

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2025

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HOUSE PRINCIPAL CLERK

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HOUSE BILL DRH40289-MT-56A

Short Title: Principal Fellows Changes. (Public)

Sponsors: Representative Cotham.

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT TO MAKE VARIOUS CHANGES TO THE PRINCIPAL FELLOWS PROGRAM.
3 The General Assembly of North Carolina enacts:

4
5 **PART I. ESTABLISH DEVELOPMENT GRANTS FOR PRINCIPAL FELLOWS**
6 **PROGRAM**

7 **SECTION 1.** Article 5C of Chapter 116 of the General Statutes reads as rewritten:
8 "Article 5C.

9 "North Carolina Principal Fellows Program.

10 ...
11 **"§ 116-74.44. North Carolina Principal Fellows Program established; administration.**

12 (a) Established. – There is established the North Carolina Principal Fellows Program as
13 a competitive grant program for eligible entities for the purpose of elevating educators in North
14 Carolina public schools by transforming the preparation of principals across the State and
15 providing for (i) forgivable scholarship loans to the participants of those school leader
16 preparation programs. ~~programs and (ii) grants to school leader preparation programs to develop~~
17 innovative ways of training principals. The Authority shall administer the North Carolina
18 Principal Fellows Program in collaboration with the Commission as set forth in this Article to
19 provide funds for the preparation and support of highly effective future school principals in North
20 Carolina.

21 ...
22 (c) Administration of Forgivable Scholarship Loans. – Upon the ~~grant recipients'~~
23 ~~selection~~ selection by grant recipients for forgivable scholarship loans of the program participants
24 for the school leader preparation programs, the Commission shall transfer the names of all
25 program participants to the Authority. The Authority shall perform all of the administrative
26 functions necessary to implement the forgivable scholarship loans to the school leader
27 preparation program participants, which functions shall include rule making, disseminating
28 information, acting as a liaison with participating eligible entities, implementing forgivable loan
29 agreements in the form of promissory notes, monitoring loan repayment through service and
30 cash, and performing all other functions necessary for the execution, payment, and enforcement
31 of promissory notes required under this Article.

32 ...
33 **"§ 116-74.45. Grant applications; priority.**

34 (a) Application Requirements. – Subject to the availability of funds for this purpose, the
35 Commission shall issue a request for proposal with guidelines and criteria for applying for a
36 ~~grant.~~ grants to provide forgivable scholarship loans and develop innovative ways of training



1 principals. An eligible entity that seeks a grant shall submit to the Commission an application at
2 such time, in such manner, and accompanied by such information as the Commission may
3 require. Eligible entities may create partnerships to develop and establish school leader
4 preparation programs and apply jointly to be a grant recipient. An applicant shall include at least
5 the following information in its application for consideration by the Commission:

6 ...

7 **"§ 116-74.46. Recipient selection; use of grant funds; duration and conditions of grants;
8 reporting requirements.**

9 (a) Selection. – After evaluation of grant applications pursuant to G.S. 116-74.45, the
10 Commission shall notify the Authority of its selection of the recipients of grants for each fiscal
11 year. The Commission shall select up to eight grant recipients to ~~be operating~~ operate a school
12 leader preparation program with grant funds for forgivable scholarship loans in any fiscal
13 ~~year-year and up to two recipients for a grant of up to two hundred fifty thousand dollars~~
14 (\$250,000) per recipient per fiscal year to develop innovative ways of training principals.

15 (b) Use of ~~Funds.~~ Grant Funds for Forgivable Scholarship Loans. – Each eligible entity
16 that receives grant funds for forgivable scholarship loans shall use those funds to carry out the
17 following:

18 ...

19 (c) Duration and Conditions of Grants. – The Commission shall also notify the Authority
20 of its decisions on the duration and renewal of grants to eligible entities made in accordance with
21 the following:

22 (1) The duration of grants for forgivable scholarship loans shall be as follows:

- 23 a. Grants shall be no more than six years and no fewer than two years in
24 duration, unless the Commission finds early termination of a grant is
25 necessary due to noncompliance with grant terms.
26 b. The Commission may renew a grant based on compliance with the
27 grant terms and performance, including allowing the grantee to scale
28 up or replicate the successful program as provided in subdivision (3)
29 of this subsection.

