

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2007

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HOUSE BILL 1304
Committee Substitute Favorable 4/12/07

Short Title: Student Loan Repayment for NC Guard Members. (Public)

Sponsors:

Referred to:

April 5, 2007

1 A BILL TO BE ENTITLED
2 AN ACT TO AUTHORIZE USE OF REMAINING END-OF-YEAR TUITION
3 ASSISTANCE PROGRAM FUNDS FOR REPAYMENT OF OUTSTANDING
4 ELIGIBLE STUDENT LOANS FOR MEMBERS OF THE NORTH CAROLINA
5 NATIONAL GUARD.

6 The General Assembly of North Carolina enacts:

7 **SECTION 1.** G.S. 127A-195 reads as rewritten:

8 "**§ 127A-195. Administration and funding.**

9 (a) The Secretary of Crime Control and Public Safety is charged with the
10 administration of the tuition assistance program under this Article. He may delegate
11 administrative tasks to other persons within the Department of Crime Control and
12 Public Safety as he deems best for the orderly administration of this program.

13 (b) The Secretary shall determine the eligibility of applicants, select the benefit
14 recipients, establish the effective date of the benefit, and may suspend or revoke the
15 benefit if he finds that the recipient does not maintain an adequate academic status, or if
16 the recipient engages in riots, unlawful demonstrations, the seizure of educational
17 buildings, or otherwise engages in disorderly conduct, breaches of the peace, or
18 unlawful assemblies. The Secretary shall maintain such records and shall promulgate
19 such rules and regulations as he deems necessary for the orderly administration of this
20 program. The Secretary may require of business or trade schools or State or private
21 educational institutions such reports and other information as he may need to carry out
22 the provisions of this Article and he shall disburse benefit payments for recipients upon
23 certification of enrollment by the enrolling institutions.

24 (c) All tuition benefit disbursements shall be made to the business or trade school
25 or State or private educational institution concerned, for credit to the tuition account of
26 each recipient. Funds disbursed pursuant to subsection (g) of this section shall be made
27 to the student loan creditor concerned to be applied against the outstanding student
28 loans of each National Guard member beneficiary.

1 (d) The participation by any business or trade school or private educational
2 institution in this program shall be subject to the applicable provisions of this Article
3 and to examination by the State Auditor of the accounts of the benefit recipients
4 attending or having attended such private schools or institutions. The Secretary may
5 defer making an award or may suspend an award in any business or trade school or
6 private educational institution which does not comply with the provisions of this Article
7 relating to said institutions. The manner of payment to any business or trade school or
8 private educational institution shall be as prescribed by the Secretary.

9 (e) Irrespective of other provisions of this Article, the Secretary may prescribe
10 special procedures for adjusting the accounts of benefit recipients who, for reasons of
11 illness, physical inability to attend classes or for other valid reason satisfactory to the
12 Secretary, may withdraw from any business or trade school or State or private
13 educational institution prior to the completion of the term, semester, quarter or other
14 academic period being attended at the time of withdrawal.

15 (f) Any balance of the monetary educational assistance grant up to the maximum
16 for the academic year remaining after tuition is paid pursuant to subsection (c) of this
17 section may be disbursed to the recipient as reimbursement for required course books
18 and materials. The manner of obtaining the reimbursement payment for these required
19 books and materials shall be as prescribed by the Secretary.

20 (g) Any funds not needed to accomplish the other purposes of this Article may be
21 used to help members of the North Carolina National Guard repay outstanding student
22 loans in accordance with rules to be adopted by the Secretary. There shall be no
23 reimbursement under this subsection for payments already made on student loans, and
24 funds shall not be provided under this subsection for the purpose of paying student loans
25 obtained for courses from which the member withdrew or for which the member did not
26 receive a passing grade. Payments for outstanding loans shall not exceed the maximum
27 benefit available under G.S. 127A-193."

28 **SECTION 2.** G.S. 127A-192 reads as rewritten:

29 **"§ 127A-192. Definitions.**

30 (a) Academic Year. – Any period of 365 days beginning with the first day of
31 enrollment for a course of instruction.

