

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2021**

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SENATE BILL 854

Short Title: Carolina's Guarantee Scholarship Program. (Public)

Sponsors: Senators Batch, Fitch, and Garrett (Primary Sponsors).

Referred to: Rules and Operations of the Senate

May 27, 2022

A BILL TO BE ENTITLED

AN ACT TO ESTABLISH THE COMMUNITY COLLEGE PROMISE SCHOLARSHIP PROGRAM AND TO APPROPRIATE FUNDS FOR THAT PURPOSE.

The General Assembly of North Carolina enacts:

SECTION 1. Article 23 of Chapter 116 of the General Statutes is amended by adding a new Part to read:

"Part 7. Community College Promise Scholarship Program.

"§ 116-209.100. Community College Promise Scholarship Program.

(a) Program Purpose. – There is established the Community College Promise Scholarship Program (Program) to be administered by the Authority. The purposes of the Community College Promise Scholarship Program include the following:

- (1) Utilize the State's educational resources to the fullest.
- (2) Create more educational and career options for students.
- (3) Realize significant cost-savings to the State.
- (4) Develop a more competitive workforce.

(b) Award of Scholarships. – Within the funds made available for the Program, the Authority shall annually award Community College Promise Scholarships to eligible students for a maximum of four academic semesters at a North Carolina community college. The Authority shall require eligible students to complete a Free Application for Federal Student Aid (FAFSA) to apply for a scholarship award and shall reduce the amount of the scholarship award for any student by the amount of grants or scholarships received by that student from other State or federal sources. The Authority shall award scholarships to eligible students in the order in which applications are received.

(c) Student Eligibility. – A student shall be considered an eligible student in order to receive a Community College Promise Scholarship under the Program if the student meets all of the following requirements:

- (1) In the academic semester prior to enrolling in a community college, the student graduates with at least a 2.0 unweighted grade point average from either (i) a public high school located in this State or (ii) a nonpublic high school or home school, as defined in Article 39 of Chapter 115C of the General Statutes, located in this State.
- (2) The student qualifies as a resident for tuition purposes under the criteria set forth in G.S. 116-143.1 and in accordance with the coordinated and centralized residency determination process administered by the Authority.
- (3) The student gains admission as a student at a North Carolina community college in a curriculum program.



1 (d) Scholarship Renewal. – A scholarship awarded to an eligible student shall be annually
2 renewed if the student demonstrates all of the following:

3 (1) A cumulative 2.3 grade point average.

4 (2) Satisfactory academic progress, as determined by the community college.

5 (e) Administration. – The Authority shall adopt rules for administration of the
6 Community College Promise Scholarship Program in accordance with the requirements of this
7 Part.

8 **"116-209.101. Financial aid counseling program.**

9 Within the funds available, the Authority shall partner with the Community Colleges System
10 Office and local school administrative units to place higher education advisers in secondary
11 public schools throughout the State to provide outreach to high school students on the
12 Community College Promise Scholarship Program and other financial aid assistance programs.
13 The Authority shall ensure that the higher education advisers provide information to students on
14 college affordability, FAFSA assistance, and scholarship options.

15 **"§ 116-209.102. Community College Promise Scholarship Fund Reserve.**

16 The Community College Promise Scholarship Fund Reserve (Reserve) is established as a
17 reserve to be administered by the Authority. All funds appropriated to or otherwise received by
18 the Authority to administer the Community College Promise Scholarship Program under this
19 Part, all returned scholarship monies, and all interest earned on these funds shall be placed in the
20 Reserve. The Reserve shall be used for (i) scholarships for the academic year that begins in the
21 fiscal year following the fiscal year in which the appropriation is made to the Reserve and (ii) the
22 administrative costs of the Authority, provided that no more than five percent (5%) of the funds
23 appropriated each fiscal year for scholarships is expended for administrative purposes.

24 **"§ 116-209.103. Reporting requirements.**

25 The Authority shall report annually on or before November 1, beginning in 2023, to the Joint
26 Legislative Education Oversight Committee on the implementation of the Community College
27 Promise Scholarship Program. The report shall include at least the following information:

28 (1) Number of students applying for the scholarship, including information about
29 student demographics and geographic location.

30 (2) Number of students awarded the scholarship, including information about
31 student demographics and geographic location, and community college
32 attended.

33 (3) Amount of funds expended for scholarships.

34 (4) Other relevant information as determined by the Authority."

35 **SECTION 2.(a)** There is appropriated from the General Fund to the Board of
36 Governors of The University of North Carolina to be allocated to the State Education Assistance
37 Authority (Authority) the following amounts for the 2022-2023 fiscal year for the following
38 purposes:

39 (1) The sum of three hundred thousand dollars (\$300,000) in nonrecurring funds
40 for administrative costs in establishing the Community College Promise
41 Scholarship Program and the financial aid counseling program pursuant to
42 Part 7 of Article 23 of Chapter 116 of the General Statutes, as enacted by this
43 act.

44 (2) The sum of four million seven thousand five hundred fifty dollars
45 (\$4,007,550) in recurring funds to hire up to 100 full-time higher education
46 advisers to be assigned, at the discretion of the Authority, in partnership with
47 local school administrative units in accordance with G.S. 116-209.101, as
48 enacted by this act. These persons shall begin employment no earlier than
49 January 1, 2023.

50 **SECTION 2.(b)** There is appropriated from the General Fund to the Community
51 College Promise Scholarship Fund Reserve for the 2022-2023 fiscal year the sum of one hundred

1 sixty-one million three hundred thousand dollars (\$161,300,000) in recurring funds to award
2 scholarships under the Community College Promise Scholarship Program pursuant to Part 7 of
3 Article 23 of Chapter 116 of the General Statutes, as enacted by this act, beginning with the
4 2023-2024 academic year.

5 **SECTION 3.** This act becomes effective July 1, 2022. Section 1 of this act applies
6 beginning with the 2023-2024 academic year.