

**GENERAL ASSEMBLY OF NORTH CAROLINA**

**SESSION 1991**

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**SENATE BILL 199\***

Short Title: Education Improvement Act.

(Public)

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Sponsors: Senators Hunt, Ward; Basnight, Daniel, Lee, Martin of Pitt, Martin of Guilford, Raynor, Richardson, Royall, Sherron, Staton, Tally, Walker, Warren, and Winner.

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Referred to: Higher Education.

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February 28, 1991

A BILL TO BE ENTITLED

1 AN ACT TO IMPROVE EDUCATIONAL OPPORTUNITIES FOR NORTH  
2 CAROLINIANS.  
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4 Whereas, the North Carolina Constitution mandates that the benefits of The  
5 University of North Carolina, as well as other public institutions of higher education, be  
6 extended to the people of the State free of expense, as 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 an institution of higher education because of a lack of economic  
10 resources; and

11 Whereas, attendance at institutions of higher education should be based on  
12 the ability to learn, not the ability to pay; and

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

18 The General Assembly of North Carolina enacts:

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

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

**“ARTICLE 5B.****”EDUCATION IMPROVEMENT ACT OF 1991.****”§ 116-174.9. Program name; purpose.**

The purpose of this Article is to provide eligible persons with a grant of money for tuition, fees, and books to enable that person to attend an institution of higher education. Awards of money made pursuant to this Article shall be known as North Carolina Education Improvement Grants.

**”§ 116-174.10. Definitions.**

As used in this Article:

- (1) ‘Authority’ means the State Education Assistance Authority as set forth in Article 23 of Chapter 116 of the General Statutes.
- (2) ‘Commission’ means the Education Improvement Commission as established under G.S. 116-174.14.
- (3) ‘Grant’ means a North Carolina Education Improvement Grant as established by this Article.
- (4) ‘Institution of Higher Education’ means one of the 16 public senior institutions of The University of North Carolina as set forth in G.S. 116-2, a community college as set forth in G.S. 115D-2, or private junior or senior college as set forth in G.S. 116-22.

**”§ 116-174.11. Eligibility.**

(a) A grant for tuition, fees, and book expenses at an institution of higher education shall be paid by the State on behalf of any eligible student who enrolls in such an institution to pursue a baccalaureate or associate degree. To be eligible for a grant a person must meet all of the following qualifications:

- (1) Be a resident for tuition purposes pursuant to G.S. 116-143.1.
- (2) Have graduated from high school within the two years preceding the application with a minimum cumulative grade point average of 2.5 calculated on a 4.0 scale, or its equivalent.
- (3) Have successfully completed the minimum educational requirements for admission to The University of North Carolina, as established and revised by the Board of Governors of The University of North Carolina.
- (4) a. Have a Scholastic Aptitude Test (SAT) score of 800; except that, in each academic year, the Commission may award a grant for students who fail to meet this requirement by an amount equal to ten percent (10%) or less. For the first academic year for which grants are paid, the total number of these students shall not exceed ten percent (10%) of the total number of students receiving grants. For all subsequent years, the total number of these students shall not exceed ten percent (10%) of the total number of students admitted the previous year who received grants; or  
b. Graduate in the top fifty percent (50%) of their high school class.

- 1           (5) Have not been convicted of a felony, misdemeanor, or an offense  
2 under G.S. 90-95 or under Article 3 of Chapter 18B of the General  
3 Statutes or adjudicated delinquent for acts that would constitute a  
4 violation of any of those offenses if committed by an adult, if the  
5 offense occurred before the person reached the age of 16.  
6           (6) Be enrolling in an institution of higher education as a first-time  
7 freshman.  
8           (7) Be found to be in financial need.  
9       (b) To continue to receive State payment of tuition, fees, and book expenses once  
10 enrolled in an institution of higher education a student shall meet all of the following:  
11           (1) Make steady academic progress toward a degree, earning not less than  
12 the minimum number of hours of credit required for full-time standing  
13 in each academic period requiring this enrollment.  
14           (2) Maintain full-time enrollment standing for not less than two semesters  
15 or three quarters in each successive academic year, unless granted an  
16 exception for cause by the Commission.  
17           (3) Have no criminal record.  
18           (4) Be found to be in financial need.

19 **"§ 116-174.12. Financial need.**

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

- 21           (1) The applicant's custodial parent or guardian has one dependent child  
22 under the age of 21 and the four-year average adjusted gross income of  
23 the family is less than thirty thousand dollars (\$30,000).  
24           (2) The applicant's custodial parent or guardian has two dependent  
25 children under the age of 21 and the four-year average annual adjusted  
26 gross income of the family is less than thirty-five thousand dollars  
27 (\$35,000).  
28           (3) The applicant's custodial parent or guardian has three or more  
29 dependent children under the age of 21 and the four-year average  
30 annual adjusted gross income of the family is less than forty thousand  
31 dollars (\$40,000).

