

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1991

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HOUSE BILL 2

Short Title: Education Improvement Act.

(Public)

Sponsors: Representatives Rhyne; Dickson, Dockham, Loflin, Privette, and Warner.

Referred to: Education.

January 31, 1991

A BILL TO BE ENTITLED

1 AN ACT TO IMPROVE EDUCATIONAL OPPORTUNITIES FOR NORTH
2 CAROLINIANS.
3

4 Whereas, The North Carolina Constitution mandates that the benefits of The
5 University of North Carolina, as well as other public institutions of higher education, be
6 extended to the people of the State free of expense, as far as practicable; and

7 Whereas, many students who are residents of North Carolina and who can
8 prove their ability to benefit from higher education by meeting high academic standards
9 are unable to attend an institution of higher education because of a lack of economic
10 resources; and

11 Whereas, attendance at institutions of higher education should be based on
12 the ability to learn, not the ability to pay; and

13 Whereas, State action that guarantees that North Carolina students with
14 proven ability to learn can attend an institution of higher education will result in far
15 greater long-range savings to the State than it would cost in terms of these students'
16 increased earning capacity and increased contributions these students would be able to
17 make to their society; Now, therefore,

18 The General Assembly of North Carolina enacts:

19 Section 1. This act shall be known and cited as "The Education Improvement
20 Act of 1991."

21 Sec. 2. Chapter 116 of the General Statutes is amended by adding a new
22 Article to read:

23 **"ARTICLE 5B.**

24 **"EDUCATION IMPROVEMENT ACT OF 1991.**

1 **"§ 116-174.9. Program name; purpose.**

2 The purpose of this Article is to provide eligible persons with a grant of money for
3 tuition, fees, and books to enable that person to attend an institution of higher education.
4 Awards of money made pursuant to this Article shall be known as North Carolina
5 Education Improvement Grants.

6 **"§ 116-174.10. Definitions.**

7 As used in this Article:

- 8 (1) 'Authority' means the State Education Assistance Authority as set forth
9 in Article 23 of Chapter 116 of the General Statutes.
10 (2) 'Commission' means the Education Improvement Commission as
11 established under G.S. 116-174.14.
12 (3) 'Grant' means a North Carolina Education Improvement Grant as
13 established by this Article.
14 (4) 'Institution of Higher Education' means one of the 16 public senior
15 institutions of The University of North Carolina as set forth in G.S.
16 116-2, a community college as set forth in G.S. 115D-2, or private
17 junior or senior college as set forth in G.S. 116-22.

18 **"§ 116-174.11. Eligibility.**

19 (a) A grant for tuition, fees, and book expenses at an institution of higher
20 education shall be paid by the State on behalf of any eligible student who enrolls in such
21 an institution to pursue a baccalaureate or associate degree. To be eligible for a grant a
22 person must meet all of the following qualifications:

- 23 (1) Be a resident for tuition purposes pursuant to G.S. 116-143.1.
24 (2) Have graduated from high school within the two years preceding the
25 application with a minimum cumulative grade point average of 2.5
26 calculated on a 4.0 scale, or its equivalent.
27 (3) Have successfully completed the minimum educational requirements
28 for admission to The University of North Carolina, as established and
29 revised by the Board of Governors of The University of North
30 Carolina.
31 (4) a. Have a Scholastic Aptitude Test (SAT) score of 800; except that, in
32 each academic year, the Commission may award a grant for students
33 who fail to meet this requirement by an amount equal to ten percent
34 (10%) or less. For the first academic year for which grants are paid,
35 the total number of these students shall not exceed ten percent (10%)
36 of the total number of students receiving grants. For all subsequent
37 years, the total number of these students shall not exceed ten percent
38 (10%) of the total number of students admitted the previous year who
39 received grants; or
40 b. Graduate in the top fifty percent (50%) of their high school
41 class.
42 (5) Have not been convicted of a felony, misdemeanor, or an offense
43 under G.S. 90-95 or under Article 3 of Chapter 18B of the General
44 Statutes or adjudicated delinquent for acts that would constitute a

