

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2003**

**HOUSE BILL 150
RATIFIED BILL**

AN ACT TO PROVIDE CRITERIA FOR AWARDING STATE GRANTS TO STUDENTS ATTENDING CERTAIN ACCREDITED INSTITUTIONS OF HIGHER EDUCATION.

The General Assembly of North Carolina enacts:

SECTION 1. Part 5 of Article 1 of Chapter 116 of the General Statutes is amended by adding the following new section:

"§ 116-43.5. State grants to aid eligible students attending certain private institutions of higher education; administrative procedure.

(a) Definitions. – The following definitions apply in this section:

(1) "Institution" means a nonprofit educational institution with a main permanent campus located in this State that satisfies all of the following:

a. Is not owned or operated by the State of North Carolina or by an agency or political subdivision of the State or by any combination thereof.

b. Is accredited by the Southern Association of Colleges and Schools under the standards of the College Delegate Assembly of the Association.

c. Awards a postsecondary degree as defined in G.S. 116-15.

d. Its students are not eligible for a similar State grant under another State program.

(2) "Main permanent campus" means a campus that is owned by the institution that provides permanent on-premises housing, food services, and classrooms with full-time faculty members and administration that engage in postsecondary degree activity as defined in G.S. 116-15.

(3) "Student" means a person enrolled in and attending an institution located in the State (i) who qualifies as a resident of North Carolina in accordance with definitions of residency that may from time to time be adopted by the Board of Governors of The University of North Carolina and published in the residency manual of the Board, and (ii) who has not received a bachelors degree, or qualified therefor, and who is otherwise classified as an undergraduate under such regulations as the Board of Governors of The University of North Carolina may promulgate. Qualification for in-State tuition under G.S. 116-143.3 makes a person a "student" as defined in this subdivision.

(b) Eligibility. – A student is eligible for a State grant under this section for an academic year if the student is a full-time North Carolina undergraduate student attending an institution as defined by this section and is not eligible for a similar State grant under another State program for the same academic year.

(c) Administration. – The State grants provided for in this section shall be administered by the State Education Assistance Authority pursuant to rules adopted by the State Education Assistance Authority not inconsistent with this section. The State Education Assistance Authority shall pay the State grant to each student eligible under

this section. The amount of the grant shall be determined by the General Assembly. The State grant shall be paid to a student only after the student completes the academic year. The grant shall be paid directly to the student on or after July 1 following the completion of the academic year. The State Education Assistance Authority shall not remit any grant until it receives proper certification from an institution that the student applying for the grant is an eligible student.

(d) Shortfall. – In the event there are not sufficient funds to provide each eligible student with a full grant: Each eligible student shall receive a pro rata share of funds then available for the appropriate academic year within the fiscal period covered by the current appropriation.

(e) Reversion. – Any remaining funds shall revert to the General Fund.

(f) A State grant authorized by this act shall be reduced by twenty-five percent (25%) for any individual student who has completed 140 semester credit hours or the equivalent of 140 semester credit hours.

(f1) The State Education Assistance Authority shall document the number of full-time equivalent North Carolina undergraduate students that are enrolled in private institutions and the State funds collected by students at each institution under this section. The State Education Assistance Authority shall report those findings to the Secretary of Administration, the House and Senate Appropriations Subcommittees on Education, and the Joint Legislative Education Oversight Committee.

(g) The State grant shall not be used for any student who:

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

SECTION 2. This act becomes effective July 1, 2003, and applies to the 2003-2004 academic year and each year thereafter.

In the General Assembly read three times and ratified this the 18th day of July, 2003.

Beverly E. Perdue
President of the Senate

Richard T. Morgan
Speaker of the House of Representatives

Michael F. Easley
Governor

Approved _____, m. this _____ day of _____, 2003