

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2025

H.B. 396  
Mar 13, 2025  
HOUSE PRINCIPAL CLERK

H

D

HOUSE BILL DRH40176-MTa-20

Short Title: Nursing Fellows & Curric. Support Funds/WSSU. (Public)

Sponsors: Representative Lambeth.

Referred to:

A BILL TO BE ENTITLED  
AN ACT TO ESTABLISH THE NURSING FELLOWS PROGRAM AT WINSTON-SALEM  
STATE UNIVERSITY AND TO APPROPRIATE FUNDS FOR CURRICULUM  
SUPPORT FOR NURSING STUDENTS AT WINSTON-SALEM STATE UNIVERSITY.  
The General Assembly of North Carolina enacts:

**PART I. NURSING FELLOWS PROGRAM AT WINSTON-SALEM STATE  
UNIVERSITY**

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

"Part 3A. Nursing Fellows Program.

**"§ 116-209.64. Definitions.**

The following definitions apply in this Part:

- (1) Academic term. – A semester or summer session.
- (2) Authority. – The State Education Assistance Authority.
- (3) Dean. – The Dean of the School of Health Sciences at WSSU.
- (4) Eligible nurse. – A nurse who meets all of the following criteria:
  - a. Received a forgivable loan.
  - b. Graduated within 10 years from at least one of the following at WSSU, excluding any authorized deferment for extenuating circumstances:
    1. A Bachelor of Science in Nursing program.
    2. A Master of Science in Nursing Education program.
  - c. Is licensed as a registered nurse in this State.
- (5) Forgivable loan. – A forgivable loan made under the Program.
- (6) Program. – The Nursing Fellows Program.
- (7) Qualifying nurse. – An eligible nurse who meets all of the following criteria:
  - a. Holds a Bachelor of Science degree in Nursing from WSSU.
  - b. Is employed as a nurse in this State.
- (8) Qualifying nurse instructor. – An eligible nurse who meets all of the following criteria:
  - a. Holds a Bachelor of Science degree in Nursing from WSSU and a Master of Science degree in Nursing Education from WSSU.
  - b. Is employed as an instructor in a qualifying nursing program.
- (9) Qualifying nursing program. – A nursing program at one of the following that prepares students to earn a degree in nursing and become a licensed practical nurse as defined in Article 9A of Chapter 90 of the General Statutes:



\* D R H 4 0 1 7 6 - M T A - 2 0 \*

- a. A community college.
- b. A university or private postsecondary institution.
- (10) Trust Fund. – The Nursing Fellows Program Trust Fund.
- (11) University or private postsecondary institution. – Either of the following:
  - a. A postsecondary constituent institution of The University of North Carolina as defined in G.S. 116-2(4).
  - b. An eligible private postsecondary educational institution as defined in G.S. 116-280(3).
- (12) WSSU. – Winston-Salem State University.

**"§ 116-209.65. North Carolina Nursing Fellows Program established; administration.**

(a) Program. – There is established the Nursing Fellows Program. The purpose of the Program is to recruit, prepare, and support eligible nursing students at WSSU for preparation as highly effective nurses and instructors in qualifying nursing programs. The Program shall be used to provide forgivable loans to nursing students who are (i) enrolled in degree programs at WSSU to receive a Bachelor of Science in Nursing or a Master of Science in Nursing Education and (ii) interested in preparing to become nurses in the State or instructors in qualifying nursing programs.

(b) Program Administration; Dean. – The Authority shall administer the Program in cooperation with the Dean. The Dean shall determine forgivable loan recipient selection criteria and selection procedures and shall select the recipients to receive forgivable loans under the Program in accordance with the requirements of this Part. The Dean shall appoint any needed staff of the Program and shall be responsible for recruitment and coordination of the Program, including proactive, aggressive, and strategic recruitment of potential recipients. Recruitment activities shall include (i) targeting regions of the State with the greatest need for nurses and nursing instructors in qualifying nursing programs, (ii) actively engaging with registered nurses, business leaders, experts in human resources, elected officials, and other community leaders throughout the State, and (iii) attracting candidates to the Program. WSSU shall provide office space and clerical support staff, as necessary, to the Dean for the Program.

