

HOUSE SUBSTITUTE FOR
SENATE BILL NO. 793

A bill to establish an educational scholarship program for eligible resident students enrolled in certain nursing programs; to prescribe conditions for repayment of the scholarships; to provide for the administration of the Michigan nursing scholarship program; and to prescribe certain powers and duties of certain state officers, agencies, and departments.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. This act shall be known and may be cited as the
2 "Michigan nursing scholarship act".

3 Sec. 2. As used in this act:

4 (a) "Authority" means the Michigan higher education assist-
5 ance authority created by 1960 PA 77, MCL 390.951 to 390.961.

6 (b) "Eligible costs" means tuition and fees charged by an
7 eligible institution; related costs for room, board, books,

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1 supplies, transportation, or day care; and other costs determined
2 by the authority.

3 (c) "Eligible employment" means a registered nurse or
4 licensed practical nurse providing full-time nursing care, or
5 part-time nursing care if section 7 applies, in a ward, emergency
6 department, emergency room, operating room, or trauma center of a
7 hospital licensed under article 17 of the public health code,
8 1978 PA 368, MCL 333.20101 to 333.22260, [] in a nursing home or
9 hospice licensed under article 17 of the public health code, 1978
10 PA 368, MCL 333.20101 to 333.22260, [in a health facility or agency
licensed under article 17 of the public health code, 1978 PA 368, MCL
333.20101 to 333.22260, that provides nonemergency health care to
patients without receiving compensation for providing that nonemergency
health care, or in a clinic or other health care program operated by a
local health department that provides 1 or more required services under
part 24 of the public health code, 1978 PA 368, MCL 333.2401 to
333.2498,] or as an employee of a home
11 health care agency providing home patient care.

12 (d) "Eligible institution" means a degree or certificate
13 granting public or independent nonprofit college or university,
14 junior college, or community college in this state.

15 (e) "Licensed practical nurse" means an individual licensed
16 to engage in the practice of nursing as a licensed practical
17 nurse as defined in section 17201 of the public health code, 1978
18 PA 368, MCL 333.17201.

19 (f) "Nursing program" means a program for the training of
20 individuals to become registered nurses or licensed practical
21 nurses operated in this state by an eligible institution and
22 approved by the Michigan board of nursing.

23 (g) "Registered professional nurse" means that term as
24 defined in section 17201 of the public health code, 1978 PA 368,
25 MCL 333.17201.

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1 Sec. 3. The Michigan nursing scholarship program is
2 created, to be administered by the authority. The authority
3 shall do all of the following:

4 (a) Award scholarships to eligible students pursuant to this
5 act.

6 (b) Develop a scholarship agreement to be entered into by a
7 scholarship recipient and the authority that contains the terms
8 of a scholarship made under this act and the rights and obliga-
9 tions of the scholarship recipient and the authority.

10 (c) Collect repayment of scholarships if required under sec-
11 tion 7.

12 (d) Conduct periodic audits of scholarship recipients to
13 ensure compliance with the terms of the scholarship agreement and
14 take necessary steps to enforce the terms of the scholarship
15 agreement.

16 (e) Publicize the Michigan nursing scholarship program and
17 recruit qualifying students to participate in the Michigan nurs-
18 ing scholarship program.

19 (f) Promulgate rules, as necessary to implement this act,
20 pursuant to the administrative procedures act of 1969, 1969
21 PA 306, MCL 24.201 to 24.328. The rules may include additional
22 standards of eligibility for students to receive scholarships
23 under this act.

24 Sec. 4. The authority may award a scholarship under this
25 act to an individual determined by the authority to meet all of
26 the following eligibility criteria:

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1 (a) Is a United States citizen or permanent resident of the
2 United States.

3 (b) Has resided continuously in this state for the 12 months
4 immediately preceding the date of his or her application and is
5 not a resident of any other state.

6 (c) Is enrolled or has been accepted into a nursing
7 program.

8 (d) Has signed a written scholarship agreement with the
9 authority stating the individual's intention to pursue nursing as
10 a career and to serve in eligible employment in this state for
11 not less than 1 of the following periods:

12 (i) One year if the individual received scholarship assist-
13 ance under this act in 1 academic year of full-time enrollment in
14 a nursing program.

15 (ii) Two years if the individual received scholarship
16 assistance under this act in 2 academic years of full-time
17 enrollment in a nursing program.

18 (iii) Three years if the individual received scholarship
19 assistance under this act in 3 academic years of full-time
20 enrollment in a nursing program.

21 (iv) Four years if the individual received scholarship
22 assistance under this act in 4 academic years of full-time
23 enrollment in a nursing program.

24 (e) Is in compliance with this act and the rules promulgated
25 under this act.

