

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1995

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SENATE BILL 424

Short Title: Teacher Scholarship Program Changes.

(Public)

Sponsors: Senators Lucas, Davis, and Jordan.

Referred to: Education/Higher Education

March 20, 1995

A BILL TO BE ENTITLED

AN ACT TO MAKE CHANGES IN THE PROSPECTIVE TEACHERS SCHOLARSHIP LOAN PROGRAM.

The General Assembly of North Carolina enacts:

Section 1. 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 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 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)~~ two thousand five hundred dollars (\$2,500) 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.

- 1 (2) All scholarship loans shall be evidenced by notes made payable to the
2 State Board of Education that bear interest at the rate of ~~six percent (6%)~~
3 ten percent (10%) per annum from and after September 1 following
4 fulfillment by a prospective teacher of the requirements for a certificate
5 based upon the entry level degree; or in the case of persons already
6 teaching in the public schools who obtain scholarship loans, the notes
7 shall bear interest at the prescribed rate from and after September 1 of
8 the school year beginning immediately after the use of the scholarship
9 loans; or in the event any such scholarship is terminated under the
10 provisions of subdivision (3) of this section, the notes shall bear interest
11 from the date of termination. A minor recipient who signs a note shall
12 also obtain the endorsement thereon by a parent, if there be a living
13 parent, unless the endorsement is waived by the Superintendent of
14 Public Instruction. The minor recipient shall be obligated upon the note
15 as fully as if the recipient were of age and shall not be permitted to
16 plead such minority as a defense in order to avoid the obligations
17 undertaken upon the notes.
- 18 (3) Each recipient of a scholarship loan under the provisions of this
19 program shall be eligible for scholarship loans each year until the
20 recipient has qualified for a certificate based upon the entry level
21 degree, but the recipient shall not be so eligible for more than the
22 minimum number of years normally required for qualifying for the
23 certificate. The permanent withdrawal of any recipient from college or
24 failure of the recipient to do college work in a manner acceptable to the
25 State Superintendent of Public Instruction shall immediately forfeit the
26 recipient's right to retain the scholarship and subject the scholarship to
27 termination by the State Superintendent of Public Instruction in the
28 Superintendent's discretion. All terminated scholarships shall be
29 regarded as vacant and subject to being awarded to other eligible
30 persons.
- 31 (4) Except under emergency conditions applicable to the State
32 Superintendent of Public Instruction, recipients of scholarship loans
33 shall enter the public school system of North Carolina at the beginning
34 of the next school term after qualifying for a certificate based upon the
35 entry level degree or, in case of persons already teaching in the public
36 schools, at the beginning of the next school term after the use of the
37 loan. All teaching service for which the recipient of any scholarship
38 loan is obligated shall be rendered by August 31 of the seventh school
39 year following graduation.
- 40 (5) For each full school year taught in a North Carolina public school, the
41 recipient of a scholarship loan shall receive credit upon the amount due
42 by reason of the loan equal to the loan amount for a school year as
43 provided in the note plus credit for the total interest accrued on that

1 ~~amount; provided, however, that in~~ amount. Also, the recipient of the loan
2 shall receive credit upon the total amount due by reason of the loan
3 equal to the loan amount for four school years if the recipient teaches
4 for three consecutive years, unless the recipient takes an approved leave
5 of absence, at a North Carolina public school that, at the time the
6 recipient accepts employment with the local school administrative unit,
7 is a low performing school system identified in accordance with Article
8 6A of this Chapter or is on warning status as defined by the State Board
9 of Education. In lieu of teaching in the public school, a recipient may
10 elect to pay in cash the full amount of scholarship loans received plus
11 interest then due thereon or any part thereof that has not been canceled
12 by the State Board of Education by reason of teaching service rendered.

- 13 (6) If any recipient of a scholarship loan dies during the period of
14 attendance at a college or university under a scholarship loan or before
15 the scholarship loan is satisfied by payment or teaching service, any
16 balance shall be automatically canceled.

17 If any recipient of a scholarship loan fails to fulfill the recipient's
18 obligations under subdivision (4) of this section, other than as provided
19 above, the amount of the loan and accrued interest, if any, shall be due
20 and payable from the time of failure to fulfill the recipient's obligations.

- 21 (7) The State Superintendent of Public Instruction shall award scholarship
22 loans with due consideration to factors and circumstances such as
23 aptitude, purposefulness, scholarship, character, financial need, and
24 geographic areas or subjects of instruction in which the demands for
25 teachers are greatest. Since the primary purpose of this Article is to
26 attract worthy young people to the teaching profession, preference for
27 scholarship loans, except for the scholarship loans from funds
28 earmarked for teacher assistants, shall be given to high school seniors in
29 the awarding of scholarships. In awarding scholarship loans from funds
30 earmarked for teacher assistants, preference shall be given to applicants
31 who have already earned a baccalaureate degree or who have been
32 formally admitted to an approved teacher education program in North
33 Carolina."

34 Sec. 2. This act is effective upon ratification. The amendments to G.S. 115C-
35 471(2) contained in Section 1 of this act apply only to scholarship loan agreements
36 entered into after the effective date of this act.