

Article 34.

Need-Based Scholarships for Students Attending Private Institutions of Higher Education.

**§ 116-280. 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.
- (1a) Armed Forces. – As defined in G.S. 116-143.3(a)(2).
- (2) Authority. – The State Education Assistance Authority created by Article 23 of Chapter 116 of the General Statutes.
- (3) Eligible private postsecondary institution. – A school that is any of the following:
  - a. A nonprofit postsecondary educational institution with a main permanent campus located in this State that is not owned or operated by the State of North Carolina or by an agency or political subdivision of the State or by any combination thereof that satisfies all of the following:
    1. Is either (i) accredited by a regional accrediting agency, as defined in G.S. 115D-6.2 and G.S. 116-11.4, or the Transnational Association of Christian Colleges and Schools or (ii) was accredited by SACSCOC on January 1, 2021, and, beginning January 1, 2021, was a member of the Transnational Association of Christian Colleges and Schools.
    2. Awards a postsecondary degree as defined in G.S. 116-15.
  - b. A postsecondary institution owned or operated by a hospital authority as defined in G.S. 131E-16(14) or school of nursing affiliated with a nonprofit postsecondary educational institution as defined in sub-subdivision a. of this subsection.
- (4) Main permanent campus. – A campus owned by the eligible private postsecondary institution that provides permanent on-premises housing, food services, and classrooms with full-time faculty members and administration that engages in postsecondary degree activity as defined in G.S. 116-15.
- (5) Matriculated status. – Being recognized as a student in a defined program of study leading to a degree, diploma, or certificate at an eligible private postsecondary institution.
- (6) Scholarship. – A scholarship for education awarded under this Article.
- (7) Title IV. – Title IV of the Higher Education Act of 1965, as amended, 20 U.S.C. § 1070, et seq.
- (8) Veteran. – A veteran as defined in G.S. 116-143.3A who was discharged or released from service under conditions other than dishonorable. (2011-145, s. 9.18(a); 2018-5, s. 10A.6(a); 2018-97, s. 2.17(a); 2021-15, s. 1; 2023-132, s. 3.4(g).)

**§ 116-281. Eligibility requirements for scholarships.**

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

- (1) Only needy North Carolina students are eligible to receive scholarships. For purposes of this subsection, "needy North Carolina students" are those eligible students who have a demonstrated need, according to the federal methodology outlined in Title IV of the Higher Education Act of 1965, as amended, 20 U.S.C. § 1070, et seq., as determined by the Authority based upon costs of attendance at The University of North Carolina.
- (2) The student must meet all other eligibility requirements for the federal Pell Grant, with the exception of the metric for demonstrated need outlined in Title IV of the Higher Education Act of 1965, as amended, 20 U.S.C. § 1070, et seq.
- (3) The student must meet at least one of the following:
  - a. Qualify as a legal resident of North Carolina and as a resident for tuition purposes under the criteria set forth in G.S. 116-143.1 and in accordance with definitions of residency that may from time to time be adopted by the Board of Governors of The University of North Carolina.
  - b. Be a veteran provided the veteran's abode is in North Carolina and the veteran provides the eligible private postsecondary institution a letter of intent to establish residency in North Carolina.
  - c. Be an active duty member of the Armed Forces provided the member of the Armed Forces is abiding in this State incident to active military duty in this State.
  - d. Be the dependent relative of a veteran who is abiding in North Carolina while sharing an abode with the veteran and the dependent relative provides the eligible private postsecondary institution a letter of intent to establish residency in North Carolina.
  - e. Be the dependent relative of an active duty member of the Armed Forces who is abiding in North Carolina incident to active military duty while sharing an abode with the active duty member. The dependent relative shall remain eligible under this subdivision when the active duty member of the Armed Forces is reassigned outside the State if, at the time the dependent relative applies for admission to an eligible private postsecondary institution, the dependent relative both:
    1. Is enrolled in a North Carolina high school.
    2. Upon admission to an eligible private postsecondary institution, enrolls no later than the fall academic semester immediately following admission and remains continuously enrolled.
- (4) The student must meet enrollment standards by being admitted, enrolled, and classified as an undergraduate student in a matriculated status at an eligible private postsecondary institution.
- (5) In order to continue to be eligible for a scholarship for the student's second and subsequent academic years, the student must meet achievement standards by maintaining satisfactory academic progress in a course of study in accordance with the standards and practices used for federal Title IV programs by the eligible private postsecondary institution in which the student is enrolled.
- (6) Repealed by Session Laws 2013-360, s. 11.15(e), effective for the 2014-2015 academic year and each subsequent academic year. (2011-145, s. 9.18(a);

2013-360, s. 11.15(e); 2016-57, s. 2(d); 2018-5, s. 10A.6(b); 2018-97, s. 2.17(b); 2020-78, s. 3A.1(a); 2021-9, s. 2.5(a); 2024-1, s. 2.16(a).)

**§ 116-281.1. Semester limitation on eligibility for scholarship.**

(a) A student shall not receive a scholarship under this Article for more than 10 full-time academic semesters, or the equivalent if enrolled part-time, unless the student is enrolled in a program officially designated by the eligible private postsecondary institution as a five-year degree program. If a student is enrolled in such a five-year degree program, then the student shall not receive a scholarship under this Article for more than 12 full-time academic semesters or the equivalent if enrolled part-time.

(b) Upon application by a student, the eligible private postsecondary institution may grant a waiver to the student who may then receive a scholarship for the equivalent of one additional full-time academic semester if the student demonstrates that any of the following have substantially disrupted or interrupted the student's pursuit of a baccalaureate degree: (i) a military service obligation, (ii) serious medical debilitation, (iii) a short-term or long-term disability, or (iv) other extraordinary hardship. The eligible private postsecondary institution shall establish policies and procedures to implement the waiver provided by this subsection. (2013-360, s. 11.15(f).)

**§ 116-282. Scholarship amounts; amounts dependent on availability of funds.**

(a) Subject to the sum appropriated by the General Assembly for an academic year to be awarded as scholarships under this Article, a scholarship awarded under this Article to a student at an eligible private postsecondary institution shall be determined annually by the Authority based upon the enrollment status and demonstrated need of the student, consistent with the methodology for the federal Title IV programs.

(b) The Authority shall have the power to determine the actual scholarship amounts disbursed to students in any given year based on the sum appropriated for purposes of this Article by the General Assembly for that academic year and any unexpended funds that may be available pursuant to G.S. 116-283.

(c) The minimum award of a scholarship under this Article shall be five hundred dollars (\$500.00). (2011-145, s. 9.18(a); 2024-1, s. 2.16(b).)

**§ 116-283. Administration; unexpended scholarship funds do not revert.**

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

(b) The Authority may use up to one and one-half percent (1.5%) of the funds appropriated for scholarships under this Article for administrative purposes.

(c) Scholarship funds unexpended shall remain available for future scholarships to be awarded under this Article. (2011-145, s. 9.18(a).)