

SENATE BILL No. 835

October 20, 2005, Introduced by Senator SWITALSKI and referred to the Committee on Appropriations.

A bill to amend 2002 PA 591, entitled
"Michigan nursing scholarship act,"
by amending the title and sections 1, 2, 3, 4, 5, 6, 7, 8, and 9
(MCL 390.1181, 390.1182, 390.1183, 390.1184, 390.1185, 390.1186,
390.1187, 390.1188, and 390.1189) and by adding sections 7a and 7b.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

TITLE

An act to establish an educational scholarship program for
eligible resident students enrolled in certain nursing ~~programs~~
SCHOOLS; to prescribe conditions for repayment of the scholarships;
TO PROVIDE GRANTS TO SUPPORT NURSING SCHOOLS IN THIS STATE; to
provide for the administration of the ~~Michigan~~ nursing
scholarship program **AND NURSING SCHOOL GRANT PROGRAM**; and to

1 prescribe certain powers and duties of certain state officers,
2 agencies, and departments.

3 Sec. 1. This act shall be known and may be cited as the
4 ~~"Michigan- "nursing -scholarship-~~ **EDUCATION INCENTIVES** act".

5 Sec. 2. As used in this act:

6 (a) "Authority" means the Michigan higher education assistance
7 authority created by 1960 PA 77, MCL 390.951 to 390.961.

8 (b) "Eligible costs" means tuition and fees charged by an
9 eligible institution; related costs for room, board, books,
10 supplies, transportation, or day care; and other costs determined
11 by the authority.

12 (c) "Eligible employment" means a registered nurse or licensed
13 practical nurse providing full-time nursing care, or part-time
14 nursing care if section 7 applies, in a ward, emergency department,
15 emergency room, operating room, or trauma center of a hospital
16 licensed under article 17 of the public health code, 1978 PA 368,
17 MCL 333.20101 to 333.22260, in a nursing home or hospice licensed
18 under article 17 of the public health code, 1978 PA 368, MCL
19 333.20101 to 333.22260, in a health facility or agency licensed
20 under article 17 of the public health code, 1978 PA 368, MCL
21 333.20101 to 333.22260, that provides nonemergency health care to
22 patients without receiving compensation for providing that
23 nonemergency health care, or in a clinic or other health care
24 program operated by a local health department that provides 1 or
25 more required services under part 24 of the public health code,
26 1978 PA 368, MCL 333.2401 to 333.2498, or as an employee of a home
27 health care agency providing home patient care.

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

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

8 (f) "Nursing ~~program~~ **SCHOOL**" means a program for the
9 training of individuals to become registered nurses or licensed
10 practical nurses operated in this state by an eligible institution
11 and approved by the Michigan board of nursing.

12 (g) "Registered professional nurse" means that term as defined
13 in section 17201 of the public health code, 1978 PA 368, MCL
14 333.17201.

15 Sec. 3. The ~~Michigan~~ nursing scholarship program is created,
16 to be administered by the authority. The authority shall do all of
17 the following:

18 (a) Award scholarships to eligible students pursuant to this
19 act.

20 (b) Develop a scholarship agreement to be entered into by a
21 scholarship recipient and the authority that contains the terms of
22 a scholarship made under this act and the rights and obligations of
23 the scholarship recipient and the authority.

24 (c) Collect repayment of scholarships if required under
25 section 7.

26 (d) Conduct periodic audits of scholarship recipients to
27 ensure compliance with the terms of the scholarship agreement and

1 take necessary steps to enforce the terms of the scholarship
2 agreement.

3 (e) Publicize the ~~Michigan~~ nursing scholarship program and
4 recruit qualifying students to participate in the ~~Michigan~~
5 nursing scholarship program.

6 (f) Promulgate rules, as necessary to implement this act,
7 pursuant to the administrative procedures act of 1969, 1969 PA 306,
8 MCL 24.201 to 24.328. The rules may include additional standards of
9 eligibility for students to receive scholarships under this act.

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

13 (a) Is a United States citizen or permanent resident of the
14 United States.

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

18 (c) Is enrolled or has been accepted into a nursing ~~program~~
19 **SCHOOL.**

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

24 (i) One year if the individual received scholarship assistance
25 under this act in 1 academic year of full-time enrollment in a
26 nursing ~~program~~ **SCHOOL.**

27 (ii) Two years if the individual received scholarship

1 assistance under this act in 2 academic years of full-time
2 enrollment in a nursing ~~program~~ **SCHOOL**.

