

SENATE BILL No. 793

October 24, 2001, Introduced by Senators SCHWARZ, SMITH, NORTH, HAMMERSTROM, GAST, BYRUM, VAN REGENMORTER and GOSCHKA and referred to the Committee on Appropriations.

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 establish a Michigan nursing scholarship fund and to provide for its administration; 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,

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

3 (c) "Eligible employment" means a registered nurse providing
4 full-time nursing care in a ward, emergency department, emergency
5 room, operating room, or trauma center of a hospital licensed
6 under article 17 of the public health code, 1978 PA 368, MCL
7 333.20101 to 333.22260, or in a nursing home licensed under arti-
8 cle 17 of the public health code, 1978 PA 368, MCL 333.20101 to
9 333.22260, or for a licensed home health care agency providing
10 home health care.

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

14 (e) "Fund" means the Michigan nursing scholarship fund cre-
15 ated in section 8.

16 (f) "Nursing program" means an accredited program for the
17 training of individuals to become registered nurses operated in
18 this state by an eligible institution.

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

22 Sec. 3. The Michigan nursing scholarship program is creat-
23 ed, to be administered by the authority. The authority shall do
24 all of the following:

25 (a) Award scholarships to eligible students pursuant to this
26 act.

1 (b) Develop a scholarship agreement to be entered into by a
2 scholarship recipient and the authority that contains the terms
3 of a scholarship made under this act and the rights and obliga-
4 tions of the scholarship recipient and the authority.

5 (c) Collect repayment of scholarships if required under sec-
6 tion 7.

7 (d) Conduct periodic audits of scholarship recipients to
8 ensure compliance with the terms of the scholarship agreement and
9 take necessary steps to enforce the terms of the scholarship
10 agreement.

11 (e) Publicize the Michigan nursing scholarship program and
12 recruit qualifying students to participate in the Michigan nurs-
13 ing scholarship program.

14 (f) Promulgate rules, as necessary to implement this act,
15 pursuant to the administrative procedures act of 1969, 1969
16 PA 306, MCL 24.201 to 24.328. The rules may include additional
17 standards of eligibility for students to receive scholarships
18 under this act.

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

22 (a) Is a United States citizen or permanent resident of the
23 United States.

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

1 (c) Is enrolled or has been accepted into a nursing
2 program.

3 (d) Has signed a written scholarship agreement with the
4 authority stating the individual's intention to pursue nursing as
5 a career and to serve in eligible employment in this state for a
6 period of not less than 5 years.

7 (e) Is in compliance with this act and the rules promulgated
8 under this act.

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

11 (g) Meets any other standards established in rules promul-
12 gated by the authority under section 3.

13 Sec. 5. Each scholarship recipient shall receive a
14 \$3,000.00 scholarship, or a scholarship in an amount equal to the
15 recipient's eligible costs minus any other grants or scholarships
16 the recipient receives, whichever is less, for each academic year
17 in a nursing program. No individual shall receive scholarship
18 assistance for more than 4 academic years, as determined by the
19 authority.

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

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

26 (b) Maintaining satisfactory progress as determined by the
27 eligible institution.

1 Sec. 7. (1) An individual shall not receive a scholarship
2 under this act unless he or she enters into a written agreement
3 with the authority, in which he or she agrees to all of the
4 following:

5 (a) To obtain a license from this state as a registered pro-
6 fessional nurse within 1 year after completing the nursing pro-
7 gram for which the scholarship was awarded.

8 (b) Beginning within 1 year after completing the nursing
9 program for which the scholarship was awarded, to serve for a
10 period of not less than 5 years in eligible employment in this
11 state.

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

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

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

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

1 (b) The procedures under which a recipient of assistance
2 received under this act who serves in eligible employment in this
3 state for less than the period required under subsection (1) may
4 have the repayment requirements extended under subsection (4) or
5 excused under subsection (5).

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

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

18 (a) Is pursuing a full-time course of study related to the
19 field of nursing at a public or private college or university or
20 community college located in this state.

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

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

26 (d) Satisfies the provisions of any other repayment
27 exceptions prescribed by the authority by rule.

1 (5) A recipient is excused from repayment of any scholarship
2 assistance received under this act if the recipient becomes per-
3 manently and totally disabled as established by sworn affidavit
4 of a qualified physician or dies or if circumstances occur that
5 the authority considers as a compelling reason to excuse
6 repayment.

7 Sec. 8. (1) There is created the Michigan nursing scholar-
8 ship fund as a separate fund in the state treasury, to be admin-
9 istered by the department of treasury. The department of trea-
10 sury may accept money for the fund appropriated from the Michigan
11 merit award trust fund established in section 3 of the Michigan
12 merit award scholarship act, 1999 PA 94, MCL 390.1453, or from
13 any other source. The state treasurer shall deposit that money
14 and amounts repaid to the authority on scholarships awarded under
15 this act and shall credit the amounts to the fund. The depart-
16 ment of treasury shall use the fund only to provide money to the
17 authority for scholarships awarded under this act.

18 (2) The state treasurer shall direct the investment of the
19 fund money and shall credit earnings to the fund.

20 (3) Money in the fund at the end of a fiscal year shall not
21 revert to the general fund but shall be carried over in the fund
22 to the next fiscal year.

23 Enacting section 1. This act does not take effect unless
24 Senate Bill No. 792

25 of the 91st Legislature is enacted into law.