

- 1 (2) Total amount of scholarship funding awarded.  
 2 (3) Number of students previously enrolled in public schools in the prior semester  
 3 by the previously attended local education agency.  
 4 (4) Nonpublic schools in which scholarship recipients are enrolled, including  
 5 numbers of scholarship recipients at each nonpublic school.  
 6 (5) The number of substantiated cases of fraud by recipients and the number of  
 7 parents or students removed from the program for noncompliance with the  
 8 provisions of this Article.

9 (b) For any fiscal year in which the Authority uses funds as provided under  
 10 G.S. 115C-600(b), the Authority shall report to the Joint Legislative Education Oversight  
 11 Committee and the Fiscal Research Division of the General Assembly by April 1 of that fiscal  
 12 year on at least the following:

- 13 (1) The methodology used by the Authority for determining the awards for the  
 14 school year, including the number of eligible students and the amount of  
 15 scholarship funds that were awarded under G.S. 115C-592.  
 16 (2) The actual number of eligible students and the amount of scholarship funds  
 17 received by eligible students for that school year.  
 18 (3) The amount of funds used pursuant to G.S. 115C-600(b) to fully fund the  
 19 awards.  
 20 (4) Any legislative recommendations, including funding amounts, for the  
 21 Program for the next fiscal year."

22 **SECTION 8A.13.(c)** G.S. 115C-597(a)(4) reads as rewritten:

23 "(4) Monitoring and control of spending scholarship funds deposited in a ~~personal~~  
 24 ~~education savings account.~~PESA."

25 **SECTION 8A.13.(d)** This section is effective June 30, 2023, and applies beginning  
 26 with the award of scholarship funds for the 2023-2024 school year.  
 27

## 28 **PRIMARY CARE MEDICINE AND PSYCHIATRY TARGETED ASSISTANCE** 29 **PROGRAM**

30 **SECTION 8A.14.(a)** G.S. 116-209.45 reads as rewritten:

31 **"§ 116-209.45. Forgivable Education Loans for Service Program and Fund.**

32 (a) Policy. – The General Assembly finds that it is in the public interest to provide  
 33 financial assistance in the form of forgivable loans for service to qualified students who are  
 34 committed to working in the State in order to respond to critical employment shortages.

35 (b) Definitions. – The following definitions apply in this section:

- 36 (1) Eligible Institution. – Notwithstanding G.S. 116-201(b)(5) and  
 37 G.S. 116-201(b)(6) and for purposes of this section only, an institution of  
 38 higher education that is any of the following:  
 39 a. A postsecondary constituent institution of The University of North  
 40 Carolina as defined in G.S. 116-2(4).  
 41 b. A community college as defined in G.S. 115D-2(2).  
 42 c. through e. Repealed by Session Laws 2012-142, s. 9.2(a), effective  
 43 July 1, 2012.  
 44 f. Another public or nonprofit postsecondary institution offering a  
 45 program of study not otherwise available in North Carolina that is  
 46 deemed to be eligible under rules promulgated by the Authority.  
 47 g. An eligible private postsecondary institution as defined in  
 48 G.S. 116-280(3).

49 (1a) Eligible county. – A county designated as a development tier one or  
 50 development tier two area in the annual ranking performed by the Department  
 51 of Commerce pursuant to G.S. 143B-437.08.

1 (2) Fund. – The Forgivable Education Loans for Service Fund.

2 (2a) Healthcare facility. – Any hospital, clinic, or other medical practice of any  
3 size that provides in-person healthcare services to patients in an eligible  
4 county. It is the intent of the General Assembly that a majority of the services  
5 provided by a healthcare facility are in-person services to residents of eligible  
6 counties.

7 (3) Loan. – A forgivable loan made under the Program.

8 (3a) Primary Care Medicine and Psychiatry Targeted Assistance Program. – A  
9 targeted assistance program administered through the Forgivable Education  
10 Loans for Service Program to provide forgivable loans to certain students who  
11 agree to practice primary care medicine or psychiatry on a full-time basis at  
12 healthcare facilities located in eligible counties, as set forth in subsection (c1)  
13 of this section.

14 (4) Program. – The Forgivable Education Loans for Service Program.

15 (c) Establish Forgivable Education Loans for Service Program. – There is established the  
16 Forgivable Education Loans for Service Program to be administered by the Authority. The  
17 purpose of the Program is to facilitate and promote the making, insuring, and collection of loans  
18 from the Forgivable Education Loans for Service Fund. The Program shall ~~initially~~ target future  
19 teachers, nurses, and allied health ~~professionals~~ professionals, including the professionals  
20 described in subsection (c1) of this section, to further the purposes of the Program in responding  
21 to high-need employment shortages in the State.

