

Prospective Teachers Scholarship Loan Program

THIS DOCUMENT IS CURRENT THROUGH ALL 2006 LEGISLATION

CHAPTER 116. HIGHER EDUCATION ARTICLE 23. STATE EDUCATION ASSISTANCE AUTHORITY

§ 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 who are pursuing college degrees to become teachers. The State Education Assistance Authority shall administer the Fund.

(b) The State Education Assistance Authority, in consultation with the State Board of Education, 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, class rank, and recommendations of guidance counselors and principals.

(2) North Carolina residency. -- For purposes of this section, residency shall be determined by the same standard as residency for tuition purposes pursuant to G.S. 116-143.1.

(3) The geographic areas or subjects of instruction in which the demand for teachers is greatest.

(4) To the extent practical, an equal number of scholarships shall be awarded in each of the State's Congressional Districts.

(5) Any additional criteria that the State Education Assistance Authority considers necessary to administer the Fund effectively, including the following:

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

b. Consideration of the commitment an individual applying to receive funds demonstrates to the profession of teaching.

(c) The State Education Assistance Authority may earmark each year up to twenty percent (20%) of the funds available for scholarship loans under this section for awards to applicants for the Teacher Assistant Scholarship Fund established in G.S. 116-209.35.

HISTORY: 1957, c. 1237; 1983 (Reg. Sess., 1984), c. 1034, s. 10.1; 1987, c. 738, s. 198(b); 1993, c. 260, s. 1; 1996, 2nd Ex. Sess., c. 18, s. 18.10; 1997-506, s. 40; 2005-276, ss. 9.17(b), 9.17(c).

NOTES:

EDITOR'S NOTE. --This section was formerly codified as G.S. 115C-468. It was recodified as G.S. 116-209.33 by Session Laws 2005-276, s. 9.17(b), effective January 1, 2006, and applicable to scholarship loans awarded on or after that date.

Sections 115C-468 through 115C-471 were formerly G.S. 116-171 through 116-174. They were transferred to Article 32A of Chapter 115C by Session Laws 1983 (Reg. Sess., 1984), c. 1034, s. 10.1.

Session Laws 2002-126, s. 9.2(b), provides: "The statutory authority, powers, duties, and functions, records, personnel, property, and unexpended balances of appropriations, allocations, or other funds of the Department of Public Instruction relating to the collection of loan repayments for loans awarded under Article 32A of Chapter 115C of the General Statutes when the loans are outstanding for more than 30 days are transferred from the Department of Public Instruction to the State Education Assistance Authority. This transfer has all of the elements of a Type II transfer as defined by G.S. 143A-6."

Session Laws 2002-126, s. 1.2, provides: "This act shall be known as 'The Current Operations, Capitol Improvements, and Finance Act of 2002'."

Session Laws 2002-126, s. 31.3, provides: "Except for statutory changes or other provisions that clearly indicate an intention to have effects beyond the 2002-2003 fiscal year, the textual provisions of this act apply only to funds appropriated for, and activities occurring during, the 2002-2003 fiscal year. For example, uncodified provisions of this act relating to the Medicaid program apply only to the 2002-2003 fiscal year."

Session Laws 2002-126, s. 31.6 is a severability clause.

Session Laws 2005-276, s. 9.17(a), provides: "The Scholarship Loan Fund for Prospective Teachers is transferred from the Department of Public Instruction to the State Education Assistance Authority. This transfer shall have all of the elements of a Type I transfer, as defined in G.S. 143A-6."

Session Laws 2005-276, s. 1.2, provides: "This act shall be known as the 'Current Operations and Capital Improvements Appropriations Act of 2005'."

Session Laws 2005-276, s. 46.3, provides: "Except for statutory changes or other provisions that clearly indicate an intention to have effects beyond the 2005-2007 fiscal biennium, the textual provisions of this act apply only to funds appropriated for, and activities occurring during, the 2005-2007 fiscal biennium."

Session Laws 2005-276, s. 46.5 is a severability clause.

EFFECT OF AMENDMENTS. --Session Laws 2005-276, s. 9.17(c), effective January 1, 2006, and applicable to scholarship loans awarded on or after that date, rewrote the section.

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

(a) The State Education Assistance Authority shall establish the terms and conditions for the scholarship loans consistent with the following:

(1) The loan amount shall be not more than four thousand dollars (\$ 4,000) per academic school year for a maximum of four years for applicants who are pursuing a college degree to become a teacher.

(2) All scholarship loans shall be evidenced by notes made payable to the Authority that bear interest at the rate of ten percent (10%) per year, beginning September 1 after graduation, or immediately after termination of the scholarship loan, whichever is earlier.

(3) A scholarship loan shall be terminated upon the recipient's withdrawing from school or a finding by the Authority that the recipient fails to meet the standards set by the Authority. All terminated scholarships shall be regarded as vacant and subject to being awarded to other eligible persons.

(4) The Authority shall forgive a four-year loan if, within seven years after graduation, the recipient teaches for four years at a North Carolina public school or at a school operated by the United States government in North Carolina. The Authority shall also forgive a four-year loan if, within seven years after graduation, the recipient teaches for three consecutive years, or for three years interrupted only by an approved leave of absence, at a North Carolina public school that is in a low-performing school system or a school system on warning status at the time the recipient accepts employment with the local school administrative unit. For loans of less than four years, the Authority shall forgive one year for each year the recipient teaches, within four years of graduation, at a North Carolina public school or a school operated by the United States government in North Carolina.

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

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

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

HISTORY: 1957, c. 1237; 1973, c. 581, ss. 1, 2; 1975, c. 750, s. 1; 1983 (Reg. Sess., 1984), c. 1034, s. 10.1; 1987, c. 738, ss. 198(c), (d), (e); 1989 (Reg. Sess., 1990), c. 1066, s. 95; 1993, c. 260, s. 2; 1995, c. 435, s. 1; 2005-276, ss. 9.17(b), 9.17(d).

NOTES:

EDITOR'S NOTE. --This section was formerly codified as G.S. 115C-471. It was recodified as G.S. 116-209.34 by Session Laws 2005-276, s. 9.17(b), effective January 1, 2006, and applicable to scholarship loans awarded on or after that date.

Session Laws 2005-276, s. 1.2, provides: "This act shall be known as the 'Current Operations and Capital Improvements Appropriations Act of 2005'."

Session Laws 2005-276, s. 46.5 is a severability clause.

EFFECT OF AMENDMENTS. --Session Laws 2005-276, s. 9.17(d), effective January 1, 2006, and applicable to scholarship loans awarded on or after that date, rewrote the section.