

Recommendations of the Study Group



FOCUS AREA A: **CREATE A SYSTEM THAT IS SIMPLE, TRANSPARENT, TARGETED, AND ACCESSIBLE**

1. Simplify the grant structure by offering a single, generically named "North Carolina Scholarship" to provide a base level of need-based student aid to eligible students.

- Create one set of rules for determining eligibility and aid amounts based on the federal methodology for Expected Family Contribution and institutional costs of attendance.
- Promote simplicity and reduce confusion by ensuring that program details mirror the federal Pell Grant program where possible and appropriate; for example, in eligibility rules, proration, and satisfactory academic progress requirements.
- Take steps to minimize the effect of this simplification on the total amount of state aid that flows to individual institutions.
- Provide a method for students and families to estimate how much their federal and state need-based aid would be based on a combination of data inputs such as family income, EFC, institution, and number of credit hours.
- Structure the program to build upon Pell, assisting students beyond those Pell-eligible (e.g., 110% of Pell-eligible EFC) with the amount awarded decreasing for higher EFCs (awards should "slope").

2. Allow summer awards consistent with Pell criteria.

3. To the extent possible, fund need-based grant programs at a level that allows grants to be awarded to all eligible students regardless of FAFSA filing date and start term.

4. Avoid limiting eligibility for state financial aid programs by age or time since high school enrollment.



FOCUS AREA B: **PROMOTE EARLY AWARENESS**

5. Expand financial aid counseling efforts across the state with multi-pronged strategies for engaging and supporting students.

These efforts could include:

- Establishing a statewide virtual financial aid center that offers technology-based counseling sessions (e.g., Skype, FaceTime, Facebook Live) with after-hours and weekend availability;
- Increasing the number of College Advising Corps, NC Career Coaches, and College Foundation of North Carolina's regional financial aid representatives;
- Leveraging evidence-based practices, like text messaging/nudging campaigns and artificial intelligence communication technologies (e.g., AdmitHub) to support students through application and financial aid process; and
- Continue incorporating financial aid counseling with college or university admission fairs (e.g., CACRAO).

6. Invest in state-level communication and marketing to develop simple messages focused on the value of and opportunities to access a college education, and outreach strategies that are proactive, targeted and personalized for various student populations.

These strategies could include:

- Accessing data from the NC Department of Public Instruction, including ACT data, to identify and reach out to high school students with simple messages for academic expectations, postsecondary options, and accessibility of financial aid;
- Expanding the use of social media and traditional marketing strategies that can engage both students and parents in a college-going campaign effort with simple messages about affordability/availability of financial aid; and
- Developing student-focused, story-telling narratives and information about college opportunities, such as career and technical education programs, that can (re)-engage non-traditional aged students.

7. Simplify and modernize CFNC's web portal and governance to support future flexibility and efficiency.



FOCUS AREA C: INCENTIVIZE STUDENT SUCCESS AND REDUCE TIME TO DEGREE

8. Create a separate bonus award for students who complete 30 or more credit hours per academic year and incorporate a parallel reward system for part-time students to encourage on-time completion.

- Policymakers should work to ensure that the bonus award is structured to minimize administrative burden and fulfill the requirement in S.L. 2014-100, section 11.8.

9. Expand availability of state grant funding in the summer to encourage students to complete their programs more quickly.

10. Enhance completion incentive programs with advising and student services that emphasize the same message to all students, not only financial aid recipients.

- Advising should clarify the financial consequences of taking additional semesters to complete a credential and help students choose the right major for degree completion.
- A statewide campaign to promote on-time completion at 2- and 4-year institutions and highlight transfer initiatives should accompany advising efforts. This campaign should highlight initiatives like transfer articulation agreements and "2+2" co-admission programs.

11. Implement and study a program to provide a one-time award to students who earn a college transfer associate degree covered by the Comprehensive Articulation Agreement prior to transferring to a UNC System institution.



