

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2007

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HOUSE BILL 1550

Short Title: Educ. Assistance for Minimum Wage Workers. (Public)

Sponsors: Representatives Blackwood, Wilkins, Johnson, Pierce (Primary Sponsors); Allred, Bell, Bryant, Clary, Cleveland, Coleman, Cotham, Faison, Farmer-Butterfield, Gibson, Gulley, Hall, J. Harrell, Harrison, Howard, Hurley, Jones, Justice, Martin, Moore, Pate, Ray, Samuelson, Setzer, Spear, Starnes, Sutton, Tolson, Wainwright, Walend, Walker, Wiley, Womble, and Wray.

Referred to: Education, if favorable, Appropriations.

April 18, 2007

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

1 affiliated with a nonprofit postsecondary institution as defined
2 in G.S. 116-22(1).

3 (4) Matriculated status. – Being recognized as a student in a defined
4 program of study leading to a degree, diploma, or certificate at an
5 eligible postsecondary institution.

6 (5) Scholarship. – A scholarship for education awarded under this Article.

7 (6) Title IV. – Title IV of the Higher Education Act of 1965, as amended,
8 20 U.S.C. § 1070, et seq.

9 **§ 115C-499.1A. Eligibility requirements for a scholarship for a minimum wage**
10 **worker.**

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

13 (1) The student must have worked full time for at least 18 consecutive
14 months in a minimum wage or subminimum wage job. Applicants who
15 have worked the greatest number of consecutive months at such jobs
16 shall receive special consideration in awarding the scholarships.

17 (2) The student must qualify as a legal resident of North Carolina and as a
18 resident for tuition purposes in accordance with definitions of
19 residency that may from time to time be adopted by the Board of
20 Governors and published in the residency manual of the Board of
21 Governors.

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

24 a. Being admitted, and enrolled in a basic skills program at a
25 community college as defined in G.S. 115D-2(2). In order to
26 continue to be eligible for a scholarship for a second academic
27 year, the student must meet achievement standards by
28 maintaining satisfactory academic progress to enable the
29 student to enter a degree, diploma, or certificate program at the
30 community college in which the student is enrolled at the end of
31 the second academic year or sooner.

32 b. Being admitted, enrolled, and classified as an undergraduate
33 student in a matriculated status at an eligible postsecondary
34 institution. In order to continue to be eligible for a scholarship
35 for subsequent academic years, the student must meet
36 achievement standards by maintaining satisfactory academic
37 progress in a course of study in accordance with the standards
38 and practices used for federal Title IV programs by the eligible
39 postsecondary institution in which the student is enrolled.

40 (4) A student may not receive a scholarship for study in a basic skills
41 program for more than two full academic years. A student may not
42 receive a scholarship under this Article for more than four full
43 academic years, including the academic years spent in a basic skills
44 program.

1 **"§ 115C-499.2. Eligibility requirements for a ~~scholarship~~ other scholarships.**

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

- 7 (1) Only needy North Carolina students are eligible to receive
8 scholarships. For purposes of this subsection, "needy North Carolina
9 students" are those eligible students whose expected family
10 contribution under the federal methodology does not exceed five
11 thousand dollars (\$5,000).
- 12 (2) The student must meet all other eligibility requirements for the federal
13 Pell Grant, with the exception of the expected family contribution.
- 14 (3) The student must qualify as a legal resident of North Carolina and as a
15 resident for tuition purposes in accordance with definitions of
16 residency that may from time to time be adopted by the Board of
17 Governors and published in the residency manual of the Board of
18 Governors.
- 19 (4) The student must meet enrollment standards by being admitted,
20 enrolled, and classified as an undergraduate student in a matriculated
21 status at an eligible postsecondary institution.
- 22 (5) In order to continue to be eligible for a scholarship for the student's
23 second and subsequent academic years, the student must meet
24 achievement standards by maintaining satisfactory academic progress
25 in a course of study in accordance with the standards and practices
26 used for federal Title IV programs by the eligible postsecondary
27 institution in which the student is enrolled.
- 28 (6) A student may not receive a scholarship under this Article for more
29 than four full academic years.

30 **"§ 115C-499.3. Scholarship amounts; amounts dependent on net income available.**

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

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

1 First priority for twenty percent (20%) of the net income available under
2 G.S. 18C-164(c)(3) shall be to provide scholarships for minimum wage workers. These
3 funds shall be committed by September 1 of each year. Funds not committed by that
4 date may be used for other scholarships.

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

6 (1) A scholarship for a minimum wage worker awarded to a student
7 admitted to and enrolled in a basic skills program at an eligible
8 postsecondary institution shall not exceed eleven thousand dollars
9 (\$11,000) per academic year.

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

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

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

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

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

31 **"§ 115C-499.4. Scholarship administration; reporting requirements.**

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

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

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

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

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

6 **SECTION 2.** This act becomes effective July 1, 2008.