

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2007

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SENATE BILL 1296

Short Title: Enhance Prospective Teacher Scholarships.

(Public)

Sponsors: Senators Swindell; Malone and Stevens.

Referred to: Appropriations/Base Budget.

March 26, 2007

A BILL TO BE ENTITLED

AN ACT TO ENHANCE ACCESSIBILITY TO SCHOLARSHIP LOAN FUNDS FOR  
TEACHERS, GUIDANCE COUNSELORS, AND COACHES BY  
CONSOLIDATING THE FUTURE TEACHERS OF NORTH CAROLINA  
SCHOLARSHIP LOAN FUND AND THE PHYSICAL EDUCATION –  
COACHING SCHOLARSHIP LOAN FUND WITH THE PROSPECTIVE  
TEACHERS SCHOLARSHIP LOAN FUND.

The General Assembly of North Carolina enacts:

**SECTION 1.** G.S. 116-209.33 reads as rewritten:

**"§ 116-209.33. Scholarship Loan Fund for Prospective Teachers.**

(a) There is established a revolving fund known as the "Scholarship Loan Fund for Prospective Teachers". The purpose of the Fund is to provide scholarship loans to qualified ~~individuals~~ students who are pursuing college degrees or licensure to become ~~teachers~~ teachers or guidance counselors in the North Carolina public schools and encourage some of those individuals to become coaches or assistant coaches. Scholarship loans shall be available only to students who are enrolled, or accepted for enrollment, in institutions of higher education located in this State that offer programs that prepare students to teach in the public schools or, in the case of scholarship loans for guidance counselors, that offer graduate degrees in counselor education. The State Education Assistance Authority shall administer the Fund.

(b) The State Education Assistance Authority, in consultation with the ~~State Board of Education,~~ Board of Governors of The University of North Carolina and the State Board of Community Colleges, shall develop criteria for awarding scholarship loans from the Fund. These criteria shall include:

- (1) Measures of academic performance including grade point averages, scores on standardized ~~tests,~~ tests as appropriate, class rank, and recommendations of guidance counselors and ~~principals.~~ principals or faculty and college administrators.

- 1 (2) North Carolina residency. – For purposes of this section, residency  
2 shall be determined by the same standard as residency for tuition  
3 purposes pursuant to G.S. 116-143.1.
- 4 (3) The geographic areas or subjects of instruction in which the demand  
5 for teachers is ~~greatest~~greatest, including math, science, special  
6 education, and English as a Second Language.
- 7 (4) ~~To the extent practical, an equal number of scholarships shall be~~  
8 ~~awarded in each of the State's Congressional Districts.~~
- 9 (5)(4) Any additional criteria that the State Education Assistance Authority  
10 considers necessary to administer the Fund effectively, including the  
11 following:
- 12 a. Consideration of the appropriate numbers of minority applicants  
13 and applicants from diverse socioeconomic backgrounds to  
14 receive scholarships pursuant to this section.
- 15 b. Consideration of the commitment an individual applying to  
16 receive funds demonstrates to the profession of teaching.
- 17 (c) The State Education Assistance Authority shall earmark each year up to 25  
18 scholarship loans under this section for new awards to students enrolled in teacher  
19 preparation programs that demonstrate a commitment to the profession of coaching. The  
20 State Education Assistance Authority may earmark each year up to twenty percent  
21 (20%) of the funds available for scholarship loans under this section for awards to  
22 applicants for the Teacher Assistant Scholarship Fund established in G.S. 116-209.35."

23 **SECTION 2.** G.S. 116-209.34 reads as rewritten:

24 "**§ 116-209.34. Fund administered by State Education Assistance Authority;**  
25 **rule-making authority.**

- 26 (a) The State Education Assistance Authority shall establish the terms and  
27 conditions for the scholarship loans consistent with the following:
- 28 (1) ~~The Each scholarship~~ loan amount shall be not exceed ~~more than four~~  
29 ~~thousand dollars (\$4,000)~~six thousand five hundred dollars (\$6,500)  
30 per academic school year for a maximum period of four academic  
31 years for applicants who are pursuing a college degree to become a  
32 teacher.years.
- 33 (2) All scholarship loans shall be evidenced by notes made payable to the  
34 Authority that bear interest at the rate ~~of set by the Authority~~ not to  
35 exceed ten percent (10%) per year, beginning ~~September~~ 190 days  
36 after graduation, or immediately after termination of the scholarship  
37 loan, whichever is earlier.
- 38 (3) A scholarship loan shall be terminated upon the recipient's  
39 withdrawing from school or a finding by the Authority that the  
40 recipient fails to meet the standards set by the Authority. All  
41 terminated scholarships shall be regarded as vacant and subject to  
42 being awarded to other eligible persons.
- 43 (4) The Authority shall forgive a four-year loan if, within seven years after  
44 graduation, exclusive of any deferment authorized by the Authority on

1           the basis of extenuating circumstances, the recipient teaches for four  
2 years at a North Carolina public school or at a school operated by the  
3 United States government in North Carolina. The Authority shall also  
4 forgive a four-year loan if, within seven years after graduation,  
5 exclusive of any deferment authorized by the Authority on the basis of  
6 extenuating circumstances, the recipient teaches for three consecutive  
7 years, or for three years interrupted only by an approved leave of  
8 absence, at a North Carolina public school that is in a low-performing  
9 school system or a school system on warning status at the time the  
10 recipient accepts employment with the local school administrative unit.  
11 For loans of less than four years, the Authority shall forgive one year  
12 for each year the recipient teaches, within four years of graduation,  
13 exclusive of any deferment authorized by the Authority on the basis of  
14 extenuating circumstances, at a North Carolina public school or a  
15 school operated by the United States government in North Carolina.

16           (5) The Authority may forgive or reduce any loan payment if the  
17 Authority considers that extenuating circumstances exist that would  
18 make teaching or repayment impossible.

19           (6) The Authority shall ensure that all repayments, including the accrued  
20 interest, are placed in the Fund.

21           (b) The State Education Assistance Authority, ~~in consultation with the State~~  
22 ~~Board of Education~~, Authority shall adopt rules to implement G.S. 116-209.33,  
23 116-209.34, and 116-209.35.

24           (c) The State Education Assistance Authority shall: (i) prepare a clear written  
25 explanation of the Scholarship Loan Fund for Prospective Teachers and the information  
26 regarding the availability and criteria for awarding the scholarships; and (ii) provide that  
27 information to the appropriate counselors in each local school system and appropriate  
28 administrators in the institutions of higher education in the State and shall charge those  
29 counselors and administrators to inform students about the scholarships and to  
30 encourage them to apply for the scholarships."

31           **SECTION 3.** G.S. 116-209.36 and G.S. 116-209.38 are repealed effective  
32 July 1, 2008.

33           **SECTION 4.** This act becomes effective January 1, 2008, and applies to all  
34 scholarship loans awarded for academic years beginning after July 1, 2008.