

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1995

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HOUSE BILL 42
Committee Substitute Favorable 4/13/95

Short Title: Education Improvement Act.

(Public)

Sponsors:

Referred to:

January 30, 1995

1 A BILL TO BE ENTITLED
2 AN ACT TO IMPROVE EDUCATIONAL OPPORTUNITIES FOR NORTH
3 CAROLINIANS.

Whereas, the North Carolina Constitution mandates that the benefits of The University of North Carolina, as well as other public institutions of higher education, be extended to the people of the State free of expense, as far as practicable; and

Whereas, many students who are residents of North Carolina and who can prove their ability to benefit from higher education by meeting high academic standards are unable to attend a public institution of higher education because of a lack of economic resources; and

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

Whereas, it is the policy of this State to promote academic achievement and provide incentives to parents and students that encourage students to exceed minimum educational standards while preparing themselves to succeed in higher education; and

Whereas, State action that guarantees that North Carolina students with proven ability to learn can attend an institution of higher education will result in far greater long-range savings to the State than it would cost in terms of these students' increased earning

capacity and the increased contributions that these students would be able to make to their society; Now, therefore,

The General Assembly of North Carolina enacts:

Section 1. This act shall be known and cited as "The Education Improvement Act of 1995".

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

"ARTICLE 18B.

"EDUCATION IMPROVEMENT ACT OF 1995.

"§ 116-174.3. Program name; purpose.

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

"§ 116-174.4. 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. 116-174.8.
- (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 a private junior or senior college as set forth in G.S. 116-22.

"§ 116-174.5. Eligibility.

(a) A grant for tuition and fees 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 an associate or baccalaureate degree. To be eligible for a grant, a person shall meet all of the following qualifications:

- (1) Be a resident for tuition purposes pursuant to G.S. 116-143.1;
- (2) Be a graduate of an accredited high school or hold a recognized equivalent diploma or certificate and have achieved a minimum cumulative grade point average of 2.0 calculated on a 4.0 scale while in high school;
- (3) Have not been convicted of a Class A through E felony or a felony under G.S. 90-95 or under Article 3 of Chapter 18B of the General Statutes or adjudicated delinquent for acts that would constitute a violation of those offenses if committed by an adult, if the offense occurred before the person reached the age of 16; and
- (4) Be found to be in financial need.

1 (b) To continue to receive State payment of tuition and fees once enrolled in an
2 institution of higher education, a student shall meet all of the following requirements:

- 3 (1) Make steady academic progress toward a degree, earning not less than
4 the minimum number of hours of credit required for full-time standing
5 in each academic period requiring this enrollment;
6 (2) Maintain full-time enrollment standing for not less than two semesters
7 or three quarters in each successive academic year, unless granted an
8 exception for cause by the Commission;
9 (3) Have no record of criminal activity since first receiving a North
10 Carolina Education Improvement Grant; and
11 (4) Be found to be in financial need.

12 **"§ 116-174.6. Financial need.**

13 All applicants must apply for Federal Title IV student financial assistance. If the
14 applicant is eligible for a Pell Grant of an amount less than the total of tuition and fees,
15 the amount of a State grant shall be equal to the difference between the amount of tuition
16 and fees and the Pell Grant amount.

17 An applicant who is found to be ineligible for a Pell Grant shall be found to be in
18 financial need for purposes of a North Carolina Education Improvement Grant if:

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

31 The annual adjusted gross income of the family for the tax year immediately preceding
32 the determination of financial need shall be verified by that year's Internal Revenue
33 Service tax returns.

34 **"§ 116-174.7. Program administration.**

35 The Commission shall make determinations of eligibility to receive grants under this
36 Article. Notwithstanding G.S. 116-174.5(a)(3), the Commission may determine that an
37 applicant is eligible to receive a grant if the Commission deems the applicant has
38 demonstrated full remediation and is otherwise eligible. Administration of the funding
39 for these grants shall be vested in the Authority. The Commission shall communicate to
40 appropriate kindergarten through secondary school staff and parent organizations the
41 existence of the grants and the minimum eligibility requirements.

42 **"§ 116-174.8. Education Improvement Commission.**

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

6 (b) The Commission shall consist of 13 members as follows: three members
7 appointed by the General Assembly upon the recommendation of the President Pro
8 Tempore of the Senate in accordance with G.S. 120-121, one of whom shall be
9 recommended by the President Pro Tempore of the Senate to serve as cochair; three
10 members appointed by the General Assembly upon the recommendation of the Speaker
11 of the House of Representatives in accordance with G.S. 120-121, one of whom shall be
12 recommended by the Speaker of the House of Representatives to serve as cochair; three
13 members to be appointed by the Governor; and four members serving ex officio; the
14 Chairman of the Board of Governors of The University of North Carolina; the Chairman
15 of the State Board of Community Colleges; the Chairman of the North Carolina
16 Association of Independent Colleges and Universities; and the Chairman of the State
17 Board of Education. Members serving ex officio may designate others to represent them
18 on the Commission.

