

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2005

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HOUSE BILL 780

Short Title: Need-Based Nursing Scholarships.-AB (Public)

Sponsors: Representatives Yongue; Jones, Pierce, and Wainwright.

Referred to: Education.

March 17, 2005

1 A BILL TO BE ENTITLED  
2 AN ACT TO MODIFY THE PROCESS BY WHICH THE NEED-BASED  
3 SCHOLARSHIP LOAN FUND IS ADMINISTERED.

4 The General Assembly of North Carolina enacts:

5 SECTION 1. G.S. 90-171.65 reads as rewritten:

6 "§ 90-171.65. Need-based nursing scholarships fund.

7 (a) There is created a need-based scholarship loan fund for nursing students.  
8 Need-based scholarship loans shall be available for study in nursing programs offered  
9 by community colleges and The University of North Carolina, and by private colleges  
10 ~~which~~ that offer licensed practical nursing or registered nursing programs. Part-time  
11 students and nontraditional students who have post-secondary degrees, and registered  
12 nurses pursuing a baccalaureate degree in nursing, are eligible to receive need-based  
13 nursing scholarship loans.

14 (b) ~~Need-based nursing scholarship loan funds shall be administered by the State  
15 Board of Community Colleges, the Board of Governors of The University of North  
16 Carolina, and the State Education Assistance Authority. The State Board of Community  
17 Colleges and the Board of Governors of The University of North Carolina shall allocate  
18 the scholarship loan funds among their respective constituent institutions which have  
19 programs of education leading to a degree in nursing. Distribution shall be in a manner  
20 determined by the appropriate governing body. The State Education Assistance  
21 Authority shall distribute scholarship loan funds to private nonprofit colleges which  
22 offer nursing degree programs. Distribution shall be in a manner determined~~Authority in  
23 accordance with rules and regulations adopted by the Board of the State Education  
24 Assistance Authority after consultation with the North Carolina Association of  
25 Independent Colleges and Universities. Authority. Distribution of scholarship loan funds  
26 among students enrolled in the constituent institutions of The University of North  
27 Carolina, community colleges, or private colleges shall be in amounts proportionate to  
28 the amounts awarded to each similar group of students in the preceding fiscal year.

1 (c) The State Education Assistance Authority shall carry out the following  
2 functions in implementing the need-based nursing scholarship loan program:

- 3 (1) Promulgate the rules and regulations necessary to implement the  
4 scholarship ~~program;~~program, including the selection criteria and  
5 method of selection of recipients of need-based nursing scholarship  
6 loans;  
7 (2) Disburse, collect, and monitor scholarship loan funds;  
8 (3) Establish the terms and conditions of promissory notes executed by  
9 loan recipients;  
10 (4) Approve service repayment agreements;  
11 (5) Collect cash repayments required when service repayment is not  
12 completed; and  
13 (6) Adopt rules to allow for the forgiveness of scholarship loans if it  
14 determines that it is impossible for the recipient to practice nursing in  
15 North Carolina for a sufficient time to repay the loan because of the  
16 death or permanent disability of the recipient within ten years  
17 following graduation or termination of enrollment in a nursing  
18 education program.

19 (d) ~~Each institution to which scholarship loan funds are allocated~~The State  
20 Education Assistance Authority shall publicize the availability of, shall disseminate,  
21 receive and review applications for, and shall select the recipients of scholarship loans.  
22 Scholarship loans shall be made only to prospective and enrolled nursing students under  
23 the terms and conditions established for the need-based nursing scholarship loan  
24 program by the State Education Assistance Authority."

25 **SECTION 2.** This act becomes effective January 1, 2006, and applies to all  
26 scholarship loans awarded after that date.