22 (c1) Loans for Students in the Primary Care Medicine and Psychiatry Targeted Assistance  
23 Program. – The Primary Care Medicine and Psychiatry Targeted Assistance Program is  
24 established for the purpose of addressing the critical demand for physicians practicing primary  
25 care medicine and psychiatry in the rural and highest-need areas of the State through a forgivable  
26 loan for service program. Unless otherwise provided under this subsection, the Authority shall  
27 administer the Primary Care Medicine and Psychiatry Targeted Assistance Program in the same  
28 manner as the Forgivable Education Loans for Service Program as set forth in this section and in  
29 accordance with the following criteria:

30 (1) Loan amount. – To the extent funds are made available for the Primary Care  
31 Medicine and Psychiatry Targeted Assistance Program, the Authority shall  
32 award loans to students as follows:

33 a. Students enrolled in a medical school at an institution of higher  
34 education that is an eligible institution pursuant to sub-subdivision a.  
35 or g. of subdivision (1) of subsection (b) of this section for the purpose  
36 of obtaining licensure as a physician under Article 1 of Chapter 90 of  
37 the General Statutes to practice either primary care medicine or  
38 psychiatry may qualify for an award of loans in an amount of up to  
39 twenty-five thousand dollars (\$25,000) per academic year, per student,  
40 for a total amount of loans of up to one hundred thousand dollars  
41 (\$100,000) per student.

42 b. The Authority shall give priority for the award of loans under this  
43 subsection to qualified applicants residing in eligible counties.

44 c. To the extent funds provided for the Primary Care Medicine and  
45 Psychiatry Targeted Assistance Program are insufficient to award  
46 forgivable loans to qualified applicants, the Authority may establish a  
47 lottery process for selection of loan recipients in accordance with the  
48 requirements established by this subsection.

49 (2) Repayment through service. – The Authority shall forgive a loan awarded  
50 under this subsection through service repayment according to the following:

- 1           a.     The total amount of any loan awarded in one academic year, and any  
2           interest accrued on the loan, shall be forgiven if the loan recipient  
3           serves in one year of full-time employment as a licensed physician  
4           practicing primary care medicine or psychiatry in a healthcare facility  
5           located in an eligible county. The Authority may verify compliance  
6           with all or a portion of the requirements of this sub-subdivision by  
7           requiring the loan recipient, his or her employer, or both to complete  
8           an attestation of qualifying employment.
- 9           b.     If the loan recipient is practicing primary care medicine or psychiatry  
10          in a healthcare facility located in a county that loses its status as an  
11          eligible county before the recipient completes his or her service  
12          obligation for the total amount of loans awarded under this subsection,  
13          the loan recipient's employment as a physician practicing primary care  
14          medicine or psychiatry shall continue to be deemed qualifying for the  
15          purposes of loan forgiveness in accordance with this section as long as  
16          the recipient is employed in a healthcare facility located in that county  
17          without a break in service.
- 18          c.     The Authority may provide for accelerated repayment and less than  
19          full-time employment options.

20          (d)     Establish Forgivable Loans for Service Fund. – There is established the Forgivable  
21          Education Loans for Service Fund to be administered by the Authority. The purpose of the Fund  
22          is to provide financial assistance to qualified students to enable them to obtain the requisite  
23          education beyond the high school level to work in North Carolina in certain high-need  
24          professions as identified by the General Assembly and to respond to current as well as future  
25          employment shortages in North Carolina. The Authority shall reserve any funds made available  
26          for the Primary Care Medicine and Psychiatry Targeted Assistance Program for the purpose of  
27          administering the award of loans pursuant to subsection (c1) of this section.

28          (e)     Eligibility for Loans. – The Authority shall establish the criteria for initial and  
29          continuing eligibility to participate in the Program. All loan recipients shall be residents of North  
30          Carolina and shall attend an eligible institution.

31          The Authority shall adopt standards deemed appropriate by the Authority to ensure that only  
32          qualified, potential recipients receive a loan under the Program. The standards may include  
33          minimum grade point average and satisfactory academic progress.

