

**Financial Aid Options
Joint Subcommittee on Education Appropriations
March 16, 2011**

**Escheat Fund Balance Projections
with Varying Levels of Scholarship Funding**

Prepared by Fiscal Research Division

	06/30/2010	Projections				
		06/30/2011	06/30/2012	06/30/2013	06/30/2014	06/30/2015
Beginning Cash and Investments		442,196,540	346,165,347	250,554,834	156,856,531	65,032,194
Changes in Cash:						
Department of State Treasurer						
Escheat Fund Collections		100,500,000	100,500,000	100,500,000	100,500,000	100,500,000
Escheat Claims Payable		(30,044,000)	(30,044,000)	(30,044,000)	(30,044,000)	(30,044,000)
Administrative Expenses		(2,500,000)	(2,500,000)	(2,500,000)	(2,500,000)	(2,500,000)
Deferred Revenue		(12,500,000)	(12,500,000)	(12,500,000)	(12,500,000)	(12,500,000)
SEAA (Scholarships Funded From Principal)						
UNC System – Need-based financial aid programs		(123,641,040)	(123,641,040)	(123,641,040)	(123,641,040)	(123,641,040)
UNC Millennium Scholars		No Escheats appropriation in FY 2010-11				
Community College Grant Program		(13,981,202)	(13,981,202)	(13,981,202)	(13,981,202)	(13,981,202)
DHHS-Child Welfare Postsecondary Support		No Escheats appropriation in FY 2010-11				
DOA Veterans' Dependents Scholarship Fund		(6,520,964)	(6,520,964)	(6,520,964)	(6,520,964)	(6,520,964)
Total Scholarships:		(144,143,206)	(144,143,206)	(144,143,206)	(144,143,206)	(144,143,206)
Reductions to Scholarships			0	0	0	0
SEAA (Interest Transfer to SEAA from Prior Year Earnings)		(7,343,987)	(6,923,307)	(5,011,097)	(3,137,131)	(1,300,644)
Net to Scholarships (Including Interest)		(144,143,206)	(144,143,206)	(144,143,206)	(144,143,206)	(144,143,206)
Net Changes in Cash:		(96,031,193)	(95,610,513)	(93,698,303)	(91,824,337)	(89,987,850)
Ending Cash and Investments		442,196,540	346,165,347	250,554,834	156,856,531	65,032,194
						(24,955,655)
Other Assets/Liabilities:						
N.C. Global Transpark Authority Loan		38,360,998	40,543,739	42,726,480	44,909,221	47,091,962
Interest Earnings Due to SEAA in Next Fiscal Year		7,343,987	6,923,307	5,011,097	3,137,131	1,300,644
						(499,113)
Ending Fund Balance		487,901,525	393,632,393	298,292,410	204,902,883	113,424,800
						23,819,934

