



The University of North Carolina

GENERAL ADMINISTRATION

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MEMORANDUM

TO: Members, Committee on Educational Planning, Policies, and Programs

FROM: Alan Mabe

DATE: September 8, 2009

SUBJECT: Grants to Medical Students at Private Medical Schools

The General Assembly in the 2009 legislative session modified its program for supporting NC residents enrolled in private medical schools in North Carolina. G.S. 116-9.15. (b) provides for annual grants of \$5,000 for each North Carolina resident enrolled at Wake Forest or Duke. The amount of funds available depends on the annual appropriation by the General Assembly for this program. The General Assembly may change the amount of the grant in the future. Rules for administering the grant through the NC State Educational Assistance Authority are presented for your review. The rules address the process of awarding the grants and reporting on the results of the grants in contributing to primary care in North Carolina.

Residency will be determined in accord with *A Manual to Assist the Public Higher Education Institutions of North Carolina in the Matter of Student Residence Classification for Tuition Purposes*. If a student withdraws or leaves the medical program, the Approved Institution will return the grant for that student.

Reporting regarding these grant recipients will be integrated into an annual report by the Area Health Education Centers (AHEC) to the Board of Governors regarding a primary care focus in student preparation, residency, and practice.

The relevant legislation follows the proposed rules. G.S. 116-21.6 is the revised grant program and G.S. 143-613 is the prior legislation regarding reporting on primary care initiatives.

Rules Governing the Medical Students Grant Program

A Program of the State of North Carolina
Administered by the State Education Assistance Authority
10 Alexander Drive, PO Box 13663
Research Triangle Park, NC 27709-3663

Adopted by the Board of Governors September __, 2009
Effective _____

Table of Contents

Chapter 1

Short Title, Purpose and Definitions

.0100. Short Title.

The Rules Governing Medical Students Grant Program may hereinafter be cited as the “Program Rules.”

.0101. Purpose.

The Program was created by the 2009 General Assembly to modify the long-standing practice of providing State grants to medical students who are North Carolina residents and who enroll in and attend medical school at either Duke University or Wake Forest University. Each Approved Institution plays a role in administering the Program on behalf of the students that it enrolls. Funds for the support of the Program are contingent each year upon appropriations made available to the Board of Governors by the General Assembly. The Authority administers the Program on behalf of the Board of Governors.

.0102. Definitions.

Unless the context clearly indicates some other meaning, the following capitalized words and phrases shall have the corresponding meanings in these Program Rules:

- (a) “*Academic Year*” means a combination of two semesters, beginning with the fall semester of any year and excluding summer.
- (b) “*Act*” means Section 116-21.6 of the General Statutes of North Carolina and any revision or extension thereof, and any subsequent budget or appropriations act affecting the Program.
- (c) “*AHEC*” means North Carolina Area Health Education Centers.
- (d) “*Approved Institution*” means Duke University and Wake Forest University.
- (e) “*Authority*” means the State Education Assistance Authority, a political subdivision of the State, created under Article 23 of Chapter 116 of the North Carolina General Statutes.
- (f) “*Authorized School Official*” means the person who is designated by the chief executive officer of the Approved Institution to administer the Program for the Approved Institution.
- (g) “*Board of Governors*” means the Board of Governors of The University of North Carolina.
- (h) “*Grant*” means the amount of funds awarded annually to a student under the Program.

- (i) “*Participation Agreement*” means the agreement, in a form acceptable to the Authority, by which an Approved Institution agrees to administer the Program in compliance with the Act and the Program Rules on behalf of the students at the Approved Institution.
- (j) “*Program*” means the Medical Students Grant Program.
- (k) “*Residence Manual*” means the most current edition of *A Manual to Assist the Public Higher Education Institutions of North Carolina in the Matter of Student Residence Classification for Tuition Purposes* as adopted from time to time by the Board of Governors.
- (l) “*State*” means the State of North Carolina.
- (m) “*State Auditor*” means the Office of the Auditor of the State of North Carolina.

Chapter 2

Eligibility Requirements

.0200. General Rule.

A student qualifies to receive a Grant if the student:

- (a) is enrolled and attending medical school at an Approved Institution;
- (b) is a North Carolina resident for tuition purposes under G.S. § 116-143.1 and the Residence Manual;
- (c) has complied with the registration requirements of the Military Service Act or is exempt from the registration requirements; and
- (d) is certified by the Approved Institution as eligible to receive a Grant.

Chapter 3

Institutional Requirements; Amount of Grant and Refund Procedures

.0300. Participation Agreement Required.

To participate in the Program, the Approved Institution shall sign a Participation Agreement with the Authority. Each Participation Agreement between the Authority and an Approved Institution, upon proper execution, shall remain in effect until it is terminated pursuant to the terms of the Agreement.

.0301. Responsibilities of Approved Institutions.

