

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2007

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HOUSE DRH60227-MD-53 (3/28)

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

Sponsors: Representatives Lucas, Tillis, Martin, and Pate (Primary Sponsors).

Referred to:

A BILL TO BE ENTITLED

AN ACT TO AUTHORIZE USE OF REMAINING END-OF-YEAR TUITION ASSISTANCE PROGRAM FUNDS FOR REPAYMENT OF OUTSTANDING ELIGIBLE STUDENT LOANS FOR MEMBERS OF THE NORTH CAROLINA NATIONAL GUARD.

The General Assembly of North Carolina enacts:

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

"§ 127A-195. Administration and funding.

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

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

(c) All tuition benefit disbursements shall be made to the business or trade school or State or private educational institution concerned, for credit to the tuition account of each recipient. Funds disbursed pursuant to subsection (g) of this section shall be made

1 to the student loan creditor concerned to be applied against the outstanding student
2 loans of each guard member beneficiary.

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

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

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

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

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

31 **"§ 127A-192. Definitions.**

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

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

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

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

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

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

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

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

12 **"§ 127A-193. Benefit.**

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

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

23 **"§ 127A-194. Eligibility.**

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

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

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

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

- 42 (1) Persons described in subsections (a) and (b) of this section.

- 1 (2) Active members of the North Carolina national guard who were
- 2 previously enrolled in any business or trade school, private educational
- 3 institution, or State educational institution, but only if:
- 4 a. The applicant has a minimum obligation of two years remaining
- 5 as a member of the national guard from the time of the
- 6 application; or
- 7 b. The applicant commits himself or herself to extended
- 8 membership for at least two additional years from the time of
- 9 the application."

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