

**GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2015**

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**HOUSE BILL 661  
Committee Substitute Favorable 4/27/15**

Short Title: Teacher Recruitment and Scholarships.

(Public)

Sponsors:

Referred to:

April 14, 2015

A BILL TO BE ENTITLED  
AN ACT TO TRANSFORM EDUCATOR PREPARATION IN THIS STATE.

Whereas, the purpose of this act is to create a positive transformational force for the quality of education that students receive in North Carolina public schools by recruiting, preparing, and supporting at least 1,000 extraordinary teachers every year for the State's hardest-to-staff schools and classrooms; and

Whereas, based upon research demonstrating the pivotal importance of highly effective teachers in preparing every North Carolina student for success in college and careers, the General Assembly recognizes that enrollment in the State's traditional and nontraditional teacher preparation programs has declined significantly in recent years and that local school administrative units struggle in particular schools and subject areas to recruit the top talent students need, particularly in low-wealth areas and in science, math, and special education; and

Whereas, a crucial piece of providing an excellent educator for every student is a program dedicated to aggressive recruitment of top educator candidates, rigorous preparation, and incentives for teachers to serve in hard-to-staff schools and positions; and

Whereas, the General Assembly firmly believes that one of the best ways to elevate educators and make the teaching profession more attractive to highly talented individuals is to significantly raise the bar on qualifications, including cognitive and noncognitive traits, required to enter educator preparation programs; and

Whereas, the General Assembly supports the commitment by the Board of Governors of The University of North Carolina to improve the quality of schools of education within its constituent institutions and is committed to furthering that work by targeting the State's financial support to top-performing programs; and

Whereas, to support these commitments, this act provides funds and guidelines to establish a recruitment and scholarship program for talented North Carolina high school students, college students, and working professionals to pursue rigorous training for service as teacher leaders in high-need positions and schools in North Carolina; Now, therefore, The General Assembly of North Carolina enacts:

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

"Part 3. North Carolina Competitive Teaching Scholarship Loan Program.

**"§ 116-209.60. Definitions.**

The following definitions apply in this Part:

- (1) Commission. – The North Carolina Competitive Teaching Scholarship Loan Commission.



- 1           (2)     Director. – The Director of the North Carolina Competitive Teaching  
2                 Scholarship Loan Program.
- 3           (3)     Fund. – The North Carolina Competitive Teaching Scholarship Loan  
4           (4)     Program. – The North Carolina Competitive Teaching Scholarship Loan  
5                 Program.
- 6           (5)     Scholarship loan. – A forgivable scholarship loan made under the Program.

7     **§ 116-209.61. North Carolina Competitive Teaching Scholarship Loan Commission**  
8           **established; membership.**

9           (a)     Commission Established. – There is established the North Carolina Competitive  
10           Teaching Scholarship Loan Commission. The Director of the North Carolina Competitive  
11           Teaching Scholarship Loan Program shall staff the Commission. The Authority shall be  
12           responsible for implementing scholarship loan agreements, monitoring, cancelling through  
13           service, collecting, and otherwise enforcing the agreements for the Program scholarship loans  
14           established in accordance with this Part.

15          (b)     Membership. – The Commission shall consist of 11 members appointed or shall  
16           serve ex officio as follows:

- 17           (1)     One dean of an approved school of education at a postsecondary constituent  
18                 institution of The University of North Carolina, appointed by the President  
19                 of The University of North Carolina.
- 20           (2)     One dean of an approved school of education at a private postsecondary  
21                 institution operating in the State, appointed by the President of the North  
22                 Carolina Independent Colleges and Universities, Inc.
- 23           (3)     The North Carolina Teacher of the Year, ex officio.
- 24           (4)     A teacher who graduated from an approved teacher preparation program  
25                 located in the State within three years of appointment to serve on the  
26                 Commission, appointed by the General Assembly upon the recommendation  
27                 of the Speaker of the House of Representatives.
- 28           (5)     The North Carolina Principal of the Year, ex officio.
- 29           (6)     A principal, appointed by the General Assembly upon the recommendation  
30                 of the President Pro Tempore of the Senate.
- 31           (7)     The North Carolina Superintendent of the Year, ex officio.
- 32           (8)     One member to represent business and industry appointed by the Governor.
- 33           (9)     One local school board member appointed by the chair of the State Board of  
34                 Education.
- 35           (10)    The chairperson of the Board of the State Education Assistance Authority,  
36                 ex officio.
- 37           (11)    The Director of the North Carolina Competitive Teaching Scholarship Loan  
38                 Program, ex officio. The Director shall chair the Commission.

