

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2013

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SENATE DRS85157-LH-22A (01/11)

Short Title: Merit Scholarship Program for Needy Students.

(Public)

Sponsors: Senators Ford and Tarte (Primary Sponsors).

Referred to:

A BILL TO BE ENTITLED

AN ACT TO ESTABLISH A MERIT SCHOLARSHIP TO PROVIDE ADDITIONAL FUNDS FOR NEEDY STUDENTS WHO DEMONSTRATE ACADEMIC EXCELLENCE.

The General Assembly of North Carolina enacts:

SECTION 1. Article 35A of Chapter 116 of the General Statutes is amended by adding a new section to read:

"§ 115C-499.10. Merit scholarship.

(a) A student who is eligible for a scholarship under G.S. 115C-499.2 is also eligible for an additional merit scholarship if the student graduated from high school earning a cumulative grade point average of at least 3.0.

(b) A student who is eligible for a scholarship under G.S. 115C-499.2 but who was ineligible for a merit scholarship because the student failed to possess a cumulative grade point average of at least 3.0 when the student graduated from high school becomes eligible for an additional merit scholarship if the student does all of the following: (i) completes an academic semester in which the student attempted at least 12 credit hours, and (ii) possesses a 3.0 cumulative grade point average at the end of the academic semester.

(c) In order to continue to be eligible for the merit scholarship for the student's second and subsequent academic semesters, the student must take at least 12 credit hours each academic semester and continue to maintain a cumulative grade point average of at least 3.0 for the semester.

(d) A student who received a merit scholarship under this section but who fails to continue to meet this criteria for a semester may attend the next academic semester of at least 12 credit hours without a merit scholarship and, if at the end of the academic semester the student's cumulative grade point average is at least 3.0, may re-qualify for the merit scholarship for the upcoming academic semester. A student who loses eligibility pursuant to this subsection is eligible to regain or re-qualify for the merit scholarship only one time.

(e) A student may not receive a merit scholarship under this section for more than four full academic years.

(f) Subject to the amounts appropriated by the General Assembly to fund these scholarships, a scholarship awarded under this section shall not exceed one thousand dollars (\$1,000) per academic semester and shall be used for the costs of attendance as defined for federal Title IV programs.

(g) Subject to the maximum amounts provided in this section, the Authority shall have the power to determine the actual merit scholarship amounts disbursed to students in any given academic semester based on the amount of funds appropriated by the General Assembly for this



1 purpose. If the net income available is not sufficient to fully fund the merit scholarships to the
2 maximum amount, all merit scholarships shall be reduced equally, to the extent practicable, so
3 that every eligible applicant shall receive a proportionate scholarship amount."

4 **SECTION 2.** G.S. 115C-499.4(c) reads as rewritten:

5 "(c) The Authority may use up to one and one-half percent (1.5%) of the funds
6 transferred in accordance with Chapter 18C of the General Statutes for administrative
7 ~~purposes~~ purposes for the scholarships awarded under G.S. 115C-499.2 and G.S. 115C-499.3.
8 The Authority may use up to one and one-half percent (1.5%) of the funds appropriated for the
9 merit scholarship for administrative purposes of the scholarships awarded under
10 G.S. 115C-499.10."

11 **SECTION 3.** There is appropriated from the General Fund to the State Education
12 Assistance Authority the sum of five million dollars (\$5,000,000) for the 2013-2014 fiscal year
13 and the sum of five million dollars (\$5,000,000) for the 2014-2015 fiscal year to implement the
14 provisions of this act.

15 **SECTION 4.** This act becomes effective July 1, 2013, and applies to the
16 2013-2014 fall academic semester and each subsequent academic semester.