STATE CONTRACTUAL SCHOLARSHIP LOAN PROGRAM

*** THIS DOCUMENT IS CURRENT THROUGH ALL 2006 LEGISLATION ***

CHAPTER 116. HIGHER EDUCATION
ARTICLE 1. THE UNIVERSITY OF NORTH CAROLINA
PART 2. ORGANIZATION, GOVERNANCE AND PROPERTY OF THE UNIVERSITY

§ 116-19. Contracts with private institutions to aid North Carolina students and licensure students; reporting requirement.

(a) In order to encourage and assist private institutions to continue to educate North Carolina students and licensure students, the State Education Assistance Authority may enter into contracts with the institutions under the terms of which an institution receiving any funds that may be appropriated pursuant to this section would agree that, during any fiscal year in which such funds were received, the institution would provide and administer scholarship funds for needy North Carolina students and licensure students in an amount at least equal to the amount paid to the institution, pursuant to this section, during the fiscal year. Under the terms of the contracts the State Education Assistance Authority would agree to pay to the institutions, subject to the availability of funds, a fixed sum of money for each North Carolina student and licensure student enrolled at the institutions for the regular academic year, said sum to be determined by appropriations that might be made from time to time by the General Assembly pursuant to this section. Funds appropriated pursuant to this section shall be paid by the State Education Assistance Authority to an institution on certification of the institution showing the number of North Carolina students and licensure students enrolled at the institution as of October 1 of any year for which funds may be appropriated. For purposes of this subsection, "needy North Carolina students and licensure students" are those eligible students and licensure students who have financial need as determined by the institution under the institutional methodology or the federal methodology as defined by the State Education Assistance Authority. For purposes of this subsection, "institutional methodology" means a need-analysis formula, developed by College Scholarship Service, that determines the student's or licensure student's and his or her family's capacity to pay for postsecondary education each year.

(b) The State Education Assistance Authority shall document the number of full-time equivalent North Carolina undergraduate students and full-time and less than full-time licensure students that are enrolled in off-campus programs and the State funds collected by each institution pursuant to G.S. 116-19 for those students. The State Education Assistance Authority shall also document the number of scholarships and the amount of the scholarships that are awarded under G.S. 116-19 to students and licensure students enrolled in off-campus programs. An "off-campus program" is any program offered for degree credit away from the institution's main permanent campus.

The State Education Assistance Authority shall include in its annual report to the Joint Legislative Education Oversight Committee the information it has compiled and its findings regarding this program.
§ 116-20. Scholarship and contract terms; base period

In order to encourage and assist private institutions to educate additional numbers of North Carolinians, the Board of Governors of the University of North Carolina is hereby authorized to enter into contracts within the institutions under the terms of which an institution receiving any funds that may be appropriated pursuant to this section would agree that, during any fiscal year in which such funds were received, the institution would provide and administer scholarship funds for needy North Carolina students and licensure students in an amount at least equal to the amount paid to the institution, pursuant to this section, during the fiscal year. Under the terms of the contracts the Board of Governors of the University of North Carolina would agree to pay to the institutions, subject to the availability of funds, a fixed sum of money for each North Carolina student and licensure student enrolled as of October 1 of any year for which appropriated funds may be available, over and above the number of North Carolina students enrolled as of October 1, 1997, which shall be the base date for the purpose of this calculation. Funds appropriated pursuant to this section shall be paid by the State Education Assistance Authority to an institution upon recommendation of the Board of Governors of the University of North Carolina and on certification of the institution showing the number of North Carolina students and licensure students enrolled at the institution as of October 1 of any year for which funds may be appropriated over the number enrolled on the base date. In the event funds are appropriated for expenditure pursuant to this section and funds are also appropriated, for the same fiscal year, for expenditure pursuant to G.S. 116-19, students and licensure students who are enrolled at an institution in excess of the number enrolled on the base date may be counted under this section for the purpose of calculating the amount to be paid to the institution, but the same students and licensure students may also be counted under G.S. 116-19, for the purpose of calculating payment to be made under that section.

HISTORY: 1971, c. 744, s. 2; c. 1244, s. 5; 1998-212, s. 11.10; 2006-66, s. 9.13(b).