34          (f)     Loan Terms and Conditions. – ~~The~~ Except as otherwise provided in subsection (c1)  
35          of this section, following terms and conditions shall apply to each loan made pursuant to this  
36          section:

- 37               (1)     Promissory note. – All loans shall be evidenced by promissory notes made  
38               payable to the Authority.
- 39               (2)     Interest. – All promissory notes shall bear an interest rate established by the  
40               Authority that does not exceed ten percent (10%) and is in relation to the  
41               current interest rate for nonneed-based federal loans made pursuant to Title  
42               IV of the Higher Education Act of 1965, as amended. Interest shall accrue  
43               from the date of disbursement of the loan funds.
- 44               (3)     Loan amount. – The Authority shall establish the amount of the loan based on  
45               funds available and factors such as the recipient's educational program,  
46               enrollment status, and field of study.
- 47               (4)     Repayment. – The Authority shall establish the criteria for loan forgiveness  
48               for employment in a designated field in North Carolina. These criteria may  
49               provide for accelerated repayment and less than full-time employment  
50               options. The Authority shall collect cash repayments when service repayment  
51               is not completed. The Authority shall establish the terms for cash repayment,

1 including a minimum monthly repayment amount and maximum period of  
2 time to complete repayment.

3 (5) Death and disability. – The Authority may forgive all or part of a loan if it  
4 determines that it is impossible for the recipient to repay the loan in cash or  
5 service because of the death or disability of the recipient.

6 (6) Hardship. – The Authority may grant a forbearance, a deferment, or both in  
7 hardship circumstances when a good faith effort has been made to repay the  
8 loan in a timely manner.

9 (7) Other. – The Authority may establish other terms and conditions that are  
10 necessary or convenient to effectuate the Program.

11 (g) Advisory Group. – The Authority shall appoint an advisory group composed of, at  
12 minimum, appropriate representatives from higher education institutions and health and labor  
13 departments, agencies, or commissions to make recommendations to the Authority regarding the  
14 Authority's future apportionment and distribution of Program loans based on projected labor  
15 market shortages, higher education enrollment projections, and other relevant information.

16 (h) Use of Fund Monies. – All funds appropriated to or otherwise received by the  
17 Authority to provide loans through the Program, all funds received as repayment of loans, and  
18 all interest earned on these funds shall be placed in the Fund. The Fund shall be used only for  
19 loans made pursuant to this section and for administrative costs of the Authority, including costs  
20 of administering the former Teaching Fellows Program transferred to the Authority under  
21 G.S. 116-209.27.

22 (i) ~~Rule-making~~ Rulemaking Authority. – The Authority may adopt rules necessary to  
23 implement, administer, and enforce the provisions of this section.

24 (j) Report to the General Assembly. – The Authority shall report no later than December  
25 1, 2013, and annually thereafter to the Joint Legislative Education Oversight Committee  
26 regarding the Fund and loans awarded from the Fund."

27 **SECTION 8A.14.(b)** The State Education Assistance Authority (Authority), in  
28 consultation with the Department of Health and Human Services, Office of Rural Health, shall  
29 report no later than January 15, 2025, to the Joint Legislative Education Oversight Committee  
30 and the Joint Legislative Oversight Committee on Health and Human Services on strategies to  
31 increase the pipeline of physicians practicing primary care medicine and psychiatry in the State.  
32 The report shall include recommendations for at least the following:

33 (1) Statewide and local options for programs and initiatives to do the following:

34 a. Complement the Primary Care Medicine and Psychiatry Targeted  
35 Assistance Program, as enacted by subsection (a) of this section.

36 b. Increase the number of physicians practicing primary care medicine  
37 and psychiatry in high-need areas of the State, including eligible  
38 counties, as defined in G.S. 116-209.45(b)(1a), as enacted by  
39 subsection (a) of this section.

40 (2) Any other matter the Authority deems relevant to the report.

41 **SECTION 8A.14.(c)** Of the nonrecurring funds appropriated from the ARPA  
42 Temporary Savings Fund to the Board of Governors of The University of North Carolina for the  
43 2023-2025 fiscal biennium to be allocated to the State Education Assistance Authority  
44 (Authority) for the Primary Care Medicine and Psychiatry Targeted Assistance Program  
45 (Program) to be administered through the Forgivable Education Loans for Service Program in  
46 accordance with G.S. 116-209.45, as amended by this section, the Authority shall use those funds  
47 to provide forgivable loans under the Program to qualifying students enrolled in a medical school  
48 at a qualifying institution of higher education beginning in the 2024-2025 academic year.

49  
50 **COMMON DIGITAL TRANSCRIPT**

51 **SECTION 8A.15.(a)** For purposes of this section, the following definitions apply: