

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2017

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HOUSE BILL 339\*

Short Title: North Carolina Teaching Fellows. (Public)

Sponsors: Representatives Horn, Ross, Grange, and Iler (Primary Sponsors).  
*For a complete list of sponsors, refer to the North Carolina General Assembly web site.*

Referred to: Education - Universities, if favorable, Appropriations

March 15, 2017

1 A BILL TO BE ENTITLED  
2 AN ACT TO REESTABLISH THE NORTH CAROLINA TEACHING FELLOWS PROGRAM.  
3 The General Assembly of North Carolina enacts:

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

6 "Part 3. North Carolina Teaching Fellows Program.

7 **"§ 116-209.60. Definitions.**

8 The following definitions apply in this Part:

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

19 **"§ 116-209.61. North Carolina Teaching Fellows Commission established; membership.**

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

25 (b) Membership. – The Commission shall consist of 14 members appointed or shall serve  
26 as ex officio members as follows:

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



- 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 postsecondary  
8                 institution operating in the State upon the recommendation of the  
9                 Speaker of the House of Representatives.  
10          b.     One dean of an approved school of education at a private postsecondary  
11                 institution operating in the State upon the recommendation of the  
12                 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 the  
22             Board of the State Education Assistance Authority and Director of the North Carolina Teaching  
23             Fellows Program, who have otherwise completed their term of service, shall continue to serve on  
24             the Commission until July 1, annually.

25         (d)   Vacancies. – Except as otherwise provided, if a vacancy occurs in the membership of  
26             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 membership  
30             of the Commission to serve one-year terms. The Commission shall meet regularly at times and  
31             places deemed necessary by the chair or, in the absence of the chair, by the vice-chair.

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

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

39         **"§ 116-209.62. North Carolina Teaching Fellows Program established; administration.**

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

47         (b)   Fund. – There is established the North Carolina Teaching Fellows Program Fund to be  
48             administered by the Authority, in conjunction with the General Administration of The University  
49             of North Carolina. All funds (i) appropriated to, or otherwise received by, the Program for  
50             forgivable loans; (ii) all funds received as repayment of forgivable loans; and (iii) all interest  
51             earned on these funds shall be placed in the Fund. The purpose of the Fund is to provide financial

1 assistance to qualified students for completion of teacher education and licensure programs to fill  
2 STEM or special education licensure areas in the public schools of the State.

3 (c) Uses of Monies in the Fund. – The monies in the Fund may be used only for forgivable  
4 loans granted under the Program, administrative costs associated with the Program, including  
5 recruitment and recovery of funds advanced under the Program, and extracurricular enhancement  
6 activities of the Program. The Authority may use up to two hundred fifty thousand dollars  
7 (\$250,000) from the Fund in each fiscal year for its administrative costs, the salary of the Director  
8 of the Program, and expenses of the Commission. The Commission may use up to three hundred  
9 fifty thousand dollars (\$350,000) each fiscal year for the extracurricular enhancement activities of  
10 the Program.

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

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

23 (1) Grade point averages.

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

25 (3) Experience, accomplishments, and other criteria demonstrating qualities  
26 positively correlated with highly effective teachers, including excellent verbal  
27 and communication skills.

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

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

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

40 (2) Demonstrates measurable impact of prior graduates on student learning,  
41 including impact of graduates teaching in STEM or special education licensure  
42 areas.

43 (3) Demonstrates high rates of graduates passing exams required for teacher  
44 licensure.

45 (4) Provides curricular and co-curricular enhancements in leadership, facilitates  
46 learning for diverse learners, and promotes community engagement, classroom  
47 management, and reflection and assessment.

48 (5) Requires at least a minor concentration of study in the subject area that the  
49 candidate may teach.

1           (6) Provides early and frequent internship or practical experiences, including the  
2           opportunity for participants to perform practicums in diverse school  
3           environments.

4           (7) Is approved by the State Board of Education as an educator preparation  
5           program.

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

9           (1) North Carolina high school seniors. – Forgivable loans of up to eight thousand  
10           two hundred fifty dollars (\$8,250) per year for up to four years.

