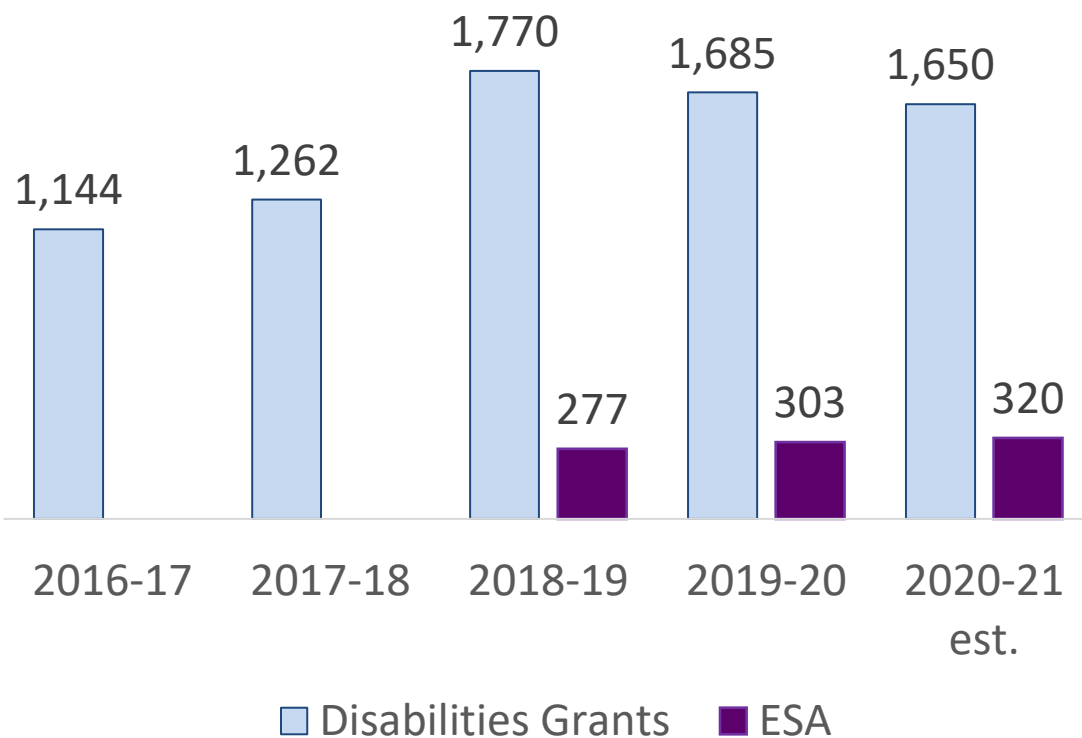
K12 Programs

Program	Key Eligibility	Estimated FY 2020-21 Expenditures
Opportunity Scholarship	For parents who qualify based on income	\$63M
Disabilities Grant	For parents of students with disabilities	\$11.2M
Education Savings Accounts		\$3.2M

