

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1991

H

2

HOUSE BILL 2
Committee Substitute Without Prejudice 5/21/91

Short Title: Education Improvement Act.

(Public)

Sponsors:

Referred to:

January 31, 1991

1 A BILL TO BE ENTITLED
2 AN ACT TO IMPROVE EDUCATIONAL OPPORTUNITIES FOR NORTH
3 CAROLINIANS.

4 Whereas, The North Carolina Constitution mandates that the benefits of The
5 University of North Carolina be extended to the people of the State free of expense, as
6 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 a public university because of a lack of economic resources; and

10 Whereas, attendance at our public universities should be based on the ability
11 to learn, not the ability to pay; and

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

17 The General Assembly of North Carolina enacts:

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

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

22 **"ARTICLE 18B.**
23 **"EDUCATION IMPROVEMENT ACT OF 1991.**

1 **"§ 116-174.3. Program name; purpose.**

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

6 **"§ 116-174.4. 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. 116-174.8.

12 (3) 'Grant' means a North Carolina Education Improvement Grant as
13 established by this Article.

14 (4) 'Public university' means one of the 16 public senior institutions of the
15 University of North Carolina as set forth in G.S. 116-2.

16 **"§ 116-174.5. Eligibility.**

17 (a) A grant for tuition and fees at a public university shall be paid by the State on
18 behalf of any eligible student who enrolls in such an institution to pursue a
19 baccalaureate degree. To be eligible for a grant a person must meet all of the following
20 qualifications:

21 (1) Be a resident for tuition purposes pursuant to G.S. 116-143.1.

22 (2) Have graduated from high school within the two years preceding the
23 application.

24 (3) Have completed the courses that comprise the minimum educational
25 requirements for admission to the University of North Carolina, as
26 established and revised by the Board of Governors of the University of
27 North Carolina, with a minimum cumulative grade point average of
28 2.5 calculated on a 4.0 scale, or its equivalent in those courses.

29 (4) a. Have a Scholastic Aptitude Test (SAT) score of 800; except that, in
30 each academic year, the Commission may award a grant for students
31 who fail to meet this requirement by an amount equal to ten percent
32 (10%) or less. For the first academic year for which grants are paid,
33 the total number of these students shall not exceed ten percent (10%)
34 of the total number of students receiving grants. For all subsequent
35 years, the total number of these students shall not exceed ten percent
36 (10%) of the total number of students admitted the previous year who
37 received grants; or

38 b. Graduate in the top 50% of their high school class.

39 (5) Have not been convicted of a felony, misdemeanor or an offense under
40 G.S. 90-95 or under Article 3 of Chapter 18B of the General Statutes
41 or adjudicated delinquent for acts that would constitute a violation of
42 any of those offenses if committed by an adult, if the offense occurred
43 before the person reached the age of 16.

44 (6) Be enrolling in a public university as a first-time freshman.

- 1 (7) Be found to be in financial need.
- 2 (c) To continue to receive State payment of tuition and fees once enrolled in a
3 public university a student shall meet all of the following:
- 4 (1) Make steady academic progress toward a degree, earning not less than
5 the minimum number of hours of credit required for full-time standing
6 in each academic period requiring this enrollment.
- 7 (2) Maintain full-time enrollment standing for not less than two semesters
8 or three quarters in each successive academic year, unless granted an
9 exception for cause by the Commission.
- 10 (3) Have no criminal record.
- 11 (4) Be found to be in financial need.

12 **"§ 116-174.6. Financial need.**

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

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

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

27 **"§ 116-174.7. Program administration.**

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

30 **"§ 116-174.8 Education Improvement Commission.**

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

36 (b) The Commission shall consist of thirteen members as follows: three members
37 appointed by the General Assembly upon the recommendation of the President Pro
38 Tempore of the Senate in accordance with G.S. 120-121, one of whom shall be
39 recommended by the President Pro Tempore of the Senate to serve as cochair; three
40 members appointed by the General Assembly upon the recommendation of the Speaker
41 of the House of Representatives in accordance with G.S. 120-121, one of whom shall be
42 recommended by the Speaker of the House of Representatives to serve as cochair; three
43 members to be appointed by the Governor; and the Chairman of the Board of Governors
44 of the University of North Carolina or his designee; the Chairman of the State Board of

1 Community Colleges or his designee; the Chairman of the North Carolina Association
2 of Independent Colleges and Universities or his designee; and the Chairman of the State
3 Board of Education or his designee.

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

13 (d) Members of the Commission who are not State officers or employees shall
14 receive per diem and necessary travel and subsistence expenses in accordance with G.S.
15 138-5. Members who are State officers or employees shall be reimbursed for travel and
16 subsistence in accordance with G.S. 138-6.

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

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

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

26 (2) Applications, forms, financial audit procedures, eligibility and other
27 program audit procedures, and other matters related to efficient
28 operation.

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

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

38 **"§ 116-174.9. Amount of Grants/Payment.**

39 (a) Eligible students shall receive a grant to cover the costs of tuition and fees at
40 the public university in which he enrolls.

41 (b) Payments of tuition and fees shall be made by the Authority directly to the
42 institution to which the tuition is due after notice from the Commission to the institution
43 that the State shall pay the tuition of a student and after notice from the institution to the
44 Authority that the student has actually enrolled.

1 (c) No student shall receive a grant pursuant to this Article in an amount greater
2 than the tuition and fees charged by the institution. The student shall apply for a federal
3 grant prior to receiving State aid pursuant to this Article."

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

6 **"§ 116-209.25. North Carolina Education Improvement Grants.**

7 The Authority is authorized, in addition to all other powers and duties vested or
8 imposed under this Article, to administer the funding for the North Carolina Education
9 Improvement Grants awarded by the Education Improvement Commission pursuant to
10 Article 18B of this Chapter. In order to accomplish the purposes of this Section, the
11 Authority may:

12 (1) In consultation with the Education Improvement Commission, adopt
13 rules to implement the funding of the North Carolina Education
14 Improvement Grants.

15 (2) Receive from the General Fund or other sources such funds the
16 General Assembly may authorize to cover, in addition to any other
17 available funds, the costs of tuition and fees required to be paid to
18 eligible students under Article 18B of this Chapter, both initial and
19 continuing, for the coming academic year.

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

23 Sec. 4. The Board of Governors of the University of North Carolina shall
24 increase the tuition rates for out-of-state students at the constituent institutions of the
25 University of North Carolina for the 1991-1992 academic year by a percent sufficient to
26 generate revenues of \$_____. Of the funds raised by the increase in out-of-state tuition
27 \$_____ shall be used by the Commission and \$_____ shall be used by the Authority to
28 implement the provisions of Sections 1 through 3 of this act.

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