

STAFF-DIRECTED POLICY QUESTIONS REGARDING SCHOLARSHIPS AND STUDENT FINANCIAL AID

University of North Carolina at Chapel Hill Academic Year 2015-16

Need-based 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; aid and scholarships allow us to recruit and enroll the strongest class possible.

These are the policy questions we believe have been most relevant to campus discussions this year:

1. Given that the Board of Governors imposed restrictions on the use of tuition revenues on campuses for need-based aid (August 2014 action), how do we as a University continue to meet the full need of students?
2. How will we be prepared for using Prior-Prior Year (PPY) for packaging financial aid in the upcoming year? What implications will this have for the office? How will we anticipate questions from students and parents?
3. Federal Perkins Loans are facing elimination, and other federal programs are not expanding. This has given rise to the creation of a University Loan Program that will need time to grow. Will this be sufficient to fill the gap? Is there a level of debt for undergraduate students that we consider optimal? Is there a limit to what we consider acceptable?
4. Federal Work Study funding has also declined over recent years, which has forced us to limit work study to the most highly needy students. This has meant a great reduction in a once robust program. Carolina Works is a privately-funded alternative, but will it ever be enough to replace federal Work Study?
5. 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 (dipping to 60% in 2012-13, although increases in external scholarships kept the overall grant/scholarship support constant at 74%). What is a reasonable percentage of grant and scholarship support that we can sustain? How do we fund it, and what are the specific implications for:
 - a. In-state students;
 - b. Out-of-state students;
 - c. Undergraduate borrowing;
 - d. The Carolina Covenant?

6. 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 eliminated in 2010)? Who pays the bill (estimated at over \$7 million annually to sustain current commitments), when, and with what funds?
7. How can we maximize the use of student aid to further the University’s recruitment and retention goals, as we have done within the Carolina Covenant?
8. What new initiatives or fund-raising efforts should we pursue to bolster financial support for students without adding to administrative burden? What types of donor specifications are meaningful to the mission of the University, and which ones create unnecessary layers of complexity?
9. What resources or efforts can we use to better compete for international students as Carolina works to strengthen its global presence?
10. What is our responsibility for meeting the financial needs of admitted undocumented students, if any?
11. To what extent might federal higher-education affordability/access initiatives affect UNC-Chapel Hill?

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