11           (2) Students applying for transfer to a selected educator preparation program at an  
12           institution of higher education. – Forgivable loans of up to eight thousand two  
13           hundred fifty dollars (\$8,250) per year for up to three years.

14           (3) Individuals currently holding a bachelor's degree seeking preparation for  
15           teacher licensure. – Forgivable loans of up to eight thousand two hundred fifty  
16           dollars (\$8,250) per year for up to two years.

17           (4) Students matriculating at institutions of higher education who are changing to  
18           enrollment in a selected educator preparation program. – Forgivable loans of up  
19           to eight thousand two hundred fifty dollars (\$8,250) per year for up to two  
20           years.

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

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

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

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

40           (1) Forgivable loans awarded from the Fund, including the following:

41           a. Demographic information regarding recipients.

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

43           c. Information on number of recipients by anticipated STEM and special  
44           education licensure area.

45           (2) Placement and repayment rates, including the following:

46           a. Number of graduates who have been employed in a STEM or special  
47           education licensure area within two years of program completion.

48           b. Number of graduates who accepted employment at a low-performing  
49           school identified under G.S. 115C-105.37 as part of their years of  
50           service.

- 1           c.     Number of graduates who have begun loan repayment and their years of  
2                 service, if any, prior to beginning loan repayment.  
3           d.     Number of graduates employed in a STEM or special education  
4                 licensure area who have received an overall rating of at least  
5                 accomplished and have met expected growth on applicable standards of  
6                 the teacher evaluation instrument.  
7           e.     Aggregate information on student growth and proficiency in courses  
8                 taught by graduates who have fulfilled service requirements through  
9                 employment in a STEM or special education licensure area.  
10         (3)    Selected school outcomes by program, including the following:  
11             a.     Turnover rate for forgivable loan graduates.  
12             b.     Aggregate information on student growth and proficiency in courses  
13                 taught by forgivable loan graduates.  
14             c.     Fulfillment rate of forgivable loan graduates.

15    **"§ 116-209.63. Terms of forgivable loans; receipt and disbursement of funds.**

16         (a)    Notes. – All forgivable loans shall be evidenced by notes made payable to the  
17         Authority that bear interest at a rate not to exceed ten percent (10%) per year as set by the  
18         Authority and beginning 90 days after completion of the program leading to teacher licensure, or  
19         90 days after termination of the forgivable loan, whichever is earlier. The forgivable loan may be  
20         terminated upon the recipient's withdrawal from school or by the recipient's failure to meet the  
21         standards set by the Commission.

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

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

33         The Authority shall also forgive the loan if it finds that it is impossible for the recipient to  
34         work for up to eight years, within 10 years after completion of the program leading to teacher  
35         licensure, at a North Carolina public school because of the death or permanent disability of the  
36         recipient. If the recipient repays the forgivable loan by cash payments, all indebtedness shall be  
37         repaid within eight years after completion of the program leading to teacher licensure supported by  
38         the forgivable loan. If the recipient completes a program leading to teacher licensure, payment of  
39         principal and interest shall begin no later than 27 months after the completion of the program.  
40         Should a recipient present extenuating circumstances, the Authority may extend the period to  
41         repay the loan in cash to no more than a total of 12 years."

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

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

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

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

3           **SECTION 1.(f)** There is appropriated from the General Fund to the Board of  
4 Governors of The University of North Carolina (i) for the 2017-2018 fiscal year, the sum of two  
5 hundred fifty thousand dollars (\$250,000) in nonrecurring funds to be used to implement the North  
6 Carolina Teaching Fellows Program (Program), as established by this section, and (ii) for the  
7 2018-2019 fiscal year, the sum of six million dollars (\$6,000,000) in recurring funds to be used for  
8 the operation of the Program and for the award of forgivable loans to selected recipients beginning  
9 with the 2018-2019 academic year.

10           **SECTION 2.** G.S. 116-209.27(a) reads as rewritten:

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

15           **SECTION 3.** This act becomes effective July 1, 2017.