30 (1a) The duration of grants for training development shall be for one year. The
31 Commission may renew a grant for training development, in its discretion, on
32 an annual basis.

33 ...

34 (3) In evaluating performance for purposes of grant renewal and making its
35 renewal decisions to provide to the ~~Authority,~~ Authority pursuant to
36 subdivision (1) of this subsection, the Commission shall consider at least the
37 following:

38 ...

39 (d) Reporting Requirements for Grant Recipients. – Recipients of grants shall participate
40 in all evaluation activities required by the Commission and submit an annual report to the
41 Commission with any information requested by the Commission. The recipients shall comply
42 with additional report requests made by the Commission. Whenever practicable and within a
43 reasonable amount of time, grant recipients shall also make all materials developed as part of the
44 program and with grant funds publicly available to contribute to the broader sharing of promising
45 practices. Materials shall not include personally identifiable information regarding individuals
46 involved or associated with the program, including, without limitation, applicants, participants,
47 supervisors, evaluators, faculty, and staff, without their prior written consent. The Commission
48 shall work with recipients, local school administrative units, and public schools, as needed, to
49 enable the collection, analysis, and evaluation of at least the following ~~relevant data,~~ data related
50 to grants for forgivable scholarship loans, within necessary privacy constraints:

51 (1) Student achievement in eligible schools.

- 1 (2) The percentage of program completers who are placed as school leaders
- 2 within three years in the State.
- 3 (3) The percentage of program completers who are placed as school leaders
- 4 within three years in high-need schools in the State.
- 5 (4) The percentage of program completers rated proficient or above on school
- 6 leader evaluation and support systems.
- 7 (5) The percentage of program completers that are school leaders who have
- 8 remained employed in a North Carolina public school for two or more years
- 9 of initial placement.

10"

11

12 **PART II. PRINCIPAL FELLOWS PROGRAM MAY USE ADMINISTRATIVE FUNDS**

13 **FOR STATEWIDE PROGRAMMING**

14 **SECTION 2.** G.S. 116-74.41B reads as rewritten:

15 **"§ 116-74.41B. The North Carolina Principal Fellows Trust Fund.**

16 ...

17 (b) Use of Monies in the Trust Fund. – The monies in the Trust Fund may be used only
18 for the purposes set forth in this subsection, including the award of grants pursuant to
19 G.S. 116-74.44, administrative costs, and costs associated with Program operations in
20 accordance with this Article. The Authority may use up to two percent (2%) of the funds
21 appropriated for the Program or one hundred sixty thousand dollars (\$160,000) from the Trust
22 Fund, whichever is greater, each fiscal year for administrative costs, including recovery of funds
23 advanced under the Program, and may allocate to the Commission up to eight hundred thousand
24 dollars (\$800,000) from the Trust Fund each fiscal year for the following:

- 25 (1) The salary and benefits of the director and staff of the Program.
- 26 (2) The expenses of the Commission to administer the Program.
- 27 (3) Program monitoring and evaluation.
- 28 (4) Extracurricular enhancement activities for the Program.
- 29 (5) Repealed by Session Laws 2019-60, s. 1(y), effective July 1, 2021.
- 30 (6) Programming on research-based school leadership practices to be shared with
- 31 eligible entities in order to improve principal preparation throughout the State.

32 (c) Remaining Funds. – If at the end of each fiscal year there are funds remaining in the
33 Trust Fund that are not obligated or otherwise encumbered for another purpose, upon the request
34 of the Commission, the Authority shall allocate the funds to the Commission for any of the
35 purposes identified in subdivisions (3) through (6) of subsection (b) of this section."

36

37 **PART III. EFFECTIVE DATE**

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