

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2021

H.B. 860  
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HOUSE PRINCIPAL CLERK

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HOUSE BILL DRH40530-ST-2

Short Title: Legislative Recommendation/Lottery Scholar. (Public)

Sponsors: Representative Hawkins.

Referred to:

1 A BILL TO BE ENTITLED  
2 AN ACT TO ALLOW LEGISLATORS TO RECOMMEND ELIGIBLE STUDENTS TO  
3 RECEIVE LOTTERY SCHOLARSHIPS.

4 The General Assembly of North Carolina enacts:

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

6 "Article 35A.

7 "College Scholarships.

8 "§ 115C-499.1. Definitions.

9 The following definitions apply to this Article:

- 10 (1) Academic year. – A period of time in which a student is expected to complete  
11 the equivalent of at least two semesters' or three quarters' academic work.  
12 (2) Authority. – The State Education Assistance Authority created by Article 23  
13 of Chapter 116 of the General Statutes.  
14 (3) Eligible postsecondary institution. – A school that is:  
15 a. A constituent institution of The University of North Carolina as  
16 defined in G.S. 116-2(4); or  
17 b. A community college as defined in G.S. 115D-2(2).  
18 c., d. Repealed by Session Laws 2011-145, s. 9.18(b), effective July 1,  
19 2012.  
20 (4) Matriculated status. – Being recognized as a student in a defined program of  
21 study leading to a degree, diploma, or certificate at an eligible postsecondary  
22 institution.  
23 (5) Scholarship. – A scholarship for education awarded under this Article.  
24 (6) Title IV. – Title IV of the Higher Education Act of 1965, as amended, 20  
25 U.S.C. § 1070, et seq.

26 "§ 115C-499.2. Eligibility requirements for a scholarship.

27 (a) In order to be eligible to receive a scholarship under this Article, a student seeking a  
28 degree, diploma, or certificate at an eligible postsecondary institution must meet all of the  
29 following requirements:

- 30 (1) Only needy North Carolina students are eligible to receive scholarships. For  
31 purposes of this subsection, "needy North Carolina students" are those eligible  
32 students whose expected family contribution under the federal methodology  
33 does not exceed five thousand dollars (\$5,000).  
34 (2) The student must meet all other eligibility requirements for the federal Pell  
35 Grant, with the exception of the expected family contribution.



- 1 (3) The student must qualify as a legal resident of North Carolina and as a resident  
2 for tuition purposes under the criteria set forth in G.S. 116-143.1 and in  
3 accordance with definitions of residency that may from time to time be  
4 adopted by the Board of Governors of The University of North Carolina.  
5 (4) The student must meet enrollment standards by being admitted, enrolled, and  
6 classified as an undergraduate student in a matriculated status at an eligible  
7 postsecondary institution.  
8 (5) In order to continue to be eligible for a scholarship for the student's second  
9 and subsequent academic years, the student must meet achievement standards  
10 by maintaining satisfactory academic progress in a course of study in  
11 accordance with the standards and practices used for federal Title IV programs  
12 by the eligible postsecondary institution in which the student is enrolled.  
13 (6) Repealed by Session Laws 2013-360, s. 11.15(a), and applicable to the  
14 2014-2015 academic year and each subsequent academic year.

15 (b) In order to be eligible for recommendation by a legislator, the student must submit a  
16 letter or other written documentation of educational goals and must authorize the Authority to  
17 share the student's application with the legislator representing that student's residence.

18 **"§ 115C-499.2A. Semester limitation on eligibility for scholarship.**

19 (a) Except as otherwise provided by subsection (c) of this section, a student with a  
20 matriculated status at a constituent institution of The University of North Carolina shall not  
21 receive a scholarship for more than 10 full-time academic semesters, or its equivalent if enrolled  
22 part-time, unless the student is enrolled in a program officially designated by the Board of  
23 Governors as a five-year degree program. If a student is enrolled in such a five-year degree  
24 program, then the student shall not receive a scholarship for more than 12 full-time academic  
25 semesters or the equivalent if enrolled part-time.

26 (b) Except as otherwise provided by subsection (c) of this section, a student with a  
27 matriculated status at a community college shall not receive a scholarship for more than six  
28 full-time academic semesters, or the equivalent if enrolled part-time.

29 (c) Upon application by a student, the appropriate postsecondary institution may grant a  
30 waiver to the student who may then receive a scholarship for the equivalent of one additional  
31 full-time academic semester if the student demonstrates that any of the following have  
32 substantially disrupted or interrupted the student's pursuit of a degree, diploma, or certificate: (i)  
33 a military service obligation, (ii) serious medical debilitation, (iii) a short-term or long-term  
34 disability, or (iv) other extraordinary hardship. The Board of Governors or the State Board of  
35 Community Colleges, as appropriate, shall establish policies and procedures to implement the  
36 waiver provided by this subsection.

37 **"§ 115C-499.3. Scholarship amounts; amounts dependent on net income available.**

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

43 (b) Subject to the maximum amounts and legislative recommendation process provided  
44 in this section, the Authority shall have the power to determine the actual scholarship amounts  
45 disbursed to students in any given year based on the amount of funds appropriated from the  
46 Education Lottery Fund. If the net income available is not sufficient to fully fund the scholarships  
47 to the maximum amount, all scholarships shall be reduced equally, to the extent practicable, so  
48 that every eligible applicant shall receive a proportionate scholarship amount.

49 (c) The minimum award of a scholarship under this Article shall be one hundred dollars  
50 (\$100.00).

1       (d) Any student who receives a recommendation from a legislator representing that  
2 student's residence is eligible to receive up to an additional \$ XX per semester. A student is  
3 eligible for the additional amount under this section only once per semester.

4 **"§ 115C-499.4. Scholarship administration; reporting requirements.**

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

7       (b) The Authority shall report no later than June 1, 2008, and annually thereafter to the  
8 Joint Legislative Education Oversight Committee. The report shall contain, for the previous  
9 academic year, the amount of scholarship and grant money disbursed, the number of students  
10 eligible for the funds, the number of eligible students receiving the funds, and a breakdown of  
11 the eligible postsecondary institutions that received the funds.

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

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

16       (e) The ~~State Education Assistance~~ Authority shall report annually to the Joint  
17 Legislative Commission on Governmental Operations regarding the use of the funds allocated to  
18 the Authority under S.L. 2005-344.

19       (f) Upon confirmation of eligibility and receipt of the consent to share the student's  
20 application with the representing legislators, the Authority shall on a quarterly basis provide the  
21 representing legislators with access to the approved students' applications within that legislator's  
22 current district. Within 30 days of the beginning of the quarter, the representing legislator shall  
23 notify the Authority of any student the legislator recommends for the additional scholarship  
24 amount under G.S. 115C-499.3(d). The representing legislator shall maintain all confidentiality  
25 of student records."

26               **SECTION 2.** This act becomes effective October 1, 2021, and applies to scholarships  
27 awarded on or after that date.