

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1989

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HOUSE BILL 2253

Short Title: Rural Development Assistance Program.

(Public)

Sponsors: Representatives Hardaway; Buchanan, Colton, Cooper, N. Crawford, Diamont, Edwards, Fletcher, Gibson, Greenwood, Jack Hunt, Judy Hunt, H. Hunter, R. Hunter, James, Kerr, Lilley, Lineberry, Locks, Mercer, Nesbitt, Nye, Perdue, Ramsey, Redwine, Rogers, Stamey, Warner, and Wicker.

Referred to: Education.

June 1, 1990

A BILL TO BE ENTITLED

1
2 **AN ACT TO PROVIDE FOR THE CREATION WITHIN THE UNIVERSITY OF**
3 **NORTH CAROLINA SYSTEM OF A NEW GRADUATE LEVEL PROGRAM IN**
4 **RURAL ECONOMIC PLANNING AND DEVELOPMENT, TO ESTABLISH A**
5 **SCHOLARSHIP/LOAN ARRANGEMENT FOR STUDENTS IN THE**
6 **PROGRAM, AND TO INITIATE PLANNING OF A MATCHING GRANT FUND**
7 **FOR DEVELOPMENT PERSONNEL POSITIONS IN ECONOMICALLY**
8 **DISTRESSED COUNTIES.**

9 The General Assembly of North Carolina enacts:

10 Section 1. The General Assembly finds that local capacity to plan and
11 manage development efforts in rural areas has traditionally been impaired due to the
12 lack of fiscal resources to attract and maintain the full-time, professional expertise
13 required. Budget limitations and the resulting dearth of positions for planning and
14 development specialists in rural areas have created the false impression that there is no
15 demand for specially trained professionals to address these important rural needs.
16 Consequently, few universities offer a curriculum tailored to the development needs of
17 rural communities. This persistent shortage of trained planning and development
18 personnel tends to exacerbate the already serious disadvantages rural areas face in trying
19 to compete with the faster growing, more prosperous urban areas. The large number of
20 relatively small units of government in rural areas with their attendant budget and staff
21 limitations have resulted in a fragmentation of development efforts. Where expertise,

1 technical support, and adequate compensation are in short supply, the creation of a
2 county-level planning and development position complete with an appropriately trained
3 specialist can provide the focus, initiative, and direction necessary to help overcome
4 programming deficiencies and problems of organization and coordination. By
5 strengthening and broadening local and regional institutional capacity, rural areas will
6 be in a better position to solve their problems and capture development opportunities.

7 Sec. 2. (a) The Board of Governors of The University of North Carolina shall
8 establish at one of its constituent institutions a two-year graduate degree program in
9 rural economic planning and development. The program shall provide for the
10 enrollment of at least 10 students beginning in the 1991-92 academic year. The
11 program shall include a broad range of courses in relevant fields of study such as
12 agriculture, rural sociology, economics, public administration, and regional
13 development. The program shall also require one summer internship in the field, as
14 determined by the Board of Governors.

15 (b) The Board of Governors shall appoint a special ad hoc committee to advise
16 the Board in establishing the rural economic planning and development program. The
17 membership of the committee shall represent University of North Carolina System
18 faculty and administrators, local governments, and experts in rural economic
19 development. The committee shall, upon consultation with the North Carolina Rural
20 Economic Development Center, Inc., recommend (i) a method for selecting the
21 constituent institution to offer the program, (ii) requirements for the economic planning
22 and development degree, and (iii) curriculum tracks to be followed in the program.

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

25 **"ARTICLE 23A**

26 **"ECONOMIC DEVELOPMENT GRADUATE SCHOLARSHIP LOAN**
27 **PROGRAM**

28 **"§ 116-209.50. North Carolina Economic Development Graduate Scholarship Loan**
29 **Commission established.**

30 There is established the North Carolina Economic Development Graduate
31 Scholarship Loan Commission. This Commission shall exercise its powers and
32 functions independently of the Board of Governors of The University of North Carolina
33 and the Department of Economic and Community Development. The North Carolina
34 Rural Economic Development Center, Inc., shall provide staff and office space to the
35 Commission. Staff to the Commission are not State employees.

36 **"§ 116-209.51. Membership.**

37 (a) The Commission shall consist of 11 nonlegislative members as follows:

- 38 (1) The Secretary of the Department of Economic and Community
39 Development, or his designee.
40 (2) The President of the North Carolina Rural Economic Development
41 Center, Inc., or his designee.
42 (3) Three persons appointed by the Governor.

1 (4) Three persons appointed by the General Assembly on the
2 recommendation of the President Pro Tempore of the Senate, as
3 provided in G.S. 120-121.

4 (5) Three persons appointed by the General Assembly on the
5 recommendation of the Speaker of the House of Representatives, as
6 provided in G.S. 120-121.

7 (b) Each of the appointing entities shall seek to achieve a balanced membership
8 representing, to the maximum extent possible, the State as a whole. The Commission
9 members shall be chosen from among individuals who have demonstrated a
10 commitment to higher education and/or economic planning and development.

11 (c) Commission members shall be appointed for four-year terms, with the first
12 appointments to expire July 1, 1994.

