

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2009

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HOUSE BILL 1140
Committee Substitute Favorable 5/7/09
PROPOSED COMMITTEE SUBSTITUTE H1140-PCS30440-LR-35

Short Title: Educ. Assistance for Minimum Wage Workers.

(Public)

Sponsors:

Referred to:

April 7, 2009

1 A BILL TO BE ENTITLED
2 AN ACT TO PROVIDE EDUCATIONAL ASSISTANCE FOR MINIMUM WAGE
3 WORKERS.

4 The General Assembly of North Carolina enacts:

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

7 "Article 35A.

8 "College Scholarships.

9 **"§ 115C-499.1. Definitions.**

10 The following definitions apply to this Article:

- 11 (1) Academic year. – A period of time in which a student is expected to
12 complete the equivalent of at least two semesters' or three quarters' academic
13 work.
- 14 (2) Authority. – The State Education Assistance Authority created by Article 23
15 of Chapter 116 of the General Statutes.
- 16 (3) Eligible postsecondary institution. – A school that is:
17 a. A constituent institution of The University of North Carolina as
18 defined in G.S. 116-2(4);
19 b. A community college as defined in G.S. 115D-2(2);
20 c. A nonprofit postsecondary institution as defined in G.S. 116-22(1) or
21 G.S. 116-43.5(a)(1); or
22 d. A postsecondary institution owned or operated by a hospital
23 authority as defined in G.S. 131E-16(14) or school of nursing
24 affiliated with a nonprofit postsecondary institution as defined in
25 G.S. 116-22(1).
- 26 (4) Matriculated status. – Being recognized as a student in a defined program of
27 study leading to a degree, diploma, or certificate at an eligible postsecondary
28 institution.
- 29 (5) Scholarship. – A scholarship for education awarded under this Article.
- 30 (6) Title IV. – Title IV of the Higher Education Act of 1965, as amended, 20
31 U.S.C. § 1070, et seq.

32 **"§ 115C-499.1A. Eligibility requirements for a scholarship for a minimum wage worker.**



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

3 (1) The student must have worked full time in a minimum wage or subminimum
4 wage job for at least 18 consecutive months of the 24-month period
5 immediately preceding the student's application. Applicants who have
6 worked the greatest number of consecutive months at such jobs shall receive
7 special consideration in awarding the scholarships.

8 (2) The student must qualify as a legal resident of North Carolina and as a
9 resident for tuition purposes in accordance with definitions of residency that
10 may from time to time be adopted by the Board of Governors of The
11 University of North Carolina and published in the residency manual of the
12 Board of Governors.

13 (3) The student must meet enrollment standards by one of the following
14 methods:

15 a. Being admitted and enrolled in a basic skills program at a community
16 college as defined in G.S. 115D-2(2). In order to continue to be
17 eligible for a scholarship for a second academic year, the student
18 must meet achievement standards by maintaining satisfactory
19 academic progress to enable the student to enter a degree, diploma,
20 or certificate program at the community college in which the student
21 is enrolled at the end of the second academic year or sooner.

22 b. Being admitted, enrolled, and classified as an undergraduate student
23 in a matriculated status at an eligible postsecondary institution. In
24 order to continue to be eligible for a scholarship for subsequent
25 academic years, the student must meet achievement standards by
26 maintaining satisfactory academic progress in a course of study in
27 accordance with the standards and practices used for federal Title IV
28 programs by the eligible postsecondary institution in which the
29 student is enrolled.

30 (4) A student may not receive a scholarship for study in a basic skills program
31 for more than two full academic years. A student may not receive a
32 scholarship under this Article for more than four full academic years,
33 including the academic years spent in a basic skills program.

34 **"§ 115C-499.2. Eligibility requirements for a scholarship, other scholarships.**

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

39 (1) Only needy North Carolina students are eligible to receive scholarships. For
40 purposes of this subsection, "needy North Carolina students" are those
41 eligible students whose expected family contribution under the federal
42 methodology does not exceed five thousand dollars (\$5,000).

43 (2) The student must meet all other eligibility requirements for the federal Pell
44 Grant, with the exception of the expected family contribution.

45 (3) The student must qualify as a legal resident of North Carolina and as a
46 resident for tuition purposes in accordance with definitions of residency that
47 may from time to time be adopted by the Board of Governors and published
48 in the residency manual of the Board of Governors.

49 (4) The student must meet enrollment standards by being admitted, enrolled, and
50 classified as an undergraduate student in a matriculated status at an eligible
51 postsecondary institution.

- 1 (5) In order to continue to be eligible for a scholarship for the student's second
2 and subsequent academic years, the student must meet achievement
3 standards by maintaining satisfactory academic progress in a course of study
4 in accordance with the standards and practices used for federal Title IV
5 programs by the eligible postsecondary institution in which the student is
6 enrolled.
- 7 (6) A student may not receive a scholarship under this Article for more than four
8 full academic years.

9 **"§ 115C-499.3. Scholarship amounts; amounts dependent on net income available.**

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

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

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

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

- 27 (1) A scholarship for a minimum wage worker awarded to a student admitted to
28 and enrolled in a basic skills program at an eligible postsecondary institution
29 shall not exceed eleven thousand dollars (\$11,000) per academic year.
- 30 (2) A scholarship for a minimum wage worker awarded to a student who is not
31 eligible for any federal Pell Grant and who is admitted, enrolled, and
32 classified as an undergraduate student in a matriculated status at an eligible
33 postsecondary institution shall not exceed eleven thousand dollars (\$11,000)
34 per academic year.
- 35 (3) A scholarship for a minimum wage worker awarded to a student who is
36 eligible for a federal Pell Grant shall be based upon the enrollment status and
37 expected family contribution of the student and shall not exceed twelve
38 thousand five hundred dollars (\$12,500) per academic year, including any
39 federal Pell Grant, to be used for the costs of attendance as defined for
40 federal Title IV programs.
- 41 (4) Any other scholarship for a student at an eligible postsecondary institution
42 shall be based upon the enrollment status and expected family contribution
43 of the student and shall not exceed four thousand dollars (\$4,000) per
44 academic year, including any federal Pell Grant, to be used for the costs of
45 attendance as defined for federal Title IV programs.

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

48 (c) The minimum award of a scholarship under this Article shall be one hundred dollars
49 (\$100.00).

50 **"§ 115C-499.4. Scholarship administration; reporting requirements.**

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

3 (b) The Authority shall report no later than June 1, 2011 and annually thereafter to the
4 Joint Legislative Education Oversight Committee. The report shall contain, for the previous
5 academic year, the amount of scholarship and grant money disbursed, the number of students
6 eligible for the funds, the number of eligible students receiving the funds, and a breakdown of
7 the eligible postsecondary institutions that received the funds.

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

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

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

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