

**FISCAL RESEARCH DIVISION**  
A Staff Agency of the North Carolina General Assembly

## Overview of Financial Aid Programs in UNC Budget

**Stephen Bailey, Fiscal Analyst**  
**March 11th, 2021**

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### Agenda

1. Public Higher Education Scholarships
2. Financial Aid Programs for Both Public and Private  
Higher Education Institutions
3. Private Higher Education Scholarship
4. K-12 Scholarships



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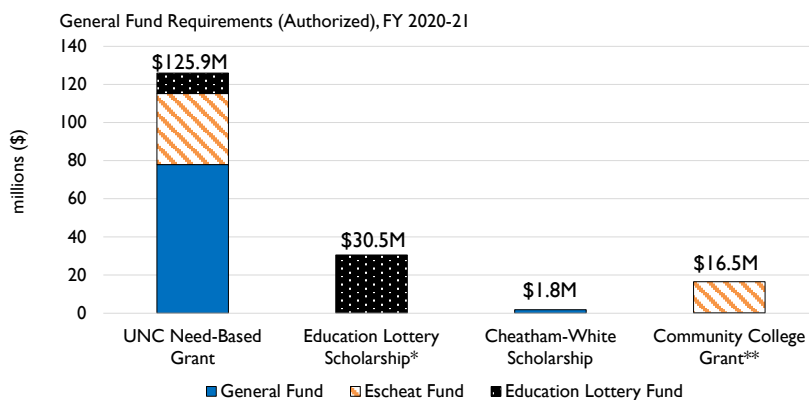
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## Public Higher Education Scholarships

Four of the scholarships funded by the General Assembly through the education budget are available only to those who attend public higher education institutions.



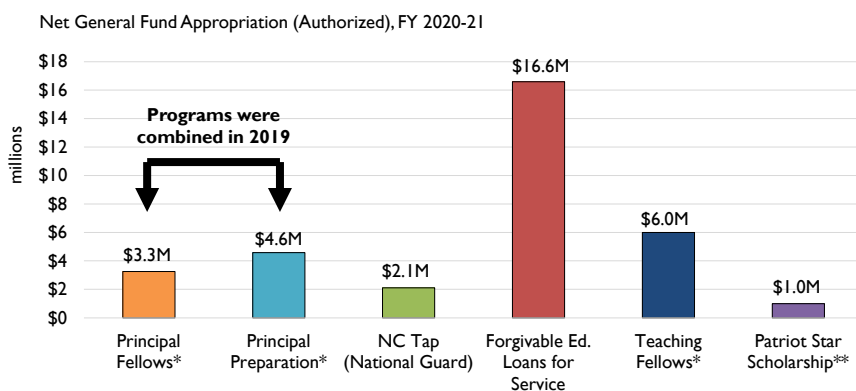
\*Education Lottery Scholarship available to both Community College System and UNC System students

\*\*Community College Grant is funded in the Community College budget

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## Financial Aid Programs for Public and Private Higher Education Institutions in UNC Budget

Several financial aid programs supported by the General Assembly are available to students who attend both public and private higher education institutions.



\*Only available at select institutions

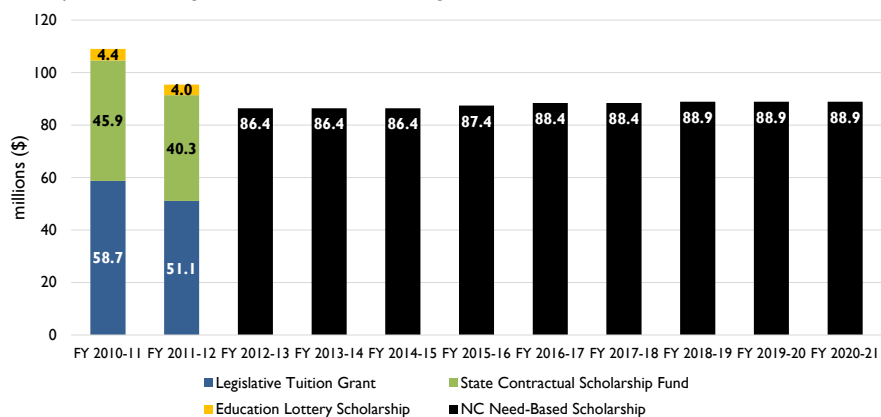
\*\*Patriot Star Family Scholarship received a \$1.0M nonrecurring General Fund appropriation in FY 2020-21

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## Scholarship for Private Colleges and Universities in UNC Budget

The NC Need-Based Scholarship provides awards for NC residents attending private institutions with award amounts depending on financial need.

