

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2005

SESSION LAW 2005-40
HOUSE BILL 780

AN ACT TO MODIFY THE PROCESS BY WHICH THE NEED-BASED
SCHOLARSHIP LOAN FUND IS ADMINISTERED.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 90-171.65 reads as rewritten:

"§ 90-171.65. Need-based nursing scholarships fund.

(a) There is created a need-based scholarship loan fund for nursing students. Need-based scholarship loans shall be available for study in nursing programs offered by community colleges and The University of North Carolina, and by private colleges ~~which~~ that offer licensed practical nursing or registered nursing programs. Part-time students and nontraditional students who have post-secondary degrees, and registered nurses pursuing a baccalaureate degree in nursing, are eligible to receive need-based nursing scholarship loans.

(b) ~~Need-based nursing scholarship loan funds shall be administered by the State Board of Community Colleges, the Board of Governors of The University of North Carolina, and the State Education Assistance Authority. The State Board of Community Colleges and the Board of Governors of The University of North Carolina shall allocate the scholarship loan funds among their respective constituent institutions which have programs of education leading to a degree in nursing. Distribution shall be in a manner determined by the appropriate governing body. The State Education Assistance Authority shall distribute scholarship loan funds to private nonprofit colleges which offer nursing degree programs. Distribution shall be in a manner determined by the Board of the State Education Assistance Authority after consultation with the North Carolina Association of Independent Colleges and Universities.~~ State Education Assistance Authority in accordance with rules and regulations adopted by the Board of the State Education Assistance Authority. Distribution of scholarship loan funds among students enrolled in the constituent institutions of The University of North Carolina, community colleges, and private colleges shall be in amounts proportionate to the amounts awarded to each such group of students in the preceding fiscal year. Scholarship loans shall be made only to prospective and enrolled nursing students under the terms and conditions established for the need-based nursing scholarship loan program by the State Education Assistance Authority.

(c) The State Education Assistance Authority shall carry out the following functions in implementing the need-based nursing scholarship loan program:

- (1) Promulgate the rules and regulations necessary to implement the scholarship program; program, including the selection criteria and

method of selection of recipients of need-based nursing scholarship loans;

- (2) Disburse, collect, and monitor scholarship loan funds;
- (3) Establish the terms and conditions of promissory notes executed by loan recipients;
- (4) Approve service repayment agreements;
- (5) Collect cash repayments required when service repayment is not completed; and
- (6) Adopt rules to allow for the forgiveness of scholarship loans if it determines that it is impossible for the recipient to practice nursing in North Carolina for a sufficient time to repay the loan because of the death or permanent disability of the recipient within ten years following graduation or termination of enrollment in a nursing education program.

(d) ~~Each institution to which scholarship loan funds are allocated shall publicize the availability of, shall disseminate, receive and review applications for, and shall select the recipients of scholarship loans. Scholarship loans shall be made only to prospective and enrolled nursing students under the terms and conditions established for the need based nursing scholarship loan program by the State Education Assistance Authority."~~

SECTION 2. This act becomes effective January 1, 2006, and applies to all scholarship loans awarded after that date.

In the General Assembly read three times and ratified this the 9th day of May, 2005.

s/ Marc Basnight
President Pro Tempore of the Senate

s/ James B. Black
Speaker of the House of Representatives

s/ Michael F. Easley
Governor

Approved 10:32 a.m. this 12th day of May, 2005