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

34 **"§ 116-174.13. Program Administration.**

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

37 **"§ 116-174.14. Education Improvement Commission.**

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

43       (b) The Commission shall consist of 13 members as follows: three members  
44 appointed by the General Assembly upon the recommendation of the President Pro

1 Tempore of the Senate in accordance with G.S. 120-121, one of whom shall be  
2 recommended by the President Pro Tempore of the Senate to serve as cochair; three  
3 members appointed by the General Assembly upon the recommendation of the Speaker  
4 of the House of Representatives in accordance with G.S. 120-121, one of whom shall be  
5 recommended by the Speaker of the House of Representatives to serve as cochair; three  
6 members to be appointed by the Governor; and the Chairman of the Board of Governors  
7 of The University of North Carolina or his designee; the Chairman of the State Board of  
8 Community Colleges or his designee; the Chairman of the North Carolina Association  
9 of Independent Colleges and Universities or his designee; and the Chairman of the State  
10 Board of Education or his designee.

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

20 (d) Members of the Commission who are not State officers or employees shall  
21 receive per diem and necessary travel and subsistence expenses in accordance with G.S.  
22 138-5. Members who are State officers or employees shall be reimbursed for travel and  
23 subsistence in accordance with G.S. 138-6.

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

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

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

33 (2) Applications, forms, financial audit procedures, eligibility and other  
34 program audit procedures, and other matters related to efficient  
35 operation.

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

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

1 **"§ 116-174.15. Amount of grants/payment.**

2 (a) Eligible students shall receive a grant in the following amounts:

3 (1) If the student attends a public institution of higher education or  
4 community college, full tuition and fees, plus an amount for books up  
5 to four hundred fifty dollars (\$450.00) per year (two hundred twenty-  
6 five dollars (\$225.00) per semester or one hundred fifty dollars  
7 (\$150.00) per quarter).

8 (2) If the student attends a private institution of higher education, the  
9 average of the amount of tuition and fees charged by the constituent  
10 institutions of The University of North Carolina, except the North  
11 Carolina School of the Arts, plus an amount for books up to four  
12 hundred fifty dollars (\$450.00) per year (two hundred twenty-five  
13 dollars (\$225.00) per semester or one hundred fifty dollars (\$150.00)  
14 per quarter).

15 (b) Payments of tuition and fees shall be made by the Authority directly to the  
16 institution to which the tuition is due after notice from the Commission to the institution  
17 that the State shall pay the tuition of a student and after notice from the institution to the  
18 Authority that the student has actually enrolled. Payments for books shall be made as  
19 provided for by rule by the Authority.

20 (c) No student shall receive a grant pursuant to this Article in an amount greater  
21 than the tuition and fees charged by the institution plus book expenses. The student  
22 shall apply for a federal grant prior to receiving State aid pursuant to this Article."

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

25 **"§ 116-209.25. North Carolina Education Improvement Grants.**

26 The Authority is authorized, in addition to all other powers and duties vested or  
27 imposed under this Article, to administer the funding for the North Carolina Education  
28 Improvement Grants awarded by the Education Improvement Commission pursuant to  
29 Article 5B of this Chapter. In order to accomplish the purposes of this section, the  
30 Authority may:

31 (1) In consultation with the Education Improvement Commission, adopt  
32 rules to implement the funding of the North Carolina Education  
33 Improvement Grants.

34 (2) Receive from the General Fund or other sources such funds the  
35 General Assembly may authorize to cover, in addition to any other  
36 available funds, the costs of tuition, fees, and books required to be paid  
37 to eligible students under Article 5B of this Chapter, both initial and  
38 continuing, for the coming academic year.

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

42 Sec. 4. There is appropriated from the General Fund to the Board of  
43 Governors of The University of North Carolina for the Education Improvement

1 Commission the sum of \$200,000 for the 1991-92 fiscal year and the sum of \$200,000  
2 for the 1992-93 fiscal year to implement this act.

3           Sec. 5. There is appropriated from the General Fund to the Board of  
4 Governors of The University of North Carolina for the Education Assistance Authority  
5 the sum of \$100,000 for the 1991-92 fiscal year and the sum of \$15,064,000 for the  
6 1992-93 fiscal year to implement this act.

7           Sec. 6. This act becomes effective July 1, 1991, and applies to payments  
8 made for academic years beginning with the 1992-93 academic year.