

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2017

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PRINCIPAL CLERK

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SENATE BILL DRS45143-LH-17B (12/28)

Short Title: NC Promise Tuition Plan Modifications.

(Public)

Sponsors: Senator D. Davis (Primary Sponsor).

Referred to:

A BILL TO BE ENTITLED

AN ACT TO AMEND THE NC PROMISE TUITION PLAN TO PROVIDE THAT ELIZABETH CITY STATE UNIVERSITY, THE UNIVERSITY OF NORTH CAROLINA AT PEMBROKE, AND WESTERN CAROLINA UNIVERSITY SHALL CONTINUE TO SET TUITION RATES IN THE SAME MANNER AS ALL OTHER CONSTITUENT INSTITUTIONS; THAT THE STATE SHALL "BUY DOWN" THE TUITION RATES SO THAT RESIDENT STUDENTS PAY FIVE HUNDRED DOLLARS AND NONRESIDENT STUDENTS PAY TWO THOUSAND FIVE HUNDRED DOLLARS; AND THAT THE BOARD OF GOVERNORS SHALL MONITOR THE SOLVENCY OF EACH CONSTITUENT INSTITUTION, AND IF THE BOARD FINDS THAT A CONSTITUENT INSTITUTION MAY INCUR UNSUSTAINABLE LOSSES, THE BOARD SHALL TAKE APPROPRIATE ACTION TO PROTECT THE SOLVENCY OF THE INSTITUTION WHICH MAY INCLUDE AN INCREASE IN THE AMOUNT OF THE STUDENT PAYMENTS AT THE CONSTITUENT INSTITUTION.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 116-143.11 reads as rewritten:

"§ 116-143.11. NC Promise Tuition Plan; State "buy down" of certain financial obligations.

(a) The NC Promise Tuition Plan shall be established and implemented as provided by this section. ~~Notwithstanding G.S. 116-143 and G.S. 116-11(7), the~~ The Board of Governors of The University of North Carolina shall ~~shall~~, as provided in G.S. 116-143 and G.S. 116-11(7) and in consultation with the Board of Trustees, set the rate of undergraduate tuition for Elizabeth City State University, the University of North Carolina at Pembroke, and Western Carolina University ~~as follows:~~ University. However, notwithstanding any other provision of law, beginning with the 2018 fall academic semester, State funds shall be used as provided by this section to "buy down" the rate of tuition as follows: for students deemed to be North Carolina residents for purposes of ~~tuition~~ tuition, the student payment shall be five hundred dollars (\$500.00) per academic semester ~~semester, and the rate of tuition for nonresident students~~ students, the student payment shall be two thousand five hundred dollars (\$2,500) per academic semester.

(b) ~~Notwithstanding any other provision of law, the State shall "buy down" the amount of any financial obligation resulting from the established tuition rate that may be incurred by Elizabeth City State University, the University of North Carolina at Pembroke, and Western Carolina University as provided by this subsection. Beginning~~ Notwithstanding any other provision of law, beginning with the 2018-2019 fiscal year, the Director of the Budget shall determine each fiscal year, based on information provided by the Board of Governors and the ~~Chancellor of each constituent institution,~~ Chancellors of Elizabeth City State University, the University of North Carolina at Pembroke, and Western Carolina University, the amount required



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1 to be paid to each institution to offset the forgone tuition receipts at each of the three institutions
2 as a result of the ~~tuition rate~~ student payments established by this section. The Director of the
3 Budget shall authorize an increase in the base budget of The University of North Carolina of up to
4 forty million dollars (\$40,000,000) each fiscal year to cover the cost of the "buy down" that fiscal
5 year and shall allocate the appropriate sum to each constituent institution. Any increase in the base
6 budget authorized pursuant to this subsection shall not be included in the calculation of projected
7 enrollment growth under G.S. 116-30.7.

8 (b1) The Board of Governors shall monitor the implementation and operation of the NC
9 Promise Tuition Plan at the three constituent institutions, including their tuition receipts,
10 enrollment growth funding, and solvency. If the Board of Governors finds that any of the
11 constituent institutions may incur unsustainable losses, the Board of Governors shall take
12 appropriate action to enable the institution to meet its financial obligations. Notwithstanding
13 subsections (a) and (b) of this section, if the Board of Governors finds that the solvency of a
14 constituent institution is jeopardized, the Board may increase the amount of the student payments
15 at the constituent institution. Elizabeth City State University, the University of North Carolina at
16 Pembroke, and Western Carolina University shall not collect total receipts from student payments
17 in excess of the difference between the State funds provided to "buy down" the tuition and the rate
18 of tuition as established by the Board of Governors and the Board of Trustees.

19 (c) When implementing the provisions of this section, the Board of Governors shall give
20 due consideration to maintaining the unique historical character of each institution, including
21 service to students who are first generation, college-going, economically disadvantaged, or
22 minority."

23 **SECTION 2.** This act is effective when it becomes law.