FOCUS AREA D: TEST INNOVATIVE IDEAS AND EVALUATE CURRENT PROGRAMS FOR EFFECTIVENESS

12. Evaluate the effectiveness of current programs and outreach efforts, and measure the impact of differing levels of state grant aid on enrollment and completion, in order to ensure the best use of state resources.

This work could include, but would not be limited to:

- Studying the current NCSEAA Forgivable Education Loans for Service (FELS) to assess effectiveness of the program. Expand or modify based on the results.
- Evaluating current financial aid outreach activities to understand which efforts are effective, which efforts should be reduced or discontinued, and the return on investments. Scan other states' financial aid outreach efforts for best practices and innovative ideas.

13. Pilot a statewide scholarship program to support short-term, career-focused training in high-demand fields. Such an initiative should include business and industry partnerships and may include matching funds from employers.

14. Study and pilot a program that forgives some portion of student account balances to encourage adult reentry into postsecondary education.

This program could include, but would not be limited to:

- One-time forgiveness of non-tuition debts (e.g. parking tickets, fines, other fees) and Title IV money typically charged to students based on charges from the Department of Education (a limited/ "up-to" amount should be established after examining the typical amounts of these kinds of debts among stop-outs);
- Debt forgiveness over time upon completion of credit hours regardless of Satisfactory Academic Progress (SAP) standing.

15. Pilot "Finish Line" support for students who are within striking distance of graduating.

- For example, a program could award grants to students who complete student success sessions such as meeting with an academic advisor for a graduation audit, a career advisor, and complete financial literacy workshops.

From Recommendations to Action

Moving the Study Group's multifaceted recommendations from ideas to implemented policy will require varying levels of action by policymakers across the state, including the General Assembly, UNC System Board of Governors, and the North Carolina State Board of Community Colleges. This section identifies short-term, medium-term, and long-term actions.

SHORT-TERM (*In Progress*)

Action has already begun on several NC Student Aid Study Group recommendations:

- Advocate for proposals that reflect the Study Group's recommendations that are currently in front of the General Assembly:
 - expanded college and career counseling (Focus Area B)
 - summer scholarships (Focus Area C)
 - transfer associate degree scholarships (Focus Area C)
- Pilot the joint communication effort focused on promoting FAFSA completion.
- Engage State Board of Community Colleges and UNC Board of Governors on the report and the recommendations of the Study Group.
- Ask relevant Board of Governors and State Board of Community College committees to examine current governance of financial aid and outreach programs, and then to make recommendations for improvement.
- Conduct further research and analysis on effectiveness of existing aid programs and support efforts of the Program Evaluation Division (PED) of the General Assembly to evaluate grant program outcomes.
- Identify any necessary statutory, regulatory, or policy changes necessary to facilitate consolidation of the need-based aid programs serving UNC System and NCCCS students.
- Redesign the cfnc.org website. A previously planned website redesign is currently underway and will take recommendations from the Study Group under advisement.

MEDIUM-TERM (*Summer/Fall 2019*)

While some progress has been made toward actualizing the recommendations of the Study Group, there is more work to do. The sustained engagement and will of the NCCCS System, UNC System, NCSEAA, and the General Assembly will be required to implement the recommendations. Potential steps include:

- Launch a collaborative effort between the UNC System, NCCCS, and SEAA to draft a plan for the initial consolidation of aid programs into one North Carolina Scholarship and prepare a list of any statutory changes needed for the short legislative session.
- Develop new grant schedule and "look-up tables" to reflect the consolidated North Carolina Scholarship.
- Seek philanthropic funding to implement and study pilot projects.

LONG-TERM (*Fall 2019 onward*)

- In concert with financial aid officers, develop a proposal for a 30-credit bonus award in anticipation of a request for additional funding for such a program in the 2020 short legislative session.
- Convene representatives from the UNC System, NCCCS, and SEAA staff to analyze the feasibility of aligning additional components of the consolidated program between sectors (e.g., grant formulae).
- Work with the State Board of Community Colleges and UNC Board of Governors to include bonus proposal in joint budget priorities.
- Rigorously evaluate pilot projects in an effort to inform state policy and investment.