

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2005

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SENATE DRS85312-RQ-5A\* (04/21)

Short Title: Tuit. & Contract. Grants for Teaching/Nursing. (Public)

Sponsors: Senators Swindell, Lucas, Atwater, Cowell, Hagan, Malone, Nesbitt,  
Garwood, Hartsell, Stevens, and Apodaca.

Referred to:

A BILL TO BE ENTITLED

AN ACT TO PROVIDE STATE CONTRACTUAL SCHOLARSHIP FUND GRANTS  
AND LEGISLATIVE TUITION GRANTS FOR STUDENTS WHO HAVE  
BACHELORS DEGREES BUT ARE PURSUING LICENSURE AS NURSES OR  
TEACHERS.

The General Assembly of North Carolina enacts:

**SECTION 1.** G.S. 116-19 reads as rewritten:

**"§ 116-19. Contracts with private institutions to aid North Carolina  
students;students and licensure students; reporting requirement.**

(a) In order to encourage and assist private institutions to continue to educate  
North Carolina ~~students~~students and licensure students, the State Education Assistance  
Authority may enter into contracts with the institutions under the terms of which an  
institution receiving any funds that may be appropriated pursuant to this section would  
agree that, during any fiscal year in which such funds were received, the institution  
would provide and administer scholarship funds for needy North Carolina students and  
licensure students in an amount at least equal to the amount paid to the institution,  
pursuant to this section, during the fiscal year. Under the terms of the contracts the State  
Education Assistance Authority would agree to pay to the institutions, subject to the  
availability of funds, a fixed sum of money for each North Carolina student and  
licensure student enrolled at the institutions for the regular academic year, said sum to  
be determined by appropriations that might be made from time to time by the General  
Assembly pursuant to this section. Funds appropriated pursuant to this section shall be  
paid by the State Education Assistance Authority to an institution on certification of the  
institution showing the number of North Carolina students and licensure students  
enrolled at the institution as of October 1 of any year for which funds may be  
appropriated. For purposes of this subsection, "needy North Carolina ~~students~~"students

1 and licensure students" are those eligible students and licensure students who have  
2 financial need as determined by the institution under the institutional methodology or  
3 the federal methodology as defined by the State Education Assistance Authority. For  
4 purposes of this subsection, "institutional methodology" means a need-analysis formula,  
5 developed by College Scholarship Service, that determines the student's ~~and~~ and licensure  
6 student's and his or her family's capacity to pay for postsecondary education each year.

7 (b) The State Education Assistance Authority shall document the number of  
8 full-time equivalent North Carolina undergraduate students and full-time and less than  
9 full-time licensure students that are enrolled in off-campus programs and the State funds  
10 collected by each institution pursuant to G.S. 116-19 for those students. The State  
11 Education Assistance Authority shall also document the number of scholarships and the  
12 amount of the scholarships that are awarded under G.S. 116-19 to students and licensure  
13 students enrolled in off-campus programs. An "off-campus program" is any program  
14 offered for degree credit away from the institution's main permanent campus.

15 The State Education Assistance Authority shall include in its annual report to the  
16 Joint Legislative Education Oversight Committee the information it has compiled and  
17 its findings regarding this program."

18 **SECTION 2.** G.S. 116-20 reads as rewritten:

