

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2007

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HOUSE BILL 1367

Short Title: North Carolina College Foundation Grants. (Public)

Sponsors: Representatives Dickson, Ross (Primary Sponsors); Carney, Cotham, England, Faison, Farmer-Butterfield, Fisher, Glazier, Harrison, Martin, Parmon, Rapp, Underhill, Wainwright, Womble, and Wray.

Referred to: Appropriations.

April 10, 2007

A BILL TO BE ENTITLED

AN ACT TO EXPAND ACCESS TO HIGHER EDUCATION IN THE STATE BY PROVIDING GRANTS TO CERTAIN NEEDY STUDENTS ENROLLED OR TO BE ENROLLED IN INSTITUTIONS OF HIGHER EDUCATION IN NORTH CAROLINA.

The General Assembly of North Carolina enacts:

SECTION 1. Article 23 of Chapter 116 of the General Statutes is amended by adding the following section:

"§ 116-209.27. North Carolina College Foundation Grant Fund.

(a) The following definitions apply to this section:

(1) Academic year. – A period of time in which a student in matriculated status is expected to complete the equivalent of at least two semesters' academic work.

(2) Fund. – The North Carolina College Foundation Grant Fund.

(3) Institution of higher education. – A constituent institution of The University of North Carolina as defined in G.S. 116-2, a postsecondary institution as defined by G.S. 116-22 or G.S. 116-43.5, a postsecondary institution owned or operated by a hospital authority as defined in G.S. 131E-16(14), or school of nursing affiliated with a nonprofit postsecondary institution as defined in G.S. 116-22.

(4) Matriculated status. – Being recognized as a first-time candidate for a degree, diploma, or certificate in a defined program of study at an institution of higher education.

(5) Title IV programs. – The programs of student financial aid governed by Title IV of the Higher Education Act of 1965, as amended.

(b) There is established the North Carolina College Foundation Grant Fund. The purpose of the Fund is to expand access to higher education by providing grants to

1 certain needy students enrolled or to be enrolled in institutions of higher education. The
2 State Education Assistance Authority (SEAA) shall administer the Fund.

3 (c) Criteria for awarding the grants shall be developed by the SEAA and include
4 all of the following:

5 (1) The student must qualify as a legal resident of North Carolina and as a
6 resident for tuition purposes in accordance with G.S. 116-143.1 or
7 G.S. 116-143.3.

8 (2) The student must be eligible for the federal Pell Grant on the basis of
9 an expected family contribution, as calculated by the federal
10 methodology used for the Title IV programs, not exceeding one
11 thousand eight hundred dollars (\$1,800) or the minimum expected
12 family contribution with which a student is eligible to receive the
13 minimum scholarship awarded under Article 35A of Chapter 115C of
14 the General Statutes, whichever amount is less.

15 (3) The student must meet enrollment standards by being admitted,
16 enrolled, and classified as an undergraduate student in a matriculated
17 status at an institution of higher education.

18 (4) In order to retain eligibility for a grant for the student's second and
19 subsequent academic years, the student must meet achievement
20 standards by maintaining satisfactory academic progress in a course of
21 study in accordance with the standards and practices used for the Title
22 IV programs by the institution of higher education in which the student
23 is enrolled.

24 (5) The student shall not receive a grant in an amount that, when
25 combined with the federal Pell Grant and any other financial aid
26 received, exceeds the student's cost of attendance as defined for the
27 Title IV programs.

28 (6) The student shall not receive a grant under this section for more than
29 the equivalent of four academic years.

30 (d) The maximum grant for which a student is eligible under this section shall be
31 one thousand dollars (\$1,000) per academic year, and in no event shall a grant be
32 disbursed under this section in an amount less than one hundred fifty dollars (\$150.00).
33 Subject to the maximum and minimum amounts, the SEAA shall have the authority to
34 determine the schedule of actual grant amounts available to students in any given year
35 based on the ranges of expected family contribution by which students are eligible for
36 the grants.

37 (e) The grants provided for in this section shall be administered by the State
38 Education Assistance Authority pursuant to rules adopted by the SEAA not inconsistent
39 with this section.

40 (f) The SEAA shall report to the Joint Legislative Education Oversight
41 Committee by December 1, 2009, and by each December 1 thereafter, regarding the
42 Fund and grants awarded from the Fund. The report shall cover the previous academic
43 year and contain the total amount of grants disbursed from the Fund, the number of

1 students eligible for the grants, the number of eligible students who received the grants,
2 and a distribution of the grants by institutions of higher education.

3 (g) Unexpended grant funds shall remain in the Fund for future grants to be
4 disbursed under this section."

5 **SECTION 2.** There is appropriated from the General Fund to the State
6 Education Assistance Authority the sum of twenty-eight million six hundred thousand
7 dollars (\$28,600,000) for the 2008-2009 fiscal year to be allocated to the North Carolina
8 College Foundation Grant Fund to implement this act. Notwithstanding the foregoing,
9 no grant shall be disbursed to an eligible student before July 1, 2008.

10 **SECTION 3.** This act becomes effective July 1, 2007.