An Approved Institution shall be responsible for:

- (a) designating the Authorized School Official as the primary contact between the Approved Institution and the Authority and charging that person with the primary responsibility for carrying out the administrative and fiscal provisions of the Participation Agreement;
- (b) determining residency status for tuition purposes;
- (c) certifying to the Authority that students meet the eligibility requirements for a Grant under these Program Rules; and
- (d) complying with the Act and the Program Rules, including without limitation taking actions to encourage recipients in the practice of primary care and to document the number of graduates who either enter residencies or locate their practices in North Carolina.

.0302. Reporting Requirements for Approved Institutions.

- (a) *Compliance with G.S. § 143-613.* Approved Institutions shall make reports required under G.S. § 143-613 to AHEC.
- (b) *AHEC.* Approved Institutions shall provide AHEC each Academic Year:
 - i. data regarding Grant recipients who enter primary care residencies and clinical training programs; and
 - ii. the specialty practices of Grant recipients five years after graduation.

.0303. Amount of Grants.

The General Assembly determines the maximum amount of a Grant payable to each student who qualifies for the Grant and appropriates the funds for the Program for each Academic Year.

.0304. Grant Disbursement Procedures.

- (a) *Method of Disbursement to the Approved Institution.* The Authority shall disburse the Grants by master check or by electronic funds transfer to a clearing account maintained by the Approved Institution.
- (b) *Timing of Disbursements to Students.* The Approved Institution shall post the Grant amount to each student's account within ten (10) business days after the receipt of the roster or within ten (10) business days after the beginning date of the term for which the proceeds of the Grant disbursed, whichever is later.
- (c) *Refund Procedure.* If an Approved Institution determines that a student is ineligible for the Program or has withdrawn from the Approved Institution, the full amount (100%) of the Grant shall be returned within thirty (30) days of the date the student becomes ineligible or withdraws.
- (d) *Certification.* The Approved Institution shall certify each student's eligibility for the Program and certify that the Grant funds received by master check or electronic funds transfer have been credited to the student's account.
- (e) *Policies.* The Authority is hereby authorized to develop, adopt and implement such policies and procedures as may be necessary from time to time to disburse Grant funds in accordance with the Program Rules and applicable requirements of State law.

.0305. Use of Grants.

Grants shall be used only as student financial assistance for payment of the student's cost of instruction in the medical program of the Approved Institution.

.0306. Audit Requirements.

An Approved Institution shall be subject to examination by the State Auditor and the Authority to determine whether the Approved Institution has complied with the terms of the Participation Agreement and the applicable provisions of these Program Policies.

.0307. Inspection of Records. Each Approved Institution shall make all Program records available to the Authority for inspection upon request. All Program records must be retained by the Approved Institution for a period of five years from the close of the grant year or until all audit exceptions have been resolved, whichever is longer.

Chapter 4
Interpretive Guidance

.0400. The Authority as Program Administrator. The Authority is hereby authorized and directed to develop, adopt and implement such policies, procedures and forms as necessary from time to time in order for the Authority to administer the Program in accordance with the Act and the Program Rules.

.0401. Interpretive Guidance. The Authority may issue guidance for interpreting the Program Rules in the form of policy memoranda or questions and answers. The Authority shall disseminate such interpretive guidance to the Approved Institutions. All interpretive guidance shall have the force and effect of the Program Rules pursuant to Rule .0400.

N.C.G.S. § 116-21.6 MSG Medical Student Grants Program

"§ 116-21.6. Private medical schools – medical student grants.

(a) Funding for Medical Student Grants. – Funds shall be appropriated each year in the Current Operations Appropriations Act to the Board of Governors of The University of North Carolina to provide grants to medical students who are North Carolina residents and who enroll in and attend medical school at either Duke University or Wake Forest University.

(b) Student Eligibility for Grants. – In addition to all other financial assistance made available to medical students who are attending medical school at either Duke University or Wake Forest University, there is awarded to each medical student who is a North Carolina resident and who is enrolled in and attending medical school at either Duke University or Wake Forest University a grant of five thousand dollars (\$5,000) for each academic year, which shall be disbursed as provided by this section.

(c) Administration of Grants. – The grants provided for in this section shall be administered by the Board of Governors pursuant to rules adopted by the Board of Governors not inconsistent with this section. The Board of Governors shall not approve any grant until it receives proper certification from the appropriate medical school that the student applying for the grant is eligible. Upon receipt of the certification, the Board of Governors shall remit at the times as it prescribes the grant to the medical school on behalf, and to the credit, of the medical student.

The Board of Governors shall adopt rules for determining which students are residents of North Carolina for the purposes of these grants. The Board of Governors also shall make any rules as necessary to ensure that these funds are used directly for instruction in the medical programs of the schools and not for religious or other nonpublic purposes. The Board of Governors shall encourage the two medical schools to orient students toward primary care, consistent with the directives of G.S. 143-613(a). The two schools shall supply information necessary for the Board to comply with G.S. 143-613(d).

