



**Rules Governing the
Tuition Grant for High School Graduates of the North Carolina School
of Science and Mathematics and the University of North Carolina
School of the Arts Program**

A Program of the State of North Carolina
Administered by the State Education Assistance Authority
3120 Poplarwood Court
Raleigh, NC 27604

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PART I

SHORT TITLE, PURPOSE, AND DEFINITIONS

.0100. Short Title.

The Rules Governing the Tuition Grant for High School Graduates of the North Carolina School of Science and Mathematics and University of North Carolina School of the Arts Program may hereinafter be cited by the State Education Assistance Authority and referred to as the “Program Rules.”

.0101. The Program and its Purpose.

The Program was authorized by the North Carolina General Assembly in 2021 to provide tuition grants to high school graduates of the North Carolina School of Science and Mathematics and the University of North Carolina School of the Arts who enroll as an undergraduate student at a constituent institution of The University of North Carolina as defined in G.S. § 116-2(4). The Authority administers the Program as directed by the General Assembly, and funding for the grants is generally contingent on appropriations made available to the Authority for the Program.

.0102. Definitions.

Unless the context clearly indicates some other meaning, the following capitalized words and phrases shall have the corresponding meanings in the Program Rules:

- (a) “*Academic Term*” means any of the following: one fall semester, one spring semester, or one Summer Term.
- (b) “*Academic Year*” means a combination of school terms consisting of two semesters, three trimesters, or the equivalent thereof, excluding any Summer Term.
- (c) “*Act*” means Part 6 of Article 23 of Chapter 116 of the North Carolina General Statutes, as existing at the date of adoption of the Program Rules, or as thereafter amended, and any subsequent budget or appropriations act affecting the Program.
- (d) “*Approved Institution*” means a postsecondary constituent institution of The University of North Carolina as defined in G.S. § 116-2(4).

- (e) *“Authority”* means the State Education Assistance Authority, a political subdivision of the State of North Carolina, created and enabled under Part 1 of Article 23 of Chapter 116 of the North Carolina General Statutes.
- (f) *“Authorized School Official”* means the person who is designated by the chief executive officer of the Approved Institution to administer the Program for the Approved Institution.
- (g) *“Cost of Attendance”* means a student’s total cost of attending a postsecondary institution as defined in Section 472 of the Higher Education Act (20 U.S.C. § 1087II).
- (h) *“Date of Disbursement”* means the date or dates on which the Authority funds the Loans. If the disbursement is made by check, it will be the date shown on the check.
- (i) *“FAFSA”* means the Free Application for Federal Student Aid.
- (j) *“Full-Time”* means enrolled in twelve (12) or more credit hours per semester or the equivalent thereof.
- (k) *“NCSSM”* means the North Carolina School of Science and Mathematics operating as a constituent high school of The University of North Carolina pursuant to G.S. § 116-231.
- (l) *“Program”* means the Tuition Grant for High School Graduates of the North Carolina School of Science and Mathematics and the University of North Carolina School of the Arts Program.
- (m) *“Satisfactory Academic Progress”* means the standard or standards by which an Approved Institution measures a Student’s academic progress towards the completion of his or her baccalaureate degree.
- (n) *“State”* means the State of North Carolina.
- (o) *“Student”* means a candidate for an undergraduate baccalaureate degree who receives a Tuition Grant under the Program in accordance with the Program Rules.
- (p) *“Summer Term”* means all instruction received in one summer between Academic Years.

- (q) *"Tuition Grant"* means the financial aid, which is the standard cost of undergraduate tuition at the Approved Institution for an individual enrolled full-time who is a North Carolina resident, provided to a Student under the Program.
- (r) *"UNCSA"* means the University of North Carolina School of the Arts operating as part of The University of North Carolina pursuant to G.S. § 116-65.
- (s) *"Visiting Student"* means a Student who enrolls in a different Approved Institution during a Summer Term than the Approved Institution the student is enrolled in during the Academic Year.
- (t) *"Waiver"* means a waiver granted by the Authority, pursuant to the Authority's policies and procedures implementing the waiver provision, upon application by a student, if a student demonstrates that any of the following have substantially disrupted or interrupted the student's pursuit of a baccalaureate degree: (i) a military service obligation; (ii) serious medical debilitation; (iii) a short-term or long-term disability; or (iv) other extraordinary hardship that may apply in the following circumstances:
1. A student may postpone Full-Time enrollment in an Approved Institution for up to one academic year after high school graduation and be eligible for an initial Tuition Grant.
 2. A student may continue to receive a Tuition Grant even if the student does not remain continuously enrolled in the Approved Institution after the award of the initial Tuition Grant.

PART II

ELIGIBILITY REQUIREMENTS

.0200. Initial Tuition Grant Eligibility Requirements.

