

**GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2023**

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**HOUSE BILL 217**

Short Title: Higher Ed Savings Grant Pilot Program. (Public)

Sponsors: Representatives Roberson, Clemmons, and Willis (Primary Sponsors).  
*For a complete list of sponsors, refer to the North Carolina General Assembly web site.*

Referred to: Appropriations, if favorable, Rules, Calendar, and Operations of the House

March 1, 2023

A BILL TO BE ENTITLED  
AN ACT TO APPROPRIATE FUNDS TO ESTABLISH A PILOT PROGRAM IN CERTAIN  
COUNTIES TO PROVIDE SAVINGS FOR HIGHER EDUCATION.

The General Assembly of North Carolina enacts:

**SECTION 1.(a)** Program; Purpose. – There is established the Higher Education Savings Grant Pilot Program (Program) to be administered by the State Education Assistance Authority (Authority). The purpose of the Program is to invest funds to be awarded for the benefit of qualifying students who enroll in eligible public or private postsecondary educational institutions.

**SECTION 1.(b)** Definitions. – The following definitions shall apply in this section:

- (1) Code. – As defined in G.S. 105-228.90.
- (2) Eligible county. – The following counties, which are located in and represent the diversity of the State of North Carolina:
  - a. Duplin County.
  - b. Guilford County.
  - c. Madison County.
  - d. Union County.
  - e. Wake County.
- (3) Eligible public or private postsecondary educational institution. – Any of the following:
  - a. A constituent institution of higher education of The University of North Carolina, as defined in G.S. 116-2(4), excluding the constituent high school, the North Carolina School of Science and Mathematics.
  - b. A community college as defined in G.S. 115D-2(2).
  - c. A private postsecondary institution located in North Carolina as described in G.S. 116-280(3).
- (4) Eligible resident. – A child born in an eligible county between July 1, 2022, and June 30, 2023.
- (5) North Carolina 529 Account. – A college savings account maintained by the Authority that meets the requirements of section 529 of the Code and is invested through the Parental Savings Trust Fund pursuant to G.S. 116-209.25.
- (6) Qualifying student. – A student who enrolls in an eligible public or private postsecondary educational institution who meets all of the following requirements:



- 1 a. Qualifies as a legal resident of North Carolina and as a resident for
- 2 tuition purposes under the criteria set forth in G.S. 116-143.1 and in
- 3 accordance with definitions of residency that may from time to time
- 4 be adopted by the Board of Governors of The University of North
- 5 Carolina.
- 6 b. Is an eligible resident.
- 7 c. The student has not previously benefitted from an award of funds
- 8 pursuant to this section.

9 **SECTION 1.(c)** Trust Fund Established. – There is established the Higher Education  
10 Savings Trust Fund as an interest-bearing, nonreverting trust fund to be administered by the  
11 Authority. The Fund shall be used to provide grant awards to qualifying students pursuant to this  
12 section. The State Treasurer shall be the custodian of the Fund and invest its assets in accordance  
13 with the objectives of the Program. The Authority may use up to two and one-half percent (2.5%)  
14 of the monies available in the Fund each fiscal year for administrative costs related to operating  
15 the Fund and marketing for the Program, including identifying and reaching out to eligible  
16 residents and their parents or guardians.

17 **SECTION 1.(d)** G.S. 147-69.2 reads as rewritten:

18 "**§ 147-69.2. Investments authorized for special funds held by State Treasurer.**

19 (a) This section applies to funds held by the State Treasurer to the credit of each of the  
20 following:

21 ...

22 (25) The Higher Education Savings Trust Fund.

23 ...

24 (b9) In addition to the investments authorized under subdivisions (b)(1) through (6) of this  
25 section, the State Treasurer may invest funds deposited in the Higher Education Savings Trust  
26 Fund in any of the investments authorized under subdivision (b)(6c), (b)(8), or (b)(9a) of this  
27 section, notwithstanding the percentage limitations imposed on the Retirement Systems'  
28 investments therein.