Interest Rate = 2.00%

Source: Department of State Treasurer, NC State Education Assistance Authority

Prepared by Fiscal Research Division

	Projections										
	06/30/2011	06/30/2012	06/30/2013	06/30/2014	06/30/2015	06/30/2016	06/30/2017	06/30/2018	06/30/2019	06/30/2020	06/30/2021
Beginning Cash and Investments	442,196,540	346,165,347	250,554,834	200,000,000	200,000,000	200,000,000	200,000,000	200,000,000	200,000,000	200,000,000	200,000,000
Changes in Cash:											
Department of State Treasurer											
Escheat Fund Collections	100,500,000	100,500,000	100,500,000	100,500,000	100,500,000	100,500,000	100,500,000	100,500,000	100,500,000	100,500,000	100,500,000
Escheat Claims Payable	(30,044,000)	(30,044,000)	(30,044,000)	(30,044,000)	(30,044,000)	(30,044,000)	(30,044,000)	(30,044,000)	(30,044,000)	(30,044,000)	(30,044,000)
Administrative Expenses	(2,500,000)	(2,500,000)	(2,500,000)	(2,500,000)	(2,500,000)	(2,500,000)	(2,500,000)	(2,500,000)	(2,500,000)	(2,500,000)	(2,500,000)
Deferred Revenue	(12,500,000)	(12,500,000)	(12,500,000)	(12,500,000)	(12,500,000)	(12,500,000)	(12,500,000)	(12,500,000)	(12,500,000)	(12,500,000)	(12,500,000)
SEAA (Scholarships Funded From Principal)											
UNC System – Need-based financial aid programs	(123,641,040)	(123,641,040)	(123,641,040)	(123,641,040)	(123,641,040)	(123,641,040)	(123,641,040)	(123,641,040)	(123,641,040)	(123,641,040)	(123,641,040)
UNC Millennium Scholars	No Escheats appropriation in FY 2010-11										
Community College Grant Program	(13,981,202)	(13,981,202)	(13,981,202)	(13,981,202)	(13,981,202)	(13,981,202)	(13,981,202)	(13,981,202)	(13,981,202)	(13,981,202)	(13,981,202)
DHHS-Child Welfare Postsecondary Support	No Escheats appropriation in FY 2010-11										
DOA Veterans' Dependents Scholarship Fund	(6,520,964)	(6,520,964)	(6,520,964)	(6,520,964)	(6,520,964)	(6,520,964)	(6,520,964)	(6,520,964)	(6,520,964)	(6,520,964)	(6,520,964)
Total Scholarships:	(144,143,206)	(144,143,206)	(144,143,206)	(144,143,206)	(144,143,206)	(144,143,206)	(144,143,206)	(144,143,206)	(144,143,206)	(144,143,206)	(144,143,206)
Reductions to Scholarships		0	43,143,469	92,687,206	92,687,206	92,687,206	92,687,206	92,687,206	92,687,206	92,687,206	92,687,206
SEAA (Interest Transfer to SEAA from Prior Year Earnings)	(7,343,987)	(6,923,307)	(5,011,097)	(4,000,000)	(4,000,000)	(4,000,000)	(4,000,000)	(4,000,000)	(4,000,000)	(4,000,000)	(4,000,000)
Net to Scholarships (Including Interest)	(151,487,193)	(151,066,513)	(106,010,834)	(55,456,000)	(55,456,000)	(55,456,000)	(55,456,000)	(55,456,000)	(55,456,000)	(55,456,000)	(55,456,000)
Net Changes in Cash:	(96,031,193)	(95,610,513)	(50,554,834)	0	0	0	0	0	0	0	0
Ending Cash and Investments	346,165,347	250,554,834	200,000,000	200,000,000	200,000,000	200,000,000	200,000,000	200,000,000	200,000,000	200,000,000	200,000,000
Other Assets/Liabilities:											
N.C. Global Transpark Authority Loan	40,543,739	42,726,480	44,909,221	47,091,962	49,274,702	49,274,703	49,274,704	49,274,705	49,274,706	49,274,707	49,274,708
Interest Earnings Due to SEAA in Next Fiscal Year	6,923,307	5,011,097	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000
Ending Fund Balance	393,632,393	298,292,410	248,909,221	251,091,962	253,274,702	253,274,703	253,274,704	253,274,705	253,274,706	253,274,707	253,274,708