13 (d) In the event a vacancy occurs for any reason, the vacancy shall be filled by
14 appointment by the entity that made the appointment, except that vacancies in
15 appointments by the General Assembly shall be filled as provided in G.S. 120-122. The
16 new appointee shall serve for the remainder of the unexpired term.

17 (e) The Commission shall elect a chair from among its members for a term of
18 one year.

19 (f) Members of the Commission shall receive per diem and necessary travel and
20 subsistence expenses in accordance with Chapter 138 of the General Statutes.

21 (g) The Commission shall meet regularly at times and places the chair deems
22 necessary.

23 **"§ 116-209.52. Economic Development Graduate Scholarship Loan Program**
24 **established; administration.**

25 (a) An Economic Development Graduate Scholarship Loan Program shall be
26 administered by the North Carolina Economic Development Graduate Scholarship Loan
27 Commission. The Scholarship Loan Program shall be used to provide a two-year
28 scholarship loan of five thousand dollars (\$5,000) per year to students interested in
29 enrolling in the graduate degree program in rural economic planning and development
30 that will be established at a constituent institution of The University of North Carolina
31 beginning in the 1991-92 academic year. Ten two-year scholarship loans shall be
32 awarded each academic year.

33 (b) The Commission shall adopt stringent standards to ensure that only students
34 with strong academic ability, leadership skills, and a commitment to rural economic
35 development receive scholarship loans. Standards adopted by the Commission shall
36 include provisions for ensuring that the qualifications of applicants who are or would be
37 nontraditional students are considered fairly in providing them with opportunities to
38 compete for the scholarship loans. In selecting individuals to receive a scholarship loan,
39 the Authority shall identify and encourage minority students and students who might not
40 otherwise consider a career in rural economic planning and development.

41 **"§ 116-209.53. Terms of scholarship loans; receipt and disbursement of funds.**

42 (a) All scholarship loans shall be evidenced by notes made payable to the State
43 Education Assistance Authority that bear interest at the rate of ten percent (10%) per
44 year beginning 90 days after completion of the program, or 90 days after termination of

1 the scholarship loan, whichever is earlier. The scholarship loan may be terminated by
2 the recipient's withdrawal from school or by the recipient's failure to meet the standards
3 set by the Commission.

4 (b) The Commission shall forgive the loan if, within four years after receiving
5 the graduate degree, the recipient completes two years of economic planning and
6 development service to a distressed rural area, as determined by the Commission. If the
7 recipient repays the scholarship loan by cash payments, all indebtedness shall be repaid
8 within 10 years.

9 (c) All funds appropriated to or otherwise received by the Economic
10 Development Graduate Scholarship Loan Program, all funds received as repayment of
11 scholarship loans, and all interest earned on these funds, shall be placed in a revolving
12 fund. This revolving fund may be used only for scholarship loans as provided in this
13 section."

14 Sec. 4. G.S. 120-123 is amended by adding at the end a new subdivision to
15 read:

16 "(58) The North Carolina Economic Development Graduate Scholarship
17 Loan Commission created in G.S. 116-209.50."

18 Sec. 5. There is appropriated from the General Fund to the North Carolina
19 Rural Economic Development Center, Inc., the sum of \$15,000 for the 1990-91 fiscal
20 year to be used to provide office space and staff and for other expenses related to the
21 North Carolina Economic Development Graduate Scholarship Loan Commission
22 created in G.S. 116-209.50.

23 Sec. 6. (a) There is appropriated from the General Fund to the North
24 Carolina Rural Economic Development Center, Inc., the sum of \$32,000 for the 1990-
25 91 fiscal year as a planning grant to be used to investigate the development of (i) a
26 program to provide rural economic development internships and (ii) a matching grant
27 program to enable distressed counties to fund development personnel positions. The
28 programs shall be developed as State funded programs in accordance with the
29 specifications provided in this section.

30 (b) The internship program would support three summer internship positions
31 to assist program development efforts targeted to those rural counties or communities in
32 the State that are experiencing the most severe economic development problems. Under
33 the program, the interns would be graduate students in the rural economic planning and
34 development program developed pursuant to Section 2 of this act. One of the intern
35 positions would be located at the North Carolina Rural Economic Development Center
36 and two would be assigned to field sites.

37 (c) The matching grant program would make grants to distressed counties to help
38 support county economic planning and development positions; specialists in these
39 positions would coordinate county-wide planning efforts and help overcome program
40 deficiencies in the county. The matching grant program would provide 10 grants each
41 year; each grant would support one position in a county for two years. To receive a
42 grant, a county must agree to sustain the position after the end of the two-year period of
43 the grant.

1 Only those counties whose per capita income is below the state median would
2 be eligible for a matching grant. Counties that apply for a grant would be selected on
3 the basis of degree of economic distress. The program administrator would establish the
4 percentage of the grant that must be matched by each county based on the county's
5 ability to pay for an economic planning and development position. Counties would be
6 required to use grant funds only to support an economic planning and development
7 position for a professional with a graduate degree from the rural economic planning and
8 development program developed pursuant to Section 2 of this act.

9 Sec. 7. Section 3 of this act shall become effective January 1, 1991. The
10 remainder of this act shall become effective July 1, 1990.