29 ...."

30 **SECTION 1.(e)** Vital Records Information; Notice of Eligibility. – Notwithstanding  
31 G.S. 130A-93 or any other provision of law to the contrary, the Department of Health and Human  
32 Services shall transmit to the Authority no later than December 31, 2023, the following  
33 information related to live births that occurred in eligible counties between July 1, 2022, and  
34 June 30, 2023:

35 (1) Names of children born and their parents.

36 (2) Addresses of the parents.

37 (3) Total number of live births.

38 The Authority shall not publish information obtained pursuant to subdivisions (1) and  
39 (2) of this subsection. That information is not a public record pursuant to Chapter 132 of the  
40 General Statutes and shall be kept confidential. The Authority shall use the information only to  
41 identify eligible residents, notify persons that they are eligible residents, and determine the funds  
42 needed to be deposited into the Higher Education Savings Trust Fund pursuant to subsection (c)  
43 of this section.

44 **SECTION 1.(f)** Award of Funds. – Within 30 days of enrollment at an eligible public  
45 or private postsecondary educational institution, each student seeking to participate in the  
46 Program shall contact the Authority and provide any necessary information to identify the student  
47 as a qualifying student. Within 60 days of enrollment at an eligible public or private  
48 postsecondary educational institution, the Authority shall award one hundred dollars (\$100.00),  
49 plus any proportional interest accrued on those funds in the Higher Education Savings Trust  
50 Fund, for each qualifying student to defray his or her tuition costs at the eligible public or private  
51 postsecondary educational institution where the student is enrolled. To the extent the funds

1 appropriated for this purpose are insufficient or in excess of what is needed to award each  
2 qualifying student one hundred dollars (\$100.00), the Authority may, in its discretion, reduce or  
3 increase the award amount in order to expend the appropriated funds on a prorated basis as fully  
4 and efficiently as possible. Funds awarded to a qualifying student pursuant to this section shall  
5 be provided directly to the eligible institution and not to the qualifying student.

6 **SECTION 1.(g)** Report. – No later than November 1, 2024, and each year thereafter  
7 in which funds are deposited in or awarded from the Higher Education Savings Trust Fund, the  
8 Authority shall report at least the following information to the Joint Legislative Education  
9 Oversight Committee:

- 10 (1) Number of eligible residents.
- 11 (2) Number of parents with a North Carolina 529 Account in each academic year  
12 since the inception of the Program.
- 13 (3) Projected award amounts or actual amounts awarded for each qualifying  
14 student, as appropriate.
- 15 (4) In consultation with the State Treasurer, recommendations on the  
16 appropriations needed in future fiscal years to continue to award funds for the  
17 benefit of qualifying students in accordance with the Program.
- 18 (5) The actual or expected impact of the Program, if any, on the overall amount  
19 of funding set aside in a college savings account, including a North Carolina  
20 529 Account, by parents or guardians of students in kindergarten through  
21 twelfth grade, including parents of eligible residents as a separate category.

22 **SECTION 2.** There is appropriated from the General Fund to the Board of Governors  
23 of The University of North Carolina for the 2023-2024 fiscal year the sum of two million four  
24 hundred thousand dollars (\$2,400,000) in nonrecurring funds to be allocated to the Authority for  
25 the Program. These funds shall be held by the Authority until it determines the number of eligible  
26 residents who were born. At that time, the Authority shall deposit a sufficient amount of funds  
27 to award one hundred dollars (\$100.00) to each eligible resident into the Higher Education  
28 Savings Trust Fund. The Authority may deposit any remaining funds needed for the  
29 administration of the Program in accordance with subsection (c) of Section 1 of this act. These  
30 funds shall be invested and awarded in accordance with the requirements of the Program,  
31 established by Section 1 of this act.

32 **SECTION 3.** This act becomes effective July 1, 2023.