

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2021

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S.B. 663
PRINCIPAL CLERK

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SENATE BILL DRS15257-MKa-130A

Short Title: NC Promise Fund Reserve. (Public)

Sponsors: Senator Davis (Primary Sponsor).

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT TO CREATE AN EMERGENCY RESERVE FOR THE NC PROMISE TUITION
3 PLAN BUY DOWN.

4 The General Assembly of North Carolina enacts:

5 **SECTION 1.(a)** There is appropriated from the General Fund to the Office of State
6 Budget and Management (OSBM) the sum of fifteen million dollars (\$15,000,000) in
7 nonrecurring funds for the 2021-2022 fiscal year for a reserve for the NC Promise Tuition Plan
8 in the event that State funds appropriated for the "buy down" at Elizabeth City State University,
9 the University of North Carolina at Pembroke, or Western Carolina University, pursuant to
10 G.S. 116-143.11, are insufficient in a fiscal year. OSBM shall hold these funds in reserve until
11 such time that the Board of Governors of The University of North Carolina finds that any of the
12 constituent institutions participating in the NC Promise Tuition Plan may incur unsustainable
13 losses and the State funds appropriated by the General Assembly in a Current Operations
14 Appropriations Act for the "buy down" are insufficient for a fiscal year. OSBM shall allocate
15 funds from the reserve to the Board of Governors to be allocated to the constituent institution to
16 provide funds to meet the financial obligation resulting from the established tuition rate incurred
17 by the institution under the NC Promise Tuition Plan for the remainder of the fiscal year.

18 **SECTION 1.(b)** Within 30 days of an allocation of funds from the reserve
19 established in subsection (a) of this section, the Board of Governors shall submit a report on the
20 amount of funds and the constituent institution receiving funds from the reserve to the House
21 Appropriations Committee on Education, the Senate Appropriations Committee on
22 Education/Higher Education, and the Fiscal Research Division of the General Assembly. The
23 report shall include any findings by the Board of Governors regarding the reasons for the losses
24 sustained by the constituent institution, the solvency of the institution, and recommendations by
25 the Board of Governors regarding future actions to prevent further allocations from the reserve,
26 including changes to the NC Promise Tuition Plan.

27 **SECTION 2.** This act becomes effective July 1, 2021.



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