

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2009

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SENATE BILL 229*

Short Title: Scholarship Loan for Rural Social Workers. (Public)

Sponsors: Senators Swindell; Atwater, Berger of Franklin, Brown, Davis, Foriest, Goss, Jenkins, Preston, Queen, Rand, Snow, and Stevens.

Referred to: Appropriations/Base Budget.

February 19, 2009

1 A BILL TO BE ENTITLED
2 AN ACT TO ESTABLISH THE SCHOLARSHIP LOAN FUND FOR SOCIAL WORKERS
3 IN UNDERSERVED AREAS, AS RECOMMENDED BY THE JOINT LEGISLATIVE
4 EDUCATION OVERSIGHT COMMITTEE.

5 The General Assembly of North Carolina enacts:

6 **SECTION 1.** Article 23 of Chapter 116 of the General Statutes is amended by
7 adding a new section to read:

8 "**§ 116-209.31. Scholarship Loan Fund for Social Workers in Underserved Areas.**

9 (a) There is established the Scholarship Loan Fund for Social Workers in Underserved
10 Areas. The purpose of the Fund is to provide scholarship loans to train social workers to deliver
11 mental health, substance abuse, and developmental disabilities services in underserved areas of
12 North Carolina. The State Education Assistance Authority shall administer the Fund and shall
13 award 40 scholarship loans per year, 10 at each of the eligible institutions in subsection (b) of
14 this section.

15 (b) Students in masters programs of social work at the following institutions are eligible
16 to receive the Scholarship Loan Fund for Social Workers in Underserved Areas:

17 (1) The University of North Carolina at Chapel Hill.

18 (2) Appalachian State University.

19 (3) East Carolina University.

20 (4) The joint program between the University of North Carolina at Greensboro
21 and the North Carolina Agricultural and Technical State University.

22 (c) Social Workers in Underserved Areas Fellows shall be offered a curriculum that
23 advances skills in evidence and research-based best practices for mental health, substance
24 abuse, and disabilities service delivery in underserved areas and that instills a strong motivation
25 to provide services in rural and other need-based areas. The coordinator of the academic
26 program, in consultation with the faculty of the eligible programs of social work, current
27 program coordinators of the local management entities in designated federal mental health
28 provider shortage areas, and the State chapter of the National Association of Social Workers,
29 shall develop, review, and revise the curriculum, program goals, progress, and outcomes.

30 (d) Criteria for awarding the scholarship loans shall be developed by the State
31 Education Assistance Authority in consultation with the Board of Governors of The University
32 of North Carolina and shall include all of the following:

33 (1) An applicant shall be enrolled in the second year of an accredited masters of
34 social work program at the University of North Carolina at Chapel Hill,
35 Appalachian State University, East Carolina University, or the joint program



1 between the University of North Carolina at Greensboro and the North
2 Carolina Agricultural and Technical State University.

3 (2) All students shall enter into a legal agreement and promissory note with the
4 Authority to accept employment in mental health, substance abuse, and
5 developmental disabilities delivery in exchange for receiving any funds,
6 which agreement shall include stipulation that the student agrees to accept
7 employment in rural or other need-based counties.

8 (3) An applicant shall be a resident of North Carolina. For purposes of this
9 section, residency shall be determined by the same standard as residency for
10 tuition purposes pursuant to G.S. 116-143.1.

11 (4) Any additional criteria that the State Education Assistance Authority
12 considers necessary to administer the Fund effectively, including all of the
13 following:

14 a. Consideration of applicants from diverse backgrounds to receive
15 scholarships pursuant to this section.

16 b. Consideration of what rural or other need-based areas of the State
17 shall be considered appropriate underserved areas for work after
18 graduation.

19 c. Consideration of the academic qualifications of the individuals
20 applying to receive funds.

21 d. Consideration of the commitment an individual applying to receive
22 funds demonstrates to the profession of social work.

23 (e) The State Education Assistance Authority shall: (i) prepare a clear written
24 explanation of the Scholarship Loan Fund for Social Workers in Underserved Areas and the
25 information regarding the availability and criteria for awarding the scholarships, and (ii)
26 provide that information to the appropriate counselors and shall charge those counselors to
27 inform students about the scholarships and to encourage them to apply for the scholarships.

28 (f) The State Education Assistance Authority shall administer the Fund and shall ensure
29 that the loan amount is limited to eleven thousand dollars (\$11,000) per recipient.

30 (g) The Authority shall ensure that the following loan cancellations and repayment
31 schedules apply to all funds distributed pursuant to this section:

32 (1) The individual who graduates with a masters degree and who works as a
33 social worker providing mental health, substance abuse, and developmental
34 disabilities services in an underserved area of North Carolina for two years
35 shall have the entire loan cancelled.

36 (2) The individual who graduates with a masters degree and who does not work
37 as a social worker providing mental health, substance abuse, and
38 developmental disabilities services in an underserved area for any or all of
39 the two years of required service shall repay the loan to the Authority
40 according to a schedule prescribed in the promissory note, plus ten percent
41 (10%) annual interest.

42 (3) The individual who does not graduate with a masters degree shall repay the
43 loan according to a schedule prescribed by the Authority, not to exceed
44 fifteen percent (15%) annual interest. In establishing a schedule and interest
45 rate, the Authority shall take into consideration the reasons the individual did
46 not graduate with a masters degree.

47 The Authority shall ensure that all repayments, including accrued interest, shall be placed in
48 the Fund.

49 The Authority may forgive or reduce any loan repayment if the Authority considers that
50 extenuating circumstances exist that would make repayment impossible.

1 (h) The State Education Assistance Authority, in consultation with the Board of
2 Governors of The University of North Carolina, shall adopt rules to implement this section.

3 (i) The State Education Assistance Authority shall report to the Joint Legislative
4 Education Oversight Committee by March 1 of each year regarding the Fund and scholarship
5 loans awarded from the Fund."

6 **SECTION 2.** There is appropriated from the General Fund to the Board of
7 Governors of The University of North Carolina the sum of two hundred sixty thousand dollars
8 (\$260,000) for the 2009-2010 fiscal year and the sum of two hundred sixty thousand dollars
9 (\$260,000) for the 2010-2011 fiscal year for a program coordinator, faculty, support staff, an
10 intensive training week, a placement event, advisory board meetings, and other costs of the
11 academic program. There is appropriated from the General Fund to the State Education
12 Assistance Authority for the 2010-2011 fiscal year the sum of four hundred forty thousand
13 dollars (\$440,000) for scholarship loans to implement this act.

14 **SECTION 3.** This act becomes effective July 1, 2009.