

**GENERAL ASSEMBLY OF NORTH CAROLINA**

**SESSION 1999 SESSION LAW 2000-67**

**HOUSE BILL 1840**

**AN ACT TO MODIFY THE CURRENT OPERATIONS AND CAPITAL IMPROVEMENTS APPROPRIATIONS ACT OF 1999 AND TO MAKE OTHER CHANGES IN THE BUDGET OPERATION OF THE STATE.**

**UNC NEED-BASED STUDENT FINANCIAL AID PROGRAM** Section 10.1. Of the funds appropriated by this act to the Board of Governors of The University of North Carolina the sum of five million dollars (\$5,000,000) in recurring funds shall be used to establish and begin the implementation of the new need-based student financial aid program for in-State students attending constituent institutions of The University of North Carolina. The program shall provide grants to needy North Carolina students who are seeking undergraduate degrees or masters degrees. Eligibility of a student for a program grant shall be based on a formula that offsets Pell grants and federal tax credits before determining eligibility to receive one of the new grants. In addition, to be eligible for a program grant, a student shall also be required to contribute a combination of personal savings, borrowed funds, institutional aid, and personal earnings, called self-help. The new program shall be administered by the North Carolina State Education Assistance Authority. The North Carolina State Education Assistance Authority shall coordinate offers of institutional aid and program grants made to a student to ensure that the student does not receive more in grants and scholarships than the actual cost of attendance. In the absence of full funding for the program, the North Carolina State Education Assistance Authority may modify the formula for distribution as needed to accommodate the reduced amount. The program shall be established and implemented in accordance with the recommendations regarding its creation adopted by the Board of Governors in November 1999. The goals of the program shall be to make The University of North Carolina more affordable for low-income students and to reduce student indebtedness by setting a limit on the funds that needy students will be asked to borrow each year. This program will provide financial assistance to constituent institutions that enroll disproportionate numbers of low-income students, particularly at the seven institutions targeted for major enrollment growth.