26 (f) Has not been convicted of a felony involving an assault,
27 physical injury, or death.

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1 (g) Meets any other standards established in rules
2 promulgated by the authority under section 3.

3 Sec. 5. (1) Subject to subsection (2), each scholarship
4 recipient shall receive a \$4,000.00 scholarship for 1 academic
5 year of full-time enrollment, or a partial scholarship for
6 part-time enrollment, in a nursing program. The authority shall
7 determine the amount of a partial scholarship by multiplying
8 \$4,000.00 by the number of credit hours for which a student
9 enrolls in an academic year, and dividing the product by 30 if
10 the nursing program uses semester credits or by 45 if the nursing
11 program uses term credits.

12 (2) A scholarship described in subsection (1) shall not
13 exceed an amount equal to the recipient's eligible costs minus
14 any other grants or scholarships the recipient receives in any
15 academic year in a nursing program.

16 (3) An individual shall not receive scholarship assistance
17 for more than 4 academic years.

18 Sec. 6. Recipients of scholarship assistance under this act
19 shall continue to receive scholarship payments only during peri-
20 ods that the authority finds that the recipient is both of the
21 following:

22 (a) Enrolled as a full-time or part-time student in a nurs-
23 ing program.

24 (b) Maintaining satisfactory progress as determined by the
25 eligible institution.

26 Sec. 7. (1) An individual shall not receive a scholarship
27 under this act unless he or she enters into a written agreement

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1 with the authority, in which he or she agrees to all of the
2 following:

3 (a) To obtain a license from this state as a registered pro-
4 fessional nurse or licensed practical nurse within 1 year after
5 completing the nursing program for which the scholarship was
6 awarded.

7 (b) Beginning within 1 year after completing the nursing
8 program for which the scholarship was awarded, to serve for the
9 period of eligible employment applicable to the individual under
10 section 4(d) in this state.

11 (c) To provide the authority evidence of compliance with
12 section 6 as required by the authority.

13 (d) Except as provided in subsection (4), (5), (6), or (7),
14 if the conditions in subdivisions (a) and (b) are not satisfied,
15 to repay all or part of a scholarship award received under this
16 act plus interest and, if applicable, reasonable collection fees,
17 in compliance with rules promulgated by the authority.

18 (2) The agreement described in subsection (1) must fully
19 disclose the terms and conditions under which scholarship assist-
20 ance under this act is provided and under which repayment may be
21 required. The agreement must include a description of both of
22 the following:

23 (a) The appeals procedures established by the authority
24 under which a recipient may appeal a determination of noncompli-
25 ance with any provision under this act.

26 (b) The procedures under which a recipient of assistance
27 received under this act who serves in eligible employment in this

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1 state for less than the period required under subsection (1) may
2 have the repayment requirements extended under subsection (4) or
3 excused under subsection (5), (6), or (7).

4 (3) The authority shall require recipients found by the
5 authority to be in noncompliance with the agreement entered into
6 under this section to repay the scholarship awards received, plus
7 interest, but in no event at an interest rate higher than the
8 rate applicable to other student loans guaranteed by the author-
9 ity in that time period and, where applicable, reasonable collec-
10 tion fees, on a schedule and at a rate of interest to be pre-
11 scribed by the authority by rule.

12 (4) A recipient is not in violation of the agreement entered
13 into pursuant to subsection (1) and any repayment obligation is
14 deferred during any period in which the recipient meets 1 of the
15 following:

16 (a) Is pursuing a full-time course of study related to the
17 field of nursing at an eligible institution.

18 (b) Is serving as a member of the armed services of the
19 United States for a period of 3 years or less.

20 (c) Is temporarily totally disabled for a period of 3 years
21 or less, as established by sworn affidavit of a qualified
22 physician.

23 (d) Satisfies the provisions of any other repayment excep-
24 tions prescribed by the authority by rule.

25 (5) A recipient is not in violation of the agreement entered
26 into pursuant to subsection (1), and the recipient may be excused
27 from repayment of any scholarship assistance received under this

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1 act, if the recipient is employed providing part-time nursing
2 care and all of the following are met:

3 (a) The department by rule has established a minimum average
4 number of hours per week a recipient must be employed providing
5 nursing care to qualify as providing part-time nursing care for
6 the purposes of this subsection, and the recipient meets this
7 requirement.

8 (b) The recipient is engaged in eligible employment in this
9 state.

10 (c) The recipient provides part-time nursing care for not
11 less than 1 of the following periods:

12 (i) Two years if the recipient received a \$4,000.00 scholar-
13 ship under this act for 1 academic year of full-time enrollment
14 in a nursing program. If the recipient received a partial schol-
15 arship for 1 academic year of part-time enrollment, this 2-year
16 time period is reduced to a time period determined by multiplying
17 2 years by a fraction, the numerator of which is the dollar
18 amount of the partial scholarship and the denominator of which is
19 \$4,000.00.

