

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2021

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PRINCIPAL CLERK

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SENATE BILL DRS35035-PAz-2A\*

Short Title: Student Financial Assistance/PED Study. (Public)

Sponsors: Senator Davis (Primary Sponsor).

Referred to:

1 A BILL TO BE ENTITLED  
2 AN ACT TO MAKE NECESSARY IMPROVEMENTS TO ENSURE STATE FUNDS FOR  
3 POSTSECONDARY EDUCATIONAL FINANCIAL AID PROGRAMS ARE FULLY  
4 EXPENDED AND TO GAUGE THE EFFECTIVENESS OF THOSE PROGRAMS, AS  
5 RECOMMENDED BY THE JOINT LEGISLATIVE PROGRAM EVALUATION  
6 OVERSIGHT COMMITTEE.

7 The General Assembly of North Carolina enacts:

8 **SECTION 1.(a)** G.S. 116-209.45(j) reads as rewritten:

9 "(j) Report to the General Assembly. – The Authority shall report no later than December  
10 1, 2013, and annually thereafter to the Joint Legislative Education Oversight Committee  
11 regarding the Fund and loans awarded from the ~~Fund~~ Fund, including the total number of loan  
12 recipients by year who either (i) have met employment service requirements for loan forgiveness  
13 or (ii) elect cash loan repayment, including when years of employment are credited towards loan  
14 forgiveness prior to beginning cash repayment. The individual records used to generate this report  
15 shall be retained for a period of five years."

16 **SECTION 1.(b)** Notwithstanding G.S. 116-209.45(j), as amended by subsection (a)  
17 of this section, the State Education Assistance Authority (Authority) shall include initial  
18 information on loan recipients of the Forgivable Education Loans for Service Program in its  
19 annual report no later than December 1, 2022. This initial information on the loan recipients shall  
20 also include the recipients' field of work.

21 **SECTION 1.(c)** The Authority shall develop and maintain a record-keeping system  
22 to track the repayment methods utilized by the recipients of State-funded educational loans that  
23 are eligible for forgiveness based on meeting individual program employment service  
24 requirements. The record-keeping system shall facilitate meeting data reporting requirements on  
25 State-funded educational loan programs, including for (i) the North Carolina Teaching Fellows  
26 Program under G.S. 116-209.62(j)(2) and (ii) the Forgivable Education Loans for Service  
27 Program under G.S. 116-209.45(j), and inform whether such programs are meeting the  
28 employment needs of the State. The Authority shall report on its progress in implementing the  
29 record-keeping system required by this section to the Joint Legislative Education Oversight  
30 Committee and the Joint Legislative Program Evaluation Oversight Committee by January 1,  
31 2022.

32 **SECTION 2.(a)** G.S. 116-209.14 reads as rewritten:

33 "§ 116-209.14. **Annual Strategic plan; reports.**

34 (a) Strategic Plan. – The Authority shall biennially develop and maintain a strategic plan  
35 that sets forth the performance goals of the Authority in administering State-funded financial  
36 assistance for postsecondary programs in accordance with State law. The strategic plan shall



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1 include comprehensive performance measures in order to track and evaluate the Authority's  
2 effectiveness and progress towards meeting the performance goals established in the strategic  
3 plan. The Authority shall make the most recent strategic plan publicly available on its website  
4 each year.

5 (b) Annual Reports. – The Authority shall, following the close of each fiscal year, publish  
6 an annual report of the implementation of its strategic plan and its activities for the preceding  
7 year to the Governor and the General Assembly. Each report shall set forth a include at least the  
8 following information:

9 (1) The strategic plan adopted by the Authority pursuant to subsection (a) of this  
10 section.

11 (2) A complete operating and financial statement covering the operations of the  
12 Authority during the year.

13 (3) Data metrics on the administration of State-funded financial assistance  
14 programs and recipients of financial assistance, including the following:

15 a. Information for each postsecondary institution enrolling students  
16 using State-funded financial assistance, including the amount of  
17 financial assistance used by students for each program administered  
18 by the Authority.

19 b. Demographic information on students who receive State-funded  
20 financial assistance, including socioeconomic profiles with income  
21 and dependency status for that fiscal year.

22 (c) Oversight. – The operations of the Authority shall be subject to the oversight of the  
23 State Auditor pursuant to Article 5A of Chapter 147 of the General Statutes."

24 **SECTION 2.(b)** By January 1, 2022, the Authority shall report to the Joint  
25 Legislative Education Oversight Committee and the Joint Legislative Program Evaluation  
26 Oversight Committee on its progress in meeting the requirements set forth in subsection (a) of  
27 this section.

28 **SECTION 2.(c)** Subsection (a) of this section becomes effective July 1, 2021.

29 **SECTION 3.** Effective July 1, 2021, there is appropriated from the General Fund to  
30 the Board of Governors of The University of North Carolina the sum of up to seven hundred  
31 thousand dollars (\$700,000) in recurring funds for the 2021-2022 fiscal year to be allocated to  
32 the State Education Assistance Authority each fiscal year to cover administrative costs associated  
33 with The University of North Carolina Need-Based Financial Aid Program (Program).

34 **SECTION 4.** The Office of State Budget and Management (OSBM) shall develop  
35 recommendations on increasing transparency in administrative cost reporting for the Need-Based  
36 Scholarships for Students Attending Private Institutions of Higher Education Program  
37 established under Article 34 of Chapter 116 of the General Statutes. The recommendations shall  
38 include a method for reporting program funding received by the Authority in its financial  
39 statements. OSBM shall report on the recommendations, including a time line for implementation  
40 of proposed changes and any required legislative modifications, to the Joint Legislative  
41 Education Oversight Committee and the Joint Legislative Program Evaluation Oversight  
42 Committee by June 30, 2021.

43 **SECTION 5.** Except as otherwise provided, this act is effective when it becomes  
44 law.