(d) Medical Student Change of Status. – In the event a medical student on whose behalf a grant has been paid in accordance with this section terminates his or her enrollment in medical school, the medical school shall refund the full amount of the grant to the Board of Governors.

(e) Authority to Transfer Funds if Appropriation Insufficient. – If the funds appropriated in the Current Operations Appropriations Act to the Board of Governors of The University of North Carolina for grants to students who are eligible for a grant under this section are insufficient to cover the enrolled students in accordance with this section, then the Board of Governors may transfer unused funds from other programs in the Related Educational Programs budget code to cover the extra students.

(f) Reversions. – Any remaining funds shall revert to the General Fund.

(g) Document Number of Medical School Graduates Who Remain in North Carolina. – The Board of Governors shall encourage Duke University School of Medicine and Wake Forest University School of Medicine to document the number of graduates each year who either enter residencies or locate their practices in North Carolina and to report that information annually to the Board of Governors. The Board of Governors shall report annually to the Joint Legislative Education Oversight Committee regarding the information received from the two medical schools pursuant to this subsection."

§ 143-613. Medical education; primary care physicians and other providers.

(a) In recognition of North Carolina's need for primary care physicians, Bowman Gray School of Medicine and Duke University School of Medicine shall each prepare a plan with the goal of encouraging North Carolina residents to enter the primary care disciplines of general internal medicine, general pediatrics, family medicine, obstetrics/gynecology, and combined medicine/pediatrics and to strive to have at least fifty percent (50%) of North Carolina residents graduating from each school entering these disciplines. These schools of medicine shall present their plans to the Board of Governors of The University of North Carolina by April 15, 1996, and shall update and present their plans every two years thereafter. The Board of Governors shall report to the Joint Legislative Education Oversight Committee by May 15, 1996, and every two years thereafter on the status of these efforts to strengthen primary health care in North Carolina.

(b) The Board of Governors of The University of North Carolina shall set goals for the Schools of Medicine at the University of North Carolina at Chapel Hill and the School of Medicine at East Carolina University for increasing the percentage of graduates who enter residencies and careers in primary care. A minimum goal should be at least sixty percent (60%) of graduates entering primary care disciplines. Each school shall submit a plan with strategies to reach these goals of increasing the number of graduates entering primary care disciplines to the Board by April 15, 1996, and shall update and present the plans every two years thereafter. The Board of Governors shall report to the Joint Legislative Education Oversight Committee by May 15, 1996, and every two years thereafter on the status of these efforts to strengthen primary health care in North Carolina.

Primary care shall include the disciplines of family medicine, general pediatric medicine, general internal medicine, internal medicine/pediatrics, and obstetrics/gynecology.

(b1) The Board of Governors of The University of North Carolina shall set goals for State-operated health professional schools that offer training programs for licensure or certification of physician assistants, nurse practitioners, and nurse midwives for increasing the percentage of the graduates of those programs who enter clinical programs and careers in primary care. Each State-operated health professional school shall submit a plan with strategies for increasing the percentage to the Board by April 15, 1996, and shall update and present the plan every two years thereafter. The Board of Governors shall report to the Joint Legislative Education Oversight Committee by May 15, 1996, and every two years thereafter on the status of these efforts to strengthen primary health care in North Carolina.

(c) The Board of Governors of The University of North Carolina shall further initiate whatever changes are necessary on admissions, advising, curriculum, and other policies for State-operated medical schools and State-operated health professional schools to ensure that larger proportions of students seek residencies and clinical training in primary care disciplines. The Board shall work with the Area Health Education Centers and other entities, adopting whatever policies it considers necessary to ensure that residency and clinical training programs have sufficient residency and clinical positions for graduates in these primary care specialties. As used in this subsection, health professional schools are those schools or institutions that offer

training for licensure or certification of physician assistants, nurse practitioners, and nurse midwives.

(d) The progress of the private and State-operated medical schools and State-operated health professional schools towards increasing the number and proportion of graduates entering primary care shall be monitored annually by the Board of Governors of The University of North Carolina. Monitoring data shall include (i) the entry of State-supported graduates into primary care residencies and clinical training programs, and (ii) the specialty practices by a physician and each midlevel provider who were State-supported graduates as of a date five years after graduation. The Board of Governors shall certify data on graduates, their residencies and clinical training programs, and subsequent careers by October 1 of each calendar year, beginning in October of 1995, to the Fiscal Research Division of the Legislative Services Office and to the Joint Legislative Education Oversight Committee.

(e) The information provided in subsection (d) of this section shall be made available to the Appropriations Committees of the General Assembly for their use in future funding decisions on medical and health professional education. (1993, c. 321, ss. 78(a1)-(e); c. 529, s. 1.3; c. 561, s. 10; 1995, c. 507, s. 23A.5.)