Interest Rate = 2.00%

	Projections										
	06/30/2011	06/30/2012	06/30/2013	06/30/2014	06/30/2015	06/30/2016	06/30/2017	06/30/2018	06/30/2019	06/30/2020	06/30/2021
Beginning Cash and Investments	442,196,540	346,165,347	346,165,347	346,165,347	346,165,347	346,165,347	346,165,347	346,165,347	346,165,347	346,165,347	346,165,347
Changes in Cash:											
Department of State Treasurer											
Escheat Fund Collections	100,500,000	100,500,000	100,500,000	100,500,000	100,500,000	100,500,000	100,500,000	100,500,000	100,500,000	100,500,000	100,500,000
Escheat Claims Payable	(30,044,000)	(30,044,000)	(30,044,000)	(30,044,000)	(30,044,000)	(30,044,000)	(30,044,000)	(30,044,000)	(30,044,000)	(30,044,000)	(30,044,000)
Administrative Expenses	(2,500,000)	(2,500,000)	(2,500,000)	(2,500,000)	(2,500,000)	(2,500,000)	(2,500,000)	(2,500,000)	(2,500,000)	(2,500,000)	(2,500,000)
Deferred Revenue	(12,500,000)	(12,500,000)	(12,500,000)	(12,500,000)	(12,500,000)	(12,500,000)	(12,500,000)	(12,500,000)	(12,500,000)	(12,500,000)	(12,500,000)
SEAA (Scholarships Funded From Principal)											
UNC System – Need-based financial aid programs	(123,641,040)	(123,641,040)	(123,641,040)	(123,641,040)	(123,641,040)	(123,641,040)	(123,641,040)	(123,641,040)	(123,641,040)	(123,641,040)	(123,641,040)
UNC Millennium Scholars	No Escheats appropriation in FY 2010-11										
Community College Grant Program	(13,981,202)	(13,981,202)	(13,981,202)	(13,981,202)	(13,981,202)	(13,981,202)	(13,981,202)	(13,981,202)	(13,981,202)	(13,981,202)	(13,981,202)
DHHS-Child Welfare Postsecondary Support	No Escheats appropriation in FY 2010-11										
DOA Veterans' Dependents Scholarship Fund	(6,520,964)	(6,520,964)	(6,520,964)	(6,520,964)	(6,520,964)	(6,520,964)	(6,520,964)	(6,520,964)	(6,520,964)	(6,520,964)	(6,520,964)
Total Scholarships:	(144,143,206)	(144,143,206)	(144,143,206)	(144,143,206)	(144,143,206)	(144,143,206)	(144,143,206)	(144,143,206)	(144,143,206)	(144,143,206)	(144,143,206)
Reductions to Scholarships		95,610,513	95,610,513	95,610,513	95,610,513	95,610,513	95,610,513	95,610,513	95,610,513	95,610,513	95,610,513
SEAA (Interest Transfer to SEAA from Prior Year Earnings)	(7,343,987)	(6,923,307)	(6,923,307)	(6,923,307)	(6,923,307)	(6,923,307)	(6,923,307)	(6,923,307)	(6,923,307)	(6,923,307)	(6,923,307)
Net to Scholarships (Including Interest)	(151,487,193)	(55,456,000)	(55,456,000)	(55,456,000)	(55,456,000)	(55,456,000)	(55,456,000)	(55,456,000)	(55,456,000)	(55,456,000)	(55,456,000)
Net Changes in Cash:	(96,031,193)	0	0	0	0	0	0	0	0	0	0
Ending Cash and Investments	346,165,347	346,165,347	346,165,347	346,165,347	346,165,347	346,165,347	346,165,347	346,165,347	346,165,347	346,165,347	346,165,347
Other Assets/Liabilities:											
N.C. Global Transpark Authority Loan	40,543,739	42,726,480	44,909,221	47,091,962	49,274,702	49,274,703	49,274,704	49,274,705	49,274,706	49,274,707	49,274,708
Interest Earnings Due to SEAA in Next Fiscal Year	6,923,307	6,923,307	6,923,307	6,923,307	6,923,307	6,923,307	6,923,307	6,923,307	6,923,307	6,923,307	6,923,307
Ending Fund Balance	393,632,393	395,815,134	397,997,875	400,180,615	402,363,356	402,363,357	402,363,358	402,363,360	402,363,361	402,363,362	402,363,363

