

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2017

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SENATE BILL 252*
Education/Higher Education Committee Substitute Adopted 4/5/17

Short Title: North Carolina Teaching Fellows.

(Public)

Sponsors:

Referred to:

March 15, 2017

1 A BILL TO BE ENTITLED
2 AN ACT TO REESTABLISH THE NORTH CAROLINA TEACHING FELLOWS
3 PROGRAM.

4 The General Assembly of North Carolina enacts:

5 **SECTION 1.(a)** Article 23 of Chapter 116 of the General Statutes is amended by
6 adding a new Part to read:

7 "Part 3. North Carolina Teaching Fellows Program.

8 **"§ 116-209.60. Definitions.**

9 The following definitions apply in this Part:

- 10 (1) Commission. – The North Carolina Teaching Fellows Commission.
11 (2) Director. – The Director of the North Carolina Teaching Fellows Program.
12 (3) Forgivable loan. – A forgivable loan made under the Program.
13 (4) Program. – The North Carolina Teaching Fellows Program.
14 (5) Public school. – An elementary or secondary school located in North
15 Carolina that is governed by a local board of education, charter school board
16 of directors, regional school board of directors, or University of North
17 Carolina laboratory school board of trustees.
18 (6) STEM. – Science, technology, engineering, and mathematics.
19 (7) Trust Fund. – The North Carolina Teaching Fellows Program Trust Fund.

20 **"§ 116-209.61. North Carolina Teaching Fellows Commission established; membership.**

21 (a) Commission Established. – There is established the North Carolina Teaching
22 Fellows Commission. The Commission shall determine program and forgivable loan recipient
23 selection criteria and selection procedures and shall select the recipients to receive forgivable
24 loans under the North Carolina Teaching Fellows Program in accordance with the requirements
25 of this Part. The Director of the North Carolina Teaching Fellows Program shall appoint staff to
26 the Commission.

27 (b) Membership. – The Commission shall consist of 14 members who shall be
28 appointed or serve as ex officio members as follows:

- 29 (1) The Board of Governors of The University of North Carolina shall appoint
30 seven members to the Commission as follows:
31 a. Two deans of approved schools of education at postsecondary
32 constituent institutions of The University of North Carolina.
33 b. The president of a North Carolina community college.
34 c. A teacher who graduated from an approved educator preparation
35 program located in the State within three years of appointment to
36 serve on the Commission.



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- 1 d. A principal who graduated from an approved educator preparation
2 program located in the State.
3 e. A local board of education member.
4 f. A member to represent business and industry in North Carolina.

5 (2) The General Assembly shall appoint two members to the Commission in
6 accordance with G.S. 120-121 as follows:

- 7 a. One dean of an approved school of education at a private
8 postsecondary institution operating in the State upon the
9 recommendation of the Speaker of the House of Representatives.
10 b. One dean of an approved school of education at a private
11 postsecondary institution operating in the State upon the
12 recommendation of the President Pro Tempore of the Senate.

13 (3) The following five members shall serve as ex officio members to the
14 Commission:

- 15 a. The North Carolina Teacher of the Year.
16 b. The North Carolina Principal of the Year.
17 c. The North Carolina Superintendent of the Year.
18 d. The chair of the Board of the State Education Assistance Authority.
19 e. The Director of the North Carolina Teaching Fellows Program.

20 (c) Terms of Office. – Appointments to the Commission shall be for two-year terms,
21 expiring on July 1 in odd-numbered years. Members serving ex officio, other than the chair of
22 the Board of the State Education Assistance Authority and Director of the North Carolina
23 Teaching Fellows Program, who have otherwise completed their term of service, shall continue
24 to serve on the Commission until July 1, annually.

25 (d) Vacancies. – Except as otherwise provided, if a vacancy occurs in the membership
26 of the Commission, the appointing authority shall appoint another person meeting the same
27 qualifications to serve for the balance of the unexpired term.

28 (e) Chair; Meetings. – The Director of the Program shall call the first meeting of the
29 Commission. The Commission members shall elect a chair and a vice-chair from the
30 membership of the Commission to serve one-year terms. The Commission shall meet regularly
31 at times and places deemed necessary by the chair or, in the absence of the chair, by the
32 vice-chair.

