

# ESTABLISHES MICHIGAN NURSING SCHOLARSHIP ACT



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FISCAL ANALYSIS

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## SENATE BILL 793 (H-1)

**Sponsor:** Sen. John J. H. Schwarz

**House Committee:** Appropriations

## FLOOR ANALYSIS - 6/18/02

**Analyst(s):** Hank Prince

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### SUMMARY

Senate Bill 793 (H-1) establishes a scholarship program for resident students enrolled in nursing programs, identifies eligibility criteria, and prescribes the conditions for possible repayment of the scholarship.

A scholarship recipient may receive up to \$4,000 annually for four academic years, subject to eligibility criteria. The funds may be used for eligible costs, which include tuition and fees, room, board, supplies, books, transportation, and child day care.

Recipients of a nursing scholarship are required to enter into a written agreement with the Michigan Higher Education Assistance Authority that requires the recipient to: (a) obtain a license from the State as a nurse within one year after graduating from the nursing program; (b) serve for a period of time equal to the number of years that the student received nursing scholarship assistance; (c) practice nursing in a ward, emergency department, emergency room, operating room, trauma center, nursing home, hospice, or a home health care agency; and (d) repay the State all or part of the scholarship award plus interest, if the conditions identified in subdivisions (a), (b), and (c) are not satisfied.

SB 793 (H-1) creates a restricted account in the State Treasury for this scholarship program and allows that account to accept appropriations from the Michigan Merit Award Trust Fund or any other source.

The House substitute differs from the Senate-passed version of the bill in several ways. It permits partial scholarships for students enrolled part-time in a nursing program. It also creates an opportunity for part-time employment as a means of satisfying the work requirement feature of the program. Hence, a scholarship recipient could be enrolled full- or part-time in a nursing program, and after graduation the recipient could work full- or part-time to satisfy the work requirement. Finally, the House substitute provides for an annual report of the numbers of recipients and amounts disbursed and the types of educational institutions in which the nursing students are enrolled. SB 793 (H-1) is also tie-barred to enactment of HB 6054, which amends the Michigan Merit Award Scholarship Act to allow use of Merit Trust Fund monies for the scholarship program.

P.A. 144 of 2002, the FY 2002-03 Higher Education appropriations bill, includes \$4 million from the Merit Award Trust Fund for this scholarship program. If each scholarship recipient received a full scholarship of \$4,000, a total of 1,000 scholarships could be awarded in the 2002-03 academic year. If partial scholarships are awarded, the number of recipients would be larger.