An applicant for a Tuition Grant is eligible to be considered for funding if, as of the date of the application, the applicant:

- (a) Is expected to graduate from high school from NCSSM or UNCSA in a school year designated by the North Carolina General Assembly as eligible for a Tuition Grant;
- (b) Qualifies as a North Carolina resident for tuition purposes under G.S. § 116-143.1, and in accordance with the coordinated and centralized residency determination process administered by the Authority, at the time of enrollment in the Approved Institution;
- (c) Submits a completed Free Application for Federal Student Aid (FAFSA);
- (d) Is accepted for enrollment Full-Time in an undergraduate baccalaureate degree program at an Approved Institution during the Academic Year comprised of the fall semester and spring semester immediately following high school graduation from NCSSM or UNCSA, unless the Authority has granted the Student a Waiver of this requirement;
- (e) Is eligible to receive financial assistance under Title IV of the Higher Education Act of 1965, as amended, 20 U.S.C. § 1070, et seq.; and
- (f) Is not in default, or does not owe a refund, under any State loan or grant program.

.0201. Renewal Tuition Grant Eligibility Requirements.

A Student is eligible to receive a Tuition Grant for an Academic Term immediately following the Academic Term or the Academic Year for which the Student previously received a Tuition Grant if the Student:

- (a) Meets the initial eligibility requirements of the Program Rules, including submitting a completed FAFSA on an annual basis; and
- (b) Remains continuously enrolled Full-Time in an undergraduate program at an Approved Institution after the award of the initial Tuition Grant in subsequent Academic Years, unless the Authority has granted the Student a Waiver of this requirement.

.0202. Satisfactory Academic Progress Requirements.

A Student may receive a Tuition Grant for the Student's subsequent Academic Term provided that, for each subsequent Academic Term in which the Student receives a Tuition Grant, the eligible Student meets the standards by which the Approved Institution measures a student's satisfactory academic progress for the purposes of determining eligibility for federal financial assistance under the Higher Education Act.

.0203. Limitation on Eligibility.

An eligible Student may not receive a Tuition Grant from the Program for the equivalent of more than eight (8) Full-Time Academic Terms. If enrolled for less than Full-Time in a Summer Term, the total credit hours the Student is enrolled will be applied towards determining whether the Student has reached the maximum number of allowable Full-Time Academic Terms.

PART III

APPLICATION, TUITION GRANT AMOUNT, AND TRANSFERS BETWEEN INSTITUTIONS

.0300. Application.

- (a) *Application.* An applicant for a Tuition Grant under the Program must complete and submit an application provided by the Authority by the application deadline.
- (b) *Supporting Documentation.* The Authority or the Approved Institution may require an applicant to submit documentation or additional information to substantiate information presented in the application.
- (c) *Application Deadline.* The Authority may set the application deadline for the Program during each Academic Year. An application for a Tuition Grant received after the applicable deadline may not be considered for a Tuition Grant.
- (d) *Application for Renewal of Tuition Grant.* A Student seeking a Tuition Grant to continue his or her degree program in the Academic Year immediately following the Academic Year for which the Student received a Tuition Grant must submit renewal information in a form acceptable to the Authority.
- (e) *Responsibility to Update an Application.* If any information presented on the applicant's initial or renewal application changes, the applicant is responsible for notifying the financial aid office of the Approved Institution that the Student plans to attend or is attending and the Authority of any such change.

.0301. Tuition Grant Amount.

- (a) Each Tuition Grant shall be for the cost of undergraduate tuition only at the Approved Institution.
- (b) A Student may not receive a Tuition Grant in an amount that, when combined with the total amount of financial aid for which such student is eligible, exceeds the Student's Cost of Attendance.

- (c) If funds appropriated for the Tuition Grants, or otherwise made available to the Authority for the Program, are not sufficient to pay each Student's full Tuition Grant, a uniform pro rata reduction may be applied to the amount of the Tuition Grant for all Students.

.0302. Transfers between Approved Institutions.

- (a) Eligibility for a Tuition Grant under the Program is transferable from one Approved Institution to another Approved Institution provided that:
 - 1. The Student meets the eligibility requirements of Part II of the Program Rules;
 - 2. His or her enrollment is continuous from fall semester to spring semester or from one Academic Year to the other Academic Year, unless the Student has obtained a Waiver;
 - 3. The Authority approves the transfer; and
 - 4. The Student notifies the financial aid office at both Approved Institutions of the transfer.
- (b) A Visiting Student may enroll at a different Approved Institution for the Summer Term only. This will not affect the Visiting Student's eligibility to use a Tuition Grant at the first Approved Institution during the following Academic Years.
- (c) A Student may lose eligibility for the Tuition Grant if he or she transfers from one Approved Institution to another Approved Institution without the approval of the Authority.
- (d) The Authority will not approve a transfer of a Student's Tuition Grant from one Approved Institution to another Approved Institution unless the Student is making Satisfactory Academic Progress.

PART IV

INSTITUTIONAL REQUIREMENTS

.0400. Responsibilities of Approved Institutions.

