

**GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2025**

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**SENATE BILL 643**

Short Title: Expand & Enhance the Teaching Fellows Program. (Public)

Sponsors: Senators Lowe and Salvador (Primary Sponsors).

Referred to: Rules and Operations of the Senate

March 26, 2025

A BILL TO BE ENTITLED  
AN ACT TO EXPAND AND ENHANCE THE NORTH CAROLINA TEACHING FELLOWS  
PROGRAM.

Whereas, the pursuit of teaching is the pursuit of excellence, and excellent teachers are not just born, they are developed, equipped, trained, and valued; and

Whereas, all students in North Carolina deserve to be taught by excellent teachers; and

Whereas, the North Carolina Teaching Fellows Program has an important legacy in North Carolina, providing the best and brightest students the opportunity to have a place of influence and distinction by elevating them to a vital role – the role of a teacher; and

Whereas, based on the sorely inadequate and regularly declining enrollment in teacher preparation programs and an accelerating teacher turnover rate, North Carolina is facing an overwhelming teacher shortage across the State, especially in rural counties; and

Whereas, the teacher shortage is a growing crisis for our entire educational system as well as the future of our State; and

Whereas, to solve this problem and provide stable, talented, motivated, and excellent teachers in our classrooms, we need to continue to rebuild the North Carolina Teaching Fellows Program; Now, therefore,

The General Assembly of North Carolina enacts:

**SECTION 1.(a)** Part 3 of Article 23 of Chapter 116 of the General Statutes reads as rewritten:

"Part 3. North Carolina Teaching Fellows Program.

**"§ 116-209.60. Definitions.**

The following definitions apply in this Part:

- (1) Commission. – The North Carolina Teaching Fellows Commission.
- (2) Director. – The Director of the North Carolina Teaching Fellows Program.
- (3) Forgivable loan. – A forgivable loan made under the Program.
- (4) Program. – The North Carolina Teaching Fellows Program.
- (5) Public school. – An elementary or secondary school located in North Carolina that is governed by a local board of education, charter school board of directors, regional school board of directors, or University of North Carolina laboratory school board of trustees.

~~(5a) Qualifying licensure area. — A teacher licensure area in one of the following subjects:~~

~~a. Either of the following, as identified pursuant to G.S. 116-209.62(h):~~

~~1. Special education.~~



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2. ~~Stem.~~
- b. ~~Elementary education (K-6).~~
- (5b) ~~Qualifying teacher. — A teacher in a North Carolina public school who meets the following criteria:~~
- a. ~~Received a forgivable loan under the Program.~~
- b. ~~Graduated within 10 years from an educator preparation program leading to teacher licensure, excluding any authorized deferment for extenuating circumstances.~~
- e. ~~Serves as a teacher in a qualifying licensure area.~~
- (6) ~~STEM. — Science, technology, engineering, and mathematics.~~
- (7) Trust Fund. — The North Carolina Teaching Fellows Program Trust Fund.

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**"§ 116-209.62. North Carolina Teaching Fellows Program established; administration.**

(a) Program. — There is established the North Carolina Teaching Fellows Program to be administered by the System Office of The University of North Carolina, in conjunction with the Authority and the Commission. The purpose of the Program is to recruit, prepare, and support students residing in or attending institutions of higher education located in North Carolina for preparation as highly effective teachers ~~in qualifying licensure areas~~ in the State's public schools. The Program shall be used to provide a forgivable loan to individuals interested in preparing to teach in the public schools of the ~~State in qualifying licensure areas.~~ State.

(b) Trust Fund. — There is established the North Carolina Teaching Fellows Program Trust Fund to be administered by the Authority, in conjunction with the System Office of The University of North Carolina. All funds (i) appropriated to, or otherwise received by, the Program for forgivable loans and other Program purposes, (ii) received as repayment of forgivable loans, and (iii) earned as interest on these funds shall be placed in the Trust Fund. The purpose of the Trust Fund is to provide financial assistance to qualified students for completion of teacher education and licensure programs to fill ~~qualifying licensure areas~~ positions in the public schools of the State.

(c) Uses of Monies in the Trust Fund. — The monies in the Trust Fund may be used only for (i) forgivable loans granted under the Program, (ii) administrative costs associated with the Program, including recruitment and recovery of funds advanced under the Program, (iii) mentoring and coaching support to forgivable loan recipients, and (iv) extracurricular enhancement activities of the Program in accordance with the following:

- (1) The Authority shall transfer ~~the greater of six hundred thousand dollars (\$600,000) or ten percent (10%)~~ the following amounts of the available funds from the Trust Fund to The University of North Carolina System Office at the beginning of each fiscal ~~year~~ year:
- a. ~~The greater of six hundred thousand dollars (\$600,000) or ten percent (10%) for the Program's administrative costs, the salary of the Director of the Program and other Program staff, expenses of the Commission, and to provide the Commission with funds to use for the extracurricular enhancement activities of the Program.~~ staff, and expenses of the Commission.
- b. The sum of up to six hundred thousand dollars (\$600,000) for extracurricular enhancement activities of the Program, including (i) summer programs to maintain year-round connections and (ii) alumni programs to foster continued engagement after graduation. These activities should be geared to instilling a strong motivation not only to remain in teaching but to provide leadership for tomorrow's schools.

c. The sum of up to five hundred thousand dollars (\$500,000) for the Director of the Program to implement the recruitment activities identified in subsection (d) of this section.

