

## **POLICY QUESTIONS REGARDING SCHOLARSHIPS AND STUDENT FINANCIAL AID**

### **University of North Carolina at Chapel Hill Academic Year 2012 - 13**

Need-based student financial aid provides access for students who could not otherwise afford to attend the University. Merit-based aid recognizes and rewards student talent and promise, without regard to need. Both are important sources for the recruitment and retention of undergraduate and graduate/professional students and for the achievement of the University's mission. Access and excellence are mutually reinforcing goals.

These are the policy questions that we believe to be most relevant to campus discussions this year:

1. Federal and state funding for student aid is expected to remain flat, with little or no growth going forward. How can we best serve undergraduate students with need in the context of likely increases to tuition and other college costs:
  - a. In the near term;
  - b. In the longer term?
2. How are graduate and professional students who demonstrate need on campus funded? Are our policies, methods, and priorities right? And if not, what changes are needed?
3. By grant of authority of the Board of Governors, Carolina has used between 35 – 38% of *new* tuition revenue each year for need-based aid – establishing our largest source of institutional grant aid for students by far. It is uncertain as to whether that authority will continue beyond this year. How can Carolina best influence the outcome while preparing for such uncertainty? What are the implications for:
  - a. Undergraduate students;
  - b. Carolina Covenant students;
  - c. Graduate and professional students?
4. Carolina has a long tradition of meeting the full need of undergraduate students who qualify under federal standards with at least 65% in grants and scholarships. In 2012-13, that share was lowered to 60%. Do we choose to continue that policy and, if so, what are the implications for:
  - a. In-state students;
  - b. Out-of-state students;
  - c. Undergraduate student borrowing?
5. In light of our challenges regarding funding for need-based aid, is it appropriate for the University to continue to use unrestricted funds for merit-based aid? And if so, in what share, from which sources, in what form (scholarship or recognition award) and for whom?
6. Is there a level of debt for graduating undergraduate students that we consider optimal? Is there a level that we consider acceptable?

7. What happens if the out-of-state scholarship provision for merit scholarship recipients is repealed by the General Assembly without “grandfathering in” current scholars (as the athletic scholarship provision was in 2010)? Who pays the bill (estimated at \$7 million), when, and how?
8. How can we maximize the use of student aid to further the University’s recruitment and retention goals?
9. What new initiatives or fund-raising efforts should we pursue in an effort to bolster financial support for students?
10. What resources or efforts will we need to put into place in order to better compete for international students as Carolina endeavors to strengthen its global presence?
11. What is our responsibility to meeting the financial needs of admitted undocumented students, if any?

DRAFT by Ort/October 1, 2012