

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2011

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SENATE BILL 74\*  
Education/Higher Education Committee Substitute Adopted 2/23/11  
Third Edition Engrossed 3/1/11

Short Title: Comm. Colleges/Opt Out of Fed'l Loan Program.

(Public)

Sponsors:

Referred to:

February 16, 2011

A BILL TO BE ENTITLED

AN ACT TO PROVIDE THAT CONSTITUENT INSTITUTIONS OF THE NORTH CAROLINA COMMUNITY COLLEGE SYSTEM MAY OPT OUT OF PARTICIPATION IN THE WILLIAM D. FORD FEDERAL DIRECT LOAN PROGRAM.

The General Assembly of North Carolina enacts:

**SECTION 1.** G.S. 115D-40.1(d) reads as rewritten:

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

...

(d) Participation in Federal Loan Programs. – All community colleges shall participate in the William D. Ford Federal Direct Loan ~~Program~~Program, unless the board of trustees of an institution adopts a resolution declining to participate in the Program. The State Board 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, HOPE and Lifetime Learning Tax Credits, ~~and~~and, for participating colleges, the William D. Ford Federal Direct Loan Program, and to actively encourage students to utilize these federal programs and funds. The board of trustees of any institution that has declined to participate in the William D. Ford Federal Direct Loan Program through the adoption of a resolution may rescind the resolution and participate in the Program but shall not have the authority to again decline participation in the Program.

Any community college that participates in the William D. Ford Federal Direct Loan Program shall have the authority to transfer up to three percent (3%) of the State funds allocated to it for faculty salaries for purposes that directly affect student services."

**SECTION 2.** The State Board of Community Colleges shall realign its funding formula by increasing the amount allocated in the funding formula for curriculum and continuing education instruction by eighteen million dollars (\$18,000,000) and by reducing the amount in the funding formula for students' services by a commensurate amount.

**SECTION 3.** This act becomes effective July 1, 2011.



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