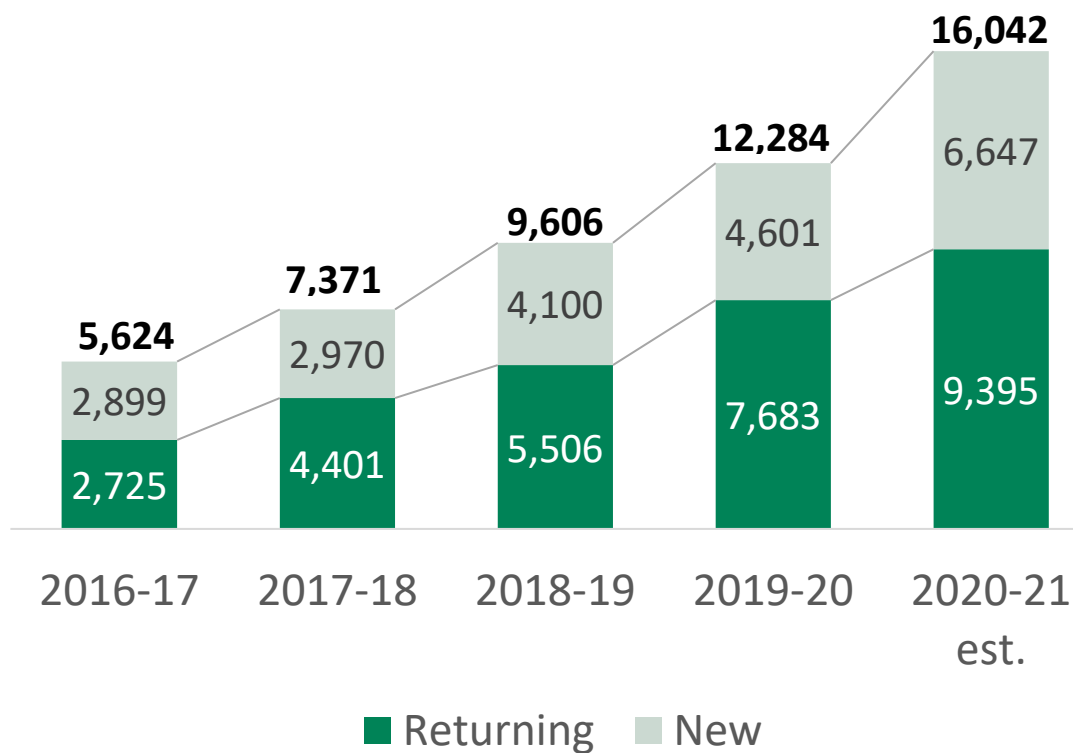
Note: Estimated expenditures include administrative costs as well as carryforward funds expended in FY 2020-21.

K12 Programs

**Students Served in Programs for
Students with Disabilities**



**Students Served by Opportunity
Scholarships (New vs. Returning)**



COVID Response

Spring 2020

- Private Colleges for student aid and online learning (\$20M)

