

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2005

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HOUSE BILL 780
Committee Substitute Favorable 4/12/05

Short Title: Need-Based Nursing Scholarships.-AB

(Public)

Sponsors:

Referred to:

March 17, 2005

1 A BILL TO BE ENTITLED
2 AN ACT TO MODIFY THE PROCESS BY WHICH THE NEED-BASED
3 SCHOLARSHIP LOAN FUND IS ADMINISTERED.

4 The General Assembly of North Carolina enacts:

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

6 "**§ 90-171.65. Need-based nursing scholarships fund.**

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

14 (b) ~~Need-based nursing scholarship loan funds shall be administered by the State
15 Board of Community Colleges, the Board of Governors of The University of North
16 Carolina, and the State Education Assistance Authority. The State Board of Community
17 Colleges and the Board of Governors of The University of North Carolina shall allocate
18 the scholarship loan funds among their respective constituent institutions which have
19 programs of education leading to a degree in nursing. Distribution shall be in a manner
20 determined by the appropriate governing body. The State Education Assistance
21 Authority shall distribute scholarship loan funds to private nonprofit colleges which
22 offer nursing degree programs. Distribution shall be in a manner determined by the
23 Board of the State Education Assistance Authority after consultation with the North
24 Carolina Association of Independent Colleges and Universities.~~ State Education
25 Assistance Authority in accordance with rules and regulations adopted by the Board of
26 the State Education Assistance Authority. Distribution of scholarship loan funds among
27 students enrolled in the constituent institutions of The University of North Carolina,
28 community colleges, and private colleges shall be in amounts proportionate to the
29 amounts awarded to each such group of students in the preceding fiscal year.

1 Scholarship loans shall be made only to prospective and enrolled nursing students under
2 the terms and conditions established for the need-based nursing scholarship loan
3 program by the State Education Assistance Authority.

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

6 (1) Promulgate the rules and regulations necessary to implement the
7 scholarship ~~program;~~program, including the selection criteria and
8 method of selection of recipients of need-based nursing scholarship
9 loans;

10 (2) Disburse, collect, and monitor scholarship loan funds;

11 (3) Establish the terms and conditions of promissory notes executed by
12 loan recipients;

13 (4) Approve service repayment agreements;

14 (5) Collect cash repayments required when service repayment is not
15 completed; and

16 (6) Adopt rules to allow for the forgiveness of scholarship loans if it
17 determines that it is impossible for the recipient to practice nursing in
18 North Carolina for a sufficient time to repay the loan because of the
19 death or permanent disability of the recipient within ten years
20 following graduation or termination of enrollment in a nursing
21 education program.

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

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