

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

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HOUSE BILL 661
PROPOSED COMMITTEE SUBSTITUTE H661-PCS10360-TC-25

Short Title: Teacher Recruitment and Scholarships.

(Public)

Sponsors:

Referred to:

April 14, 2015

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

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

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

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

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

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

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

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

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

32 "**§ 116-209.60. Definitions.**

33 The following definitions apply in this Part:

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



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- 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.