33 (f) Conflict of Interest. – A member of the Commission shall abstain from voting on
34 the selection of an educator preparation program of a postsecondary constituent institution of
35 The University of North Carolina or a private postsecondary institution operating in the State
36 under G.S. 116-209.62(f) if the member is an officer or employee of the institution or sits as a
37 member of the institution's board of directors.

38 (g) Expenses. – Commission members shall receive per diem, subsistence, and travel
39 allowances in accordance with G.S. 138-5 or G.S. 138-6, as appropriate.

40 **§ 116-209.62. North Carolina Teaching Fellows Program established; administration.**

41 (a) Program. – There is established the North Carolina Teaching Fellows Program to be
42 administered by the General Administration of The University of North Carolina, in
43 conjunction with the Authority and the Commission. The purpose of the Program is to recruit,
44 prepare, and support students residing in or attending institutions of higher education located in
45 North Carolina for preparation as highly effective STEM or special education teachers in the
46 State's public schools. The Program shall be used to provide a forgivable loan to individuals
47 interested in preparing to teach in the public schools of the State in STEM or special education
48 licensure areas.

49 (b) Trust Fund. – There is established the North Carolina Teaching Fellows Program
50 Trust Fund to be administered by the Authority, in conjunction with the General Administration
51 of The University of North Carolina. All funds (i) appropriated to, or otherwise received by, the

1 Program for forgivable loans; (ii) all funds received as repayment of forgivable loans; and (iii)
2 all interest earned on these funds shall be placed in the Trust Fund. The purpose of the Trust
3 Fund is to provide financial assistance to qualified students for completion of teacher education
4 and licensure programs to fill STEM or special education licensure areas in the public schools
5 of the State.

6 (c) Uses of Monies in the Trust Fund. – The monies in the Trust Fund may be used only
7 for forgivable loans granted under the Program, administrative costs associated with the
8 Program, including recruitment and recovery of funds advanced under the Program, and
9 extracurricular enhancement activities of the Program. The Authority may use up to six
10 hundred thousand dollars (\$600,000) from the Trust Fund in each fiscal year for its
11 administrative costs, the salary of the Director of the Program, expenses of the Commission,
12 and provide the Commission with funds to use for the extracurricular enhancement activities of
13 the Program.

14 (d) Director of the Program. – The Board of Governors of The University of North
15 Carolina shall appoint a Director of the Program. The Director shall appoint staff to the
16 Commission and shall be responsible for recruitment and coordination of the Program,
17 including proactive, aggressive, and strategic recruitment of potential recipients. Recruitment
18 activities shall include (i) targeting regions of the State with the highest teacher attrition rates
19 and teacher recruitment challenges; (ii) actively engaging with educators, business leaders,
20 experts in human resources, elected officials, and other community leaders throughout the
21 State; and (iii) attracting candidates in STEM and special education licensure areas to the
22 Program. The Director shall report to the President of The University of North Carolina. The
23 Authority shall provide office space and clerical support staff, as necessary, to the Director for
24 the Program.

25 (e) Student Selection Criteria for Forgivable Loans. – The Commission shall adopt
26 stringent standards for awarding forgivable loans based on multiple measures to ensure that
27 only the strongest applicants receive them, including the following:

28 (1) Grade point averages.

29 (2) Performance on relevant career and college readiness assessments.

30 (3) Experience, accomplishments, and other criteria demonstrating qualities
31 positively correlated with highly effective teachers, including excellent
32 verbal and communication skills.

33 (4) Demonstrated commitment to serve in a STEM or special education
34 licensure area in North Carolina public schools.

35 (f) Program Selection Criteria. – The Authority shall administer the Program in
36 cooperation with five institutions of higher education with approved educator preparation
37 programs selected by the Commission that represent both postsecondary constituent institutions
38 of The University of North Carolina and private postsecondary institutions operating in the
39 State. The Commission shall adopt stringent standards for selection of the most effective
40 educator preparation programs, including the following:

41 (1) Demonstrates high rates of educator effectiveness on value-added models
42 and teacher evaluations, including using performance-based, subject-specific
43 assessment and support systems, such as edTPA or other metrics of
44 evaluating candidate effectiveness that have predictive validity.