(2) The Authority may use the greater of two hundred fifty thousand dollars (\$250,000) or four percent (4%) of the funds appropriated to the Trust Fund each fiscal year for administrative costs associated with the Program.

(3) The Authority shall provide the Commission with up to six hundred thousand dollars (\$600,000) from the Trust Fund in each fiscal year for the Commission to provide mentoring and coaching support to forgivable loan recipients through the North Carolina New Teacher Support Program in an amount of up to two thousand two hundred dollars (\$2,200) for each Program recipient. Funds shall be prioritized for teachers serving in North Carolina public schools identified as low-performing under G.S. 115C-105.37.

(d) Director of the Program. – The Board of Governors of The University of North Carolina shall appoint a Director of the Program. The Director shall appoint staff to the Commission and shall be responsible for recruitment and coordination of the Program, including proactive, aggressive, and strategic recruitment of potential recipients. Recruitment activities shall include (i) targeting regions of the State with the highest teacher attrition rates and teacher recruitment challenges, (ii) actively engaging with educators, business leaders, experts in human resources, elected officials, and other community leaders throughout the State, and (iii) attracting candidates ~~in qualifying licensure areas~~ to the Program. The Director shall report to the President of The University of North Carolina. The Authority shall provide office space and clerical support staff, as necessary, to the Director for the Program.

(e) Student Selection Criteria for Forgivable Loans. – The Commission shall adopt stringent standards for awarding forgivable loans based on multiple measures to ensure that only the strongest applicants receive them, including the following:

(1) Grade point averages.

(2) Performance on relevant career and college readiness assessments.

(3) Experience, accomplishments, and other criteria demonstrating qualities positively correlated with highly effective teachers, including excellent verbal and communication skills.

(4) Demonstrated commitment to serve in ~~a qualifying licensure area in~~ North Carolina public schools.

(f) Program Selection Criteria. – The Authority shall administer the Program in cooperation with ~~up to 10 each postsecondary constituent institution of The University of North Carolina with an approved educator preparation program and up to four institutions of higher education with approved educator preparation programs selected by the Commission that represent a diverse selection of both postsecondary constituent institutions of The University of North Carolina and private postsecondary institutions operating in the State.~~ The Commission shall adopt stringent standards for selection of the most effective private educator preparation programs, including the following:

(1) Demonstrates high rates of educator effectiveness on value-added models and teacher evaluations, including using performance-based, subject-specific assessment and support systems, such as edTPA or other metrics of evaluating candidate effectiveness that have predictive validity.

(2) Demonstrates measurable impact of prior graduates on student ~~learning, including impact of graduates teaching in qualifying licensure areas.~~ learning.

(3) Demonstrates high rates of graduates passing exams required for teacher licensure.

- (4) Provides curricular and co-curricular enhancements in leadership, facilitates learning for diverse learners, and promotes community engagement, classroom management, and reflection and assessment.
- (5) Requires at least a minor concentration of study in the subject area that the candidate may teach.
- (6) Provides early and frequent internship or practical experiences, including the opportunity for participants to perform practicums in diverse school environments.
- (7) Is approved by the State Board of Education as an educator preparation program.
- (8) For an educator preparation program enrolling loan recipients in a program of study leading to licensure in elementary education (K-6), provides training that is aligned with the Science of Reading in accordance with G.S. 115C-269.20. The Commission shall contract with a third-party entity to biennially evaluate whether a program identified in this subdivision is providing training that is aligned with the Science of Reading.

(g) Awards of Forgivable Loans. – The Program shall provide forgivable loans to selected students to be used at up to 10 selected each postsecondary constituent institution of The University of North Carolina with an approved educator preparation program and up to four selected private institutions for completion of a program leading to initial teacher licensure as follows:

- (1) North Carolina high school seniors. – Forgivable loans of up to ~~five thousand dollars (\$5,000)~~ six thousand dollars (\$6,000) per semester for up to eight semesters.
- (2) Students applying for transfer to a selected educator preparation program at an institution of higher education. – Forgivable loans of up to ~~five thousand dollars (\$5,000)~~ six thousand dollars (\$6,000) per semester for up to six semesters.
- (3) Individuals currently holding a bachelor's degree seeking preparation for teacher licensure. – Forgivable loans of up to ~~five thousand dollars (\$5,000)~~ six thousand dollars (\$6,000) per semester for up to four semesters.
- (4) Students matriculating at institutions of higher education who are changing to an approved program of study at a selected educator preparation program. – Forgivable loans of up to ~~five thousand dollars (\$5,000)~~ six thousand dollars (\$6,000) per semester for up to four semesters.

