

GENERAL ASSEMBLY OF NORTH CAROLINA  
1993 SESSION

CHAPTER 260  
HOUSE BILL 494

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.**

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

- (1) Any resident of North Carolina who is interested in preparing to teach in the public schools of the State ~~shall be eligible to~~ may apply in writing to the State Superintendent of Public Instruction for a regular scholarship loan in the amount of not more than two thousand dollars (\$2,000) per academic school year. An applicant who has been employed for at least one year as a teacher assistant and who is currently employed as a teacher assistant may apply for a scholarship

loan from funds earmarked for teacher assistants in the amount of not more than one thousand two hundred dollars (\$1,200) per academic school year.

- (2) All scholarship loans shall be evidenced by notes made payable to the State Board of Education ~~which shall that~~ bear interest at the rate of six percent (6%) per annum from and after September 1 following fulfillment by a prospective teacher of the requirements for a certificate based upon the entry level degree; or in the case of persons already teaching in the public schools who obtain scholarship ~~loans~~ such loans, the notes shall bear interest at the prescribed rate from and after September 1 of the school year beginning immediately after the use of ~~such the~~ scholarship loans; or in the event any such scholarship ~~shall be is~~ terminated under the provisions of subdivision (3) of this section ~~then such~~ section, the notes shall bear interest from the date of ~~such~~ termination. A minor recipient who signs ~~such a note or notes~~ shall also obtain the endorsement thereon by a parent, if there be a living parent, unless ~~such the~~ endorsement is waived by the Superintendent of Public Instruction. ~~Such The~~ minor recipient shall be obligated upon ~~such the note or notes~~ as fully as if ~~he or she the~~ recipient were of age and shall not be permitted to plead such minority as a defense in order to avoid the obligations undertaken upon ~~such note or the~~ notes.
- (3) Each recipient of a scholarship loan under the provisions of this program shall be eligible for scholarship loans each year until ~~he the~~ recipient has qualified for a certificate based upon the entry level degree, but ~~he the~~ recipient shall not be so eligible for more than the minimum number of years normally required ~~by the college or university~~ for qualifying for ~~said the~~ certificate. The permanent withdrawal of any recipient from college or failure of ~~such the~~ recipient to do college work in a manner acceptable to the State Superintendent of Public Instruction ~~will shall~~ immediately forfeit ~~such the~~ recipient's right to retain ~~such the~~ scholarship and subject ~~such the~~ scholarship to termination by the State Superintendent of Public Instruction in ~~his the~~ Superintendent's discretion. All terminated scholarships shall be regarded as vacant and subject to being awarded to other eligible persons.
- (4) Except under emergency conditions applicable to the State Superintendent of Public Instruction, recipients of scholarship loans shall enter the public school system of North Carolina at the beginning of the next school term after qualifying for a certificate based upon the entry level degree ~~or or~~ in case of persons already teaching in the public ~~schools~~ schools, at the beginning of the next school term after the use of ~~such the~~ loan. All teaching service for which the recipient of any scholarship loan is obligated shall be rendered ~~within seven~~

~~years after the completion of the use of each such scholarship loan by August 31 of the seventh school year following graduation.~~

- (5) For each full school year taught in a North Carolina public school, the recipient of a scholarship loan shall receive credit upon the amount due by reason of ~~such the~~ loan equal to ~~all interest accrued upon the loan to that time plus a credit of two thousand dollars (\$2,000) upon the principal amount of such obligation or such lesser amount as may remain due upon said principal;~~ the loan amount for a school year as provided in the note plus credit for the total interest accrued on that amount; provided, however, that in lieu of teaching in the public school, a recipient may elect to pay in cash the full amount of scholarship loans received plus interest then due thereon or any part thereof ~~which that~~ has not been canceled by the State Board of Education by reason of teaching service rendered.
- (6) If any recipient of a scholarship loan ~~who is fulfilling his obligation under subdivision (4) of this section dies within the seven year period, or if any recipient dies during the period of attendance at a college or university under a scholarship loan,~~ loan or before the scholarship loan is satisfied by payment or teaching service, any balance ~~that has not been discharged through service~~ shall be automatically canceled.
- If any recipient of a scholarship loan fails to fulfill ~~his the~~ recipient's obligations under subdivision (4) of this section, other than as provided above, the amount of ~~his the~~ loan and accrued interest, if any, shall be due and payable from the time of failure to fulfill ~~such the~~ recipient's obligations.
- (7) The State Superintendent of Public Instruction shall award scholarship loans with due consideration to ~~such~~ factors and circumstances ~~as:~~ such as aptitude, purposefulness, scholarship, character, financial need, and geographic areas or subjects of instruction in which the demands for teachers are greatest. Since the primary purpose of this Article is to attract worthy young people to the teaching profession, preference for scholarship loans, except for the scholarship loans from funds earmarked for teacher assistants, shall be given to high school seniors in the awarding of scholarships. In awarding scholarship loans from funds earmarked for teacher assistants, preference shall be given to applicants who have already earned a baccalaureate degree or who have been formally admitted to an approved teacher education program in North Carolina."

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

In the General Assembly read three times and ratified this the 1st day of July,

1993.

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Dennis A. Wicker  
President of the Senate

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Daniel Blue, Jr.  
Speaker of the House of Representatives