- 1 violation of any of those offenses if committed by an adult, if the
2 offense occurred before the person reached the age of 16.
3 (6) Be enrolling in an institution of higher education as a first-time
4 freshman.
5 (7) Be found to be in financial need.
6 (b) To continue to receive State payment of tuition, fees, and book expenses once
7 enrolled in an institution of higher education a student shall meet all of the following:
8 (1) Make steady academic progress toward a degree, earning not less than
9 the minimum number of hours of credit required for full-time standing
10 in each academic period requiring this enrollment.
11 (2) Maintain full-time enrollment standing for not less than two semesters
12 or three quarters in each successive academic year, unless granted an
13 exception for cause by the Commission.
14 (3) Have no criminal record.
15 (4) Be found to be in financial need.

16 **"§ 116-174.12. Financial need.**

17 An applicant shall be found to be in financial need if:

- 18 (1) The applicant's custodial parent or guardian has one dependent child
19 under the age of 21 and the four-year average adjusted gross income of
20 the family is less than thirty thousand dollars (\$30,000).
21 (2) The applicant's custodial parent or guardian has two dependent
22 children under the age of 21 and the four-year average annual adjusted
23 gross income of the family is less than thirty-five thousand dollars
24 (\$35,000).
25 (3) The applicant's custodial parent or guardian has three or more
26 dependent children under the age of 21 and the four-year average
27 annual adjusted gross income of the family is less than forty thousand
28 dollars (\$40,000).

29 The four-year average annual adjusted gross income of the family shall be verified by
30 Internal Revenue Service returns.

31 **"§ 116-174.13. Program administration.**

32 The Commission shall make determinations of eligibility to receive grants under this
33 Article. Administration of the funding for such grants shall be vested in the Authority.

34 **"§ 116-174.14. Education Improvement Commission.**

35 (a) There is created the Education Improvement Commission. The Commission
36 shall be responsible for determining eligibility to receive grants under this Article. The
37 Commission shall be located administratively under the Board of Governors of The
38 University of North Carolina but shall exercise all its prescribed statutory powers
39 independently of the Board of Governors.

40 (b) The Commission shall consist of 13 members as follows: three members
41 appointed by the General Assembly upon the recommendation of the President Pro
42 Tempore of the Senate in accordance with G.S. 120-121, one of whom shall be
43 recommended by the President Pro Tempore of the Senate to serve as cochair; three
44 members appointed by the General Assembly upon the recommendation of the Speaker

1 of the House of Representatives in accordance with G.S. 120-121, one of whom shall be
2 recommended by the Speaker of the House of Representatives to serve as cochair; three
3 members to be appointed by the Governor; and the Chairman of the Board of Governors
4 of The University of North Carolina or his designee; the Chairman of the State Board of
5 Community Colleges or his designee; the Chairman of the North Carolina Association
6 of Independent Colleges and Universities or his designee; and the Chairman of the State
7 Board of Education or his designee.

8 (c) One of the members recommended by the President Pro Tempore of the
9 Senate, one of the members recommended by the Speaker of the House of
10 Representatives and two of the members appointed by the Governor shall serve an
11 initial term of two years, to expire on July 1, 1993. The remainder of the appointive
12 members shall serve an initial term of four years, to expire on July 1, 1995. Their
13 successors shall serve for four-year terms. Vacancies shall be filled by the office
14 making the initial appointment and for the remainder of the expired term only. The
15 initial meeting of the Commission shall be called jointly by the cochair and the
16 Commission shall meet at least once each quarter at the call of the cochair.

17 (d) Members of the Commission who are not State officers or employees shall
18 receive per diem and necessary travel and subsistence expenses in accordance with G.S.
19 138-5. Members who are State officers or employees shall be reimbursed for travel and
20 subsistence in accordance with G.S. 138-6.

21 (e) The Board of Governors shall provide requested professional and clerical
22 staff to the Commission. The Commission may also employ professional and clerical
23 staff and may hire outside consultants to assist it in its work.