An Approved Institution shall be responsible for:

- (a) Designating an Authorized School Official as the primary contact between the Approved Institution and the Authority and charging that person with the primary responsibility for executing the Approved Institution's responsibilities under the Program Rules;
- (b) Complying with the Tuition Grant disbursement procedures;
- (c) Complying with the refund procedures;
- (d) Determining residency status for Program eligibility; and
- (e) Certifying, in a manner acceptable to the Authority, that an applicant meets the eligibility requirements for a Tuition Grant under the Program Rules.

.0401. Tuition Grant Disbursement Procedures.

- (a) *Method of Disbursement.* The Authority shall disburse the proceeds of a Tuition Grant by check or by electronic funds transfer based on information provided by the Approved Institution. Upon receipt of the Tuition Grant funds from the Authority, the Approved Institution shall deposit the funds into a separate general ledger account within the Approved Institution's accounting system identified as the "NCSSM and UNCSA Tuition Grant Program Account."
- (b) *Roster Required.* A roster identifying the Students and the Tuition Grant amount for each Student will be sent to the Approved Institution at the time of the check or electronic funds transfer.
- (c) *Timing of Disbursements.* Disbursements may be made on an Academic Term basis.
- (d) *Posting of Disbursements.* The Approved Institution shall post the Tuition Grant amount to each Student's account within ten (10) business days after the receipt of the roster or within ten (10) business days after the beginning date of the term for which the proceeds of the Tuition Grant were disbursed, whichever is later.

- (e) *Refund Procedure.* Tuition Grant funds that are not disbursed to the Student or are adjusted due to eligibility or enrollment changes shall be returned to the Authority within sixty (60) days of the date the determination is made that a change in enrollment or eligibility will result in the need for a return of funds. In addition, Approved Institutions are responsible for fully reconciling the accuracy of disbursements made in each Academic Term under the Program Rules. An Approved Institution shall return any State funds owed from the prior Academic Year and the Summer Term following the Academic Year, to the Authority by September 1.
- (f) *Certification of Receipts.* The Approved Institution shall certify the Student's eligibility for the Program and certify that Tuition Grant funds received by check or electronic funds transfer have been credited to the Student's account.

.0402. Refund of Scholarship Funds to the Authority.

Approved Institutions shall be responsible for the return of State funds for students who are deemed ineligible under the Act and the Program Rules and for student withdrawals and enrollment adjustments in accordance with Rule .0401(e) and the Authority's policies for return of funds for State-funded assistance programs.

.0403. Audit Requirements.

Each Approved Institution shall be subject to examination by the Authority and audit by the State Auditor to determine, among other things, whether the Approved Institution has complied with the Program Rules and all applicable laws and regulations.

.0404. Inspection of Records.

Each Approved Institution shall make all Program records available to the Authority and the State Auditor for inspection upon request. All Program records must be retained by the Approved Institution for a period of five years or until any audit exceptions have been resolved, whichever is later.

.0405. Continuing Institutional Eligibility of Approved Institutions.

If a review or audit by the Authority or the State Auditor documents violations of the Act or Program Rules, the Approved Institution may be required to remedy those violations through the return of State funds and changes in procedures at the Approved Institution. If the Approved Institution's remedy does not, in the opinion of the Authority, constitute immediate and satisfactory action, the Authority may withhold disbursement of Program funds and/or withdraw approval to participate in the Program.

PART V

PROGRAM ADMINISTRATION

.0500. The Authority as Program Administrator.

The Authority is authorized and directed to develop, adopt, and implement such policies, procedures, and forms as necessary from time to time in order for the Authority to administer the Program in accordance with the Program Rules and in compliance with the Act. In the event of any conflict between the Act and the Program Rules, the Executive Director of the Authority is authorized to implement temporary policies in compliance with any amendments to the Act pending action by the Board of Directors to amend the Program Rules.

.0501. Interpretive Guidance.

The Authority may, from time to time, issue guidance for interpreting the Program Rules in the form of policy memoranda or questions and answers. All interpretive guidance shall have the force and effect of the Program Rules.

Statutory Authority: Part 6 of Article 23 of Chapter 116 of the North Carolina General Statutes.

I, Andrea Poole, Executive Director and Secretary of the Board of Directors of the State Education Assistance Authority, DO HEREBY CERTIFY that the foregoing is a true and exact copy of the Rules Governing the Tuition Grant for High School Graduates of the North Carolina School of Science and Mathematics and the University of North Carolina School of the Arts Program, as amended effective October 23, 2023, beginning with the 2024-2025 academic year, adopted by the Board of Directors of the Authority on October 23, 2023, and as approved as final pursuant to the authority delegated to me; these Rules are in full force and effect.

WITNESS my hand and seal of the Authority, this the 31 day of October 2023.



Andrea Poole

Executive Director and Secretary of the Board of Directors

