

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2011

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HOUSE BILL 702

Short Title: Educ. Assistance for Minimum Wage Workers. (Public)

Sponsors: Representatives Wilkins, Horn, Pierce, and Johnson (Primary Sponsors).
For a complete list of Sponsors, see Bill Information on the NCGA Web Site.

Referred to: Education, if favorable, Appropriations.

April 7, 2011

1 A BILL TO BE ENTITLED
2 AN ACT TO PROVIDE EDUCATIONAL ASSISTANCE FOR MINIMUM WAGE
3 WORKERS.

4 The General Assembly of North Carolina enacts:

5 **SECTION 1.** Article 35A of Chapter 115C of the General Statutes reads as
6 rewritten:

7 "Article 35A.

8 "College Scholarships.

9 **"§ 115C-499.1. Definitions.**

10 The following definitions apply to this Article:

- 11 (1) Academic year. – A period of time in which a student is expected to
12 complete the equivalent of at least two semesters' or three quarters' academic
13 work.
- 14 (2) Authority. – The State Education Assistance Authority created by Article 23
15 of Chapter 116 of the General Statutes.
- 16 (3) Eligible postsecondary institution. – A school that is:
17 a. A constituent institution of The University of North Carolina as
18 defined in G.S. 116-2(4);
19 b. A community college as defined in G.S. 115D-2(2);
20 c. A nonprofit postsecondary institution as defined in G.S. 116-22(1) or
21 G.S. 116-43.5(a)(1); or
22 d. A postsecondary institution owned or operated by a hospital
23 authority as defined in G.S. 131E-16(14) or school of nursing
24 affiliated with a nonprofit postsecondary institution as defined in
25 G.S. 116-22(1).
- 26 (4) Matriculated status. – Being recognized as a student in a defined program of
27 study leading to a degree, diploma, or certificate at an eligible postsecondary
28 institution.
- 29 (5) Scholarship. – A scholarship for education awarded under this Article.
- 30 (6) Title IV. – Title IV of the Higher Education Act of 1965, as amended, 20
31 U.S.C. § 1070, et seq.

32 **"§ 115C-499.1A. Eligibility requirements for a scholarship for a minimum wage worker.**

33 A student must meet all of the following requirements in order to be eligible to receive a
34 scholarship for a minimum wage worker under this Article:



- 1 (1) The student must have worked full time in a minimum wage or subminimum
2 wage job for at least 18 consecutive months of the 24-month period
3 immediately preceding the student's application. Applicants who have
4 worked the greatest number of consecutive months at such jobs shall receive
5 special consideration in awarding the scholarships.
- 6 (2) The student must qualify as a legal resident of North Carolina and as a
7 resident for tuition purposes in accordance with definitions of residency that
8 may from time to time be adopted by the Board of Governors of The
9 University of North Carolina and published in the residency manual of the
10 Board of Governors.
- 11 (3) The student must meet enrollment standards by one of the following
12 methods:
- 13 a. Being admitted and enrolled in a basic skills program at a community
14 college as defined in G.S. 115D-2(2). In order to continue to be
15 eligible for a scholarship for a second academic year, the student
16 must meet achievement standards by maintaining satisfactory
17 academic progress to enable the student to enter a degree, diploma,
18 or certificate program at the community college in which the student
19 is enrolled at the end of the second academic year or sooner.
- 20 b. Being admitted, enrolled, and classified as an undergraduate student
21 in a matriculated status at an eligible postsecondary institution. In
22 order to continue to be eligible for a scholarship for subsequent
23 academic years, the student must meet achievement standards by
24 maintaining satisfactory academic progress in a course of study in
25 accordance with the standards and practices used for federal Title IV
26 programs by the eligible postsecondary institution in which the
27 student is enrolled.
- 28 (4) A student may not receive a scholarship for study in a basic skills program
29 for more than two full academic years. A student may not receive a
30 scholarship under this Article for more than four full academic years,
31 including the academic years spent in a basic skills program.

