

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2021

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SENATE BILL 663

Short Title: NC Promise Fund Reserve. (Public)

Sponsors: Senator Davis (Primary Sponsor).

Referred to: Rules and Operations of the Senate

April 7, 2021

A BILL TO BE ENTITLED

AN ACT TO CREATE AN EMERGENCY RESERVE FOR THE NC PROMISE TUITION
PLAN BUY DOWN.

The General Assembly of North Carolina enacts:

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

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

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



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