

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2005

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HOUSE BILL 2003
Committee Substitute Favorable 5/24/06

Short Title: Nursing Faculty Fellows Program/Funds.

(Public)

Sponsors:

Referred to:

May 16, 2006

1 A BILL TO BE ENTITLED
2 AN ACT TO ESTABLISH A NURSING FACULTY FELLOWS PROGRAM AND
3 TO APPROPRIATE FUNDS FOR THAT PURPOSE, AS RECOMMENDED BY
4 THE HOUSE SELECT COMMITTEE ON HEALTH CARE.

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:

8 "Article 9H.

9 "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
12 following definitions apply:

13 (1) Commission. – The North Carolina Nursing Scholars Commission
14 established under Article 9D of this Chapter.

15 (2) Program. – The Nursing Faculty Fellows Program established under
16 this Article.

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

25 (c) The Program shall provide a two-year scholarship loan in the amount of
26 fifteen thousand dollars (\$15,000) per year, per recipient, to individuals who may be
27 eligible for selection as nursing faculty in the university, community college, and
28 hospital schools of nursing by completing an approved program that enables the
29 recipient to become a full-time faculty member, 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.

5 (d) The Commission shall adopt stringent standards to ensure that only the best
6 potential students receive scholarship loans under the Program. The standards may
7 include standardized test scores, undergraduate performance, job experience and
8 performance, leadership abilities, and other standards the Commission deems
9 appropriate. The Commission shall consider the qualifications of all applicants in a
10 manner that is fair and that takes into account the geographic diversity of the State. The
11 Commission may award scholarship loans under the Program only to applicants who
12 meet the Commission's standards, are domiciled in this State, and agree to work as
13 nursing faculty in a North Carolina school of nursing.

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

19 (f) Upon the naming of recipients of loans from the Program, the Commission
20 shall inform the State Education Assistance Authority (SEAA) of its decisions. The
21 SEAA shall perform all of the administrative functions necessary to implement this
22 Article, which functions shall include: rule making, dissemination of information,
23 disbursement, receipt, liaison with participating educational institutions, determination
24 of the acceptability of service repayment agreements, and all other functions necessary
25 for the execution, payment, and enforcement of promissory notes required under this
26 Article.

27 **"§ 90-171.98. Terms of loans; receipt and disbursement of funds.**

28 (a) All scholarship loans shall be evidenced by notes made payable to the State
29 Education Assistance Authority (SEAA) and bear interest at the rate of ten percent
30 (10%) per year beginning 90 days after completion of the Program, or 90 days after
31 termination of the scholarship loan, whichever is earlier. The scholarship loan may be
32 terminated upon the recipient's withdrawal from school or by the recipient's failure to
33 meet the standards of the Commission.

34 (b) The SEAA shall forgive the loan if, within four years after graduation from
35 an approved program, the recipient teaches in a North Carolina school of nursing for
36 each year a scholarship loan was provided. If the recipient repays the scholarship loan
37 by cash payments, all indebtedness shall be repaid within 10 years.

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

42 **SECTION 2.** There is appropriated from the General Fund to the State
43 Education Assistance Authority the sum of one million two hundred thousand dollars
44 (\$1,200,000) for the 2006-2007 fiscal year to provide for 80 nursing faculty

1 scholarships in accordance with Article 9H of Chapter 90 of the General Statutes,
2 enacted in Section 1 of this act.

3 **SECTION 3.** This act becomes effective July 1, 2006.