32 **"§ 115C-499.2. Eligibility requirements for a scholarship, other scholarships.**

33 ~~In order to be eligible to receive a scholarship under this Article, a~~ Except as provided in
34 G.S. 115C-499.1A, a student seeking a degree, diploma, or certificate at an eligible
35 postsecondary institution must meet all of the following requirements: ~~requirements in order to~~
36 be eligible to receive a scholarship under this Article:

- 37 (1) Only needy North Carolina students are eligible to receive scholarships. For
38 purposes of this subsection, "needy North Carolina students" are those
39 eligible students whose expected family contribution under the federal
40 methodology does not exceed five thousand dollars (\$5,000).
- 41 (2) The student must meet all other eligibility requirements for the federal Pell
42 Grant, with the exception of the expected family contribution.
- 43 (3) The student must qualify as a legal resident of North Carolina and as a
44 resident for tuition purposes in accordance with definitions of residency that
45 may from time to time be adopted by the Board of Governors and published
46 in the residency manual of the Board of Governors.
- 47 (4) The student must meet enrollment standards by being admitted, enrolled, and
48 classified as an undergraduate student in a matriculated status at an eligible
49 postsecondary institution.
- 50 (5) In order to continue to be eligible for a scholarship for the student's second
51 and subsequent academic years, the student must meet achievement

standards by maintaining satisfactory academic progress in a course of study in accordance with the standards and practices used for federal Title IV programs by the eligible postsecondary institution in which the student is enrolled.

- (6) A student may not receive a scholarship under this Article for more than four full academic years.

"§ 115C-499.3. Scholarship amounts; amounts dependent on net income available.

(a) ~~Subject to the amount of net income available under G.S. 18C-164(b)(2), a scholarship awarded under this Article to a student at an eligible postsecondary institution shall be based upon the enrollment status and expected family contribution of the student and shall not exceed four thousand dollars (\$4,000) per academic year, including any federal Pell Grant, to be used for the costs of attendance as defined for federal Title IV programs.~~

(b) Subject to the maximum amounts provided in this section, the Authority shall have the power to determine the actual scholarship amounts disbursed to students in any given year based on the amount of net income available under Chapter 18C of the General Statutes. If the net income available is not sufficient to fully fund the scholarships to the maximum amount, all scholarships shall be reduced equally, to the extent practicable, so that every eligible applicant shall receive a proportionate scholarship amount.

First priority for five percent (5%) of the net income available under G.S. 18C-164(c)(3) shall be to provide scholarships for minimum wage workers. If these funds are not adequate to fund all eligible scholarships for a year, this amount shall be increased for subsequent years to ten percent (10%) of the net income available under G.S. 18C-164(c)(3). Funds not committed for these scholarships by September 1 of each year may be used for other scholarships.

(b1) Subject to the amount of net income available under G.S. 18C-164(c)(3) the following apply:

(1) A scholarship for a minimum wage worker awarded to a student admitted to and enrolled in a basic skills program at an eligible postsecondary institution shall not exceed eleven thousand dollars (\$11,000) per academic year.

(2) A scholarship for a minimum wage worker awarded to a student who is not eligible for any federal Pell Grant and who is admitted, enrolled, and classified as an undergraduate student in a matriculated status at an eligible postsecondary institution shall not exceed eleven thousand dollars (\$11,000) per academic year.

(3) A scholarship for a minimum wage worker awarded to a student who is eligible for a federal Pell Grant shall be based upon the enrollment status and expected family contribution of the student and shall not exceed twelve thousand five hundred dollars (\$12,500) per academic year, including any federal Pell Grant, to be used for the costs of attendance as defined for federal Title IV programs.

(4) Any other scholarship for a student at an eligible postsecondary institution shall be based upon the enrollment status and expected family contribution of the student and shall not exceed four thousand dollars (\$4,000) per academic year, including any federal Pell Grant, to be used for the costs of attendance as defined for federal Title IV programs.

If the amount of net income available is not adequate to fully fund all scholarships, priority shall be given to scholarships for minimum wage workers.

(c) The minimum award of a scholarship under this Article shall be one hundred dollars (\$100.00).

"§ 115C-499.4. Scholarship administration; reporting requirements.

(a) The scholarships provided for in this Article shall be administered by the Authority under rules adopted by the Authority in accordance with the provisions of this Article.

1 (b) The Authority shall report no later than June 1, 2011 and annually thereafter to the
2 Joint Legislative Education Oversight Committee. The report shall contain, for the previous
3 academic year, the amount of scholarship and grant money disbursed, the number of students
4 eligible for the funds, the number of eligible students receiving the funds, and a breakdown of
5 the eligible postsecondary institutions that received the funds.

6 (c) The Authority may use up to one and one-half percent (1.5%) of the funds
7 transferred in accordance with Chapter 18C of the General Statutes for administrative purposes.

8 (d) Scholarship funds unexpended shall remain available for future scholarships to be
9 awarded under this Article.

10 (e) The State Education Assistance Authority shall report annually to the Joint
11 Legislative Commission on Governmental Operations regarding the use of the funds allocated
12 to the Authority under S.L. 2005-344."

13 **SECTION 2.** This act is effective when it becomes law. The first scholarships shall
14 be awarded pursuant to this act for the 2012-2013 academic year.