



SENATE BILL 257: 2026 Appropriations Act, Sec. 8A.10: Nursing Fellows Pilot Program

2025-2026 General Assembly

Analysis of: S.L. 2026-41, Sec. 8A.10

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Section 8A.10 of S.L. 2026-41 (Senate Bill 257), as amended by Section 3.25 of S.L. 2026-61 (House Bill 268), establishes a Nursing Fellows Pilot Program (Pilot Program) to provide forgivable loans to eligible nursing students who are (i) enrolled in and admitted to a qualifying degree program and (ii) interested in preparing to become nurses in the State or nurse instructors in qualifying instruction programs. To be eligible, a nursing student must begin enrollment in either the 2027-2028 or the 2028-2029 academic year.

Program Directors: The State Education Assistance Authority (SEAA) must administer the Pilot Program in cooperation with the Chief Academic Officer at the Community Colleges System Office (CCSO) and the Dean of the School of Health Sciences at Winston-Salem State University (Dean), who will serve as program directors. Program directors must do all of the following:

- Determine forgivable loan recipient selection criteria and selection procedures at qualifying community colleges and Winston-Salem State University (WSSU). Initial selection criteria must be established by November 15, 2026, and applications must be made available by December 31, 2026.
- Select the recipients to receive forgivable loans under the Pilot Program. Initial recipients for the 2027-2028 academic year must be selected by April 1, 2027.
- Appoint needed staff at their respective qualifying institutions of higher education.
- Be responsible for recruitment and coordination of the Pilot Program at their respective institutions.
- Coordinate with one another, as necessary, to ensure the efficient and effective operation of the Pilot Program without duplicating efforts.

Funding: SEAA must transfer 5% of the Pilot Program's funds to the CCSO and 5% to the Dean for Program expenses. SEAA must use up to 4% of the Pilot Program's funds for other administrative costs associated with the Pilot Program. From the remaining funds, SEAA must award forgivable loans according to the following distribution of funds:

- 30% to the CCSO to be divided equally between qualifying community colleges.
- 70% to WSSU.

Beginning in the 2027-2028 fiscal year, SEAA can use funds for the Forgivable Education Loans for Service Fund that remain available at the end of the fiscal year to administer the Pilot Program.

Forgivable Loans: The program directors must adopt stringent standards for awarding forgivable loans based on multiple measures, including:

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- Grade point averages.
- Performance on relevant assessments.
- Experience, accomplishments, and other criteria demonstrating qualities positively correlated with highly effective nurses and instructors in qualifying instruction programs, including excellent verbal and communication skills.
- Demonstrated commitment to serve in North Carolina.

Forgivable loans must be awarded in the following amounts per academic term:

\$2,500 per semester or \$1,250 per summer session for students enrolled in and admitted to an associate degree in nursing program at a qualifying community college for up to four academic terms.

\$5,000 per semester or \$2,500 per summer session for students enrolled in and admitted to a qualifying Bachelor of Science in nursing degree program at WSSU for up to five academic terms.

\$5,000 per semester or \$2,500 per summer session for students enrolled in and admitted to a qualifying Master of Science in nursing degree program at WSSU for up to four additional academic terms.

Forgivable loans can be used for tuition, fees, the cost of books, and expenses related to obtaining licensure as a registered nurse.

Forgivable loans must be evidenced by notes made payable to SEAA and bear an interest rate no higher than 10% per year.

For every year within 10 years of graduation that a forgivable loan recipient is employed as a qualifying nurse or as a qualifying nurse instructor, SEAA must forgive the loan amount received under the Pilot Program over one year of enrollment in the qualifying degree program or programs, including interest. SEAA must also forgive the loan if it finds that it is impossible for the recipient to meet the loan forgiveness requirements because of the death or permanent disability of the recipient.

If the loan recipient repays the forgivable loan by cash payments, all indebtedness must be repaid within 10 years after completion of the latest applicable qualifying degree program supported by the forgivable loan.

Report: By January 1, 2028, and annually thereafter, the North Carolina Collaboratory must report to the Joint Legislative Education Oversight Committee on the Pilot Program.

This section became effective July 1, 2026, and applies beginning with applications for enrollment in the Nursing Fellows Pilot Program in the 2027-2028 academic year.