Fall 2020

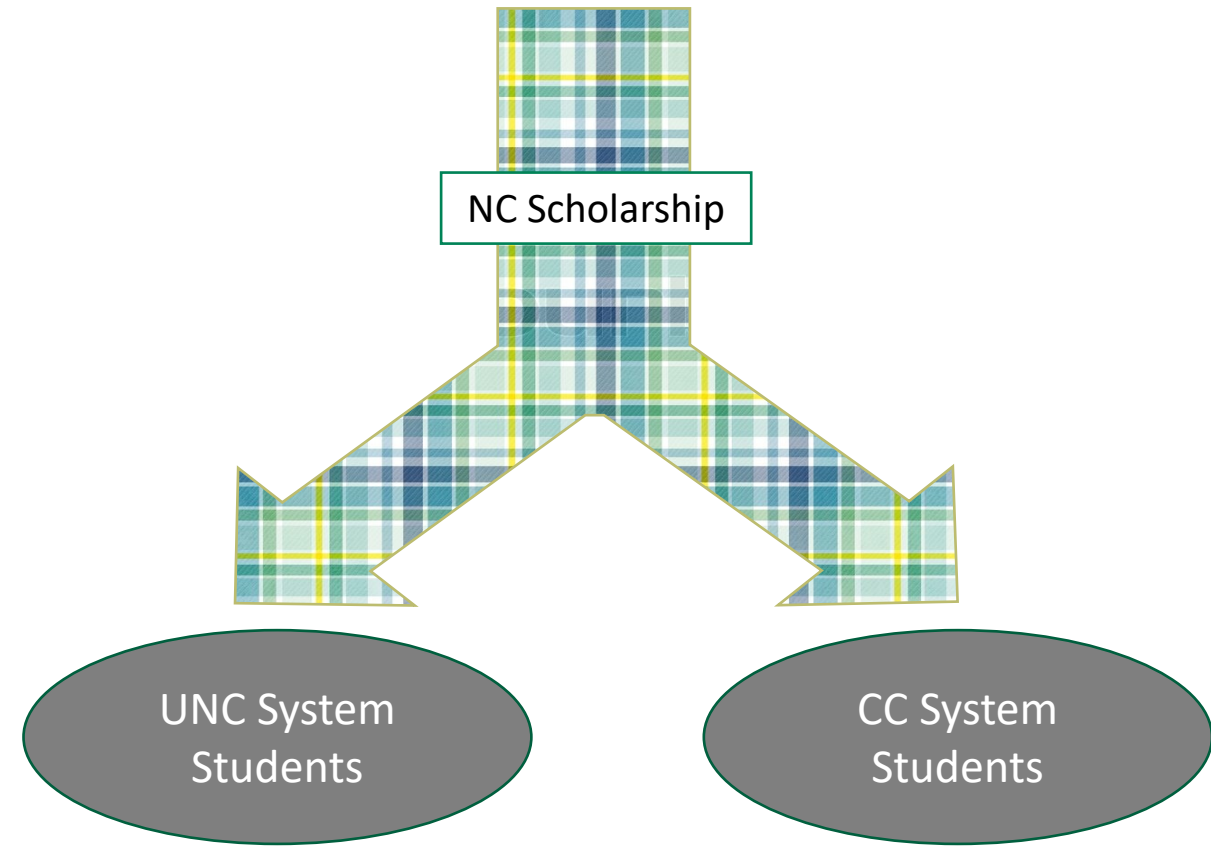
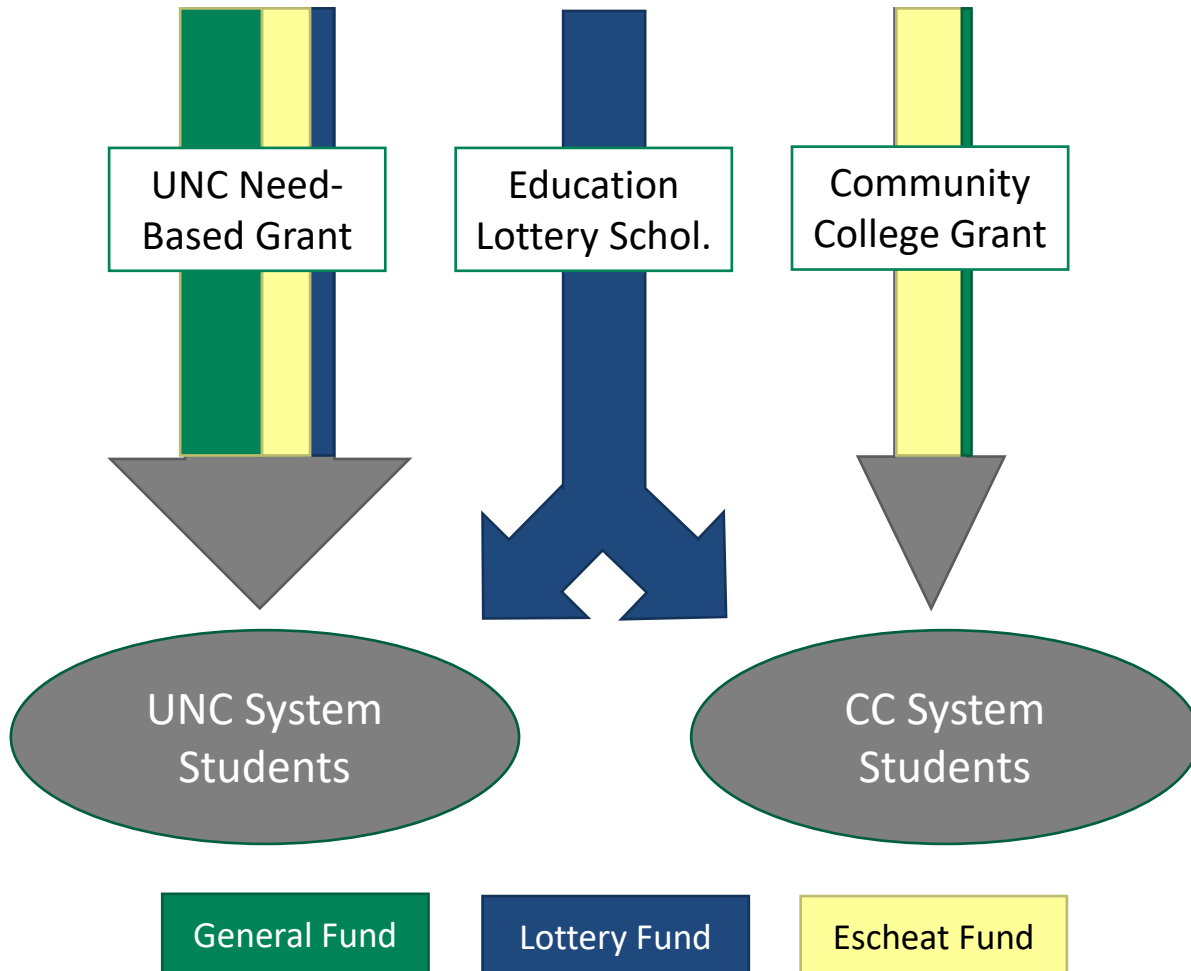
- Private Colleges for student aid and online learning (\$5M)
- Private Colleges PPE (\$5M)
- K12 ESA/ Disability (\$6.5M)
- K-12 PPE (\$250K)