NOTES:
LOCAL MODIFICATION. --Cabarrus College of Health Sciences: 2007-113, s. 1(b), as
amended by 2007-484, s. 41.

EDITOR'S NOTE. --Session Laws 2006-66, s. 1.2, provides: "This act shall be known as 'The Current Operations and Capital Improvements Appropriations Act of 2006'."
   Session Laws 2006-66, s. 28.6 is a severability clause.

EFFECT OF AMENDMENTS. --Session Laws 2006-66, s. 9.13(b), effective July 1, 2006, added "and licensure students" following "student" and "students" throughout the section.

§ 116-21. Contract forms; reports; audits; regulations

   The State Education Assistance Authority may prescribe the form of the contracts to be executed under G.S. 116-19 and 116-20, to require of the institutions such reports, statements and audits as the Authority may deem necessary or desirable in carrying out the purposes of G.S. 116-19 through 116-22 and to adopt rules that will, in the opinion of the Authority, help to achieve the purposes of G.S. 116-19 through 116-22.

HISTORY: 1971, c. 744, s. 3; c. 1244, s. 5; 1993, c. 321, s. 80(e).

NOTES:
LOCAL MODIFICATION. --Cabarrus College of Health Sciences: 2007-113, s. 1(b), as amended by 2007-484, s. 41.
CROSS REFERENCES. --For provisions regarding the disbursement of funds appropriated to the Board of Governors of The University of North Carolina for aid to private colleges and grants to students, see the Editor's Note under G.S. 116-19.

§ 116-21.1. Financial aid for North Carolina students and licensure students attending private institutions of higher education in North Carolina

   (a) Funds shall be appropriated each fiscal year in the Current Operations Appropriations Act to the Board of Governors of The University of North Carolina for aid to institutions and shall be disbursed in accordance with the provisions of G.S. 116-19, 116-21, and 116-22.
   (b) The funds appropriated in compliance with this section shall be placed in a separate, identifiable account in each eligible institution's budget or chart of accounts. All funds in the account shall be provided as scholarship funds for needy North Carolina students and licensure students during the fiscal year. Each student and licensure student awarded a scholarship from this account shall be notified of the source of the funds and of the amount of the award. Funds not utilized under G.S. 116-19 shall be available for the tuition grant program as defined in G.S. 116-21.2.

HISTORY: 2001-424, s. 31.1(a); 2006-66, s. 9.13(c).

NOTES:
EDITOR'S NOTE. --Session Laws 2006-66, s. 1.2, provides: "This act shall be known as 'The Current Operations and Capital Improvements Appropriations Act of 2006'."
   Session Laws 2006-66, s. 28.6 is a severability clause.
LOCAL MODIFICATION. --Cabarrus College of Health Sciences: 2007-113, s. 1(b), as amended by 2007-484, s. 41.

EFFECT OF AMENDMENTS. --Session Laws 2006-66, s. 9.13(c), effective July 1, 2006, inserted "and licensure students" following "students" in the section catchline; and following "students" and "student," respectively, in subsection (b).

§ 116-21.4. Limitations on expenditures.

(a) Expenditures made pursuant to G.S. 116-19, 116-20, 116-21.1, or 116-21.2 may be used only for secular educational purposes at nonprofit institutions of higher learning that meet the qualifications set out in G.S. 116-22.

(b) Expenditures made pursuant to G.S. 116-19, 116-20, 116-21.1, or 116-21.2 shall not be used for any student or licensure student who:

1. Is incarcerated in a State or federal correctional facility for committing a Class A, B, B1, or B2 felony; or

2. Is incarcerated in a State or federal correctional facility for committing a Class C through I felony and is not eligible for parole or release within 10 years.

HISTORY: 2001-424, s. 31.1(a); 2002-126, s. 9.6; 2006-66, s. 9.13(f).

NOTES:
EDITOR'S NOTE. --Session Laws 2006-66, s. 1.2, provides: "This act shall be known as 'The Current Operations and Capital Improvements Appropriations Act of 2006'."

Session Laws 2006-66, s. 28.6 is a severability clause.

LOCAL MODIFICATION. --Cabarrus College of Health Sciences: 2007-113, s. 1(b), as amended by 2007-484, s. 41.

