

**GENERAL ASSEMBLY OF NORTH CAROLINA**  
**SESSION 2001**

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**HOUSE BILL 1412**

Short Title: Aid to Private Colleges/Upper Income Students. (Public)

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Sponsors: Representatives Luebke; and Insko.

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Referred to: Appropriations.

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April 26, 2001

A BILL TO BE ENTITLED

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2 AN ACT TO DECREASE THE AID TO PRIVATE INSTITUTIONS FOR A  
3 STUDENT WHO IS, OR CAN BE CLAIMED AS A DEPENDENT BY, AN  
4 UPPER TAX BRACKET TAXPAYER.

5 The General Assembly of North Carolina enacts:

6 **SECTION 1.** G.S. 116-209.19 reads as rewritten:

7 "**§ 116-209.19. Grants to students.**

8 (a) The Authority is authorized to make grants to eligible students enrolled or to  
9 be enrolled in eligible institutions in North Carolina out of such money as from time to  
10 time may be appropriated by the State or as may otherwise be available to the Authority  
11 for such grants. The Authority, subject to the provisions of this Article and any  
12 applicable appropriation act, shall adopt rules, regulations and procedures for  
13 determining the needs of the respective students for grants and for the purpose of  
14 making such grants.

15 (b) The amount of any grant made by the Authority to any student, whether  
16 enrolled or to be enrolled in any private institution or any tax-supported public  
17 institution, shall be determined by the Authority upon the basis of substantially similar  
18 standards and guides that shall be set forth in the Authority's rules, regulations and  
19 procedures; provided, however, that grants made in any fiscal year to students enrolled  
20 or to be enrolled in private institutions may be increased to compensate, in whole or in  
21 part, for the average annual State appropriated tuition subsidy for such fiscal year,  
22 determined as provided herein.

23 (c) The average annual State appropriated subsidy for each fiscal year shall be  
24 determined by the Secretary of Administration, after consultation with the Board of  
25 Governors of the University of North Carolina and the Authority, for each of the two  
26 categories of tax-supported institutions, being (i) institutions, presently 16, that provide  
27 education of the collegiate grade and grant baccalaureate degrees and (ii) institutions,  
28 such as community colleges and technical institutes created and existing under Chapter

1 115A of the General Statutes and community colleges created and existing under  
2 Chapter 115D of the General Statutes. The average annual State appropriated subsidy  
3 for each of such two categories of institutions shall mean the amount of the total  
4 appropriations of the State for the respective fiscal years under the current operations  
5 budgets, pursuant to the Executive Budget Act reasonably allocable to undergraduate  
6 students enrolled in such institutions exclusive of the Division of Health Affairs of the  
7 University of North Carolina and the North Carolina School of the Arts for all  
8 institutions in such category, all as shall be determined by the Secretary of  
9 Administration after consultation as above provided, divided by the budgeted number of  
10 North Carolina undergraduate students to be enrolled in such fiscal year.

11 (d) The Authority, in determining the needs of students for grants, may among  
12 other factors, give consideration to the amount of other financial assistance that may be  
13 available to the students, such as nonrepayable awards under the Pell Grant Program,  
14 the Health Professions Education Assistance Act or other student assistance programs  
15 created by federal law.

16 (e) Prior to taking any action under this subsection, the Secretary of  
17 Administration may consult with the Advisory Budget Commission.

18 (f) Notwithstanding any other provision of this section, the tuition subsidy  
19 authorized by subsection (b) of this section for a student enrolled or to be enrolled at a  
20 private institution is limited as provided by this subsection. If a student is, or can be  
21 claimed as a dependent by, an upper tax bracket taxpayer, then the amount provided for  
22 that student as a tuition subsidy under subsection (b) of this section for a student who is  
23 enrolled or to be enrolled at a private institution is reduced by three percent (3%) of the  
24 excess of the taxpayer's adjusted gross income over the applicable amount provided in  
25 section 68 of the Code.

26 (g) The following definitions apply in this section:

27 (1) Code. – Defined in G.S. 105-228.90.

28 (2) Dependent. – A person for whom the taxpayer is allowed to deduct a  
29 personal exemption under section 151(c) of the Code.

30 (3) Upper tax bracket taxpayer. – A taxpayer whose adjusted gross income  
31 under the Code exceeds the applicable amount provided in section 68  
32 of the Code."

33 **SECTION 2.** This act becomes effective July 1, 2001.