

April 12, 1999

S 818. POSTSECONDARY EDUCATION PROGRAM. TO ESTABLISH THE PREPAID POSTSECONDARY EDUCATION EXPENSE PROGRAM, THE PREPAID POSTSECONDARY EDUCATION EXPENSE TRUST FUND, THE NORTH CAROLINA PREPAID POSTSECONDARY EDUCATION EXPENSE BOARD, AND THE NORTH CAROLINA PREPAID TUITION SCHOLARSHIP PROGRAM. Adds new Art. 32 to GS Ch. 116 as title indicates. Program created to establish medium for persons to prepay tuition and mandatory fees at a rate lower than the projected corresponding cost at time of actual enrollment. Creates cited Board to administer Program, and assigns program to State Treasurer, but specifies that program is to independently exercise its powers. Board consists of seven members: the UNC President, Community College President, State Treasurer, State Controller, and three members appointed by Governor to staggered three year terms. Allows ex-officio members to send designee if designee has appropriate knowledge and experience in accounting, risk management, investment or actuarial work. Governor's appointees must have similar knowledge and experience. Cited Trust Fund is to receive and invest funds received from prepaid tuition payments and other revenues. Directs State Treasurer to determine that such contracts are not violations of federal securities laws. Exempts assets and income of fund from state and local taxes. Specifies that funds paid may be used at public or private institutions, but payments may not exceed the levels paid to public universities. Specifies that admission to institution is not guaranteed by prepayment of tuition. Establishes cited scholarship program to provide economically disadvantaged youths who meet certain criteria (minimum school and economic requirements and who are crime and drug free) with prepaid tuition assistance. Authorizes Board to seek private funding to help pay for scholarships.

Intro. by Hartsell.

Ref. to Education

GS 116