History of State Funding for Aid to Attend Private Colleges and Universities, FY 2010-11 to FY 2020-21



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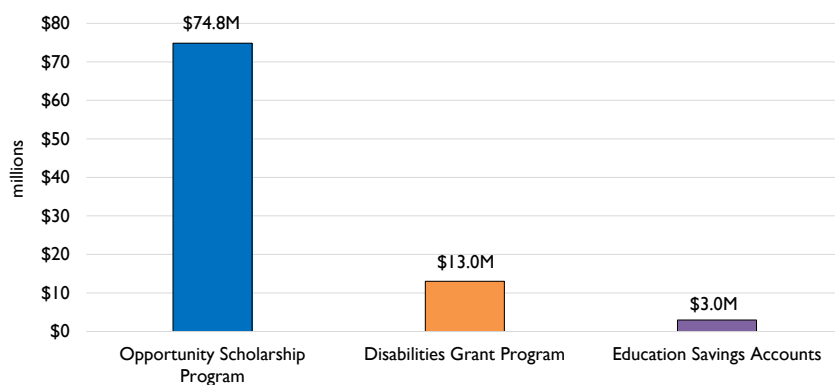
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## Scholarships for Private K-12 Institutions in UNC Budget

The General Assembly provides funding for three K-12 scholarships to assist families with the cost of attending private institutions.

Net General Fund Appropriation (Authorized), FY 2020-21



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## Opportunity Scholarship Income Eligibility Requirements, 2021-2022

Award amount varies depending on if household earns 100% or 150% of the reduced-price lunch (RPL) program's income qualifications.

Number in Household	Eligible for \$4,200 or 100% Tuition – Whatever is Less (100% RPL)	Eligible for \$4,200 or 90% Tuition – Whatever is Less (150% RPL)
2	\$32,227	\$48,341
3	\$40,626	\$60,939
4	\$49,025	\$73,538
5	\$57,424	\$86,136

Reduced-price lunch program income eligibility tied to U.S. Federal Poverty level



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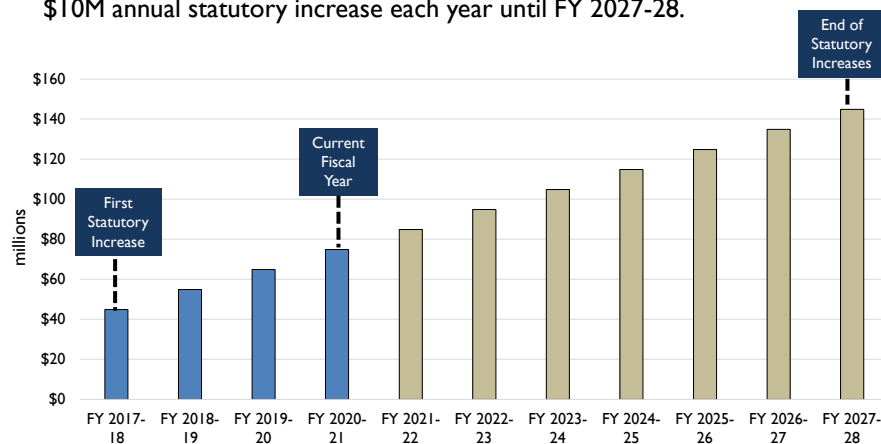
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## Opportunity Scholarship Program Statutory Funding Increases

Per G.S. 115C-562.8 - the Opportunity Scholarship Program receives a \$10M annual statutory increase each year until FY 2027-28.



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## Opportunity Scholarships Are Forward Funded

Funds appropriated to the Opportunity Scholarship Program are placed in a reserve and made available for awards the subsequent fiscal year.

	Appropriated to Reserve	Available for Scholarships
FY 2018-19	54,840,000	44,840,000
FY 2019-20	64,840,000	54,840,000
FY 2020-21	74,840,000	64,840,000

## Recent Changes to Opportunity Scholarship Program

In September 2020, the General Assembly made two modifications to the Program that expanded eligibility (HI 105 / S.L. 2020-97).

Modification	Description	Effective Date
Lifts K/1 Cap	Removes the limit on the number of Kindergarten or 1 <sup>st</sup> Grade students that may receive the award	Fall 2020
Broadens Income Eligibility Level	Raises the income level that a household can earn and still qualify for the needs-based award - from 133% to 150% of the reduced-price lunch program	Spring 2021

## Disability Grant and ESA Program Overviews

There are similarities between the two scholarships in terms of the eligible population and allowable award uses.

	Disability Grants	Education Savings Accounts
<b>Established</b>	FY 2012-13	FY 2017-18
<b>2020-21 Appropriation</b>	\$13.0 million	\$3.0 million
<b>Key Eligibility Requirement</b>	Public School IEP	Public School IEP
<b>Needs-Based</b>	No	No
<b>Award Value</b>	\$8,000 per year	\$9,000 per year
<b>Distribution Method</b>	Funds sent directly to schools or parents for reimbursement	Electronic debit account
<b>Uses</b>	Tuition, fees, expenses related to educating a child with disability	Tuition, fees, expenses related to educating a child with disability

## Notable Disability Grant and ESA Legislation During the FY 2019-21 Biennium

Bill Number	Description
H.B. 966	Would have merged Disability Grants and ESAs into one program called "Personal Education Savings Accounts" – similar in nature to the current ESA program structure.
H.B. 1105 / SL 2020-97	Appropriated CRF funds to Disability Grants (\$2.85M) and ESAs (\$3.65M) to reduce the waitlist for the fall 2020 academic year. This was a one-time increase for the fall term only.

## Financial Aid Takeaways

- Nearly all scholarship and other financial aid programs are funded through the UNC budget
- The State Education Assistance Authority (SEAA) administers most State financial aid programs
- The State provides financial assistance in different forms to help students attend public higher education institutions, private higher education institutions, and private K-12 entities



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## Questions?

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