OVERVIEW and ANALYSIS: Sec. 10A.2 of S.L. 2018-5 makes various changes to the North Carolina Teaching Fellows Program (Program) that include the following:

- Allows monies in the North Carolina Teaching Fellows Program Trust Fund (Trust Fund) to also be used for mentoring and coaching support for the recipients of the North Carolina Teaching Fellows forgivable loans.

- Directs the State Education Assistance Authority (SEAA) to transfer the greater of $600,000 or ten percent of the available funds from the Trust Fund to the General Administration of The University of North Carolina at the beginning of each fiscal year for the Program's administrative costs, the salary of the Director of the Program and other Program staff, expenses of the North Carolina Teaching Fellows Commission (Commission), and funds to use for extracurricular enhancement activities of the Program.

- Allows the SEAA to use the greater of $250,000 or four percent of the funds appropriated to the Trust Fund each fiscal year for administrative costs associated with the Program.

- Directs the SEAA to provide the Commission with up to $600,000 from the Trust Fund in each fiscal year for the Commission to provide mentoring and coaching support to the recipients of the North Carolina Teaching Fellows forgivable loans through the North Carolina New Teacher Support Program as follows:
  - Up to $2,000 for each recipient of the North Carolina Teaching Fellows forgivable loans who is serving as a teacher in a North Carolina public school identified as low-performing.
  - Up to $1,000 for each recipient of the North Carolina Teaching Fellows forgivable loans who is serving as a teacher in a North Carolina public school not identified as low-performing.

- Clarifies the amount of the forgivable loans as follows:
  - North Carolina high school seniors – up to $4,125 per semester for up to eight semesters.
  - Students applying for transfer to a selected educator preparation program at an institution of higher education – up to $4,125 per semester for up to six semesters.
  - Individuals currently holding a bachelor's degree seeking preparation for teacher licensure – up to $4,125 per semester for up to four semesters.
Students matriculating at institutions of higher education who are changing to enrollment in a selected educator preparation program – up to $4,125 per semester for up to four semesters.

- Specifies that the forgivable loans may also be used for expenses related to obtaining licensure.
- Provides that the annual report due to the Joint Legislative Education Oversight Committee must be written in coordination with the Department of Public Instruction and the selected educator preparation programs and must also include the following additional information:
  - The number of recipients of the North Carolina Teaching Fellows forgivable loans who received mentoring and coaching support through the North Carolina New Teacher Support Program when employed at a school identified as low-performing.
  - The number of recipients of the North Carolina Teaching Fellows forgivable loans who received mentoring and coaching support through the North Carolina New Teacher Support Program when employed at a school not identified as low-performing.
  - Turnover rates by educator preparation program graduates who received the North Carolina Teaching Fellows forgivable loans including the turnover rate for those who also received mentoring and coaching support through the North Carolina New Teacher Support Program.

- Clarifies that all forgivable loans must be evidenced by notes payable to the SEAA that bear interest at no more than 10% and begin on the first day of September after the completion of the program leading to teacher licensure or 90 days after graduation, whichever is later. If a forgivable loan is terminated, the note must be made payable to the SEAA 90 days after the termination.

This section became effective July 1, 2018.