

North Carolina State Grants Update

Spring 2016

State Grants Portal

New State Grants Portal up and running

- Enhanced Adjustments and Reconciliations process now in place
 - System-created adjustments
 - Improved Withdrawal Return of Funds calculator that creates adjustment records
- Dashboard showing snapshot of current status of disbursements and certifications
- Unlock requests on the Dashboard
- Title IV Rejection Override for school on portal
- Student Tracking report showing state grant usage

Coming Up in the State Grants Portal

- Enhancements to the Ellucian Banner and Colleague State Grant Interfaces:
 - Accommodate Full-time Plus
 - Accommodate RDS (Residency Determination System)
- School Student ID on the Portal (included in new file layouts)
- Ability for colleges to maintain own contact information on the portal
- Announcements from CFI/SEAA available on Dashboard
- CFI/SEAA to follow up on timely return of funds based on adjustments on system

Withdrawal Return of Funds

- 100% cancellation of tuition and fees, return entire amount of state grant – no Withdrawal Return of Funds calculation needed.
- If a student attends classes prior to withdrawal and does not receive a full cancellation of tuition and fees, then the withdrawal calculation should be done to determine refund even if after the 35% period.
 - R2T4 may produce refund to student
 - Some colleges refund tuition/fees late in the term
 - Always required to send state grant back before disbursing funds to student.
- If the last date of attendance is not known and no last date of attendance is given in the Federal R2T4, the state grant calculation uses 10% attended (not 50% like Federal).

Withdrawal Return of Funds

- If according to Federal R2T4 policy, last date of attendance is unknown, indicate unknown on the state calculation. The formula will default to 10%.
- If a student dies, the Withdrawal Return of Funds calculation should be done using the date of death as the last date of attendance, unless the student withdrew prior to that date.
- If it is known that a student is not be enrolled, disbursements should not be made under any conditions and the funds should be returned to CFI.
- If the college finds out that a student was withdrawn at the time a grant was disbursed to them, the grant funds should be returned in full and no withdrawal calculation is needed.

Differences between Federal and State Return of funds policies

- Federal R2T4 calculates grants “earned” through the 60% point of the semester; after which, no return
- State: Calculates that funds are “earned” through the 35% point of the semester; after which no return of funds UNLESS the school is providing a refund to student, in which case, the grant programs must get the refund first.
- Unofficial withdrawals:
 - Federal: Assume student attended through 50% point in the semester
 - State: Assume student attended through 10% point in the semester

Full-time Plus

- Goal is to put students on path to graduation within four years by providing an incentive to students to enroll in 30 semester hours each year
- Effective by NC law for 2016-17 year
- Community College Grant (CC) & Need-Based Scholarship (NBS) payment schedules include enrollment status of 15 or more hours
- UNC will provide summer grant for certain students who appear to be within reach of 30 hours—Summer 2017 would be the first summer award if funds are available
- For CC and NBS, implemented at the semester level – 15 or more hours per semester qualifies for increased payment (where 12 hours is considered full time)
- In general, the Full Time Plus payment amount is a fixed amount over the full-time amount rather than a percentage of the full time amount

Full-time Plus on the Grant System

- **The Maximum Award amount shown on Grants Portal is the Full-Time Plus amount.**
- The amount populated in Award/Certification Download files is the **Full-Time Plus amount.**
- Full-Time Plus is 15 or more hours on school's census date
- Full-Time is 12-14 hours on census date
- Dropped courses (example—15 hours to 12 hours) after census, retain the full-time Plus amount.

Grants and Centralized Residency Determination System (RDS)

- Fall of 2016 — colleges will continue to certify state residency.
- Starting Spring 2017:
 - The RDS will communicate residency to the Grants Portal; the Grants Portal will not communicate anything to RDS.
 - The Grants Portal will receive information from RDS for every new student submitting a FAFSA
 - The Grants Portal will receive information from RDS any time a student with a grant record has a change in status on RDS.

Grants and Centralized Residency Determination System (RDS)

- Grant Dollars go ONLY to NC Residents
- RDS is the authority for residency eligibility for grant consideration and supersedes continuous enrollment and state of residency on FAFSA
- Continuously enrolled students will retain their prior residency determination unless:
 - If a student does not receive a grant for two consecutive major terms(fall, winter, spring) at a given college, that student is no longer continuously enrolled and must complete an RDS determination.
 - If a student transfers to another college, continuous enrollment is broken and the student must complete an RDS determination.

