

Policies for the North Carolina Community College Grant, Loan Program and Targeted Financial Assistance

G.S. 115D-40.1 establishes a need based financial assistance program for community college students and targets a portion of the funds to students enrolled in high demand/low enrollment programs. The State Board of Community Colleges is required to establish rules and policies for the implementation of the grant and loan program and the targeted financial assistance program. The following are policies for the administration and implementation of the programs.

Policies for the North Carolina Community College Grant Program

1. The State Board of Community Colleges will contract with the North Carolina State Education Assistance Authority (NCSEAA) to administer the financial aid program. Procedures for administering the program will be developed by the NCSEAA and the North Carolina Community College System (NCCCS) Office.
2. To be eligible for need-based grants under this program, students must meet the following criteria:
 - (a) be admitted to a curriculum program and be enrolled for at least six credit hours per semester;
 - (b) be a North Carolina resident;
 - (c) have completed and submitted the Free Application for Federal Student Aid (FAFSA);
 - (d) qualify for the grants based upon a valid Expected Family Contribution (EFC) calculation under Federal Methodology and the program's recognized "required educational expenses" for attending a North Carolina community college; and
 - (e) meet all other eligibility requirements for federal Pell Grant.
3. Financial aid officers at the community colleges will certify eligibility of their students. A graduated schedule will be used to provide grants to curriculum students whose (a) federal Pell Grants are less than the "required educational expenses" and (b) estimated income tax liability (according to federal guidelines) **is not likely to qualify for the federal tax credit**. The program's recognized "required educational expenses" for a North Carolina resident will be determined annually based upon tuition and fees for fall and spring terms, the estimated cost of books and supplies, and a small travel allowance. The amount may be adjusted to ensure that all eligible applicants receive need-based grants.
3. The State Board will receive an end-of-year report from NCSEAA and will review its rules and policies annually. The NCSEAA will transmit data on community college students applying for and receiving grants to the System Office, which has responsibility for evaluating the program.

4. Consistent with this act, each community college will designate at least one financial aid counselor to inform students of federal financial aid programs, the Hope and Lifetime Learning Tax Credits, the North Carolina Community College Grant Program, and other financial aid options. The NCCCS Office will coordinate a training program for financial aid counselors and will disseminate information about the program to the public.

Policies for the Targeted Assistance (High Demand/Low Enrollment) Program

1. The State Board may allocate no more than ten percent (10%) of the funds appropriated for Financial Assistance for Community College Students to students who enroll in low-enrollment programs that prepare students for high-demand occupations. The actual amount of funds allocated shall be adjusted annually, based upon availability in the NC Community College Grant Program. For **2002-2003**, the amount allocated shall be \$350,000.
2. The local community colleges shall identify for student funding the credit and noncredit programs that enroll substantially less than program capacity but for which there is a high demand for employees in the service area labor force.
3. The local community colleges shall determine the ratio for distribution of funds to credit and noncredit programs based on local training and employment needs.
4. Credit and noncredit students must complete the Free Application for Federal Student Aid (FAFSA) to be eligible for this need based financial assistance.
5. Funds allocated to the community colleges will include a base rate plus a percentage as determined by the colleges' Pell funds awarded and listed in the most recent Statistical Abstract of Higher Education in North Carolina.
6. Funds will be disbursed upon request from the president or chief financial officer of the college to the System Office Vice President for Finance. Funds that are not disbursed by the end of the Fall Semester may be reallocated.
7. Colleges will submit a progress report to the System Office in **November of each year** that lists the unexpended balance and lists the credit and noncredit programs in which students receiving assistance are enrolled.
8. Colleges will report to the System Office after June 30th each year: a). The number of students funded, b). A listing of the credit and noncredit programs where funds were targeted, c). Number of completers, d). Number of continuing students and e). A narrative that explains the basis for selecting each credit and noncredit programs targeted for student financial assistance.
9. **Effective July 1, 2002, unrequested funds held at the System Office on November 15th of each year may be reallocated to colleges that demonstrate additional need for targeted assistance funds.**

Policies for the North Carolina Community College Loan Program

This statute allows the State Board to use some of the need-based financial assistance funds for short-term loans. **For 2002-2003, the State Board will not allocate new funds for short-term loans.**

1. Each college will administer the program according to its policies and procedures as long as they are consistent with the fiscal policies of the State Board.
2. To ensure that students repay the loans, colleges must report students who default on repaying their loans to the North Carolina Department of Revenue and the System Office.

3. Colleges will report annually to the System Office the number of loans granted, the total amount loaned (which may exceed the amount allocated if loans are repaid and new loans are made), and the balance in the loan fund as of June 30.
4. **Effective June 30, 2002, all unexpended funds above a cash balance equivalent of two years (2000-2001 and 2001-2002) will revert to the System Office. These funds will be reallocated to the community college grant program.**
5. **All interest earnings on community college loan program funds must be applied to and used for the NC Community College Loan Program.**