

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1993

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SENATE BILL 392

Short Title: GPAC/Aid to Private Coll. Focus.

(Public)

Sponsors: Senator Martin of Guilford.

Referred to: Government Performance Audit.

February 24, 1993

A BILL TO BE ENTITLED

AN ACT TO IMPLEMENT A RECOMMENDATION OF THE GOVERNMENT
PERFORMANCE AUDIT COMMITTEE TO FOCUS STATE AID FOR
STUDENTS ATTENDING PRIVATE COLLEGES.

The General Assembly of North Carolina enacts:

Section 1. The General Assembly finds that the historical justification for State aid to students in private institutions is still valid and that the level of North Carolina's support to private education is comparable to those of other states with strong public university systems. The General Assembly further finds that sound education policy should drive adjustments to private higher education appropriations rather than budget availability and legislative relations, that sound accountability criteria should be required of private institutions in order for North Carolina students attending these institutions to be eligible to receive State aid, and that State aid to private institutions should be focused on students with demonstrated financial need.

Sec. 2. It is the policy of the General Assembly that all State aid to students attending private colleges and universities directly improve education quality, extend its benefits, and encourage economical use of State resources by increasing emphasis on accountability.

Sec. 3. The Board of Governors of The University of North Carolina, in consultation with the Area Health Education Centers and the Office of Rural Health, Department of Human Resources, shall review the Medical Student Aid Program to determine if the State's medical professional needs are still being reasonably met by the Program and whether the original critical needs to which the Program was designed to

1 respond still remain. The Board of Governors shall report the results of this review,
2 together with any recommendations, to the General Assembly by April 1, 1994.

3 Sec. 4. It is the policy of the General Assembly that State funding for North
4 Carolina students with demonstrated financial need in private higher education be a
5 percentage of the average educational and general appropriations for North Carolina
6 students with demonstrated financial need attending public universities.

7 Sec. 5. Private colleges and universities that have North Carolina students
8 with demonstrated financial need who are eligible to receive State funds shall meet
9 appropriate criteria for the use of these funds. In addition to any other criteria that may
10 be set by the General Assembly, these criteria include:

11 (1) Maintenance of acceptable minimum admissions requirements, as
12 established by the Board of Governors of The University of North
13 Carolina and the North Carolina Association of Private Colleges and
14 Universities; and

15 (2) Maintenance of acceptable student achievement and development
16 levels.

17 Private colleges and universities that receive State funding for North Carolina
18 students with demonstrated financial need shall make an accountability report annually
19 to the General Assembly by April 1.

20 Sec. 6. (a) The Legislative Tuition Grant Program is eliminated.

21 (b) It is the intent of the General Assembly to redesign and expand the
22 Contractual Scholarship Program to ensure that State funds for North Carolina students
23 go only to students with demonstrated financial need and that North Carolina students
24 with demonstrated financial need attending private colleges and universities are given
25 aid in an amount that is a percentage of the average educational and general
26 appropriations for North Carolina students with demonstrated financial need attending
27 public universities.

28 (c) Effective July 1, 1993, the Contractual Scholarship Program shall be
29 administered by the State Education Assistance Authority. The Authority shall ensure
30 that the intent of this section is carried out and that the allocations from the Program are
31 made to private institutions based on the number of North Carolina students with
32 demonstrated financial need attending these institutions.

33 (d) Effective July 1, 1993, G.S. 116-19 reads as rewritten:

34 **"§ 116-19. Contracts with private institutions to aid North Carolina students.**

35 In order to encourage and assist private institutions to continue to educate North
36 Carolina students, the ~~Board of Governors of the University of North Carolina State~~
37 ~~Education Assistance Authority is hereby authorized to may~~ enter into contracts with the
38 institutions under the terms of which an institution receiving any funds that may be
39 appropriated pursuant to this section would agree that, during any fiscal year in which
40 ~~such the~~ funds were received, the institution would provide and administer scholarship
41 funds for ~~needy~~ North Carolina students with demonstrated financial need in an amount
42 at least equal to the amount paid to the institution, pursuant to this section, during the
43 fiscal year. Under the terms of the contracts the ~~Board of Governors of the University of~~
44 ~~North Carolina State Education Assistance Authority~~ would agree to pay to the

1 institutions, subject to the availability of funds, a fixed sum of money for each North
2 Carolina student with demonstrated financial need enrolled at the institutions for the
3 regular academic year, ~~said year~~. This sum shall ~~to be~~ determined by appropriations ~~that~~
4 ~~might be~~ made from time to time by the General Assembly pursuant to this section.
5 Funds appropriated pursuant to this section shall be paid by the ~~Department of~~
6 ~~Administration to an institution upon recommendation of the Board of Governors of the~~
7 ~~University of North Carolina and State Education Assistance Authority~~ on certification of
8 the institution showing the number of North Carolina students with demonstrated
9 financial need enrolled at the institution as of October 1 of any year for which funds
10 may be appropriated."

11 Sec. 7. This act becomes effective July 1, 1993.