24 (f) The Commission, in consultation with the Authority, shall develop and adopt
25 rules pursuant to Chapter 150B of the General Statutes to govern eligibility
26 determinations. These rules shall include:

27 (1) A mechanism for informing all students of the availability of the
28 assistance provided pursuant to this section early enough in their
29 schooling that a salutary motivational effect is possible.

30 (2) Applications, forms, financial audit procedures, eligibility and other
31 program audit procedures, and other matters related to efficient
32 operation.

33 (3) Provision for appeals of eligibility determinations. All appeals shall be
34 heard pursuant to Article 3 of Chapter 150B of the General Statutes.

35 (g) The Commission is an authorized agency pursuant to G.S. 7A-675 to
36 maintain juvenile records. When any person who has not reached his eighteenth
37 birthday is convicted of any felony or misdemeanor or offense under G.S. 90-95 or
38 Article 3 of Chapter 18B of the General Statutes or is adjudicated delinquent for acts
39 that would constitute a violation of any of those offenses if committed by an adult, the
40 court shall report the conviction or adjudication of delinquency to the Commission
41 within 30 days.

42 **"§ 116-174.15. Amount of grants/payment.**

43 (a) Eligible students shall receive a grant in the following amounts:

1 (1) If the student attends a public institution of higher education or
2 community college, full tuition and fees, plus an amount for books up
3 to four hundred fifty dollars (\$450.00) per year (two hundred twenty-
4 five dollars (\$225.00) per semester or one hundred fifty dollars
5 (\$150.00) per quarter).

6 (2) If the student attends a private institution of higher education, the
7 average of the amount of tuition and fees charged by the constituent
8 institutions of The University of North Carolina, except the North
9 Carolina School of the Arts, plus an amount for books up to four
10 hundred fifty dollars (\$450.00) per year (two hundred twenty-five
11 dollars (\$225.00) per semester or one hundred fifty dollars (\$150.00)
12 per quarter).

13 (b) Payments of tuition and fees shall be made by the Authority directly to the
14 institution to which the tuition is due after notice from the Commission to the institution
15 that the State shall pay the tuition of a student and after notice from the institution to
16 the Authority that the student has actually enrolled. Payments for books shall be made
17 as provided for by rule by the Authority.

18 (c) No student shall receive a grant pursuant to this Article in an amount greater
19 than the tuition and fees charged by the institution plus book expenses. The student
20 shall apply for a federal grant prior to receiving State aid pursuant to this Article."

21 Sec. 3. Article 23 of Chapter 116 of the General Statutes is amended by
22 adding a new section to read:

23 **"§ 116-209.25. North Carolina Education Improvement Grants.**

24 The Authority is authorized, in addition to all other powers and duties vested or
25 imposed under this Article, to administer the funding for the North Carolina Education
26 Improvement Grants awarded by the Education Improvement Commission pursuant to
27 Article 5B of this Chapter. In order to accomplish the purposes of this section, the
28 Authority may:

29 (1) In consultation with the Education Improvement Commission, adopt
30 rules to implement the funding of the North Carolina Education
31 Improvement Grants.

32 (2) Receive from the General Fund or other sources such funds the
33 General Assembly may authorize to cover, in addition to any other
34 available funds, the costs of tuition, fees, and books required to be paid
35 to eligible students under Article 5B of this Chapter, both initial and
36 continuing, for the coming academic year.

37 (3) Seek, accept, and expend funds from any source, including private
38 business, industry, foundations, and other groups as well as any federal
39 or other governmental funding available for this purpose."

40 Sec. 4. There is appropriated from the General Fund to the Board of
41 Governors of The University of North Carolina for the Education Improvement
42 Commission the sum of \$200,000 for the 1991-92 fiscal year and the sum of \$200,000
43 for the 1992-93 fiscal year to implement this act.

1 Sec. 5. There is appropriated from the General Fund to the Board of
2 Governors of The University of North Carolina for the Education Assistance Authority
3 the sum of \$100,000 for the 1991-92 fiscal year and the sum of \$15,064,000 for the
4 1992-93 fiscal year to implement this act.

5 Sec. 6. This act becomes effective July 1, 1991, and applies to payments
6 made for academic years beginning with the 1992-93 academic year.