Interest Rate = 2.00%

	Projections										
	06/30/2011	06/30/2012	06/30/2013	06/30/2014	06/30/2015	06/30/2016	06/30/2017	06/30/2018	06/30/2019	06/30/2020	06/30/2021
Beginning Cash and Investments	442,196,540	346,165,347	275,554,834	231,356,531	213,042,194	220,094,145	227,005,056	233,777,749	240,414,988	246,919,482	253,293,886
Changes in Cash:											
Department of State Treasurer											
Escheat Fund Collections	100,500,000	100,500,000	100,500,000	100,500,000	100,500,000	100,500,000	100,500,000	100,500,000	100,500,000	100,500,000	100,500,000
Escheat Claims Payable	(30,044,000)	(30,044,000)	(30,044,000)	(30,044,000)	(30,044,000)	(30,044,000)	(30,044,000)	(30,044,000)	(30,044,000)	(30,044,000)	(30,044,000)
Administrative Expenses	(2,500,000)	(2,500,000)	(2,500,000)	(2,500,000)	(2,500,000)	(2,500,000)	(2,500,000)	(2,500,000)	(2,500,000)	(2,500,000)	(2,500,000)
Deferred Revenue	(12,500,000)	(12,500,000)	(12,500,000)	(12,500,000)	(12,500,000)	(12,500,000)	(12,500,000)	(12,500,000)	(12,500,000)	(12,500,000)	(12,500,000)
SEAA (Scholarships Funded From Principal)											
UNC System – Need-based financial aid programs	(123,641,040)	(123,641,040)	(123,641,040)	(123,641,040)	(123,641,040)	(123,641,040)	(123,641,040)	(123,641,040)	(123,641,040)	(123,641,040)	(123,641,040)
UNC Millennium Scholars	No Escheats appropriation in FY 2010-11										
Community College Grant Program	(13,981,202)	(13,981,202)	(13,981,202)	(13,981,202)	(13,981,202)	(13,981,202)	(13,981,202)	(13,981,202)	(13,981,202)	(13,981,202)	(13,981,202)
DHHS-Child Welfare Postsecondary Support	No Escheats appropriation in FY 2010-11										
DOA Veterans' Dependents Scholarship Fund	(6,520,964)	(6,520,964)	(6,520,964)	(6,520,964)	(6,520,964)	(6,520,964)	(6,520,964)	(6,520,964)	(6,520,964)	(6,520,964)	(6,520,964)
Total Scholarships:	(144,143,206)	(144,143,206)	(144,143,206)	(144,143,206)	(144,143,206)	(144,143,206)	(144,143,206)	(144,143,206)	(144,143,206)	(144,143,206)	(144,143,206)
Reductions to Scholarships	25,000,000	50,000,000	75,000,000	100,000,000	100,000,000	100,000,000	100,000,000	100,000,000	100,000,000	100,000,000	100,000,000
SEAA (Interest Transfer to SEAA from Prior Year Earnings)	(7,343,987)	(6,923,307)	(5,511,097)	(4,627,131)	(4,260,844)	(4,401,883)	(4,540,101)	(4,675,555)	(4,808,300)	(4,938,390)	(5,065,878)
Net to Scholarships (Including Interest)	(151,487,193)	(126,066,513)	(99,654,303)	(73,770,337)	(48,404,050)	(48,545,089)	(48,683,307)	(48,818,761)	(48,951,506)	(49,081,596)	(49,209,084)
Net Changes in Cash:	(96,031,193)	(70,610,513)	(44,198,303)	(18,314,337)	7,051,950	6,910,911	6,772,693	6,637,239	6,504,494	6,374,404	6,246,916
Ending Cash and Investments	346,165,347	275,554,834	231,356,531	213,042,194	220,094,145	227,005,056	233,777,749	240,414,988	246,919,482	253,293,886	259,540,802
Other Assets/Liabilities:											
N.C. Global Transpark Authority Loan	40,543,739	42,726,480	44,909,221	47,091,962	49,274,702	49,274,703	49,274,704	49,274,705	49,274,706	49,274,707	49,274,708
Interest Earnings Due to SEAA in Next Fiscal Year	6,923,307	5,511,097	4,627,131	4,260,844	4,401,883	4,540,101	4,675,555	4,808,300	4,938,390	5,065,878	5,190,816
Ending Fund Balance	393,632,393	323,792,410	280,892,883	264,395,000	273,770,730	280,819,860	287,728,008	294,497,993	301,132,578	307,634,471	314,006,327