Grants and Centralized Residency Determination System (RDS)

- Grant eligibility and tuition rate must be consistent within a term.
- If a student receives an RDS determination of Yes during the current term, and funds are available:
 - For NBS (private colleges), a cutoff date for the term will be established; students must receive a positive determination before the cutoff to become eligible for a state grant in that term.
 - For public institutions, a state grant will be processed for the student that receives a positive determination (given all other grant eligibility criteria are met). The institution must ensure the student is charged in-state tuition for that term. Students must be getting in-state tuition to be awarded a grant.

Grants and Centralized Residency Determination System (RDS)

- Currently, students receive a projected award based on the FAFSA and the school certifies residency when certifying the grant. Procedure continues for Fall 2016.
- When RDS is implemented for Spring 2017, students that are not continuously enrolled will need to complete an RDS determination.
- Students who receive a grant for Fall 2016 will be considered continuously enrolled and will not need to complete RDS.
- Spring-only 2017 students who were enrolled in spring 2016 will be considered continuously enrolled and will not need to complete RDS. If the student then does not receive grants for two consecutive major terms, an RDS determination will be needed.

Grants and Centralized Residency Determination System (RDS)

RDS will pass one of three residency flags to the Grants Portal. The flags will be specific to the student, school, and term.

- Y = student is determined to be a North Carolina resident.
- N = student is determined to NOT be a North Carolina resident and cannot be awarded a grant while in this status.
- U = Unknown – student:
Has only a “projected” residency based on answers to FAFSA residency questions – grants cannot be disbursed until student has gone through RDS determination

Grants and Centralized Residency Determination System (RDS)

Y = student is determined to be a North Carolina resident.

- Student was either continuously enrolled, or has received a positive RDS determination.
- If all other eligibility criteria in addition to residency are met, and there is sufficient funding, an award will be available on the Grants Portal to be certified and disbursed.

Grants and Centralized Residency Determination System (RDS)

N = student is determined to NOT be a North Carolina resident and cannot be awarded a grant while in this status.

- This student has used the RDS and been determined not to be a resident of NC. Option is for student to pursue RDS reconsideration or appeal.
- RDS will update the grants system with any changes to this status.

Grants and Centralized Residency Determination System (RDS)

U = Unknown

Student:

- Has only a “projected” residency based on answers to FAFSA residency questions – grants cannot be disbursed until student has gone through RDS determination
- Student has not had an RDS determination. Student does not meet continuous enrollment requirement of receiving grants (no previous grants, or no grants for two consecutive major terms.)
- Students may be certified while in a projected status, but no funds will be disbursed until RDS returns a positive residency status.

Grants and Centralized Residency Determination System (RDS)

Residency Status Changes During the Term

For NBS (private colleges):

- A cutoff date for the term will be established
- Changes to residency received after that date won't affect the grant for that term.
- If student currently an N, must receive a Y prior to cutoff date to be considered for a grant.
- If student currently a Y, and an N is received prior to the cutoff date, the grant will be removed and an adjustment record created, if applicable.
- If student currently an N, and Y is received prior to the cutoff date, student can be considered for a grant for that term.

Grants and Centralized Residency Determination System (RDS)

Residency Status Changes During the Term

For CC, UNC, and ELS grant types (public institutions):

- Determination will be based on if the college is charging in-state tuition or not, instead of on a date.
- If student currently an N, and a Y is received during the term, the student may be considered for a grant. COLLEGE must determine if in-state tuition is being charged and grants must be in synch with tuition charged.
- If student currently a Y, and an N is received during the term, the Grants Portal will report this information to the college. The college must determine what tuition is being charged and if the grant can be kept, or if it should be marked ineligible per school.

Grants and Centralized Residency Determination System (RDS)

- Colleges will be responsible for monitoring and addressing possible conflicts related to state residency
- Reports will be provided on the Grants Portal to facilitate the process
- Colleges will be able to “override” the CFI determination that a student is eligible by marking the student “Not eligible per school.”
- Colleges will be able to override the Grants Portal residency flag of N. **Overrides should be rare** (such as in the case of a student receiving an N from RDS, but still being charged in-state tuition due to grace period) and must be documented. Overrides will be subject to audit.

Grants and Centralized Residency Determination System (RDS)

Proposed Monitoring Reports:

- Student state of residency on FAFSA changes from NC to non-NC.
- Parent state of residency on FAFSA changes from NC to non-NC.
- Address on FAFSA changes from NC to non-NC.

Grants and Centralized Residency Determination System (RDS)

Proposed Informational Reports:

- Otherwise grant eligible student residency status changes from Y (Yes) to U (Unknown) or N (No).
- Report showing students that have a residency flag of Y that is due to RDS only(not continuous enrollment) that has an expiration date prior to a certain date. Students would need to be certified for a grant prior to the residency expiration date if they were not continuously enrolled.