

NORTH CAROLINA GENERAL ASSEMBLY
1969 SESSION

CHAPTER 741
HOUSE BILL 588

1 AN ACT TO AMEND ARTICLE 4 OF CHAPTER 165 OF THE GENERAL STATUTES TO
2 PROVIDE SCHOLARSHIPS FOR ELIGIBLE RECIPIENTS FOR THE PURPOSE OF
3 ATTENDING PRIVATE EDUCATIONAL INSTITUTIONS OF HIGHER LEARNING.
4

5 The General Assembly of North Carolina do enact:
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7 **Section 1.** Paragraph (5) of G.S. 165-20, as the same appears in the 1967
8 Cumulative Supplement to Volume 3D of the General Statutes, is hereby rewritten to read as
9 follows:

10 "(5) 'State educational institution' means any educational institution of higher
11 learning which is owned and operated by the State of North Carolina, or any
12 community college operated under the provisions of Chapter 115A and
13 Article 3 of Chapter 116 of the General Statutes of North Carolina, or the
14 college program of the North Carolina School of the Arts."

15 **Sec. 2.** G.S. 165-20 is hereby amended by adding to said Section a new subsection
16 to be designated as "(7)", which shall read as follows:

17 "(7) 'Private Educational Institution' means any junior college, senior college or
18 university which is operated and governed by private interests not under the
19 control of the Federal, State or any local government, which is located
20 within the State of North Carolina, which does not operate for profit, whose
21 curriculum is primarily directed toward the awarding of associate,
22 baccalaureate or graduate degrees, which agrees to the applicable
23 administration and funding provisions of Sec. 165-22.1 of this Article, and
24 which is otherwise approved by the State Board of Veterans Affairs."

25 **Sec. 3.** G.S. 165-21, as the same appears in the 1967 Cumulative Supplement to
26 Volume 3D, is hereby rewritten to read as follows:

27 **"Sec. 165-21. Scholarship.** A scholarship granted pursuant to this Article shall consist of the
28 following benefits in either a State or private educational institution:

29 "(a) With respect to State educational institutions, unless expressly limited
30 elsewhere in this Article, a scholarship shall consist of:

31 "(1) Tuition.

32 "(2) A reasonable board allowance.

33 "(3) A reasonable room allowance.

34 "(4) Such other items and institutional service as are embraced within the
35 so-called institutional matriculation fees and other special fees and
36 charges required to be paid as a condition to remaining in said
37 institution and pursuing the course of study selected.

38 "(b) With respect to private educational institutions, a scholarship shall consist of
39 a monetary allowance as prescribed in Sec. 165-22.1(d).

40 "(c) Only one scholarship may be granted pursuant to this Article with respect to
41 each child and it shall not extend for a longer period than four academic
42 years, which years, however, need not be consecutive."

1 **Sec. 4.** G.S. 165-22.1, as the same appears in the 1967 Cumulative Supplement to
2 Volume 3D of the General Statutes, is hereby rewritten to read as follows:

3 "**Sec. 165-22.1. Administration and funding.** (a) The administration of the scholarship
4 program shall be vested in the North Carolina Department of Veterans Affairs, and the
5 disbursing and accounting activities required shall be a responsibility of the Department of
6 Administration. The Department of Veterans Affairs shall determine the eligibility of
7 applicants, select the scholarship recipients, establish the effective date of scholarships, and
8 may suspend or revoke scholarships if the said Department of Veterans Affairs finds that the
9 recipient does not maintain an adequate academic status, or if the recipient engages in riots,
10 unlawful demonstrations, the seizure of educational buildings, or otherwise engages in
11 disorderly conduct, breaches of the peace or unlawful assemblies. The Department of Veterans
12 Affairs shall maintain the primary and necessary records, and promulgate such rules and
13 regulations not inconsistent with the other provisions of this Article as it deems necessary for
14 the orderly administration of the program. It may require of State or private educational
15 institutions, as defined in this Article, such reports and other information as it may need to
16 carry out the provisions of this Article. The Department of Administration shall disburse
17 scholarship payments for recipients certified eligible by the Department of Veterans Affairs
18 upon certification of enrollment by the enrolling institution.

19 "(b) Funds for the support of this program shall be appropriated to the Department of
20 Administration as a reserve for payment of the allocable costs for room, board, tuition, and
21 other charges, and shall be placed in a separate budget code from which disbursements shall be
22 made. In the event the said appropriation for any year is insufficient to pay the full amounts
23 allocable under the provisions of this Article, such supplemental sums as may be necessary
24 shall be allocated from the Contingency and Emergency Fund. The method of disbursing and
25 accounting for funds allocated for payments under the provisions of this Act shall be in
26 accordance with those standards and procedures prescribed by the Director of the Budget,
27 pursuant to the Executive Budget Act.

28 "(c) Allowances for room and board in State educational institutions shall be at such rate
29 as the Director of the Budget may determine to be reasonable.

30 "(d) Scholarship recipients electing to attend a private educational institution shall be
31 granted a monetary allowance for each term or other academic period attended under their
32 respective scholarship awards. All recipients under Class I-B scholarship shall receive an
33 allowance at one rate, irrespective of course or institution; all recipients under Classes I-A, II
34 and III shall receive an uniform allowance at a rate higher than for Class I-B, irrespective of
35 course or institution. The amount of said allowances shall be determined by the Director of the
36 Budget and made known prior to the beginning of each fall quarter or semester; provided that
37 the Director of the Budget may change the allowances at intermediate periods when in his
38 judgment such changes are necessary. Disbursements by the State shall be to the private
39 institution concerned, for credit to the account of each recipient attending said institution. The
40 manner of payment to any private institution shall be as prescribed by the Department of
41 Administration. The participation by any private institution in the program shall be subject to
42 the applicable provisions of this Article and to examination by State auditors of the accounts of
43 scholarship recipients attending or having attended private institutions. The Department of
44 Veterans Affairs may defer making an award or may suspend an award in any private
45 institution which does not comply with the provisions of this Article relating to said
46 institutions."

47 **Sec. 5.** All laws and clauses of laws in conflict with the provisions of this Act are
48 hereby repealed.

49 **Sec. 6.** This Act shall be effective on and after July 1, 1969.

50 In the General Assembly read three times and ratified, this the 9th day of June,
51 1969.