19 **"§ 116-20. Scholarship and contract terms; base period.**

20 In order to encourage and assist private institutions to educate additional numbers of  
21 North Carolinians, the Board of Governors of the University of North Carolina is hereby  
22 authorized to enter into contracts within the institutions under the terms of which an  
23 institution receiving any funds that may be appropriated pursuant to this section would  
24 agree that, during any fiscal year in which such funds were received, the institution  
25 would provide and administer scholarship funds for needy North Carolina students and  
26 licensure students in an amount at least equal to the amount paid to the institution,  
27 pursuant to this section, during the fiscal year. Under the terms of the contracts the  
28 Board of Governors of the University of North Carolina would agree to pay to the  
29 institutions, subject to the availability of funds, a fixed sum of money for each North  
30 Carolina student and licensure student enrolled as of October 1 of any year for which  
31 appropriated funds may be available, over and above the number of North Carolina  
32 students enrolled in that institution as of October 1, 1997, which shall be the base date  
33 for the purpose of this calculation. Funds appropriated pursuant to this section shall be  
34 paid by the State Education Assistance Authority to an institution upon recommendation  
35 of the Board of Governors of the University of North Carolina and on certification of  
36 the institution showing the number of North Carolina students and licensure students  
37 enrolled at the institution as of October 1 of any year for which funds may be  
38 appropriated over the number enrolled on the base date. In the event funds are  
39 appropriated for expenditure pursuant to this section and funds are also appropriated, for  
40 the same fiscal year, for expenditure pursuant to G.S. 116-19, students and licensure  
41 students who are enrolled at an institution in excess of the number enrolled on the base  
42 date may be counted under this section for the purpose of calculating the amount to be  
43 paid to the institution, but the same students and licensure students may also be counted

1 under G.S. 116-19, for the purpose of calculating payment to be made under that  
2 section."

3 **SECTION 3.** G.S. 116-21.1 reads as rewritten:

4 "**§ 116-21.1. Financial aid for North Carolina students and licensure students**  
5 **attending private institutions of higher education in North Carolina.**

6 (a) Funds shall be appropriated each fiscal year in the Current Operations  
7 Appropriations Act to the Board of Governors of The University of North Carolina for  
8 aid to institutions and shall be disbursed in accordance with the provisions of  
9 G.S. 116-19, 116-21, and 116-22.

10 (b) The funds appropriated in compliance with this section shall be placed in a  
11 separate, identifiable account in each eligible institution's budget or chart of accounts.  
12 All funds in the account shall be provided as scholarship funds for needy North Carolina  
13 students and licensure students during the fiscal year. Each student and licensure student  
14 awarded a scholarship from this account shall be notified of the source of the funds and  
15 of the amount of the award. Funds not utilized under G.S. 116-19 shall be available for  
16 the tuition grant program as defined in G.S. 116-21.2."

17 **SECTION 4.** G.S. 116-21.2 reads as rewritten:

18 "**§ 116-21.2. Legislative tuition grants to aid students and licensure students**  
19 **attending private institutions of higher education.**

20 (a) In addition to any funds appropriated pursuant to G.S. 116-19 and in addition  
21 to all other financial assistance made available to institutions, or to ~~students~~-persons  
22 attending these institutions, there is granted to each full-time North Carolina  
23 undergraduate student attending an approved institution as defined in G.S. 116-22, a  
24 sum, to be determined by the General Assembly for each academic year which shall be  
25 distributed to the full-time undergraduate student as provided by this subsection.

26 (a1) The legislative tuition grant provided by this section shall also be granted to  
27 each full-time licensure student who is enrolled in a program intended to result in a  
28 license in teaching or nursing at an approved institution. The legislative tuition grant  
29 provided by this section shall be awarded on a pro rata basis to any licensure student  
30 who is enrolled less than full-time in a program intended to result in a license in  
31 teaching or nursing at an approved institution. The legislative tuition grant and prorated  
32 legislative tuition grant authorized under this subsection shall be paid for undergraduate  
33 courses only.

34 (b) The tuition grants provided for in this section shall be administered by the  
35 State Education Assistance Authority pursuant to rules adopted by the State Education  
36 Assistance Authority not inconsistent with this section. The State Education Assistance  
37 Authority shall not approve any grant until it receives proper certification from an  
38 approved institution that the student or licensure student applying for the grant is ~~an~~  
39 eligible-~~student~~-eligible. Upon receipt of the certification, the State Education  
40 Assistance Authority shall remit at the times as it prescribes the grant to the approved  
41 institution on behalf, and to the credit, of the ~~student~~-student or licensure student.