19 (c) One of the members recommended by the President Pro Tempore of the
20 Senate, one of the members recommended by the Speaker of the House of
21 Representatives, and two of the members appointed by the Governor shall serve an initial
22 term of two years, to expire on July 1, 1997. The remainder of the appointive members
23 shall serve an initial term of four years, to expire on July 1, 1999. Their successors shall
24 serve for four-year terms. Vacancies shall be filled by the office making the initial
25 appointment and for the remainder of the unexpired term only. The initial meeting of the
26 Commission shall be called jointly by the cochairs, and the Commission shall meet at
27 least once each quarter at the call of the cochairs.

28 (d) Members of the Commission who are not State officers or employees shall
29 receive per diem and necessary travel and subsistence expenses in accordance with G.S.
30 138-5. Members who are State officers or employees shall be reimbursed for travel and
31 subsistence in accordance with G.S. 138-6.

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

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

38 (1) A mechanism for informing all students of the availability of the
39 assistance provided pursuant to this section early enough in their
40 schooling that a salutary motivational effect is possible;

41 (2) Applications, forms, financial audit procedures, eligibility, and other
42 program audit procedures, and other matters related to efficient
43 operation; and

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

3 (g) The Commission is an authorized agency pursuant to G.S. 7A-675 to have
4 access to juvenile records. When any person who has not reached the eighteenth birthday
5 is convicted of a Class A through E felony or any felony under G.S. 90-95 or Article 3 of
6 Chapter 18B of the General Statutes or is adjudicated delinquent for acts that would
7 constitute one or more of these specified offenses if committed by an adult, the court
8 shall report the conviction or adjudication of delinquency to the Commission within 30
9 days.

10 **"§ 116-174.9. Amount of grants/payment.**

11 (a) Eligible students shall receive a grant to cover the costs of tuition and fees at
12 the institution of higher education in which the student enrolls, as follows:

13 (1) If the student attends a senior constituent institution of The University
14 of North Carolina or a community college, full tuition and fees; or

15 (2) If the student attends a private junior or senior college, the average of
16 the amount of tuition and fees charged by the senior constituent
17 institutions of The University of North Carolina, which designation
18 excludes the North Carolina School of the Arts.

19 (b) Payments of tuition and fees shall be made by the Authority directly to the
20 institution to which the tuition is due after notice from the Commission to the institution
21 that the State shall pay the tuition of a student and after notice from the institution to the
22 Authority that the student has actually enrolled.

23 (c) No student shall receive a grant pursuant to this Article in an amount greater
24 than the tuition and fees charged by the institution. The student shall apply for a federal
25 grant prior to receiving State aid pursuant to this Article."

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

28 **"§ 116-209.25. North Carolina Education Improvement Grants.**

29 In addition to all other powers and duties vested or imposed under this Article, the
30 Authority shall administer the funding for the North Carolina Education Improvement
31 Grants awarded by the Education Improvement Commission pursuant to Article 18B of
32 this Chapter. In order to accomplish the purposes of this section, the Authority may:

33 (1) In consultation with the Education Improvement Commission, adopt
34 rules to implement the funding of the North Carolina Education
35 Improvement Grants;

36 (2) Receive from the General Fund or other sources those funds the General
37 Assembly may authorize to cover, in addition to any other available
38 funds, the costs of tuition and fees required to be paid to eligible
39 students under Article 18B of this Chapter, both initial and continuing,
40 for the coming academic year; and

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

1 Sec. 4. There is appropriated from the General Fund to the Board of
2 Governors of The University of North Carolina the sum of ten million dollars
3 (\$10,000,000) for the 1995-96 fiscal year and the sum of twenty million dollars
4 (\$20,000,000) for the 1996-97 fiscal year to implement this act. Funds appropriated for
5 the 1995-96 fiscal year shall be available only to applicants who are enrolling as
6 freshmen. The Board of Governors shall allocate funds to the Education Improvement
7 Commission established by this act and to the Education Assistance Authority according
8 to a schedule of allocation it establishes.

9 Sec. 5. This act becomes effective July 1, 1995, and applies to payments made
10 for academic years beginning with the 1995-96 academic year.