(c) Trust Fund. – There is established the Nursing Fellows Program Trust Fund to be administered by the Authority, in conjunction with the Dean. All funds (i) appropriated to, or otherwise received by, the Program for forgivable loans and other Program purposes, (ii) received as repayment of forgivable loans, and (iii) earned as interest on these funds shall be placed in the Trust Fund. The purpose of the Trust Fund is to provide financial assistance to qualified students to fill needed positions for nurses in the State and instructors in qualifying nursing programs through completion of a Bachelor of Science degree in Nursing or both a Bachelor of Science degree in Nursing and a Master of Science degree in Nursing Education.

(d) Uses of Monies in the Trust Fund. – The monies in the Trust Fund may be used only for (i) forgivable loans granted under the Program, (ii) administrative costs associated with the Program, including recruitment and recovery of funds advanced under the Program, (iii) mentoring and coaching support to forgivable loan recipients, and (iv) extracurricular enhancement activities of the Program in accordance with the following:

- (1) The Authority shall transfer six percent (6%) of the available funds from the Trust Fund to WSSU at the beginning of each fiscal year for the following purposes:
  - a. The Program's administrative costs.
  - b. Extracurricular enhancement activities of the Program.
  - c. Mentoring and coaching support to forgivable loan recipients in an amount of up to two thousand two hundred dollars (\$2,200) for each Program recipient.

(2) The Authority may use up to four percent (4%) of the funds appropriated to the Trust Fund each fiscal year for administrative costs associated with the Program.

(e) Student Selection Criteria for Forgivable Loans. – The Dean, in consultation with the Associate Dean of Nursing at WSSU, shall adopt stringent standards for awarding forgivable loans based on multiple measures to ensure that only the strongest applicants receive them, including the following:

(1) Grade point averages.

(2) Performance on relevant assessments.

(3) Experience, accomplishments, and other criteria demonstrating qualities positively correlated with highly effective nurses and instructors in qualifying nursing programs, including excellent verbal and communication skills.

(4) Demonstrated commitment to serve in North Carolina.

(f) Awards of Forgivable Loans. – The Program shall provide forgivable loans to selected students who are initially enrolled in a Bachelor of Science in Nursing degree program at WSSU. Loan payments shall be provided each year for completion of the Bachelor of Science in Nursing program and, if a loan recipient seeks to become a qualifying nurse instructor, for a Master of Science in Nursing Education program. The student shall be eligible to receive loan payments for the Master of Science in Nursing Education program as long as the student enrolls within two years of graduation from the Bachelor of Science in Nursing program. Forgivable loans may be used for tuition, fees, the cost of books, and expenses related to completing a Bachelor of Science degree in Nursing and a Master of Science degree in Nursing Education. Forgivable loans shall be awarded per academic term in amounts of up to five thousand dollars (\$5,000) per semester or two thousand five hundred dollars (\$2,500) per summer session, as follows:

(1) For students pursuing careers as qualifying nurses, for up to five semesters.

(2) For persons pursuing careers as qualifying nurse instructors, for up to nine semesters.

(g) Administration of Forgivable Loan Awards. – Upon the naming of recipients of the forgivable loans by the Dean, the Dean shall transfer to the Authority its decisions. The Authority, in coordination with the Dean, shall perform all of the administrative functions necessary to implement this Part, which functions shall include rulemaking, disseminating information, acting as a liaison with participating institutions of higher education, implementing forgivable loan agreements, loan monitoring, loan canceling through service and collection, determining the acceptability of service repayment agreements, enforcing the agreements, and all other functions necessary for the execution, payment, and enforcement of promissory notes required under this Part.

(h) Annual Report. – The Dean, in coordination with the Authority, shall report no later than January 1, 2027, and annually thereafter, to the Joint Legislative Education Oversight Committee regarding the following:

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

a. Demographic information regarding recipients.

b. Number of recipients by institution of higher education.

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

a. Number of graduates who have been employed as qualifying nurses in the State and qualifying nurse instructors in qualifying nursing programs within two years of graduation.

b. Number of graduates who have elected to do loan repayment and their years of service, if any, prior to beginning loan repayment.

c. Graduation rates of associate degree students taught by instructors in qualifying nursing programs who are recipients of loans under the Program.

