

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2009

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HOUSE BILL 1140  
PROPOSED COMMITTEE SUBSTITUTE H1140-PCS30369-RJ-22

Short Title: Educ. Assistance for Minimum Wage Workers.

(Public)

Sponsors:

Referred to:

April 7, 2009

A BILL TO BE ENTITLED

AN ACT TO PROVIDE EDUCATIONAL ASSISTANCE FOR MINIMUM WAGE WORKERS.

The General Assembly of North Carolina enacts:

**SECTION 1.** Article 35A of Chapter 115C of the General Statutes reads as rewritten:

"Article 35A.

"College Scholarships.

**"§ 115C-499.1. Definitions.**

The following definitions apply to this Article:

- (1) Academic year. – A period of time in which a student is expected to complete the equivalent of at least two semesters' or three quarters' academic work.
- (2) Authority. – The State Education Assistance Authority created by Article 23 of Chapter 116 of the General Statutes.
- (3) Eligible postsecondary institution. – A school that is:
  - a. A constituent institution of The University of North Carolina as defined in G.S. 116-2(4);
  - b. A community college as defined in G.S. 115D-2(2);
  - c. A nonprofit postsecondary institution as defined in G.S. 116-22(1) or G.S. 116-43.5(a)(1); or
  - d. 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(1).
- (4) Matriculated status. – Being recognized as a student in a defined program of study leading to a degree, diploma, or certificate at an eligible postsecondary institution.
- (5) Scholarship. – A scholarship for education awarded under this Article.
- (6) Title IV. – Title IV of the Higher Education Act of 1965, as amended, 20 U.S.C. § 1070, et seq.

**"§ 115C-499.1A. Eligibility requirements for a scholarship for a minimum wage worker.**

(a) A student must meet all of the following requirements in order to be eligible to receive a scholarship for a minimum wage worker under this Article:



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- 1           (1)    The student must have worked full time for at least 18 consecutive months in  
2           a minimum wage or subminimum wage job. Applicants who have worked  
3           the greatest number of consecutive months at such jobs shall receive special  
4           consideration in awarding the scholarships.
- 5           (2)    The student must qualify as a legal resident of North Carolina and as a  
6           resident for tuition purposes in accordance with definitions of residency that  
7           may from time to time be adopted by the Board of Governors of The  
8           University of North Carolina and published in the residency manual of the  
9           Board of Governors.
- 10          (3)    The student must meet enrollment standards by one of the following  
11          methods:
- 12               a.    Being admitted and enrolled in a basic skills program at a community  
13               college as defined in G.S. 115D-2(2). In order to continue to be  
14               eligible for a scholarship for a second academic year, the student  
15               must meet achievement standards by maintaining satisfactory  
16               academic progress to enable the student to enter a degree, diploma,  
17               or certificate program at the community college in which the student  
18               is enrolled at the end of the second academic year or sooner.
- 19               b.    Being admitted, enrolled, and classified as an undergraduate student  
20               in a matriculated status at an eligible postsecondary institution. In  
21               order to continue to be eligible for a scholarship for subsequent  
22               academic years, the student must meet achievement standards by  
23               maintaining satisfactory academic progress in a course of study in  
24               accordance with the standards and practices used for federal Title IV  
25               programs by the eligible postsecondary institution in which the  
26               student is enrolled.
- 27          (4)    A student may not receive a scholarship for study in a basic skills program  
28          for more than two full academic years. A student may not receive a  
29          scholarship under this Article for more than four full academic years,  
30          including the academic years spent in a basic skills program.

31 **"§ 115C-499.2. Eligibility requirements for a scholarship, other scholarships.**

32 ~~In order to be eligible to receive a scholarship under this Article, a~~ Except as provided in  
33 G.S. 115C-499.1A, a student seeking a degree, diploma, or certificate at an eligible  
34 postsecondary institution must meet all of the following requirements: requirements in order to  
35 be eligible to receive a scholarship under this Article:

- 36           (1)    Only needy North Carolina students are eligible to receive scholarships. For  
37           purposes of this subsection, "needy North Carolina students" are those  
38           eligible students whose expected family contribution under the federal  
39           methodology does not exceed five thousand dollars (\$5,000).
- 40           (2)    The student must meet all other eligibility requirements for the federal Pell  
41           Grant, with the exception of the expected family contribution.
- 42           (3)    The student must qualify as a legal resident of North Carolina and as a  
43           resident for tuition purposes in accordance with definitions of residency that  
44           may from time to time be adopted by the Board of Governors and published  
45           in the residency manual of the Board of Governors.
- 46           (4)    The student must meet enrollment standards by being admitted, enrolled, and  
47           classified as an undergraduate student in a matriculated status at an eligible  
48           postsecondary institution.
- 49           (5)    In order to continue to be eligible for a scholarship for the student's second  
50           and subsequent academic years, the student must meet achievement  
51           standards by maintaining satisfactory academic progress in a course of study

1 in accordance with the standards and practices used for federal Title IV  
2 programs by the eligible postsecondary institution in which the student is  
3 enrolled.