Interest Rate = 2.00%

	Projections										
	06/30/2011	06/30/2012	06/30/2013	06/30/2014	06/30/2015	06/30/2016	06/30/2017	06/30/2018	06/30/2019	06/30/2020	06/30/2021
Beginning Cash and Investments	442,196,540	346,165,347	350,554,834	354,856,531	359,072,194	363,203,545	367,252,268	371,220,016	375,108,410	378,919,036	382,653,449
Changes in Cash:											
Department of State Treasurer											
Escheat Fund Collections	100,500,000	100,500,000	100,500,000	100,500,000	100,500,000	100,500,000	100,500,000	100,500,000	100,500,000	100,500,000	100,500,000
Escheat Claims Payable	(30,044,000)	(30,044,000)	(30,044,000)	(30,044,000)	(30,044,000)	(30,044,000)	(30,044,000)	(30,044,000)	(30,044,000)	(30,044,000)	(30,044,000)
Administrative Expenses	(2,500,000)	(2,500,000)	(2,500,000)	(2,500,000)	(2,500,000)	(2,500,000)	(2,500,000)	(2,500,000)	(2,500,000)	(2,500,000)	(2,500,000)
Deferred Revenue	(12,500,000)	(12,500,000)	(12,500,000)	(12,500,000)	(12,500,000)	(12,500,000)	(12,500,000)	(12,500,000)	(12,500,000)	(12,500,000)	(12,500,000)
SEAA (Scholarships Funded From Principal)											
UNC System – Need-based financial aid programs	(123,641,040)	(123,641,040)	(123,641,040)	(123,641,040)	(123,641,040)	(123,641,040)	(123,641,040)	(123,641,040)	(123,641,040)	(123,641,040)	(123,641,040)
UNC Millennium Scholars	No Escheats appropriation in FY 2010-11										
Community College Grant Program	(13,981,202)	(13,981,202)	(13,981,202)	(13,981,202)	(13,981,202)	(13,981,202)	(13,981,202)	(13,981,202)	(13,981,202)	(13,981,202)	(13,981,202)
DHHS-Child Welfare Postsecondary Support	No Escheats appropriation in FY 2010-11										
DOA Veterans' Dependents Scholarship Fund	(6,520,964)	(6,520,964)	(6,520,964)	(6,520,964)	(6,520,964)	(6,520,964)	(6,520,964)	(6,520,964)	(6,520,964)	(6,520,964)	(6,520,964)
Total Scholarships:	(144,143,206)	(144,143,206)	(144,143,206)	(144,143,206)	(144,143,206)	(144,143,206)	(144,143,206)	(144,143,206)	(144,143,206)	(144,143,206)	(144,143,206)
Reductions to Scholarships		100,000,000	100,000,000	100,000,000	100,000,000	100,000,000	100,000,000	100,000,000	100,000,000	100,000,000	100,000,000
SEAA (Interest Transfer to SEAA from Prior Year Earnings)	(7,343,987)	(6,923,307)	(7,011,097)	(7,097,131)	(7,181,444)	(7,264,071)	(7,345,045)	(7,424,400)	(7,502,168)	(7,578,381)	(7,653,069)
Net to Scholarships (Including Interest)	(151,487,193)	(51,066,513)	(51,154,303)	(51,240,337)	(51,324,650)	(51,407,277)	(51,488,251)	(51,567,606)	(51,645,374)	(51,721,587)	(51,796,275)
Net Changes in Cash:	(96,031,193)	4,389,487	4,301,697	4,215,663	4,131,350	4,048,723	3,967,749	3,888,394	3,810,626	3,734,413	3,659,725
Ending Cash and Investments	346,165,347	350,554,834	354,856,531	359,072,194	363,203,545	367,252,268	371,220,016	375,108,410	378,919,036	382,653,449	386,313,174
Other Assets/Liabilities:											
N.C. Global Transpark Authority Loan	40,543,739	42,726,480	44,909,221	47,091,962	49,274,702	49,274,703	49,274,704	49,274,705	49,274,706	49,274,707	49,274,708
Interest Earnings Due to SEAA in Next Fiscal Year	6,923,307	7,011,097	7,097,131	7,181,444	7,264,071	7,345,045	7,424,400	7,502,168	7,578,381	7,653,069	7,726,263
Ending Fund Balance	393,632,393	400,292,410	406,862,883	413,345,600	419,742,318	423,872,016	427,919,121	431,885,284	435,772,123	439,581,226	443,314,146

Interest Rate = 2.00%