

NORTH CAROLINA GENERAL ASSEMBLY

LEGISLATIVE FISCAL NOTE

BILL NUMBER: SB 650

SHORT TITLE: Teacher Loan Payback Changes

SPONSOR(S): Senators Gunter, Perdue, Jordan

FISCAL IMPACT: Expenditures: Increase () Decrease ()
 Revenues: Increase () Decrease (x)
 No Impact ()
 No Estimate Available (x)

FUND AFFECTED: General Fund (x) Highway Fund () Local Fund ()
 Other Fund ()

BILL SUMMARY: Amends G.S. 115C-471(5) to give recipients of prospective teacher scholarship loans a credit against the amount of the loan in an amount equal to accrued interest plus up to \$1,000 in principal for each one-half school year that the recipient teaches in a NC public school. Adds new provision allowing credit in amount equal to accrued interest plus up to \$1,000 in principal for each full school year, up to two full years, that a recipient teaches at least half time in a NC public school Required Dep't of Public Instruction to monitor recipients of prospective teacher scholarship loans who elect to teach in public schools instead of repaying their loans to ensure that they are properly fulfilling their obligations to teach in the public schools.

EFFECTIVE DATE: July 1, 1993

PRINCIPAL DEPARTMENT(S)/PROGRAM(S) AFFECTED:

Department of Public Instruction, Prospective Teacher Loan Program

FISCAL IMPACT

	<u>FY</u>	<u>FY</u>	<u>FY</u>	<u>FY</u>	<u>FY</u>
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EXPENDITURES

TOTAL EXPENDITURES

STATE FUNDS

FEDERAL FUNDS

LOCAL FUNDS

OTHER FUNDS

RECEIPTS/FEES

POSITIONS:

ASSUMPTIONS AND METHODOLOGY:

1. G.S. 115C-471(5) currently allows repayment of \$2,000 in principal, plus interest due on Prospective Teacher Scholarship Loan for each year taught in the public schools.
2. Currently, persons teaching part-time must repay both principal and interest on this scholarship loan.
3. Allowing part-time teaching to count toward loan repayment would reduce the loan repayments in the program.
4. No estimate is available on the number of scholarship loans made to persons who may be teaching part-time. To provide this data would mean providing a linkage from the teacher payroll files to the scholarship loan records. Such a linkage does not currently exist.

SOURCES OF DATA:

Department of Public Instruction

TECHNICAL CONSIDERATIONS:

1. Definition of part-time employee working part-time may need further clarification to fit existing definitions of the State Board of Education.

FISCAL RESEARCH DIVISION

733-4910

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DATE: April 26, 1993

[FRD#002]



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