45 (2) Demonstrates measurable impact of prior graduates on student learning,
46 including impact of graduates teaching in STEM or special education
47 licensure areas.

48 (3) Demonstrates high rates of graduates passing exams required for teacher
49 licensure.

- 1 (4) Provides curricular and co-curricular enhancements in leadership, facilitates
2 learning for diverse learners, and promotes community engagement,
3 classroom management, and reflection and assessment.
4 (5) Requires at least a minor concentration of study in the subject area that the
5 candidate may teach.
6 (6) Provides early and frequent internship or practical experiences, including the
7 opportunity for participants to perform practicums in diverse school
8 environments.
9 (7) Is approved by the State Board of Education as an educator preparation
10 program.

11 (g) Awards of Forgivable Loans. – The Program shall provide forgivable loans to
12 selected students to be used at the five selected institutions for completion of a program leading
13 to teacher licensure as follows:

- 14 (1) North Carolina high school seniors. – Forgivable loans of up to eight
15 thousand two hundred fifty dollars (\$8,250) per year for up to four years.
16 (2) Students applying for transfer to a selected educator preparation program at
17 an institution of higher education. – Forgivable loans of up to eight thousand
18 two hundred fifty dollars (\$8,250) per year for up to three years.
19 (3) Individuals currently holding a bachelor's degree seeking preparation for
20 teacher licensure. – Forgivable loans of up to eight thousand two hundred
21 fifty dollars (\$8,250) per year for up to two years.
22 (4) Students matriculating at institutions of higher education who are changing
23 to enrollment in a selected educator preparation program. – Forgivable loans
24 of up to eight thousand two hundred fifty dollars (\$8,250) per year for up to
25 two years.

26 Forgivable loans may be used for tuition, fees, and the cost of books.

27 (h) Identification of STEM and Special Education Licensure Areas. – The
28 Superintendent of Public Instruction shall identify and provide to the Commission and the
29 Authority a list of STEM and special education licensure areas and shall annually provide to
30 the Commission the number of available positions in each licensure area relative to the number
31 of current and anticipated teachers in that area of licensure. The Commission shall make the list
32 of STEM and special education licensure areas readily available to applicants.

33 (i) Administration of Forgivable Loan Awards. – Upon the naming of recipients of the
34 forgivable loans by the Commission, the Commission shall transfer to the Authority its
35 decisions. The Authority, in coordination with the Director, shall perform all of the
36 administrative functions necessary to implement this Part, which functions shall include rule
37 making, dissemination of information, liaison with participating institutions of higher
38 education, implementing forgivable loan agreements, loan monitoring, loan cancelling through
39 service and collection, determination of the acceptability of service repayment agreements,
40 enforcing the agreements, and all other functions necessary for the execution, payment, and
41 enforcement of promissory notes required under this Part.

42 (j) Annual Report. – The Commission, in coordination with the Authority, shall report
43 no later than January 1, 2019, and annually thereafter, to the Joint Legislative Education
44 Oversight Committee regarding the following:

- 45 (1) Forgivable loans awarded from the Trust Fund, including the following:
46 a. Demographic information regarding recipients.
47 b. Number of recipients by institution of higher education and program.
48 c. Information on number of recipients by anticipated STEM and
49 special education licensure area.
50 (2) Placement and repayment rates, including the following:

- a. Number of graduates who have been employed in a STEM or special education licensure area within two years of program completion.
 - b. Number of graduates who accepted employment at a low-performing school identified under G.S. 115C-105.37 as part of their years of service.
 - c. Number of graduates who have elected to do loan repayment and their years of service, if any, prior to beginning loan repayment.
 - d. Number of graduates employed in a STEM or special education licensure area who have received an overall rating of at least accomplished and have met expected growth on applicable standards of the teacher evaluation instrument.
 - e. Aggregate information on student growth and proficiency in courses taught by graduates who have fulfilled service requirements through employment in a STEM or special education licensure area.
- (3) Selected school outcomes by program, including the following:
- a. Turnover rate for forgivable loan graduates.
 - b. Aggregate information on student growth and proficiency as provided annually by the State Board of Education to the Commission in courses taught by forgivable loan graduates.
 - c. Fulfillment rate of forgivable loan graduates.