Forgivable loans may be used for tuition, fees, the cost of books, and expenses related to obtaining licensure.

~~(h) Identification of STEM and Special Education Licensure Areas. – The Superintendent of Public Instruction shall identify and provide to the Commission and the Authority a list of STEM and special education licensure areas and shall annually provide to the Commission the number of available positions in each qualifying licensure area relative to the number of current and anticipated teachers in that area of licensure. The Commission shall make the list of STEM and special education licensure areas readily available to applicants.~~

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(j) Annual Report. – The Commission, in coordination with the Authority, the Department of Public Instruction, each postsecondary constituent institution of The University of North Carolina with an approved educator preparation program, and the selected private educator education programs participating in the Program shall report no later than January 1, 2019, and annually thereafter, to the Joint Legislative Education Oversight Committee regarding the following:

- (1) Forgivable loans awarded from the Trust Fund, including the following:

- a. Demographic information regarding recipients.
  - b. Number of recipients by institution of higher education and program.
  - c. Information on number of recipients by ~~anticipated~~ qualifying licensure area.
- (2) Placement and repayment rates, including the following:
- a. Number of graduates who have been employed ~~in a qualifying licensure area~~ as a public school teacher in North Carolina within two years of program completion.
  - b. Number of graduates who accepted employment at a low-performing school identified under G.S. 115C-105.37 as part of their years of service.
  - c. Number of graduates who have elected to do loan repayment and their years of service, if any, prior to beginning loan repayment.
  - d. Number of graduates employed in a ~~qualifying licensure area~~ North Carolina public school who have received an overall rating of at least accomplished and have met expected growth on applicable standards of the teacher evaluation instrument.
  - e. Aggregate information on student growth and proficiency in courses taught by graduates who have fulfilled service requirements through employment in a ~~qualifying licensure area~~ North Carolina public school.

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**"§ 116-209.63. Terms of forgivable loans; receipt and disbursement of funds.**

(a) Notes. – All forgivable loans shall be evidenced by notes made payable to the Authority that bear interest at a rate not to exceed ten percent (10%) per year as set by the Authority and beginning on the first day of September after the completion of the program leading to teacher licensure or 90 days after graduation, whichever is later. If a forgivable loan is terminated, the note shall be made payable to the Authority 90 days after termination of the forgivable loan. The forgivable loan may be terminated upon the recipient's withdrawal from the Program or by the recipient's failure to meet the standards set by the Commission.

(b) Forgiveness. – ~~For every year a qualifying teacher remains a qualifying teacher, the Authority shall forgive the loan amount received over one year of enrollment in an educator preparation program and any interest accrued on that amount.~~ The Authority shall forgive the loan and any interest accrued on the loan if, within 10 years after graduation from a program leading to teacher licensure, exclusive of any authorized deferment for extenuating circumstances, the recipient serves as a teacher in a North Carolina public school for every year the teacher was awarded the forgivable loan, in any combination of the following:

- (1) Six months at a North Carolina public school identified as low-performing under G.S. 115C-105.37 at the time the teacher accepts employment at the school or, if the teacher changes employment during this period, at another school identified as low-performing.
- (2) One year at a North Carolina public school not identified as low-performing under G.S. 115C-105.37.

The Authority shall also forgive the loan if it finds that it is impossible for the recipient to work for up to ~~eight~~ four years, within 10 years after completion of the program leading to teacher licensure, at a North Carolina public school because of the death or permanent disability of the recipient. If the recipient repays the forgivable loan by cash payments, all indebtedness shall be repaid within 10 years after completion of the program leading to teacher licensure supported by the forgivable loan. If the recipient completes a program leading to teacher licensure, payment of principal and interest shall begin no later than the first day of September after the completion

1 of the program. Should a recipient present extenuating circumstances, the Authority may extend  
2 the period to repay the loan in cash to no more than a total of 12 years."

3 **SECTION 1.(b)** There is appropriated from the General Fund to the North Carolina  
4 Teaching Fellows Program Trust Fund the sum of ten million dollars (\$10,000,000) in recurring  
5 funds for the 2025-2026 fiscal year to revise the NC Teaching Fellows Program in accordance  
6 with subsection (a) of this section.

7 **SECTION 2.** This act becomes effective July 1, 2025, and applies to applications  
8 for the award of funds beginning in the 2025-2026 academic year.