- 4 (6) A student may not receive a scholarship under this Article for more than four  
5 full academic years.

6 **"§ 115C-499.3. Scholarship amounts; amounts dependent on net income available.**

7 ~~(a) Subject to the amount of net income available under G.S. 18C-164(b)(2), a~~  
8 ~~scholarship awarded under this Article to a student at an eligible postsecondary institution shall~~  
9 ~~be based upon the enrollment status and expected family contribution of the student and shall~~  
10 ~~not exceed four thousand dollars (\$4,000) per academic year, including any federal Pell Grant,~~  
11 ~~to be used for the costs of attendance as defined for federal Title IV programs.~~

12 (b) Subject to the maximum amounts provided in this section, the Authority shall have  
13 the power to determine the actual scholarship amounts disbursed to students in any given year  
14 based on the amount of net income available under Chapter 18C of the General Statutes. If the  
15 net income available is not sufficient to fully fund the scholarships to the maximum amount, all  
16 scholarships shall be reduced equally, to the extent practicable, so that every eligible applicant  
17 shall receive a proportionate scholarship amount.

18 First priority for five percent (5%) of the net income available under G.S. 18C-164(c)(3)  
19 shall be to provide scholarships for minimum wage workers. If these funds are not adequate to  
20 fund all eligible scholarships for a year, this amount shall be increased for subsequent years to  
21 ten percent (10%) of the net income available under G.S. 18C-164(c)(3). Funds not committed  
22 for these scholarships by September 1 of a year may be used for other scholarships.

23 (b1) Subject to the amount of net income available under G.S. 18C-164(c)(3):

24 (1) A scholarship for a minimum wage worker awarded to a student admitted to  
25 and enrolled in a basic skills program at an eligible postsecondary institution  
26 shall not exceed eleven thousand dollars (\$11,000) per academic year.

27 (2) A scholarship for a minimum wage worker awarded to a student who is not  
28 eligible for any federal Pell Grant and who is admitted, enrolled, and  
29 classified as an undergraduate student in a matriculated status at an eligible  
30 postsecondary institution shall not exceed eleven thousand dollars (\$11,000)  
31 per academic year.

32 (3) A scholarship for a minimum wage worker awarded to a student who is  
33 eligible for a federal Pell Grant shall be based upon the enrollment status and  
34 expected family contribution of the student and shall not exceed twelve  
35 thousand five hundred dollars (\$12,500) per academic year, including any  
36 federal Pell Grant, to be used for the costs of attendance as defined for  
37 federal Title IV programs.

38 (4) Any other scholarship for a student at an eligible postsecondary institution  
39 shall be based upon the enrollment status and expected family contribution  
40 of the student and shall not exceed four thousand dollars (\$4,000) per  
41 academic year, including any federal Pell Grant, to be used for the costs of  
42 attendance as defined for federal Title IV programs.

43 If the amount of net income available is not adequate to fully fund all scholarships, priority  
44 shall be given to scholarships for minimum wage workers.

45 (c) The minimum award of a scholarship under this Article shall be one hundred dollars  
46 (\$100.00).

47 **"§ 115C-499.4. Scholarship administration; reporting requirements.**

48 (a) The scholarships provided for in this Article shall be administered by the Authority  
49 under rules adopted by the Authority in accordance with the provisions of this Article.

50 (b) The Authority shall report no later than June 1, 2011 and annually thereafter to the  
51 Joint Legislative Education Oversight Committee. The report shall contain, for the previous

1 academic year, the amount of scholarship and grant money disbursed, the number of students  
2 eligible for the funds, the number of eligible students receiving the funds, and a breakdown of  
3 the eligible postsecondary institutions that received the funds.

4 (c) The Authority may use up to one and one-half percent (1.5%) of the funds  
5 transferred in accordance with Chapter 18C of the General Statutes for administrative purposes.

6 (d) Scholarship funds unexpended shall remain available for future scholarships to be  
7 awarded under this Article.

8 (e) The State Education Assistance Authority shall report annually to the Joint  
9 Legislative Commission on Governmental Operations regarding the use of the funds allocated  
10 to the Authority under S.L. 2005-344."

11 **SECTION 2.** This act is effective when it becomes law. The first scholarships shall  
12 be awarded pursuant to this act for the 2010-2011 academic year.