AN ACT TO MODIFY THE CURRENT OPERATIONS APPROPRIATIONS ACT OF 2001 AND TO MAKE OTHER CHANGES IN THE BUDGET OPERATION OF THE STATE.

The General Assembly of North Carolina enacts:

UNC SCHOLARSHIP PROGRAMS CONSOLIDATED

SECTION 9.4.(a) Effective July 1, 2003, all funds in the continuation budget for the following scholarship programs shall be combined into one scholarship fund to be known as the "UNC Campus Scholarships":

(1) Minority Presence Grants for undergraduate and doctoral, law, and veterinary medicine students as described in the 1979 Consent Decree between The University of North Carolina and the United States Department of Health Education and Welfare at Section VI, paragraphs 6.a. and 6.b.

(2) Minority Presence Grants-II as established in Section 17.3A of S.L. 1994-769.

(3) Incentive Scholarship Program for Native Americans as established in Section 17.3 of S.L. 1994-769.

(4) Elizabeth City State University Incentive Program as established by Chapter 738 of the 1987 of the Session Laws.


(6) Freshman Scholars Programs as established by Section 46 of S.L. 1993-561.

(7) Legislative College Opportunity Program as established by Section 17.14 of S.L. 1994-769.

SECTION 9.4.(b) All obligations to students for uses of the funds set out in subsection (a) of this section that were made prior to the effective date of subsection (a) of this section shall be fulfilled as to students who remain eligible under the provisions of the respective programs.

SECTION 9.4.(c) Except as provided in subsection (d) of this section, funds in the UNC Campus
Scholarships shall be distributed among the constituent institutions of The University of North Carolina in the same amounts as previous to the effective date of this act.

SECTION 9.4.(d) Funds in the UNC Campus Scholarships allocated for doctoral study shall be reallocated based on the proportion of doctoral students enrolled at each of the campuses that have doctoral students. These funds shall continue to be committed only to doctoral students who are North Carolina residents and shall be allocated based on need. The funds previously in the Incentive Scholarship Program for Native Americans at the doctoral level shall be distributed evenly among the campuses with doctoral programs.

SECTION 9.4.(e) The Board of Trustees of each constituent institution shall define its particular campus goals and guidelines for the use of the UNC Campus Scholarships for undergraduates. The chancellor of each constituent institution shall submit its proposed guidelines to the President of The University of North Carolina for approval before implementing them. Only residents of North Carolina shall be eligible to receive grants from the UNC Campus Scholarships. Unless a campus has determined that it has sufficient diversity in its undergraduate student population to provide the educational benefits of diversity, the campus shall use at least the portion of these funds that previously provided Minority Presence Grants for undergraduates to promote diversity within the undergraduate student body of the campus to the extent permitted by the constitution and laws of the State of North Carolina and of the United States.

SECTION 9.4.(f) No constituent institution is required to have a community service requirement for receipt of grants from the UNC Campus Scholarships.

SECTION 9.4.(g) The State Education Assistance Authority shall administer the UNC Campus Scholarships. Upon the naming of recipients of grants from the UNC Campus Scholarships, each constituent institution shall inform the State Education Assistance Authority (SEAA) of its decisions. The SEAA shall perform all of the administrative functions necessary to implement this program. The North Carolina State Education Assistance Authority shall conduct periodic evaluations of expenditures of the UNC Campus Scholarships to determine if allocations are being utilized, are addressing the financial needs of students or other needs identified by the constituent institutions, and are improving diversity on the campuses. SEAA may make recommendations for redistribution of funds to the President of The University of North Carolina who may authorize redistribution of unutilized funds for a particular fiscal year among the constituent institutions.

SECTION 9.4.(h) Each constituent institution shall maintain the current proportion of allocation of these funds for undergraduate Native American students. To be eligible for such a grant, a student must be a resident of North Carolina and must be a Native American, defined as an individual who maintains cultural and political identification as a Native American through membership in an Indian tribe recognized by the State of North Carolina or by the United States. The North Carolina State Education Assistance Authority may redistribute to another constituent institution funds for Native Americans which are uncommitted by January 5 of each fiscal year.