"§ 116-209.63. Terms of forgivable loans; receipt and disbursement of funds.

(a) Notes. – All forgivable loans shall be evidenced by notes made payable to the Authority that bear interest at a rate not to exceed ten percent (10%) per year as set by the Authority and beginning on the first day of September after the completion of the program leading to teacher licensure or 90 days after termination of the forgivable loan, whichever is earlier. The forgivable loan may be terminated upon the recipient's withdrawal from school or by the recipient's failure to meet the standards set by the Commission.

(b) Forgiveness. – The Authority shall forgive the loan and any interest accrued on the loan if, within 10 years after graduation from a program leading to teacher licensure, exclusive of any authorized deferment for extenuating circumstances, the recipient serves as a teacher in a STEM or special education licensure area, as provided in G.S. 116-209.61(h), for every year the teacher was awarded the forgivable loan, in any combination of the following:

- (1) One year at a North Carolina public school identified as low-performing under G.S. 115C-105.37 at the time the teacher accepts employment at the school or, if the teacher changes employment during this period, at another school identified as low-performing.
- (2) Two years at a North Carolina public school not identified as low-performing under G.S. 115C-105.37.

The Authority shall also forgive the loan if it finds that it is impossible for the recipient to work for up to eight years, within 10 years after completion of the program leading to teacher licensure, at a North Carolina public school because of the death or permanent disability of the recipient. If the recipient repays the forgivable loan by cash payments, all indebtedness shall be repaid within 10 years after completion of the program leading to teacher licensure supported by the forgivable loan. If the recipient completes a program leading to teacher licensure, payment of principal and interest shall begin no later than the first day of September after the completion of the program. Should a recipient present extenuating circumstances, the Authority may extend the period to repay the loan in cash to no more than a total of 12 years."

SECTION 1.(b) Initial appointments to the North Carolina Teaching Fellows Commission shall be made no later than August 15, 2017. Initial appointments to the Commission shall expire July 1, 2019.

1 **SECTION 1.(c)** The Commission shall establish initial selection criteria for
2 recipients and select the five institutions of higher education with approved educator
3 preparation programs at which a recipient may use a forgivable loan no later than November
4 15, 2017, and shall make available applications to prospective students no later than December
5 31, 2017.

6 **SECTION 1.(d)** The Superintendent of Public Instruction shall establish the list of
7 STEM and special education licensure areas and provide that information to the Commission
8 and Authority no later than October 1, 2017.

9 **SECTION 1.(e)** The Commission shall select recipients and award the initial
10 forgivable loans for the 2018-2019 academic year no later than April 1, 2018.

11 **SECTION 2.** G.S. 115C-472.16(b) reads as rewritten:

12 "(b) The General Assembly shall only appropriate moneys in the North Carolina
13 Education Endowment Fund for ~~teacher compensation that is related directly to improving~~
14 ~~student academic outcomes in the public schools of the State.~~ the forgivable loans for the North
15 Carolina Teaching Fellows Program and administration of the North Carolina Teaching
16 Fellows Program under Part 3 of Article 23 of Chapter 116 of the General Statutes."

17 **SECTION 3.** G.S. 116-209.27(a) reads as rewritten:

18 "(a) The Authority shall, as of March 1, 2015, administer all outstanding scholarship
19 loans previously awarded by the former North Carolina Teaching Fellows Commission and
20 subject to repayment under the former Teaching Fellows ~~Program.~~ Program administered
21 pursuant to Part 2 of Article 24C of Chapter 115C of the General Statutes."

22 **SECTION 4.** This act becomes effective July 1, 2017. Sections 1 and 2 of this act
23 become effective only if funds are appropriated in a Current Operations Appropriations Act for
24 the 2017-2018 fiscal year to implement the provisions of Sections 1 and 2 of this act.