



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

SENATE BILL 252: North Carolina Teaching Fellows.

2017-2018 General Assembly

Committee:	Senate Education/Higher Education. If favorable, re-refer to Appropriations/Base Budget. If favorable, re-refer to Rules and Operations of the Senate	Date:	April 4, 2017
Introduced by:	Sens. Barefoot, Lee, Ballard	Prepared by:	Kara McCraw and Drupti Chauhan
Analysis of:	PCS to First Edition S252-CSRQ-3		Committee Counsel

OVERVIEW: Senate Bill 252 would re-establish the North Carolina Teaching Fellows Program (Program) to provide forgivable loans to students preparing to be licensed teachers in science, technology, engineering, math (STEM), or special education.

The Proposed Committee Substitute (PCS) makes the following changes to the bill including:

- Clarifying that the North Carolina Teaching Fellows Fund that is created is a Trust Fund.
- Stating that the Director of the North Carolina Teaching Fellows Commission (Commission) reports to the President of The University of North Carolina.
- Directing the State Education Assistance Authority to use up \$600,000 each fiscal year for administrative costs, the Director's salary, expenses of the Commission, and to provide the Commission with funds to use for the Program's extracurricular enhancement activities.
- Providing that interest of the forgivable loan begin accruing on September 1 after the completion of the program leading to teacher licensure rather than 90 days after the completion of the program.
- Allowing recipients who decide to repay the forgivable loans 10 years to repay rather than 8 years (this option is in lieu of teaching).
- Providing that repayment of the forgivable loan would begin on September 1 after the completion of the program leading to teacher licensure rather than 27 months after the completion of the program.
- Changing the purpose of the funds in the North Carolina Education Endowment Fund to provide that the monies in the North Carolina Education Endowment Fund are to be used to fund the Program and removes a \$6,000,000 appropriation from the General Fund.

CURRENT LAW: In 2011, the General Assembly repealed the North Carolina Teaching Fellows Program and the North Carolina Teaching Fellows Commission as of July 1, 2015. The State Education Assistance Authority (SEAA) administers all outstanding scholarship loans previously awarded by the former North Carolina Teaching Fellows Commission and subject to repayment under the former Teaching Fellows Program.

BILL ANALYSIS: Section 1 of the PCS for House Bill 339 would re-establish the North Carolina Teaching Fellows Program (Program) and the North Carolina Teaching Fellows Commission (Commission)

Karen Cochrane-Brown
Director



Legislative Analysis
Division
919-733-2578

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which would determine the forgivable loan recipient selection criteria, selection procedures, and recipients for the forgivable loans granted under Program.

Commission: The Commission would have 14 members including 7 members appointed by the Board of Governors of The University of North Carolina, 2 members appointed by the General Assembly, and 5 ex officio members. Members other than the ex officio members would serve 2 year terms. The Commission members would elect a chair and vice-chair from the membership.

Program and Purpose: The Program would be administered by the General Administration of The University of North Carolina in conjunction with the SEAA and the Commission. The purpose of the Program would be to recruit, prepare, and support students residing in or attending institutions of higher education located in the State to be STEM or special education teachers in the State's public schools. The Board of Governors of The University of North Carolina must appoint the Director of the Program who would report to the President of The University of North Carolina. The Program's recruitment activities must include (i) targeting regions of the State with the highest teacher attrition rates and teacher recruitment challenges; (ii) actively engaging with educators, business leaders, experts in human resources, elected officials, and other community leaders throughout the State; and (iii) attracting candidates in STEM and special education teacher licensure areas.