20 (ii) Four years if the recipient received two \$4,000.00
21 scholarships under this act for 2 academic years of full-time
22 enrollment in a nursing program. If the recipient received par-
23 tial scholarships for 2 academic years of part-time enrollment,
24 this 4-year time period is reduced to a time period determined by
25 multiplying 4 years by a fraction, the numerator of which is the
26 dollar amount of the partial scholarships and the denominator of
27 which is \$8,000.00.

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1 (iii) Six years if the recipient received three \$4,000.00
2 scholarships under this act for 3 academic years of full-time
3 enrollment in a nursing program. If the recipient received par-
4 tial scholarships for 3 academic years of part-time enrollment,
5 this 6-year time period is reduced to a time period determined by
6 multiplying 6 years by a fraction, the numerator of which is the
7 dollar amount of the partial scholarships and the denominator of
8 which is \$12,000.00.

9 (iv) Eight years if the recipient received four \$4,000.00
10 scholarships under this act for 4 academic years of full-time
11 enrollment in a nursing program. If the recipient received par-
12 tial scholarships for 4 academic years of part-time enrollment,
13 this 8-year time period is reduced to a time period determined by
14 multiplying 8 years by a fraction, the numerator of which is the
15 dollar amount of the partial scholarships and the denominator of
16 which is \$16,000.00.

17 (6) A recipient is not in violation of the agreement entered
18 into pursuant to subsection (1), and the recipient may be excused
19 from repayment of any scholarship assistance received under this
20 act, if the recipient meets both of the following:

21 (a) Received 1 or more partial scholarships under this act
22 for part-time enrollment in a nursing program.

23 (b) Is engaged in full-time, eligible employment in this
24 state for not less than 1 of the following time periods:

25 (i) If the recipient received a partial scholarship for
26 1 academic year of part-time enrollment, a time period determined
27 by multiplying 1 year by a fraction, the numerator of which is

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1 the dollar amount of the partial scholarship and the denominator
2 of which is \$4,000.00.

3 (ii) If the recipient received partial scholarships for
4 2 academic years of part-time enrollment, a time period deter-
5 mined by multiplying 2 years by a fraction, the numerator of
6 which is the dollar amount of the partial scholarships and the
7 denominator of which is \$8,000.00.

8 (iii) If the recipient received partial scholarships for
9 3 academic years of part-time enrollment, a time period deter-
10 mined by multiplying 3 years by a fraction, the numerator of
11 which is the dollar amount of the partial scholarships and the
12 denominator of which is \$12,000.00.

13 (iv) If the recipient received partial scholarships for
14 4 academic years of part-time enrollment, a time period deter-
15 mined by multiplying 4 years by a fraction, the numerator of
16 which is the dollar amount of the partial scholarships and the
17 denominator of which is \$16,000.00.

18 (7) A recipient is excused from repayment of any scholarship
19 assistance received under this act if the recipient becomes per-
20 manently and totally disabled as established by sworn affidavit
21 of a qualified physician or dies or if circumstances occur that
22 the authority considers as a compelling reason to excuse
23 repayment.

24 Sec. 8. (1) The department of treasury shall establish and
25 administer a restricted account in the general fund for the
26 Michigan nursing scholarship program. The department of treasury
27 shall credit to the account money appropriated from the Michigan

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1 merit award trust fund established in section 3 of the Michigan
2 merit award scholarship act, 1999 PA 94, MCL 390.1453, or
3 received from any other source including, but not limited to,
4 amounts repaid to the authority on scholarships awarded under
5 this act and earnings in the account. The department of treasury
6 shall use the money in the account only to provide money to the
7 authority for scholarships awarded under this act.

8 (2) Money in the account at the end of a fiscal year shall
9 not revert to the general fund but shall be carried over in the
10 account to the next fiscal year.

11 Sec. 9. Not later than November 1, the authority shall
12 annually submit a report to the state budget director, the house
13 and senate appropriation subcommittees on higher education, and
14 the house and senate fiscal agencies for the preceding fiscal
15 year on the nursing scholarship program. The report shall
16 include, but is not limited to, the number of full and partial
17 scholarships, the total dollar amount of scholarships awarded,
18 the type of eligible institutions in which the scholarship recip-
19 ients enrolled, and the number of scholarships, if any, for which
20 students have incurred a repayment obligation under
21 section 7(3).

22 Enacting section 1. This act does not take effect unless
23 House Bill No. 6054 of the 91st Legislature is enacted into law.