

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2009**

**SESSION LAW 2010-109
SENATE BILL 1323**

AN ACT TO AMEND THE NUMBER AND COMPOSITION OF THE MEMBERSHIP OF THE BOARD OF DIRECTORS OF THE STATE EDUCATION ASSISTANCE AUTHORITY, AS RECOMMENDED BY THE JOINT SELECT COMMITTEE ON STATE-FUNDED STUDENT FINANCIAL AID.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 116-203 reads as rewritten:

"§ 116-203. Authority created as subdivision of State; appointment, terms and removal of board of directors; officers; quorum; expenses and compensation of directors.

(a) Authority Created. – There is hereby created and constituted a political subdivision of the State to be known as the "State Education Assistance Authority." The exercise by the Authority of the powers conferred by this Article shall be deemed and held to be the performance of an essential governmental function.

~~The Authority shall be governed by a board of directors consisting of seven members, each of whom shall be appointed by the Governor. Two of the first members of the board appointed by the Governor shall be appointed for terms of one year, two for terms of two years, two for terms of three years, and one for a term of four years from the date of their appointment; and thereafter the members of the board shall be appointed for terms of four years. Vacancies in the membership of the board shall be filled by appointment of the Governor for the unexpired portion of the term. Members of the board shall be subject to removal from office in like manner as are State, county, town and district officers. Immediately after such appointment, the directors shall enter upon the performance of their duties. The board shall annually elect one of its members as chairman and another as vice chairman, and shall also elect annually a secretary, or a secretary treasurer, who may or may not be a member of the board. The chairman, or in his absence, the vice chairman, shall preside at all meetings of the board. In the absence of both the chairman and vice chairman, the board shall appoint a chairman pro tempore, who shall preside at such meetings. Four directors shall constitute a quorum for the transaction of the business of the Authority, and no vacancy in the membership of the board shall impair the right of a quorum to exercise all the rights and perform all the duties of the Authority. The favorable vote of at least a majority of the members of the board present at any meeting is required for the adoption of any resolution or motion or for other official action. The members of the board are entitled to the travel expenses, subsistence allowances and compensation provided in G.S. 138-5. These expenses and compensation shall be paid from funds provided under this Article, or as otherwise provided.~~

(b) Membership. – ~~The Authority shall be governed by a board of directors consisting of nine members, seven of whom shall be appointed by the Governor and two of whom shall be ex officio. The members shall be as follows:~~

- (1) Seven members appointed by the Governor, three of whom shall have expertise in secondary or higher education, two of whom shall have expertise in finance, one of whom shall be a member of the public at large with an interest in higher education, and one of whom shall be a chief financial officer from a college or university that is a member of North Carolina Independent Colleges and Universities, Inc., appointed upon the recommendation of North Carolina Independent Colleges and Universities, Inc.
- (2) The chief financial officer of The University of North Carolina shall serve as an ex officio member.



(3) The chief financial officer of the North Carolina Community College System shall serve as an ex officio member.

(c) Terms. – Members appointed by the Governor shall serve for a term of four years and until their successors are appointed and duly qualified. Immediately after appointment, the directors shall enter upon the performance of their duties.

(d) Vacancies. – A vacancy in an appointment made by the Governor shall be filled by the Governor in the same manner as the original appointment for the remainder of the unexpired term.

(e) Removal. – The Governor may remove any member of the board of directors appointed by the Governor for misfeasance, malfeasance, or nonfeasance.

(f) Officers. – The board shall annually elect one of its members as chair and another as vice-chair and shall also elect annually a secretary, or a secretary-treasurer, who may or may not be a member of the board. The chair, or in the chair's absence, the vice-chair, shall preside at all meetings of the board. In the absence of both the chair and vice-chair, the board shall appoint a chair pro tempore, who shall preside at such meetings.

(g) Quorum. – Five directors shall constitute a quorum for the transaction of the business of the Authority, and no vacancy in the membership of the board shall impair the right of a quorum to exercise all the rights and perform all the duties of the Authority. The favorable vote of at least a majority of the members of the board present at any meeting is required for the adoption of any resolution or motion or for other official action.

(h) Expenses. – The members of the board shall receive per diem and allowances as provided in G.S. 138-5 and G.S. 138-6. These expenses and compensation shall be paid from funds provided under this Article, or as otherwise provided."

SECTION 2. Notwithstanding G.S. 116-203, as enacted by Section 1 of this act, members serving on the board of directors of the North Carolina State Education Assistance Authority on the effective date of this act may complete the terms for which they were appointed. When the term of any of the seven members appointed by the Governor expires, the vacancy shall be filled as follows:

- (1) Of the members appointed by the Governor whose terms expired on January 15, 2010, the Governor shall appoint one member who has expertise in secondary or higher education and one member who is a chief financial officer from a college or university that is a member of the North Carolina Independent Colleges and Universities, Inc., upon the recommendation of that organization. The terms of these two members shall be deemed to have begun on January 15, 2010.
- (2) Of the members appointed by the Governor whose terms expire on January 15, 2011, the Governor shall appoint one member who has expertise in secondary or higher education and one member from the public at large who has an interest in higher education.
- (3) Of the members appointed by the Governor whose terms expire on January 15, 2012, the Governor shall appoint one member who has expertise in secondary or higher education and one member who has expertise in finance.
- (4) When the member appointed by the Governor whose term expires on January 15, 2013, completes that term, the Governor shall appoint a member who has expertise in finance.

Members described in this section shall serve for the terms for which they were appointed and until their successors are appointed and qualified.

SECTION 3. This act is effective when it becomes law.
In the General Assembly read three times and ratified this the 1st day of July, 2010.

s/ Walter H. Dalton
President of the Senate

s/ Joe Hackney
Speaker of the House of Representatives

s/ Beverly E. Perdue
Governor

Approved 3:18 p.m. this 20th day of July, 2010