39          (c)     Terms of Office. – Appointments to the Commission shall be for two-year terms,  
40           expiring on July 1 in odd-numbered years. Members serving ex officio, other than the  
41           chairperson of the Board of the State Education Assistance Authority and Director of the North  
42           Carolina Competitive Teaching Scholarship Loan Program, who have otherwise completed  
43           their term of service, shall continue to serve on the Commission until July 1, annually.

44          (d)     Vacancies. – Except as otherwise provided, if a vacancy occurs in the membership,  
45           the appointing authority shall appoint another person to serve for the balance of the unexpired  
46           term.

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

49          (f)     Meetings. – The Commission shall meet regularly, at times and places deemed  
50           necessary by the chair.

1 "§ 116-209.62. North Carolina Competitive Teaching Scholarship Loan Program  
2 established; administration.

3 (a) Program. – There is established the North Carolina Competitive Teaching  
4 Scholarship Loan Program to be administered by the Authority in collaboration with the  
5 Commission. The purpose of the Program is to recruit, prepare, and support North Carolina  
6 residents for preparation as highly effective teachers serving in hard-to-staff licensure areas and  
7 hard-to-staff schools. The Program shall be used to provide a scholarship loan to individuals  
8 interested in preparing to teach in the public schools of the State in hard-to-staff licensure areas  
9 and hard-to-staff schools.

10 (b) Fund. – There is established the North Carolina Competitive Teaching Scholarship  
11 Loan Program Fund to be administered by the Authority. The purpose of the Fund is to provide  
12 financial assistance to qualified students for completion of teacher education and licensure  
13 programs to fill hard-to-staff licensure areas and hard-to-staff schools in the State. All funds  
14 appropriated to or otherwise received by the Authority to provide loans through the Program,  
15 all funds received as repayment of loans, and all interest earned on these funds shall be placed  
16 in the Fund. The Fund shall be used only for loans made pursuant to this section and for  
17 administrative costs of the Authority.

18 (c) Director. – The board of directors of the Authority shall appoint a Director of the  
19 Program. The Director shall chair and staff the Commission and shall be responsible for  
20 recruitment and coordination of the Program, including proactive, aggressive, and strategic  
21 recruitment of potential recipients, active engagement with educators, business leaders, experts  
22 in human resources, elected officials, and other community leaders throughout the State, and  
23 attracting candidates in hard-to-staff licensure areas. The Authority shall provide office space  
24 and clerical support staff for the Program.

25 (d) Student Selection Criteria. – The Commission shall determine selection criteria,  
26 methods of selection, and shall select recipients to receive scholarship loans. The Commission  
27 shall adopt stringent standards for awarding these scholarship loans based on multiple measures  
28 to ensure that only the strongest applicants receive them, including, but not limited to, the  
29 following:

30 (1) Grade point averages.

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

32 (3) Experience, accomplishments, and other criteria demonstrating qualities  
33 positively correlated with highly effective teachers.

34 (4) Stated commitments to either serving in a hard-to-staff school or licensure in  
35 a hard-to-staff licensure area for a minimum of four years.

36 (e) Program Selection Criteria. – The Authority shall administer the program in  
37 cooperation with selected institutions of higher education with educator preparation programs  
38 selected by the Commission, including North Carolina community colleges, postsecondary  
39 constituent institutions of The University of North Carolina, and private postsecondary  
40 institutions operating in the State. The Commission shall adopt stringent standards for selection  
41 of only the most effective educator preparation programs, including, but not limited to, the  
42 following:

43 (1) Measures of program quality based on objective criteria developed by third  
44 parties.