Award of Forgivable Loans: The Program must provide forgivable loans to selected students to be used at the 5 selected institutions of higher education for completion of a program that leads to teacher licensure. The forgivable loan awards would be as follows:

- North Carolina high school seniors – \$8,250 per year for up to 4 years
- Students applying for transfer to an educator preparation program at a selected institution of higher education – \$8,250 per year for up to 3 years
- Individuals currently holding a bachelor's degree seeking preparation for teacher licensure – \$8,250 per year for up to 2 years
- Students matriculating at institutions of higher education who are changing to enrollment in a selected educator preparation program – \$8,250 per year for up to 2 years

Terms of the Forgivable Loans: The forgivable loans must be evidenced by notes made payable to the SEAA. The SEAA must forgive the loan and any interest accrued on the loan if, within 10 years after graduation from a program that lead to licensure, exclusive of any authorized deferment for extenuating circumstances, the recipient serves as a teacher in a STEM or special education licensure area for every year the teacher was awarded the forgivable loan, in any combination of the following:

- 1 year at a North Carolina public school identified as low-performing at the time the teacher accepts employment at the school or if the teacher changes employment during this period, at another school identified as low-performing.
- 2 years at a North Carolina public school that is not identified as low-performing.

The SEAA must also forgive the loan if it is found that it is impossible for the recipient to work for up to 8 years within 10 years after completion of the program leading to teacher licensure because of death or permanent disability.

If the recipient repays by cash payments, all indebtedness must be repaid within 10 years of the completion of the program that led to teacher licensure supported by the forgivable loan, unless there are extenuating circumstances where the SEAA may extend the cash repayment period to 12 years.

Identification of STEM and Special Education Licensure Areas: The Superintendent of Public Instruction must provide the SEAA and the Commission with a list of STEM and special education licensure areas and also annually provide to the Commission the number of available positions in each licensure area relevant to

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the number of current and anticipated teachers in that area of licensure. This information must be made readily available to applicants.

Student Selection Criteria for the Forgivable Loans: The Commission must adopt stringent standards for awarding the forgivable loans include grade point averages; performance on relevant career and college readiness assessments; qualities positively correlating with high effective teachers including excellent verbal and communication skills; and demonstrated commitment to service in a STEM or special education licensure area.

Educator Preparation Program Selection Criteria: The Program must be administered in cooperation with 5 institutions of higher education with approved educator preparation programs selected by the Commission that include both public and private postsecondary institutions of higher education in the State. The Commission must adopt strict standards for the selection of the educator preparation programs that include:

- A showing of high rates of educator effectiveness on value-added models and teacher evaluations including using performance-based, subject-specific assessment and support systems such as edTPA or other metrics of evaluating candidate effectiveness that have predictive validity.
- A showing of measurable impact of prior graduates on student learning including the impact of graduate teaching in STEM or special education.
- A showing of high rates of graduates passing exams required for teacher licensure.
- An emphasis on providing curricular and co-curricular enhancements in leadership, learning for diverse learners and promotion of community engagement, classroom management, and reflection and assessment.
- A requirement of at least a minor concentration of study in the subject area that the candidate may teach.
- A requirement of early and frequent internship or practical experiences.
- Approval by the State Board of Education as an educator preparation program.

Report: An annual report must be submitted to the Joint Legislative Education Oversight Committee beginning January 1, 2019 with detailed information about the recipients; employment placements of the recipients after they graduate; evaluations of the graduates once they begin teaching; and information on their students' academic outcomes; and turnover and loan fulfillment rates of the forgivable loan recipients and graduates.

Implementation: Initial appointments to the Commission must be made no later than August 15, 2017. The Commission must establish initial selection criteria for recipients and select the 5 institutions of higher education with the approved educator preparation programs at which a recipient can use the forgivable loan no later than November 15, 2017 with applications available no later than December 31, 2017. Recipients of the initial forgivable loans for the 2018-2019 academic year must be selected by April 1, 2018.

Section 2 of the PCS would require that the monies in the North Carolina Education Endowment Fund shall only be appropriated for the forgivable loans for the Program and the administration of the program.

Section 3 of the PCS makes a conforming change regarding the administration of the outstanding forgivable loans awarded by the former North Carolina Teaching Fellows Commission.

EFFECTIVE DATE: The bill would become effective July 1, 2017. The Program, Commission, Trust Fund, and changes to the North Carolina Education Endowment Fund become effective only if funds are appropriated in an Appropriations Act for the 2017-2018 fiscal year.