

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2003

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SENATE BILL 586*

Short Title: Nursing Faculty Fellows Program. (Public)

Sponsors: Senators Metcalf, Lucas, and Garwood.

Referred to: Appropriations/Base Budget.

March 31, 2003

1 A BILL TO BE ENTITLED
2 AN ACT ESTABLISHING THE NURSING FACULTY FELLOWS PROGRAM AND
3 APPROPRIATING FUNDS FOR SCHOLARSHIP LOANS UNDER THE
4 PROGRAM.

5 The General Assembly of North Carolina enacts:

6 SECTION 1. Chapter 90 of the General Statutes is amended by adding the
7 following new Article to read:

"Article 9H.

"Nursing Faculty Fellows Program.

10 **"§ 90-171.97. Nursing Faculty Fellows Program established; administration.**

11 (a) As used in this Article, unless the context clearly requires otherwise, the term:

12 (1) 'Commission' means the North Carolina Nursing Scholars Commission
13 established under Article 9D of this Chapter.

14 (2) 'Program' means the Nursing Faculty Fellows Program established
15 under this Article.

16 (b) There is established the Nursing Faculty Fellows Program. The North
17 Carolina Nursing Scholars Commission shall administer the Program in collaboration
18 with the State Education Assistance Authority (SEAA). The purpose of the Program is
19 to provide up to a two-year scholarship loan to selected recipients and extracurricular
20 enhancement activities for scholarship loan recipients. The Commission shall determine
21 selection criteria, methods of selection, and shall select recipients of scholarship loans
22 made under the Program. The Director of the State Education Assistance Authority shall
23 coordinate the Program through the Commission.

24 (c) The Program shall provide a two-year scholarship loan in the amount of
25 twenty thousand dollars (\$20,000) per year, per recipient, to individuals who may be
26 eligible to be selected as nursing faculty in the university, community college, and
27 hospital schools of nursing by completing a full-time program in nursing education in
28 an approved program, as follows:

1 (1) Approved programs are those programs offered by colleges and
2 universities in this State.

3 (2) The number of scholarship loan awards per year shall be based on the
4 State's need for nursing faculty and within funds available, but in no
5 event shall more than 100 nursing faculty fellows scholarship loans be
6 made in each year.

7 (3) In order to attract faculty fellow graduates to a particular school of
8 nursing, that school of nursing may use a portion of its funds for
9 nursing faculty to cover one-half of the cost of the two-year
10 scholarship loan program in exchange for a two-year commitment to
11 the school from the nursing faculty fellow. To qualify for this option, a
12 school of nursing must maintain an attrition rate of not more than
13 twenty-five percent (25%) for the previous two years and meet all
14 North Carolina Board of Nursing standards for program approval.

15 (d) The Commission shall adopt stringent standards to ensure that only the best
16 potential students receive scholarship loans under the Program. The standards may
17 include standardized test scores, undergraduate performance, job experience and
18 performance, leadership abilities, and other standards the Commission deems
19 appropriate. The Commission shall consider the qualifications of all applicants in a
20 manner that is fair and without regard to gender or race, and that takes into account the
21 geographic diversity of the State. The Commission may award scholarship loans under
22 the Program only to applicants that meet the Commission's standards, are domiciled in
23 this State, and agree to work as nursing faculty in a North Carolina school of nursing.

24 (e) The Commission may form regional review committees to assist in
25 identifying the best applicants for the Program. The Commission and the review
26 committees shall make an effort to identify and encourage men and minorities and
27 others who may not otherwise consider a career as a nursing faculty member to apply
28 for the Program.

29 (f) Upon the naming of recipients of loans from the Program, the Commission
30 shall inform the State Education Assistance Authority (SEAA) of its decisions. The
31 SEAA shall perform all of the administrative functions necessary to implement this
32 Article, which functions shall include: rulemaking, dissemination of information,
33 disbursement, receipt, liaison with participating educational institutions, determination
34 of the acceptability of service repayment agreements, and all other functions necessary
35 for the execution, payment, and enforcement of promissory notes required under this
36 Article.

37 **"§ 90-171.98. Terms of loans, receipt and disbursement of funds.**

38 (a) All scholarship loans shall be evidenced by notes made payable to the State
39 Education Assistance Authority (SEAA) and bear interest at the rate of ten percent
40 (10%) per year beginning 90 days after completion of the Program, or 90 days after
41 termination of the scholarship loan, whichever is earlier. The scholarship loan may be
42 terminated upon the recipient's withdrawal from school or by the recipient's failure to
43 meet the standards of the Commission.

1 (b) The SEAA shall forgive the loan if, within four years after graduation from a
2 nursing faculty education program, the recipient teaches in a North Carolina school of
3 nursing for each year a scholarship loan was provided. If the recipient repays the
4 scholarship loan by cash payments, all indebtedness shall be repaid within 10 years.

5 (c) All funds appropriated to or otherwise received by the Program for
6 scholarships, all funds received as repayment of scholarship loans, and all interest
7 earned on these funds, shall be placed in a revolving fund. The revolving fund may be
8 used only for scholarship loans granted under the Program."

9 **SECTION 2.** There is appropriated from the General Fund to the State
10 Education Assistance Authority the sum of two million dollars (\$2,000,000) for the
11 2003-2004 fiscal year and the sum of two million dollars (\$2,000,000) for the
12 2004-2005 fiscal year. These funds shall be used to provide scholarship loans as
13 authorized in this act.

14 **SECTION 3.** This act becomes effective July 1, 2003.