

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2021**

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SENATE BILL 82*

Short Title: Student Financial Assistance/PED Study. (Public)

Sponsors: Senator Davis (Primary Sponsor).

Referred to: Rules and Operations of the Senate

February 11, 2021

A BILL TO BE ENTITLED

AN ACT TO MAKE NECESSARY IMPROVEMENTS TO ENSURE STATE FUNDS FOR POSTSECONDARY EDUCATIONAL FINANCIAL AID PROGRAMS ARE FULLY EXPENDED AND TO GAUGE THE EFFECTIVENESS OF THOSE PROGRAMS, AS RECOMMENDED BY THE JOINT LEGISLATIVE PROGRAM EVALUATION OVERSIGHT COMMITTEE.

The General Assembly of North Carolina enacts:

SECTION 1.(a) G.S. 116-209.45(j) reads as rewritten:

"(j) Report to the General Assembly. – The Authority shall report no later than December 1, 2013, and annually thereafter to the Joint Legislative Education Oversight Committee regarding the Fund and loans awarded from the ~~Fund~~-Fund, including the total number of loan recipients by year who either (i) have met employment service requirements for loan forgiveness or (ii) elect cash loan repayment, including when years of employment are credited towards loan forgiveness prior to beginning cash repayment. The individual records used to generate this report shall be retained for a period of five years."

SECTION 1.(b) Notwithstanding G.S. 116-209.45(j), as amended by subsection (a) of this section, the State Education Assistance Authority (Authority) shall include initial information on loan recipients of the Forgivable Education Loans for Service Program in its annual report no later than December 1, 2022. This initial information on the loan recipients shall also include the recipients' field of work.

SECTION 1.(c) The Authority shall develop and maintain a record-keeping system to track the repayment methods utilized by the recipients of State-funded educational loans that are eligible for forgiveness based on meeting individual program employment service requirements. The record-keeping system shall facilitate meeting data reporting requirements on State-funded educational loan programs, including for (i) the North Carolina Teaching Fellows Program under G.S. 116-209.62(j)(2) and (ii) the Forgivable Education Loans for Service Program under G.S. 116-209.45(j), and inform whether such programs are meeting the employment needs of the State. The Authority shall report on its progress in implementing the record-keeping system required by this section to the Joint Legislative Education Oversight Committee and the Joint Legislative Program Evaluation Oversight Committee by January 1, 2022.

SECTION 2.(a) G.S. 116-209.14 reads as rewritten:

"§ 116-209.14. **Annual Strategic plan; reports.**

(a) Strategic Plan. – The Authority shall biennially develop and maintain a strategic plan that sets forth the performance goals of the Authority in administering State-funded financial assistance for postsecondary programs in accordance with State law. The strategic plan shall



1 include comprehensive performance measures in order to track and evaluate the Authority's
2 effectiveness and progress towards meeting the performance goals established in the strategic
3 plan. The Authority shall make the most recent strategic plan publicly available on its website
4 each year.

5 (b) Annual Reports. – The Authority shall, following the close of each fiscal year, publish
6 an annual report of the implementation of its strategic plan and its activities for the preceding
7 year to the Governor and the General Assembly. Each report shall ~~set forth a~~ include at least the
8 following information:

9 (1) The strategic plan adopted by the Authority pursuant to subsection (a) of this
10 section.

11 (2) A complete operating and financial statement covering the operations of the
12 Authority during the year.

13 (3) Data metrics on the administration of State-funded financial assistance
14 programs and recipients of financial assistance, including the following:

15 a. Information for each postsecondary institution enrolling students
16 using State-funded financial assistance, including the amount of
17 financial assistance used by students for each program administered
18 by the Authority.

19 b. Demographic information on students who receive State-funded
20 financial assistance, including socioeconomic profiles with income
21 and dependency status for that fiscal year.

22 (c) Oversight. – The operations of the Authority shall be subject to the oversight of the
23 State Auditor pursuant to Article 5A of Chapter 147 of the General Statutes."

24 **SECTION 2.(b)** By January 1, 2022, the Authority shall report to the Joint
25 Legislative Education Oversight Committee and the Joint Legislative Program Evaluation
26 Oversight Committee on its progress in meeting the requirements set forth in subsection (a) of
27 this section.

28 **SECTION 2.(c)** Subsection (a) of this section becomes effective July 1, 2021.

29 **SECTION 3.** Effective July 1, 2021, there is appropriated from the General Fund to
30 the Board of Governors of The University of North Carolina the sum of up to seven hundred
31 thousand dollars (\$700,000) in recurring funds for the 2021-2022 fiscal year to be allocated to
32 the State Education Assistance Authority each fiscal year to cover administrative costs associated
33 with The University of North Carolina Need-Based Financial Aid Program (Program).

34 **SECTION 4.** The Office of State Budget and Management (OSBM) shall develop
35 recommendations on increasing transparency in administrative cost reporting for the Need-Based
36 Scholarships for Students Attending Private Institutions of Higher Education Program
37 established under Article 34 of Chapter 116 of the General Statutes. The recommendations shall
38 include a method for reporting program funding received by the Authority in its financial
39 statements. OSBM shall report on the recommendations, including a time line for implementation
40 of proposed changes and any required legislative modifications, to the Joint Legislative
41 Education Oversight Committee and the Joint Legislative Program Evaluation Oversight
42 Committee by June 30, 2021.

43 **SECTION 5.** Except as otherwise provided, this act is effective when it becomes
44 law.