- (3) Mentoring and coaching support, including the number of forgivable loan recipients who received mentoring and coaching support.
- (4) Selected nurse employer outcomes by degree program, including the following:
- a. Turnover rate for forgivable loan graduates, including the turnover rate for graduates who also received mentoring and coaching support.
- b. Fulfillment rate of forgivable loan graduates.

**"§ 116-209.66. Terms of forgivable loans; receipt and disbursement of funds.**

(a) Notes. – All forgivable loans shall be evidenced by notes made payable to the Authority that bear interest at a rate not to exceed ten percent (10%) per year as set by the Authority and beginning on the first day of September after completion of the applicable degree program or 90 days after graduation, whichever is later. If a forgivable loan is terminated, the note shall be made payable to the Authority 90 days after termination of the forgivable loan. The forgivable loan may be terminated upon the recipient's withdrawal from the Program or by the recipient's failure to meet the standards set by the Dean.

(b) Forgiveness. – For every year a qualifying nurse remains a qualifying nurse or a qualifying nurse instructor remains a qualifying nurse instructor, the Authority shall forgive one-third of the total loan amount received over the course of enrollment in the applicable degree program and any interest accrued on that amount. The Authority shall also forgive the loan if it finds that it is impossible for the recipient to work for up to three years, within 10 years after completion of the Bachelor of Science in Nursing degree program for persons pursuing forgiveness as qualifying nurses or of the Master of Science in Nursing Education degree program for persons pursuing forgiveness as qualifying nurse instructors, because of the death or permanent disability of the recipient. If the recipient repays the forgivable loan by cash payments, all indebtedness shall be repaid within 10 years after completion of the latest applicable degree program supported by the forgivable loan. If the recipient completes the applicable degree program, payment of principal and interest shall begin no later than the first day of September after the completion of the program. Should a recipient present extenuating circumstances, the Authority may extend the period to repay the loan in cash to no more than a total of 12 years."

**SECTION 1.(b)** G.S. 116-204 reads as rewritten:

**"§ 116-204. Powers of Authority.**

The Authority is hereby authorized and empowered:

...

- (9) To collect loan repayments for loans awarded under the ~~Teaching Fellows Program pursuant to G.S. 115C 363.23A~~ following programs if the loan repayment is outstanding for more than 30 ~~days~~ days:
- a. The Teaching Fellows Program pursuant to Part 3 of Article 23 of Chapter 116 of the General Statutes.
- b. The Nursing Fellows Program pursuant to Part 3A of Article 23 of Chapter 116 of the General Statutes.

...."

**SECTION 1.(c)** The Dean of the School of Health Sciences at Winston-Salem State University shall establish initial selection criteria for recipients no later than November 15, 2025, and shall make available applications to prospective students no later than December 31, 2025.

**SECTION 1.(d)** The Dean of the School of Health Sciences at Winston-Salem State University shall select recipients and award the initial forgivable loans for the 2026-2027 academic year no later than April 1, 2026.

**SECTION 1.(e)** There is appropriated from the General Fund to the Nursing Fellows Program Trust Fund for the 2025-2026 fiscal year the sum of one million four hundred thousand dollars (\$1,400,000) in recurring funds to establish the Nursing Fellows Program described in this section.

**SECTION 1.(f)** This section applies beginning with applications for enrollment in the Nursing Fellows Program in the 2026-2027 academic year.

**PART II. FUNDS FOR CURRICULUM SUPPORT FOR NURSING STUDENTS AT WINSTON-SALEM STATE UNIVERSITY**

**SECTION 2.** There is appropriated from the General Fund to the Board of Governors of The University of North Carolina the sum of one hundred thousand dollars (\$100,000) in recurring funds for the 2025-2026 fiscal year to be allocated to Winston-Salem State University (WSSU) to provide mentoring, coaching, and other curriculum-support services for students enrolled in a nursing degree program at WSSU.

**PART III. EFFECTIVE DATE**

**SECTION 3.** This act becomes effective July 1, 2025.