



1 revised formula shall ensure that community colleges have the adequate funds and resources  
2 necessary to administer and provide financial aid services to students.

3 **SECTION 2.** G.S. 115D-40.1 reads as rewritten:

4 "**§ 115D-40.1. Financial Assistance for Community College Students.**

5 (a) Need-Based Assistance Program. – It is the intent of the General Assembly that the  
6 Community College System make these financial aid funds available to the neediest students  
7 who are not eligible for other financial aid programs that fully cover the required educational  
8 expenses of these students. The State Board may use some of these funds as short-term loans to  
9 students who anticipate receiving the federal HOPE or Lifetime Learning Tax Credits.

10 (b) Targeted Assistance. – Notwithstanding subsection (a) of this section, the State  
11 Board may allocate no more than ten percent (10%) of the funds appropriated for Financial  
12 Assistance for Community College Students to:

13 (1) Students who do not qualify for need-based assistance but who enroll in  
14 low-enrollment programs that prepare students for high-demand  
15 occupations, and

16 (2) Students with disabilities who have been referred by the Division of  
17 Vocational Rehabilitation and are enrolled in a community college.

18 (c) Administration of Program. – The State Board shall adopt rules and policies for the  
19 disbursement of the financial assistance provided in subsections (a) and (b) of this section.  
20 Degree, diploma, and certificate students must complete a Free Application for Federal Student  
21 Aid (FAFSA) to be eligible for financial assistance. The State Board may contract with the  
22 State Education Assistance Authority for administration of these financial assistance funds.  
23 These funds shall not revert at the end of each fiscal year but shall remain available until  
24 expended for need-based financial assistance.

25 ~~The State Board shall ensure that at least one counselor is available at each college to~~  
26 ~~inform students about federal programs and funds available to assist community college~~  
27 ~~students including, but not limited to, Pell Grants and HOPE and Lifetime Learning Tax~~  
28 ~~Credits and to actively encourage students to utilize these federal programs and funds.~~ The  
29 interest earned on the funds provided in subsections (a) and (b) of this section may be used to  
30 support the costs of administering the Community College Grant Program.

31 (d) Participation in Federal Loan Programs. – All community colleges shall participate  
32 in the William D. Ford Federal Direct Loan Program. The State Board shall ensure that at least  
33 one counselor is available at each college to inform students about federal programs and funds  
34 available to assist community college students including, but not limited to, Pell Grants, HOPE  
35 and Lifetime Learning Tax Credits, and the William D. Ford Federal Direct Loan Program, and  
36 to actively encourage students to utilize these federal programs and funds."

37 **SECTION 3.** Section 2 of this act becomes effective July 1, 2011. The remainder  
38 of this act becomes effective July 1, 2010.