

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1993

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HOUSE BILL 494

Short Title: Teacher Scholarship Loan Changes.

(Public)

Sponsors: Representatives Warner; Bowman and McLawhorn.

Referred to: Education.

March 24, 1993

A BILL TO BE ENTITLED

AN ACT TO STREAMLINE THE ADMINISTRATION OF THE PROSPECTIVE
TEACHER SCHOLARSHIP LOAN FUND AND TO PERMIT TEACHER
ASSISTANTS TO QUALIFY FOR LOANS FROM THE FUND.

The General Assembly of North Carolina enacts:

Section 1. G.S. 115C-468 reads as rewritten:

"§ 115C-468. Establishment of fund.

(a) There is hereby established a revolving fund which shall be known as the
'Scholarship Loan Fund for Prospective Teachers'.

(b) Criteria for awarding scholarship loans from the fund shall include
measures of academic performance including grade point averages, scores on
standardized tests, class rank, and recommendations of guidance counselors and
principals. To the extent practical, an equal number of scholarships shall be awarded in
each of the State's Congressional Districts.

(c) The Superintendent of Public Instruction may earmark up to twenty percent
(20%) of the funds available for scholarship loans each year for awards to applicants
who have been employed for at least one year as teacher assistants and who are
currently employed as teacher assistants. Preference for these scholarship loans from
funds earmarked for teacher assistants shall be given to applicants who already hold a
baccalaureate degree or who have already been formally admitted to an approved
teacher education program in North Carolina."

Sec. 2. G.S. 115C-471 reads as rewritten:

**"§ 115C-471. Fund administered by State Superintendent of Public Instruction;
rules and regulations.**

1 The Scholarship Loan Fund for Prospective Teachers shall be administered by the
2 State Superintendent of Public Instruction, under ~~the following rules and regulations, and~~
3 ~~under such further rules and regulations as the State Board of Education shall in its discretion~~
4 ~~promulgate:~~ rules adopted by the State Board of Education and subject to the following
5 directions and limitations:

- 6 (1) Any resident of North Carolina who is interested in preparing to teach
7 in the public schools of the State ~~shall be eligible to~~ may apply in
8 writing to the State Superintendent of Public Instruction for a regular
9 scholarship loan in the amount of not more than two thousand dollars
10 (\$2,000) per academic school year. An applicant who has been
11 employed for at least one year as a teacher assistant and who is
12 currently employed as a teacher assistant may apply for a scholarship
13 loan from funds earmarked for teacher assistants in the amount of not
14 more than one thousand two hundred dollars (\$1,200) per academic
15 school year.
- 16 (2) All scholarship loans shall be evidenced by notes made payable to the
17 State Board of Education ~~which shall that~~ bear interest at the rate of six
18 percent (6%) per annum from and after September 1 following
19 fulfillment by a prospective teacher of the requirements for a
20 certificate based upon the entry level degree; or in the case of persons
21 already teaching in the public schools who obtain scholarship ~~loans~~
22 ~~such loans, the~~ notes shall bear interest at the prescribed rate from and
23 after September 1 of the school year beginning immediately after the
24 use of ~~such the~~ scholarship loans; or in the event any such scholarship
25 ~~shall be is~~ terminated under the provisions of subdivision (3) of this
26 ~~section then such section, the~~ notes shall bear interest from the date of
27 ~~such termination.~~ A minor recipient who signs ~~such a note or notes~~
28 shall also obtain the endorsement thereon by a parent, if there be a
29 living parent, unless ~~such the~~ endorsement is waived by the
30 Superintendent of Public Instruction. ~~Such The~~ minor recipient shall
31 be obligated upon ~~such the note or notes as fully as if he or she the~~
32 recipient were of age and shall not be permitted to plead such minority
33 as a defense in order to avoid the obligations undertaken upon ~~such~~
34 note or the notes.
- 35 (3) Each recipient of a scholarship loan under the provisions of this
36 program shall be eligible for scholarship loans each year until ~~he the~~
37 recipient has qualified for a certificate based upon the entry level
38 degree, but ~~he the~~ recipient shall not be so eligible for more than the
39 minimum number of years normally required by the college or university
40 for qualifying for ~~said the~~ certificate. The permanent withdrawal of
41 any recipient from college or failure of ~~such the~~ recipient to do college
42 work in a manner acceptable to the State Superintendent of Public
43 Instruction ~~will shall~~ immediately forfeit ~~such the~~ recipient's right to
44 retain ~~such the~~ scholarship and subject ~~such the~~ scholarship to

1 termination by the State Superintendent of Public Instruction in ~~his~~the
2 Superintendent's discretion. All terminated scholarships shall be
3 regarded as vacant and subject to being awarded to other eligible
4 persons.

5 (4) Except under emergency conditions applicable to the State
6 Superintendent of Public Instruction, recipients of scholarship loans
7 shall enter the public school system of North Carolina at the beginning
8 of the next school term after qualifying for a certificate based upon the
9 entry level degree ~~or~~or, in case of persons already teaching in the
10 public ~~schools~~schools, at the beginning of the next school term after
11 the use of ~~such~~the loan. All teaching service for which the recipient of
12 any scholarship loan is obligated shall be rendered ~~within seven years~~
13 ~~after the completion of the use of each such scholarship loan.~~by August 31
14 of the seventh school year following graduation.

15 (5) For each full school year taught in a North Carolina public school, the
16 recipient of a scholarship loan shall receive credit upon the amount due
17 by reason of ~~such~~the loan equal to ~~all interest accrued upon the loan to~~
18 ~~that time plus a credit of two thousand dollars (\$2,000) upon the principal~~
19 ~~amount of such obligation or such lesser amount as may remain due upon~~
20 ~~said principal;~~the loan amount for a school year as provided in the note
21 plus credit for the total interest accrued on that amount; provided,
22 however, that in lieu of teaching in the public school, a recipient may
23 elect to pay in cash the full amount of scholarship loans received plus
24 interest then due thereon or any part thereof ~~which~~that has not been
25 canceled by the State Board of Education by reason of teaching service
26 rendered.

27 (6) If any recipient of a scholarship loan ~~who is fulfilling his obligation under~~
28 ~~subdivision (4) of this section dies within the seven year period, or if any~~
29 ~~recipient dies during the period of attendance at a college or university~~
30 ~~under a scholarship loan,~~loan or before the scholarship loan is satisfied
31 by payment or teaching service, any balance that has not been discharged
32 through service shall be automatically canceled.

33 If any recipient of a scholarship loan fails to fulfill ~~his~~the
34 recipient's obligations under subdivision (4) of this section, other than
35 as provided above, the amount of ~~his~~the loan and accrued interest, if
36 any, shall be due and payable from the time of failure to fulfill ~~such~~the
37 recipient's obligations.

38 (7) The State Superintendent of Public Instruction shall award scholarship
39 loans with due consideration to ~~such~~such factors and circumstances ~~as:~~as:
40 as aptitude, purposefulness, scholarship, character, financial need, and
41 geographic areas or subjects of instruction in which the demands for
42 teachers are greatest. Since the primary purpose of this Article is to
43 attract worthy young people to the teaching profession, preference for
44 scholarship loans, except for the scholarship loans from funds

1 earmarked for teacher assistants, shall be given to high school seniors
2 in the awarding of scholarships. In awarding scholarship loans from
3 funds earmarked for teacher assistants, preference shall be given to
4 applicants who have already earned a baccalaureate degree or who
5 have been formally admitted to an approved teacher education
6 program in North Carolina."

7 Sec. 3. This act becomes effective July 1, 1993.