

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2019

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SENATE BILL 459

Short Title: NC Promise Tuition Modifications. (Public)

Sponsors: Senator D. Davis (Primary Sponsor).

Referred to: Rules and Operations of the Senate

April 2, 2019

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; annual report.

(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 of Elizabeth City State University, the University of North Carolina at Pembroke, and Western Carolina University, 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 2018-2019-2020 fiscal year and the 2019 fall academic semester, the Board of Governors shall establish student payment amounts as a portion of the rate of tuition for each academic year in which sufficient State funds are available in accordance with the following:

- (1) ~~for~~ 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.
- (2) ~~and the rate of tuition for~~ For nonresident ~~students~~ students, the student payment shall be two thousand five hundred dollars (\$2,500) per academic semester.



1 (b) ~~Notwithstanding any other provision of law, the State shall "buy down" the amount~~
2 ~~of any financial obligation resulting from the established tuition rate that may be incurred by~~
3 ~~Elizabeth City State University, the University of North Carolina at Pembroke, and Western~~
4 ~~Carolina University.~~ Within available State funds, Elizabeth City State University, the University
5 of North Carolina at Pembroke, and Western Carolina University shall receive a buy down of the
6 amount remaining after the student payment amount is subtracted from the total undergraduate
7 tuition rate established by the Board of Governors pursuant to subsection (a) of this section. For
8 the purposes of this section, (i) "student payment" shall mean the portion of the established tuition
9 rate for which a student is responsible and (ii) "buy down" shall mean a payment of State funds
10 to reflect the cash flow loss resulting from anticipated and sustained forgone tuition receipts at
11 each of the three constituent institutions.

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

16 (c1) The Board of Governors shall monitor the implementation and operation of the NC
17 Promise Tuition Plan at the three constituent institutions. If the Board of Governors finds that
18 any of the constituent institutions may incur unsustainable losses and State funds for the buy
19 down are insufficient, the Board of Governors shall take appropriate action to enable the
20 institution to meet its financial obligations, including, with the approval of the Office of State
21 Budget and Management, the transfer of available funds to meet the needs of the NC Promise
22 Tuition Plan.

23 (c2) Notwithstanding subsection (a) of this section and any other provision of law, for an
24 academic year in which the Board of Governors finds the solvency of a constituent institution is
25 jeopardized and that a buy down with available State funds shall be insufficient, even with a
26 transfer of funds as authorized under subsection (c1) of this section, the Board of Governors shall
27 propose an increase in the student payments set forth in subdivisions (1) and (2) of subsection
28 (a) of this section and shall notify (i) Elizabeth City State University, the University of North
29 Carolina at Pembroke, and Western Carolina University by April 1 and (ii) the General Assembly
30 by May 1 of the fiscal year immediately preceding the academic year of the proposed amount of
31 the increase in the student payment. In no event shall Elizabeth City State University, the
32 University of North Carolina at Pembroke, and Western Carolina University collect total receipts
33 from student payments in excess of the difference between the buy down and the rate of tuition
34 as established by the Board of Governors.

35 (d) By October 1, ~~2018, 2019,~~ and by October 1 of each year thereafter, the Board of
36 Governors and the chancellors of Elizabeth City State University, the University of North
37 Carolina at Pembroke, and Western Carolina University, respectively, shall submit a report to
38 the Joint Legislative Education Oversight Committee, the House Appropriations Committee on
39 Education, the Senate Appropriations Committee on Education/Higher Education, and the Fiscal
40 Research Division on the amount ~~of any financial obligation resulting from the established tuition~~
41 ~~rate incurred at each constituent institution paid to each constituent institution as a buy down as~~
42 ~~a result of the student payments established by this section~~ and at least the following information
43 for the fiscal year:

- 44 (1) ~~The amount required to offset the forgone tuition receipts at each of the three~~
45 ~~constituent institutions as a result of the tuition rate established by this section~~
46 ~~and how those~~ The total amount of funds that were allocated to each
47 constituent institution.
- 48 (2) The number of enrolled resident students at each constituent institution.
- 49 (3) The number of enrolled nonresident students at each constituent institution.
- 50 (4) The findings and subsequent actions by the Board of Governors if a
51 constituent institution incurs unsustainable losses.

1 (5) The findings by the Board of Governors that the solvency of a constituent
2 institution is jeopardized and the amount of an increase of student payments
3 at the constituent institution."
4 **SECTION 2.** This act is effective when it becomes law and applies beginning with
5 the 2019 fall academic semester.