



This Bill Analysis reflects the contents of the bill as it was presented in committee.

HOUSE BILL 844: STEM Teacher Forgivable Loan Program

2015-2016 General Assembly

Committee:	House Education - Universities, if favorable, Appropriations	Date:	May 12, 2015
Introduced by:	Reps. Hanes, Bryan, Hardister, Meyer	Prepared by:	Kara McCraw* Committee Counsel
Analysis of:	First Edition		

SUMMARY: House Bill 844 would establish a scholarship program for prospective STEM (Science, Technology, Engineering, and Mathematics) and Special Education teachers to be administered by the State Education Assistance Authority (SEAA).

CURRENT LAW: The State Education Assistance Authority (SEAA), governed under Article 23 of Chapter 116 of the General Statutes, is the State agency authorized to provide "a system of financial assistance, consisting of grants, loans, work-study or other employment, and other aids, to assist qualified students to enable them to obtain an education beyond the high school level by attending public or private educational institutions."

G.S. 116-209.45 provides for the Forgivable Education Loans for Service (FELS) Program and Fund. The FELS Program provides financial assistance to qualified students to prepare them for certain high-need professions. The SEAA is responsible for the administration of the FELS Program, including the following duties: (i) adopting the eligibility criteria to participate in the Program, (ii) establishing the interest rate, loan amount and repayment terms for the loans, and (iii) adopting the rules necessary to implement and administer the Program. For 2015-2016, the following programs related to professions in education are eligible for FELS at the baccalaureate and higher level: Biology, Chemistry, Comprehensive Science, English as a Second Language, Foreign Language, Math, Middle Grades, Physics, and Special Education.

The SEAA does not currently administer a forgivable loan program specific to prospective STEM or special education teachers.

BILL ANALYSIS: HB 844 would create a new part in Article 23 of Chapter 116 of the General Statutes to establish the North Carolina STEM and Special Education Scholars Program (Program). The Program would be administered by the SEAA and would provide financial assistance in the form of forgivable loans of service to exemplary high school seniors who are committed to working as public school teachers of science, technology, engineering, mathematics (STEM) or special education.

SEAA would be responsible for establishing criteria for eligibility to participate in the Program, including, as at minimum, a 3.0 grade point average and a minimum scholastic aptitude test score. Recipients of this loan must attend a constituent institution of the UNC system and would not be eligible to concurrently receive FELS loans. The loan amount would be \$5,000/year, although the SEAA would have the discretion to provide recipients with a loan as close as is practicable to an amount equal to the average tuition, fees, and basic on-campus housing costs of UNC System schools as of the prior school year.

The loan would be forgiven if, within 6 years of graduation, the recipient either taught for 4 years at a public school or taught for 3 consecutive years at a public school system that had been identified by the

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State Board of Education as a "low-performing school." The SEAA would have the authority to collect cash repayments if the service repayment is not completed.

The local school administrative unit where the student receiving the loan attended public school would have priority in hiring the student within six months of the student's graduation date, and would have the opportunity to match or provide a better offer the student received from another local school administrative unit before the student could accept another offer.

Section 2 appropriates from the General Fund to the Board of Governors the sum of \$2,900,000 for the 2015-2016 fiscal year and the sum of \$5,400,000 for the 2016-2017 fiscal year to implement the provisions of this act, including funding for scholarships, administrative costs, and extracurricular activities.

EFFECTIVE DATE: HB 844 would become effective July 1, 2015.

**This summary was significantly contributed to by Denise Adams, Legislative Analyst.*