42 (c) ~~In~~-Except as provided in subsection (a1) of this section, in the event a student  
43 on whose behalf a grant has been paid is not enrolled and carrying a minimum academic  
44 load as of the tenth classroom day following the beginning of the school term for which

1 the grant was paid, the institution shall refund the full amount of the grant to the State  
2 Education Assistance Authority. If a licensure student on whose behalf a prorated grant  
3 has been paid in accordance with subsection (a1) of this section is not enrolled in the  
4 undergraduate class as of the tenth classroom day following the beginning of the school  
5 term for which the grant was paid, the institution shall refund the full amount of the  
6 grant to the State Education Assistance Authority. Each approved institution shall be  
7 subject to examination by the State Auditor for the purpose of determining whether the  
8 institution has properly certified eligibility and enrollment of students and licensure  
9 students and credited grants paid on behalf of ~~the students~~ them.

10 (d) In the event there are not sufficient funds to provide each eligible student or  
11 licensure student with a full ~~grant~~ grant as provided by subsection (a) of this section or a  
12 full or a prorated grant as provided by subsection (a1) of this section:

13 (1) The Board of Governors of The University of North Carolina, with the  
14 approval of the Office of State Budget and Management, may transfer  
15 available funds to meet the needs of the programs provided by  
16 subsections ~~(a)-(a), (a1),~~ and (b) of this section; and

17 (2) Each eligible student and licensure student shall receive a pro rata  
18 share of funds then available for the remainder of the academic year  
19 within the fiscal period covered by the current appropriation.

20 (e) Any remaining funds shall revert to the General Fund."

21 **SECTION 5.** G.S. 116-21.3 reads as rewritten:

22 "**§ 116-21.3. Legislative tuition grant limitations.**

23 (a) For purposes of this section, an "off-campus program" is any program offered  
24 for degree credit away from the institution's main permanent campus.

25 (b) No legislative tuition grant funds shall be expended for a program at an  
26 off-campus site of a private institution, as defined in G.S. 116-22(1), established after  
27 May 15, 1987, unless (i) the private institution offering the program has previously  
28 notified and secured agreement from other private institutions operating degree  
29 programs in the county in which the off-campus program is located or operating in the  
30 counties adjacent to that county or (ii) the degree program is neither available nor  
31 planned in the county with the off-campus site or in the counties adjacent to that county.

32 (c) Any member of the armed services, as defined in G.S. 116-143.3(a), abiding  
33 in this State incident to active military duty, who does not qualify as a resident for  
34 tuition purposes, as defined under G.S. 116-143.1, is eligible for a legislative tuition  
35 grant pursuant to this section if the member is enrolled as a full-time  
36 ~~student~~ undergraduate student or as a licensure student. The member's legislative tuition  
37 grant shall not exceed the cost of tuition less any tuition assistance paid by the member's  
38 employer.

39 (d) A legislative tuition grant authorized under ~~G.S. 116-21.2~~ G.S. 116-21.2(a)  
40 shall be reduced by twenty-five percent (25%) for any individual student who has  
41 completed 140 semester credit hours or the equivalent of 140 semester credit hours."

42 **SECTION 6.** G.S. 116-21.4(b) reads as rewritten:

43 "(b) Expenditures made pursuant to G.S. 116-19, 116-20, 116-21.1, or 116-21.2  
44 shall not be used for any student or licensure student who:

- 1           (1) Is incarcerated in a State or federal correctional facility for committing  
2           a Class A, B, B1, or B2 felony; or  
3           (2) Is incarcerated in a State or federal correctional facility for committing  
4           a Class C through I felony and is not eligible for parole or release  
5           within 10 years."

6           **SECTION 7.** G.S. 116-22 is amended by adding a new subdivision to read:

7           "(1b) 'Licensure student' shall mean a person who:

- 8           a. Has a bachelors degree;  
9           b. Is enrolled either full-time or less than full-time in a program  
10           intended to result in licensure in teaching or nursing;  
11           c. Attends an institution located in the State; and  
12           d. Qualifies as a resident of North Carolina in accordance with  
13           definitions of residency that may from time to time be adopted  
14           by the Board of Governors of The University of North Carolina  
15           and published in the residency manual of the Board."

16           **SECTION 8.** There is appropriated from the General Fund to the State  
17 Education Assistance Authority the sum of one million five hundred thousand dollars  
18 (\$1,500,000) for the 2006-2007 fiscal year to implement this act.

19           **SECTION 9.** This act becomes effective July 1, 2006.