

**§ 143B-1227. Administration and funding.**

(a) The administration of the scholarship program shall be vested in the Department of Military and Veterans Affairs, and the disbursing and accounting activities required shall be the responsibility of the Authority. The Veterans' Affairs Commission shall determine the eligibility of applicants, select the scholarship recipients, establish the effective date of scholarships, and may notify the Authority of the need to suspend or revoke scholarships if the Veterans' Affairs Commission finds that the recipient does not comply with the registration requirements of the Selective Service System or does not maintain an adequate academic status, or if the recipient engages in riots, unlawful demonstrations, the seizure of educational buildings, or otherwise engages in disorderly conduct, breaches of the peace or unlawful assemblies. The Department of Military and Veterans Affairs shall maintain the primary and necessary records, and the Veterans' Affairs Commission shall promulgate such rules and regulations not inconsistent with the other provisions of this Part as it deems necessary for the orderly administration of the program. It may require of State or private educational institutions, as defined in this Part, such reports and other information as it may need to carry out the provisions of this Part; provided, however, the Veterans' Affairs Commission shall require State and private educational institutions to report no later than December 15 of each year the number of scholarship recipients who maintained a cumulative grade point average of 2.0 and the number of scholarship recipients who completed the degree requirements for graduation. The Authority shall disburse scholarship payments for recipients certified eligible by the Department of Military and Veterans Affairs upon certification of enrollment by the enrolling institution.

(b) Funds for the support of this program shall be appropriated to the Board of Governors of The University of North Carolina to be allocated to the Authority as a reserve for payment of the allocable costs for room, board, tuition, and other charges, and shall be placed in a separate budget code from which disbursements shall be made. Funds to support the program shall be supported by receipts from the Escheat Fund, as provided by G.S. 116B-7, but those funds may be used only for worthy and needy residents of this State who are enrolled in public institutions of higher education of this State. The method of disbursing and accounting for funds allocated for payments under the provisions of this section shall be in accordance with those standards and procedures prescribed by the Director of the Budget, pursuant to the State Budget Act.

(c) Allowances for room and board in State educational institutions shall be at such rate as established by the Secretary of the Department of Military and Veterans Affairs.

(d) Scholarship recipients electing to attend a private educational institution shall be granted a monetary allowance for each term or other academic period attended under their respective scholarship awards. All recipients under Class I-B scholarship shall receive an allowance at one rate, irrespective of course or institution; all recipients under Classes I-A, II, III and IV shall receive a uniform allowance at a rate higher than for Class I-B, irrespective of course or institution. The amount of the allowances shall be determined by the Director of the Budget and made known prior to the beginning of each fall quarter or semester; provided that the Director of the Budget may change the allowances at intermediate periods when in his or her judgment such changes are necessary. Disbursements by the State shall be to the private institution concerned, for credit to the account of each recipient attending the institution. The manner of payment to any private institution shall be as prescribed by the Authority. The participation by any private institution in the program shall be subject to the applicable provisions of this Part and to examination by State auditors of the accounts of scholarship recipients attending or having attended private institutions. The Authority may defer making an award or may suspend an award in any private institution which does not comply with the provisions of this Part relating to the institutions.

(e) Irrespective of other provisions of this Part, the Authority may prescribe special procedures for adjusting the accounts of scholarship recipients who for reasons of illness,

physical inability to attend class or for other valid reason satisfactory to the Authority may withdraw from State or private educational institutions prior to the completion of the term, semester, quarter or other academic period being attended at the time of withdrawal. Such procedures may include, but shall not be limited to, paying the recipient the dollar value of his or her unused scholarship for the academic period being attended, with a corresponding deduction of this period from his or her remaining scholarship eligibility time.

(f) From the funds appropriated from the General Fund each fiscal year to support the program, the Authority may use up to one hundred fifty thousand dollars (\$150,000) each fiscal year for administrative costs for the disbursement and accounting activities for the program. (1967, c. 1060, s. 8; 1969, c. 720, ss. 4, 5; c. 741, s. 4; 1971, c. 458; 1973, c. 620, s. 9; 1975, c. 19, s. 71; c. 160, s. 3; 1977, c. 70, s. 27; 1985, c. 39, s. 3; 2002-126, s. 19.3(d); 2003-284, s. 18.5(a); 2015-241, s. 24.1(c), (kk); 2015-268, s. 7.3(a); 2023-134, ss. 8A.2(g), 33.4(b).)