

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2001**

**HOUSE BILL 431
RATIFIED BILL**

AN ACT TO CODIFY THE NEED-BASED SCHOLARSHIP PROGRAM FOR COMMUNITY COLLEGE STUDENTS, TO AMEND THE APPLICATION REQUIREMENTS, AND TO ALLOW THE STATE BOARD OF COMMUNITY COLLEGES TO TARGET A PORTION OF THE FUNDS TO STUDENTS ENROLLED IN HIGH-DEMAND OCCUPATIONS.

The General Assembly of North Carolina enacts:

SECTION 1. Section 9.4(a) and Section 9.4(b) of S.L. 1999-237 are codified as G.S. 115D-40.1(a) and G.S. 115D-40.1(b), respectively.

SECTION 2. G.S. 115D-40.1, as codified by Section 1 of this act, reads as rewritten:

"§ 115D-40.1. Financial Assistance for Community College Students.

(a) ~~Need-Based Assistance Program. – Of the funds appropriated to the Community Colleges System Office for the 1999 2001 fiscal biennium, the sum of five million dollars (\$5,000,000) for the 1999 2000 fiscal year and the sum of five million dollars (\$5,000,000) for the 2000 2001 fiscal year shall be used to provide the largest financial need based student assistance program in the history of the North Carolina Community College System. Students must apply for federal Pell Grants to be eligible for this program.~~ It is the intent of the General Assembly that the Community College System make these financial aid funds available to the neediest students who are not eligible for other financial aid programs that fully cover the required educational expenses of these students. The State Board may use some of these funds as short-term loans to students who anticipate receiving the federal HOPE or Lifetime Learning Tax Credits.

(b) Targeted Assistance. – Notwithstanding subsection (a) of this section, the State Board may allocate no more than ten percent (10%) of the funds appropriated for Financial Assistance for Community College Students to students who do not qualify for need-based assistance but who enroll in low-enrollment programs that prepare students for high-demand occupations.

(c) Administration of Program. – The State Board of Community Colleges shall adopt rules and policies for the disbursement of the financial assistance provided in this section. Students must apply for either federal Pell Grants or complete a Free Application for Federal Student Aid (FAFSA) to be eligible for consideration for financial assistance. The State Board may contract with the State Education Assistance Authority for administration of these financial assistance funds. These funds shall not revert at the end of each fiscal year but shall remain available until expended for need-based financial assistance.

(b) ~~The State Board of Community Colleges shall ensure that at least one counselor is available at each college to inform students about federal programs and funds available to assist community college students including, but not limited to, Pell Grants and HOPE and Lifetime Learning Tax Credits and to actively encourage students to utilize these federal programs and funds.~~"

SECTION 3. This act becomes effective July 1, 2001.
In the General Assembly read three times and ratified this the 11th day of
June, 2001.

Beverly E. Perdue
President of the Senate

James B. Black
Speaker of the House of Representatives

Michael F. Easley
Governor

Approved _____m. this _____ day of _____, 2001