45 (2) Measurable impact of prior graduates on student learning, including impact  
46 of graduates teaching in hard-to-staff schools and graduates teaching in  
47 hard-to-staff licensure areas.

48 (3) Demonstration of appropriate program accreditation and program approval  
49 by the State Board of Education.

1           (4) Measurable success of the program's clinical component based on student  
2           outcomes on a nationally normed and valid pedagogy assessment to  
3           determine clinical practice performance.

4           (f) Awards. – The Program shall provide scholarship loans to selected students to be  
5           used at selected institutions for completion of a program leading to teacher licensure as follows:

6           (1) North Carolina high school seniors. – Scholarship loans of up to eight  
7           thousand five hundred dollars (\$8,500) per year for up to four years.

8           (2) Community college students applying for transfer to an educator preparation  
9           program at an institution of higher education. – Scholarship loans of up to  
10           eight thousand five hundred dollars (\$8,500) per year for up to two years.

11           (3) Individuals currently holding a bachelor's degree seeking preparation for  
12           teacher licensure. – Scholarship loans of up to eight thousand five hundred  
13           dollars (\$8,500) per year for up to two years.

14           Scholarship loans may be used for tuition, fees, and the cost of books.

15           (g) Identification of Hard-to-Staff Licensure Areas and Hard-to-Staff Schools. – The  
16           State Board of Education shall annually identify and provide to the Commission and the  
17           Authority a list of hard-to-staff areas of licensure and a list of hard-to-staff schools by local  
18           school administrative unit using, at a minimum, the following criteria to identify those lists:

19           (1) Hard-to-staff licensure areas. – The number of available positions in a  
20           licensure area relative to the number of current and anticipated teachers in  
21           that area of licensure.

22           (2) Hard-to-staff school. – Annual teacher turnover rates, number and  
23           percentage of teaching positions unfilled for more than half of the school  
24           year, number and percentage of teachers with entry professional educator  
25           licenses intended for teachers with two or less years of teaching experience,  
26           percentage of students at school failing to meet expected growth, percentage  
27           of students at school scoring below grade level on standardized assessments,  
28           and school performance grade on the annual school report card.

29           The Commission shall make the list readily available to applicants. A student awarded a  
30           scholarship loan who enrolls in a program leading to a hard-to-staff licensure area shall  
31           continue to receive the scholarship and be permitted to fulfill the requirements of the  
32           scholarship loan even if that licensure area does not remain on the list following the student's  
33           year of enrollment. A student awarded a scholarship loan who, upon graduation, is employed  
34           by a local board of education to teach in a hard-to-staff school shall be permitted to fulfill the  
35           requirements of the scholarship loan even if that school does not remain on the list following  
36           the student's year of initial employment.

37           (h) Upon the naming of recipients of the scholarship loans by the Commission, the  
38           Commission shall transfer to the Authority its decisions. The Authority, in coordination with  
39           the Director, shall perform all of the administrative functions necessary to implement this Part,  
40           which functions shall include rule making, dissemination of information, disbursement, receipt,  
41           liaison with participating educational institutions, determination of the acceptability of service  
42           repayment agreements, and all other functions necessary for the execution, payment, and  
43           enforcement of promissory notes required under this Part.

44           (i) Annual Report. – The Commission, in coordination with the Authority, shall report  
45           no later than January 1, 2017, and annually thereafter, to the Joint Legislative Education  
46           Oversight Committee regarding the following:

47           (1) Loans awarded from the Fund, including the following:

48           a. Demographic information regarding recipients.

49           b. Number of recipients by institution of higher education and program.

50           c. Information on number of recipients by anticipated program  
51           licensure area.

- 1           (2) Placement and repayment rates, including the following:  
2           a. Number of graduates who have been employed in a hard-to-staff  
3 school and number of graduates who have been employed in a  
4 hard-to-staff area within two years of program completion.  
5           b. Number of graduates who have begun loan repayment, including  
6 years of service, if any, prior to beginning loan repayment, including  
7 information as to whether the person was designated as hard-to-staff  
8 area or hard-to-staff subject loan.  
9           c. Number of graduates who have fulfilled service requirements  
10 through employment in a hard-to-staff school and number of  
11 graduates who have fulfilled service requirements through  
12 employment in a hard-to-staff area.  
13           d. Number of graduates employed in a hard-to-staff school or  
14 hard-to-staff area who have received an overall rating of at least  
15 accomplished and of meeting expected growth on applicable  
16 standards of the teacher evaluation instrument.  
17           e. Aggregate information on student growth and proficiency in courses  
18 taught by graduates who have fulfilled service requirements through  
19 employment in a hard-to-staff school and in a hard-to-staff area.  
20       (3) Selected school outcomes, by program, including the following:  
21           a. Turnover rate for scholarship loan graduates.  
22           b. Aggregate information on student growth and proficiency in courses  
23 taught by scholarship loan graduates.  
24           c. Fulfillment rate of scholarship loan graduates.

25 **"§ 116-209.63. Terms of loans; receipt and disbursement of funds.**

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

32       (b) Forgiveness. – The Authority shall forgive the loan and any interest accrued on the  
33 loan if, within seven years after graduation from a program leading to teacher licensure,  
34 exclusive of any authorized deferment for extenuating circumstances, the recipient serves for  
35 four years as a teacher at a North Carolina public school identified as hard to staff or at a North  
36 Carolina public school in an identified hard-to-staff area of licensure, as provided in  
37 G.S. 116-209.61(d). The Authority shall also forgive the loan if it finds that it is impossible for  
38 the recipient to work for four years, within seven years after completion of the program leading  
39 to teacher licensure at a North Carolina public school because of the death or permanent  
40 disability of the recipient. If the recipient repays the scholarship loan by cash payments, all  
41 indebtedness shall be repaid within eight years after completion of the program leading to  
42 teacher licensure supported by the scholarship loan. If the recipient completes a program  
43 leading to teacher licensure, payment of principal and interest shall begin no later than 27  
44 months after the completion of the program. Should a recipient present extenuating  
45 circumstances, the Authority may extend the period to repay the loan in cash to no more than a  
46 total of 12 years.

47       (c) Purposes of Fund. – All funds appropriated to, or otherwise received by, the  
48 Program for scholarships, all funds received as repayment of scholarship loans, and all interest  
49 earned on these funds shall be placed in the Fund. The Fund may be used only for scholarship  
50 loans granted under the Program and administrative costs associated with the Program,  
51 including recruitment and recovery of funds advanced under the Program."

1           **SECTION 1.(b)** Notwithstanding the requirements established in G.S. 116-209.61,  
2 as enacted by this section, initial appointments to the Commission shall be made no later than  
3 August 15, 2015. Initial appointment to the Commission shall expire July 1, 2017.

4           **SECTION 1.(c)** The Commission shall establish initial selection criteria for  
5 recipients and institutions of higher education no later than November 15, 2015, and shall make  
6 available applications to prospective students no later than December 31, 2015.

7           **SECTION 1.(d)** The State Board of Education shall establish criteria and identify  
8 hard-to-staff areas of licensure and hard-to-staff schools by local school administrative unit and  
9 provide that information to the Commission and Authority no later than November 1, 2015.

10          **SECTION 1.(e)** The Commission shall select recipients and award the initial  
11 scholarship loans for the 2016-2017 school year no later than April 1, 2016.

12          **SECTION 1.(f)** There is appropriated from the General Fund to the North Carolina  
13 State Education Assistance Authority (Authority) the sum of two hundred thousand dollars  
14 (\$200,000) for the 2015-2016 fiscal year for establishment of the Program and the sum of one  
15 million dollars (\$1,000,000) for the 2016-2017 fiscal year in recurring funds to implement the  
16 requirements of this section. Beginning in 2016-2017, the Authority may retain up to two  
17 hundred thousand dollars (\$200,000) of the appropriated funds for the salary of the Director of  
18 the Program and other administrative costs. Any unexpended funds for this purpose shall not  
19 revert at the end of each fiscal year but shall remain available to award scholarship loans to  
20 eligible students.

21          **SECTION 2.** This act becomes effective July 1, 2015.