Spring 2021

- GEER for Private Colleges (\$4M)
- Longleaf Commitment (\$25M)
- Longleaf Complete for Private Colleges (\$4m)
- Vaccine Scholarships

Legislative Priorities

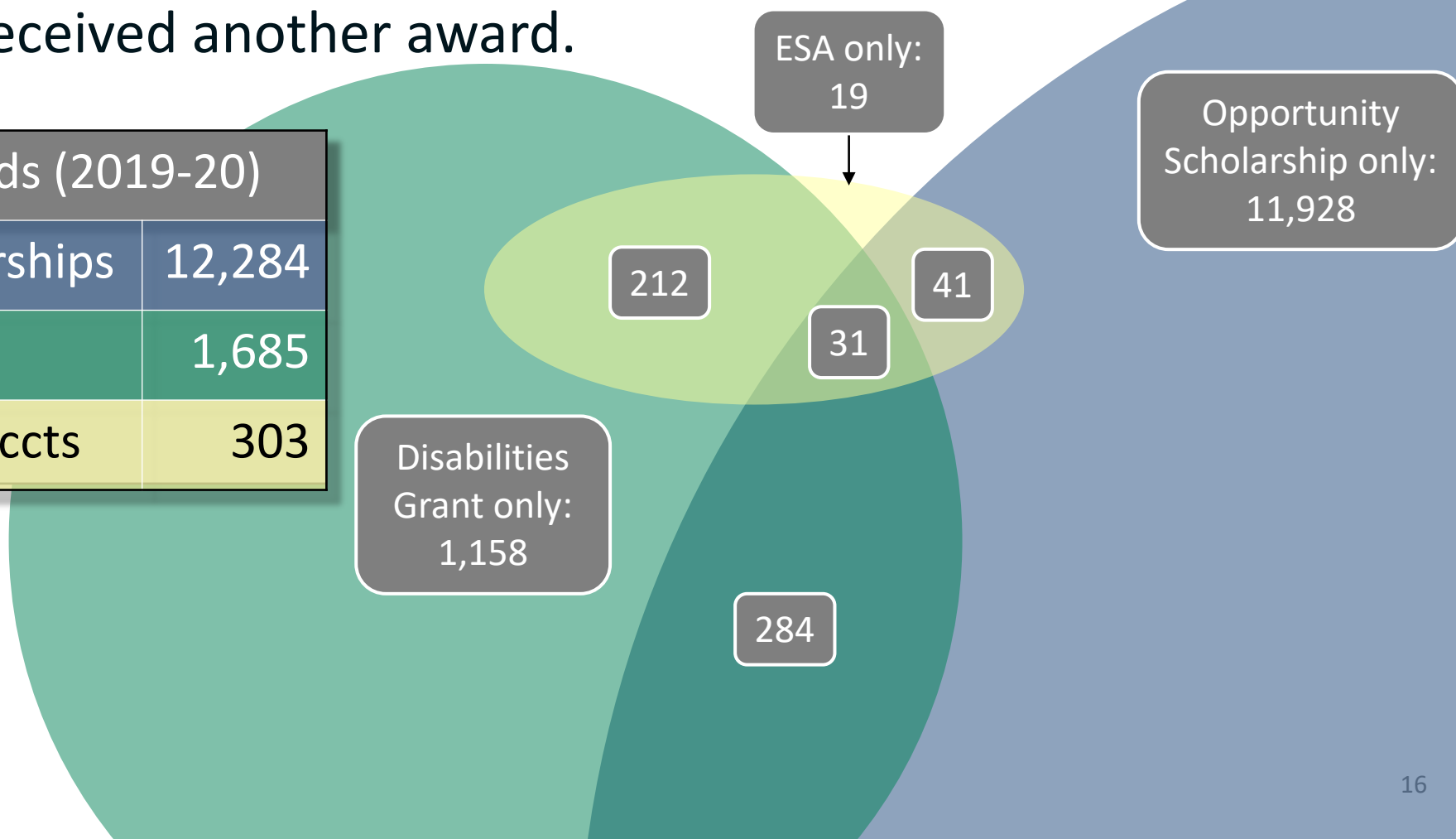
Higher Ed Simplification



K12 Simplification

- 94% of ESA recipients and 31% of Disabilities Grant recipients also received another award.

Total Program Awards (2019-20)	
Opportunity Scholarships	12,284
Disabilities Grants	1,685
Education Savings Accts	303



Budget Priorities

Request	FY 2021-2022	
	Recurring	Non-Recurring
Financial Aid Simplification		
• Funds to Update the State-Funded Grant IT System. Updates to implement the financial aid simplification policy request.		\$3,500,000
• Funds for Public Awareness Campaign. Inform students, families and high schools about the financial aid simplification.		\$1,500,000
FAFSA Completion/Outreach		
• Funds for Increased Communications and Outreach. Increased outreach to students, families and schools.	\$745,000 Up to 5 positions	
Efficient & Effective Use of State Grant Funds		
• Funds for Data and Analytics. Capacity to collect and analyze data related to State grants and other programs to ensure efficient and effective use of State grant funds.	\$125,000 1 position	
TOTAL	\$870,000 R	\$5,000,000 NR

- **Financial Aid Simplification and Consolidation.** Consolidate the UNC Need-Based Grant, the Community College Grant, and the Education Lottery Scholarship into a single State scholarship program with a consistent, predictable formula to inform students and families about grant eligibility in a much timelier manner. This consolidation would not reduce the amount of funds available to UNC System and community college students.
- **Combine K12 Scholarship Programs for Children with Disabilities.** Currently, the Disabilities Grant and the Education Savings Account programs both pay tuition or other qualified expenses related to educating a child with a disability. Many families qualify for both programs – 70% of ESA program participants also received a Disabilities Grant, 13.5% also received an Opportunity Scholarship, and 10% received all three. Applying for and complying with regulations for three separate programs can be stressful and confusing for families – merging the Education Savings Account and Disabilities Grant program into one, combined program can help ease this burden for families and make more efficient use of state resources.
- **Raise Cap on Opportunity Scholarship Administrative Costs.** The current cap on administrative allowance for the Opportunity Scholarship (up to 4% or \$1.5M) has not kept pace with the program's growth, and in particular the increased costs in onboarding new families. Around 40% of scholarship recipients in each year are new to the program.