

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1993

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HOUSE BILL 7

Short Title: Education Improvement Act.

(Public)

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Sponsors: Representatives Warner; Dickson, Gray, Russell, Gardner, Cummings, Esposito, Culp, Daughtry, Berry, Hightower, Oldham, Wright, and Black.

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Referred to: Education.

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January 28, 1993

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 a public institution of higher education because of a lack of  
10 economic resources; and

11 Whereas, attendance at our public institutions of higher education should be  
12 based on 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 the increased contributions that these students would be  
17 able to 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 1993."

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

23 **"ARTICLE 18B.**

**"EDUCATION IMPROVEMENT ACT OF 1993.****"§ 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) Have graduated from high school within the two years preceding the application;
- (3) Have completed the courses that comprise 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, with a minimum cumulative grade point average of 2.5 calculated on a 4.0 scale, or its equivalent in those courses;
- (4) a. Have a Scholastic Aptitude Test (SAT) score of 750; or  
b. Graduate in the top fifty percent (50%) of the person's high school class;
- (5) Have not been convicted of a felony, misdemeanor, or an offense 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 any of those offenses if committed by an adult, if the offense occurred before the person reached the age of 16;
- (6) Be enrolling in an institution of higher education as a first-time freshman; and
- (7) Be found to be in financial need.

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

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

9    **§ 116-174.6. Financial need.**

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

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

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

27    **§ 116-174.7. Program administration.**

28    The Commission shall make determinations of eligibility to receive grants under this  
29    Article. Administration of the funding for these grants shall be vested in the Authority.

30    **§ 116-174.8. Education Improvement Commission.**

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

36           (b)    The Commission shall consist of 13 members as follows: three members  
37                   appointed by the General Assembly upon the recommendation of the President Pro  
38                   Tempore of the Senate in accordance with G.S. 120-121, one of whom shall be  
39                   recommended by the President Pro Tempore of the Senate to serve as cochair; three  
40                   members appointed by the General Assembly upon the recommendation of the Speaker  
41                   of the House of Representatives in accordance with G.S. 120-121, one of whom shall be  
42                   recommended by the Speaker of the House of Representatives to serve as cochair; three  
43                   members to be appointed by the Governor; and four members serving ex officio: the  
44                   Chairman of the Board of Governors of The University of North Carolina; the Chairman

1 of the State Board of Community Colleges; the Chairman of the North Carolina  
2 Association of Independent Colleges and Universities; and the Chairman of the State  
3 Board of Education. Members serving ex officio may designate others to represent  
4 them on the Commission.

5 (c) One of the members recommended by the President Pro Tempore of the  
6 Senate, one of the members recommended by the Speaker of the House of  
7 Representatives and two of the members appointed by the Governor shall serve an  
8 initial term of two years, to expire on July 1, 1995. The remainder of the appointive  
9 members shall serve an initial term of four years, to expire on July 1, 1997. Their  
10 successors shall serve for four-year terms. Vacancies shall be filled by the office  
11 making the initial appointment and for the remainder of the expired term only. The  
12 initial meeting of the Commission shall be called jointly by the cochair and the  
13 Commission shall meet at least once each quarter at the call of the cochair.

14 (d) Members of the Commission who are not State officers or employees shall  
15 receive per diem and necessary travel and subsistence expenses in accordance with G.S.  
16 138-5. Members who are State officers or employees shall be reimbursed for travel and  
17 subsistence in accordance with G.S. 138-6.

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

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

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

27 (2) Applications, forms, financial audit procedures, eligibility, and other  
28 program audit procedures, and other matters related to efficient  
29 operation; and

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

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

39 **"§ 116-174.9. Amount of grants/payment.**

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

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

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

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

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

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

14          "**§ 116-209.25. North Carolina Education Improvement Grants.**

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

19               (1) In consultation with the Education Improvement Commission, adopt  
20               rules to implement the funding of the North Carolina Education  
21               Improvement Grants;

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

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

30          Sec. 4. There is appropriated from the General Fund to the Board of  
31          Governors of The University of North Carolina the sum of ten million dollars  
32          (\$10,000,000) for the 1993-94 fiscal year and the sum of twenty million dollars  
33          (\$20,000,000) for the 1994-95 fiscal year, to implement this act. The Board shall  
34          allocate funds to the Education Improvement Commission established by this act and to  
35          the Education Assistance Authority according to a schedule of allocation it establishes.

36          Sec. 5. This act becomes effective July 1, 1993, and applies to payments  
37          made for academic years beginning with the 1993-94 academic year.