

NORTH CAROLINA GENERAL ASSEMBLY  
1981 SESSION

CHAPTER 1388  
HOUSE BILL 1652

AN ACT TO ESTABLISH A BOARD TO ADMINISTER NEED-BASED LOANS TO STUDENTS IN THE HEALTH PROFESSIONS.

The General Assembly of North Carolina enacts:

**Section 1.** G.S. 131-121, G.S. 131-121.3, G.S. 131-124 and G.S. 131-125 are repealed.

**Sec. 2.** Chapter 131 of the General Statutes is amended by adding a new section to read:

**"§ 131-124.1.** Effective July 1, 1982, all funds previously appropriated to the Department of Human Resources for student loans and scholarships under prior G.S. 131-121, G.S. 131-121.3, G.S. 131-124 and G.S. 131-125, and for the administration thereof, shall be transferred to the Office of State Budget and Management, including all loans or scholarship funds repaid to the Department of Human Resources pursuant to prior G.S. 131-121, G.S. 131-121.3, G.S. 131-124 and G.S. 131-125."

**Sec. 3.** G.S. 143B-165(5) is repealed.

**Sec. 4.** Chapter 143 of the General Statutes is amended by adding a new Article to read:

"ARTICLE 2.

"North Carolina Board for Need-Based Medical Student Loans.

**"§ 143B-35. Creation of board.** — The North Carolina Board for Need-Based Medical Student Loans, hereinafter referred to as the board, is established in the Office of State Budget and Management to provide financial assistance on the basis of demonstrated need as determined by the board to students who are residents of North Carolina and who are accepted in an accredited degree-granting program, in any school, college or university, leading to graduation as physicians, dentists, optometrists, pharmacists, nurses, nurse instructors, nurse anesthetists, medical technicians, social workers, psychologists or other health professionals as so determined by the board.

**"§ 143B-36. Program transfer.** — Effective July 1, 1982, all funds previously appropriated to the Department of Human Resources for student loans and scholarships pursuant to prior G.S. 131-121, G.S. 131-121.3, G.S. 131-124 and G.S. 131-125, and for the administration thereof shall be transferred to the Office of State Budget and Management to be administered by the board, including all loans or scholarships repaid to the Department of Human Resources pursuant to prior G.S. 131-121, G.S. 131-121.3, G.S. 131-124 and G.S. 131-125.

**"§ 143B-37. Membership of board; structure.** — The board shall consist of nine nonlegislative members; three to be appointed by the Governor; three to be appointed by the General Assembly upon the recommendation of the Speaker of the House of Representatives under G.S. 120-121, and three to be appointed by the General Assembly upon the recommendation of the President of the Senate under G.S. 120-121.

Board members shall be appointed for four-year terms with the first appointments to expire July 1, 1986. Board members may be reappointed without limit.

In the event of a vacancy occurring for any reason, the vacancy shall be filled by the officer who made the particular appointment now vacant, except that vacancies in appointments by the

General Assembly shall be filled under G.S. 120-122. The new appointee shall serve for the duration of the term remaining to the prior appointment now vacant.

The board at its first meeting shall elect a chairman and vice-chairman who shall so serve for the four years of their terms on the board. New elections for chairman and vice-chairman shall be held at the first meeting following the next four-year appointments to the board.

The board shall meet regularly at such times and in such places as its chairman and vice-chairman deem necessary to accomplish its functions. The chairman and vice-chairman may call special meetings at any time and place.

The chairman and vice-chairman shall organize the work of the board and shall prepare rules of procedure governing the operation of the board.

The members of the board shall receive per diem and necessary travel and subsistence expenses in accordance with Chapter 138 of the General Statutes.

**"§ 143B-38. Powers and duties.** — The board shall administer a program of student loans and scholarships to those students designated in G.S. 143B-35 that it determines have demonstrated financial need and who otherwise qualify.

The board shall promulgate rules and regulations for the administering of the program.

The board shall prepare a written annual report giving an account of its proceedings, transactions and any recommendations it may have and shall submit this report to the Governor and the General Assembly.

All staff, clerical and other services required by the board shall be supplied by the Office of State Budget and Management."

**Sec. 5.** In effecting this transfer, the director of the program shall be transferred to the Office of State Budget and Management. In addition, other staff in the discretion of the State Budget Officer, may be transferred.

**Sec. 6.** Section 1 of this act shall not be construed as affecting the status of any loan or scholarship already granted. Any loan or scholarship already granted under Article 13 of Chapter 131 of the General Statutes shall be administered by the North Carolina Board for Need-Based Medical Student Loans.

**Sec. 7.** This act shall become effective July 1, 1982, except that appointments to the North Carolina Board for Need-Based Medical Student Loans may be made upon ratification.

In the General Assembly read three times and ratified, this the 23rd day of June, 1982.