EFFECT OF AMENDMENTS. --Session Laws 2006-66, s. 9.13(f), effective July 1, 2006, inserted "or licensure student" in subsection (b).

§ 116-22. Definitions applicable to § § 116-19 to 116-22

As used in G.S. 116-19 through 116-22:

1. "Institution" shall mean an educational institution with a main permanent campus located in this State that is not owned or operated by the State of North Carolina or by an agency or political subdivision of the State or by any combination thereof that satisfies all of the following:

   a. Is accredited by the Southern Association of Colleges and Schools under the standards of the College Delegate Assembly of the Association or by the New England Association of Schools and Colleges through its Commission on Institutions of Higher Education.

   b. Awards a postsecondary degree as defined in G.S. 116-15.

   c. Is not a seminary, Bible school, Bible college or similar religious institution.
(1a) "Licensure student" shall mean a person who:
   a. Has a bachelors degree;
   b. Is enrolled either full-time or less than full-time in a program intended to result in licensure in teaching or nursing;
   c. Attends an institution located in the State; and
   d. Qualifies as a resident of North Carolina in accordance with definitions of residency that may from time to time be adopted by the Board of Governors of The University of North Carolina and published in the residency manual of the Board.

(1b) "Main permanent campus" shall mean a campus owned by the institution that provides permanent on-premises housing, food services, and classrooms with full-time faculty members and administration that engages in postsecondary degree activity as defined in G.S. 116-15.

(2) "Student" shall mean a person enrolled in and attending an institution located in the State who qualifies as a resident of North Carolina in accordance with definitions of residency that may from time to time be adopted by the Board of Governors of the University of North Carolina and published in the residency manual of said Board; and a person who has not received a bachelor's degree, or qualified therefor, and who is otherwise classified as an undergraduate under such regulations as the Board of Governors of the University of North Carolina may promulgate. The enrollment figures required by G.S. 116-19 through 116-22 shall be the number of full-time equivalent students as computed under regulations prescribed by the Board of Governors of the University of North Carolina. Qualification for in-State tuition under G.S. 116-143.3 makes a person a "student" as defined in this subdivision.

HISTORY: 1971, c. 744, s. 4; c. 1244, s. 5; 1983 (Reg. Sess., 1984), c. 1034, s. 59; 1987, c. 830, s. 93(d); 2002-126, s. 9.11(a); 2002-159, s. 38; 2006-66, s. 9.13(g).

NOTES:
CROSS REFERENCES. --For provisions regarding the disbursement of funds appropriated to the Board of Governors of The University of North Carolina for aid to private colleges and grants to students, see the Editor's Note under G.S. 116-19.
LOCAL MODIFICATION. --Cabarrus College of Health Sciences: 2007-113, s. 1(b), as amended by 2007-484, s. 41.
EDITOR'S NOTE. --Session Laws 2002-126, s. 9.11(b), provides: "Notwithstanding the provisions of G.S. 116-22 as enacted by this section, any institution that met the definition of "institution" under G.S. 116-22 on January 1, 2001, shall continue to be eligible to receive funds appropriated in compliance with G.S. 116-19 through G.S. 116-22 when this act becomes law, if it received funds for these purposes as of January 1, 2001.
Session Laws 2002-126, s. 1.2, provides: "This act shall be known as 'The Current Operations, Capitol Improvements, and Finance Act of 2002'."
Session Laws 2002-126, s. 31.3, provides: "Except for statutory changes or other provisions that clearly indicate an intention to have effects beyond the 2002-2003 fiscal year, the textual provisions of this act apply only to funds appropriated for, and activities
occurring during, the 2002-2003 fiscal year. For example, uncodified provisions of this act relating to the Medicaid program apply only to the 2002-2003 fiscal year."
  Session Laws 2002-126, s. 31.6 is a severability clause.
  Session Laws 2006-66, s. 1.2, provides: "This act shall be known as 'The Current Operations and Capital Improvements Appropriations Act of 2006'."
  Session Laws 2006-66, s. 28.6 is a severability clause.

EFFECT OF AMENDMENTS. --Session Laws 2006-66, s. 9.13(g), effective July 1, 2006, added subdivision (1b).