

Amendment to the 2005-07 Budget Request

At its November meeting, the Board of Governors approved the 2005-07 Budget Request. It is now proposed that the Budget Request be amended to include additional funds required for the North Carolina School of Science and Mathematics Tuition Grant Program, the North Carolina Millennium Teacher Scholarship Loan Program, and the Health, Science and Mathematics Student Loan Program.

The 2003 session of the North Carolina General Assembly instituted a program to provide full tuition grants to all students who graduate from the North Carolina School of Science and Mathematics and who enroll full-time in a constituent institution of the University of North Carolina. The program began for NCSSM students in the Class of 2004 and was funded at a level of \$780,000. At its February meeting, the Board of Governors received and approved a report on the Tuition Grant Program for graduates of the NCSSM. The report included a request to change the policy of reducing the NCSSM Tuition Grant for students who received other grants and scholarships which exceeded the cost of tuition. In addition, due to the popularity of this program, NCSSM graduates are enrolling in UNC institutions at higher rates. In order to accommodate the policy change and the increase in eligible students, additional funding for the program is required. It is recommended that the Budget Request for Current Operations be increased by recurring funds of \$585,565 in 2005-06 and \$1,523,183 in 2006-07. The amendment would change the Board of Governors' request for the NCSSM Tuition Grants to \$1,365,565 in 2005-06 and \$2,303,183 in 2006-07.

The 2004 session of the North Carolina General Assembly instituted a program, funded at a budget of \$390,000 from the Escheat Fund, to provide for need-based scholarships for students enrolled in the teacher education programs at the HBCUs that did not have any Teaching Fellows

(ECSU, FSU and WSSU). The Education Deans from these institutions have subsequently named this the North Carolina Millennium Teacher Scholarship Loan Program. The program is a competitive program for worthy and needy North Carolina residents who are interested in teaching in North Carolina public schools. This program is one of the University's many efforts to assist in meeting the state's need for additional teachers. Students that choose to pursue critical shortage licensure areas are given priority. In order to retain the scholarship, the education majors must make satisfactory progress toward meeting all requirements of the teacher education program at their respective institutions. Upon graduation, scholarship recipients are required to teach in a North Carolina public school one year for each year that they received the scholarship loan. Upon completion of each year of teaching in a North Carolina public school, one year of the recipient's scholarship loan is then converted to a grant. The State Education Assistance Authority (SEAA) administers the program. SEAA, in collaboration with the UNC Office of the President, maintains policies and procedures to ensure uniform administration of the scholarship loans to students. It is recommended that the Budget Request for Current Operations be increased by recurring funds of \$390,000 in 2005-06 and \$780,000 in 2006-07 to continue funding for each subsequent class of students. The amendment would change the Board of Governors' request for the North Carolina Millennium Teacher Scholarship Loan Program to \$780,000 in 2005-06 and \$1,170,000 in 2006-07.

Formerly known as the North Carolina Medical Student loan program, the Health, Science and Mathematics Student Loan Program is available to North Carolina residents who have been accepted as full-time students in accredited associate, baccalaureate, master's or doctoral programs leading to a degree. Students must be studying in specified health, science, or mathematic-related fields and may attend a North Carolina postsecondary institution or an

eligible out-of-state institution. Award recipients are chosen according to major, academic capabilities, and financial need. Loans currently range from \$3000 to \$8500 per year, depending on the level and type of degree program. The loan obligation may be forgiven through approved employment within the state of North Carolina provided the recipient works in the field for which he/she was funded. One calendar year of full-time employment in designated shortage areas is required for each school year a loan was received. Approved service areas include state facilities and educational systems, or designated healthcare and veterinary science disciplines. This program is administered by the North Carolina State Education Assistance Authority. An additional recurring appropriation of \$1,100,000 is required in order for the program to make loans to new students. Without this funding, in 2005-06, the program could renew current recipients but could not make any new loans beyond those renewals. It is recommended that the Budget Request for Current Operations be increased by \$1,100,000 in 2005-06 and 2006-07 to provide for this program.