

1 leadership in the schools where they coach. The State Education Assistance Authority
2 shall administer the Fund. The Fund shall provide 25 scholarship loans per year.

3 (b) Criteria for awarding the scholarship loans shall be developed by the State
4 Education Assistance Authority in consultation with the Board of Governors of The
5 University of North Carolina and shall include all of the following:

6 (1) An applicant shall be enrolled in an accredited bachelors degree
7 program in an institution of higher education in North Carolina.

8 (2) All students shall enter into a legal agreement and promissory note
9 with the Authority to accept employment as a coach or coaching
10 assistant in an elementary or secondary school in North Carolina in
11 exchange for receiving any funds, which agreement shall include
12 stipulation that the student agrees to accept employment in rural or
13 other need-based counties.

14 (3) An applicant shall be a resident of North Carolina. For purposes of this
15 section, residency shall be determined by the same standard as
16 residency for tuition purposes pursuant to G.S. 116-143.1.

17 (4) Any additional criteria that the State Education Assistance Authority
18 considers necessary to administer the Fund effectively, including all of
19 the following:

20 a. Consideration of the appropriate numbers of minority applicants
21 and applicants from diverse socioeconomic backgrounds to
22 receive scholarships pursuant to this section.

23 b. Consideration of the academic qualifications of the individuals
24 applying to receive funds.

25 c. Consideration of the commitment an individual applying to
26 receive funds demonstrates to the profession of coaching.

27 (c) The State Education Assistance Authority shall: (i) prepare a clear written
28 explanation of the Coaching and Assistant Coaching Scholarship Fund and the
29 information regarding the availability and criteria for awarding the scholarships, and (ii)
30 provide that information to the appropriate counselors in each local school system and
31 shall charge those counselors to inform students about the scholarships and to encourage
32 them to apply for the scholarships.

33 (d) The State Education Assistance Authority shall administer the Fund and shall
34 ensure that the loan amounts are limited to six thousand five hundred dollars (\$6,500)
35 each.

36 (e) The Authority shall ensure that the following loan cancellations and
37 repayment schedules apply to all funds distributed pursuant to this section:

38 (1) The individual who graduates with a bachelors degree and who works
39 as a school coach or coaching assistant in a rural or other need-based
40 area of North Carolina shall have that amount of the loan cancelled
41 that is based on the amount of time employed and the number of
42 academic years funds were received. One full year of employment
43 shall cancel one academic year's loan.

1 (2) The individual who graduates with a bachelors degree and who works
2 as a school coach or assistant coach in a rural or other need-based area
3 of North Carolina for the equivalent of the total number of academic
4 years funds were received shall have the entire loan cancelled.

5 (3) The individual who graduates with a bachelors degree and who does
6 not work as a school coach or assistant coach in a rural or other
7 need-based area of North Carolina for any or all of the equivalent of
8 the number of years funds were received shall repay the loan to the
9 Authority according to a schedule prescribed in the promissory note,
10 plus ten percent (10%) annual interest.

11 (4) The individual who does not graduate with a bachelors degree shall
12 repay the loan according to a schedule prescribed by the Authority, not
13 to exceed fifteen percent (15%) annual interest. In establishing a
14 schedule and interest rate, the Authority shall take into consideration
15 the reasons the individual did not graduate with a bachelors degree.

16 The Authority shall ensure that all repayments, including accrued interest, shall be
17 placed in the Fund.

18 The Authority may forgive or reduce any loan repayment if the Authority considers
19 that extenuating circumstances exist that would make repayment impossible.

20 (f) The State Education Assistance Authority, in consultation with the Board of
21 Governors of The University of North Carolina, shall adopt rules to implement this
22 section.

23 (g) The State Education Assistance Authority shall report to the Joint Legislative
24 Education Oversight Committee by March 1 each year regarding the Fund and
25 scholarships awarded from the Fund."

26 **SECTION 2.** There is appropriated from the Escheat Fund to the State
27 Education Assistance Authority the sum of one hundred thousand dollars (\$100,000) for
28 the 2005-2006 fiscal year and the sum of two hundred thousand dollars (\$200,000) for
29 the 2006-2007 fiscal year to implement this act.

30 **SECTION 3.** This act becomes effective July 1, 2005.