32 ~~(a)(b) "Business or Trade School".~~ Business or Trade School. – Any school within
33 the State of North Carolina which is licensed by the State Board of Education and listed
34 by that Board as an approved private business school or an approved private trade
35 school.

36 ~~(b)(c) "Private Educational Institutions".~~ Private Educational Institutions. – Any
37 junior college, senior college or university which is operated and governed by private
38 interests not under the control of the federal, State or any local government, which is
39 located within and licensed by the State of North Carolina, which does not operate for
40 profit, whose curriculum is primarily directed toward the awarding of associate,
41 baccalaureate or graduate degrees, which agrees to the applicable administration and
42 funding provisions of this Article.

43 ~~(e)(d) "Secretary".~~ Secretary. – The Secretary of Crime Control and Public Safety or
44 his or her designee.

1 ~~(d)(e)~~ "State Educational Institutions". State Educational Institutions. – Any of the
2 constituent institutions of the University of North Carolina, or any community college
3 operated under the provisions of Chapter 115D of the General Statutes of North
4 Carolina.

5 ~~(e)~~ "Academic Year". — Any period of 365 days beginning with the first day of
6 enrollment for a course of instruction.

7 ~~(f)~~ Student Loan. – A loan or loans made to eligible students or parents of
8 students to aid in attaining an education beyond the high school level."

9 **SECTION 3.** G.S. 127A-193 reads as rewritten:

10 **"§ 127A-193. Benefit.**

11 The benefit provided under this Article shall consist of a monetary educational
12 assistance grant not to exceed the highest amount charged by a State educational
13 institution per academic year or a lesser amount, as prescribed by the Secretary, to
14 remain within the funds appropriated, to qualifying members of the North Carolina
15 ~~national guard.~~ National Guard. ~~Benefits shall be payable for a period of one academic~~
16 ~~year at a time, renewable at the option of the Secretary.~~ Benefits provided under
17 G.S. 127A-195(g) shall be payable for a period of one year at a time, renewable at the
18 option of the Secretary. All other benefits provided under this Article shall be payable
19 for a period of one academic year at a time, renewable at the option of the Secretary."

20 **SECTION 4.** G.S. 127A-194 reads as rewritten:

21 **"§ 127A-194. Eligibility.**

22 (a) Active members of the North Carolina ~~national guard~~ National Guard who
23 are enrolled or who shall enroll in any business or trade school, private educational
24 ~~institution~~ institution, or State educational institution shall be eligible to apply for this
25 tuition assistance benefit: Provided, that the applicant has a minimum obligation of two
26 years remaining as a member of the ~~national guard~~ National Guard from the end of the
27 academic period for which tuition assistance is provided or that the applicant commit
28 himself or herself to extended membership for at least two additional years from the
29 end of ~~said~~ that academic period.

30 (b) This tuition assistance benefit shall be applicable to students in the following
31 categories:

- 32 (1) Students seeking to achieve completion of their secondary school
33 education at a community college or technical institute.
- 34 (2) Students seeking trade or vocational training or education.
- 35 (3) Students seeking to achieve a two-year associate degree.
- 36 (4) Students seeking to achieve a four-year baccalaureate degree.
- 37 (5) Students seeking to achieve a graduate degree.

38 (c) The following persons shall be eligible to apply for disbursements to pay
39 outstanding student loans pursuant to G.S. 127A-195(g):

- 40 (1) Persons described in subsections (a) and (b) of this section.
- 41 (2) Active members of the North Carolina National Guard who were
42 previously enrolled in any business or trade school, private educational
43 institution, or State educational institution, but only if:

- 1 a. The applicant has a minimum obligation of two years remaining
2 as a member of the National Guard from the time of the
3 application; or
4 b. The applicant commits himself or herself to extended
5 membership for at least two additional years from the time of
6 the application."

7 **SECTION 5.** This act becomes effective July 1, 2007.