3 (iii) Three years if the individual received scholarship
4 assistance under this act in 3 academic years of full-time
5 enrollment in a nursing ~~program~~ **SCHOOL**.

6 (iv) Four years if the individual received scholarship
7 assistance under this act in 4 academic years of full-time
8 enrollment in a nursing ~~program~~ **SCHOOL**.

9 (e) Is in compliance with this act and the rules promulgated
10 under this act.

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

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

15 Sec. 5. (1) Subject to subsection ~~-(2)-~~ **(3) AND SECTION 8(2)**,
16 each scholarship recipient shall receive a ~~-\$4,000.00-~~ scholarship
17 **OF NOT MORE THAN \$4,000.00** for 1 academic year of full-time
18 enrollment, or a partial scholarship for part-time enrollment, in a
19 nursing ~~program~~ **SCHOOL**.

20 (2) The authority shall determine the amount of a partial
21 scholarship by multiplying ~~-\$4,000.00-~~ **THE SCHOLARSHIP AMOUNT FOR**
22 **FULL-TIME ENROLLMENT IN THAT STATE FISCAL YEAR** by the number of
23 credit hours for which a student enrolls in an academic year, and
24 dividing the product by 30 if the nursing ~~program~~ **SCHOOL** uses
25 semester credits or by 45 if the nursing ~~program~~ **SCHOOL** uses term
26 credits.

27 (3) ~~-(2)-~~ A scholarship described in subsection (1) shall not

1 exceed an amount equal to the recipient's eligible costs minus any
2 other grants or scholarships the recipient receives in any academic
3 year in a nursing ~~program~~ **SCHOOL**.

4 (4) ~~-(3)-~~ An individual shall not receive scholarship
5 assistance for more than 4 academic years.

6 Sec. 6. Recipients of scholarship assistance under this act
7 shall continue to receive scholarship payments only during periods
8 that the authority finds that the recipient is both of the
9 following:

10 (a) Enrolled as a full-time or part-time student in a nursing
11 ~~program~~ **SCHOOL**.

12 (b) Maintaining satisfactory progress as determined by the
13 eligible institution.

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

18 (a) To obtain a license from this state as a registered
19 professional nurse or licensed practical nurse within 1 year after
20 completing the nursing ~~program~~ **SCHOOL** for which the scholarship
21 was awarded.

22 (b) Beginning within 1 year after completing the nursing
23 ~~program~~ **SCHOOL** for which the scholarship was awarded, to serve for
24 the period of eligible employment applicable to the individual
25 under section 4(d) in this state.

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

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

6 (2) The agreement described in subsection (1) must fully
7 disclose the terms and conditions under which scholarship
8 assistance under this act is provided and under which repayment may
9 be required. The agreement must include a description of both of
10 the following:

11 (a) The appeals procedures established by the authority under
12 which a recipient may appeal a determination of noncompliance with
13 any provision under this act.

14 (b) The procedures under which a recipient of assistance
15 received under this act who serves in eligible employment in this
16 state for less than the period required under subsection (1) may
17 have the repayment requirements extended under subsection (4) or
18 excused under subsection (5), (6), or (7).

19 (3) The authority shall require recipients found by the
20 authority to be in noncompliance with the agreement entered into
21 under this section to repay the scholarship awards received, plus
22 interest, but in no event at an interest rate higher than the rate
23 applicable to other student loans **MADE OR** guaranteed by the
24 authority in that time period and, where applicable, reasonable
25 collection fees, on a schedule and at a rate of interest to be
26 prescribed by the authority by rule.

27 (4) A recipient is not in violation of the agreement entered

1 into pursuant to subsection (1) and any repayment obligation is
2 deferred during any period in which the recipient meets 1 of the
3 following:

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

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

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

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

12 (5) A recipient is not in violation of the agreement entered
13 into pursuant to subsection (1), and the recipient may be excused
14 from repayment of any scholarship assistance received under this
15 act, if the recipient is employed providing part-time nursing care
16 and all of the following are met:

17 (a) The ~~department~~ **AUTHORITY** by rule has established a
18 minimum average number of hours per week a recipient must be
19 employed providing nursing care to qualify as providing part-time
20 nursing care for the purposes of this subsection, and the recipient
21 meets this requirement.

22 (b) The recipient is engaged in eligible employment in this
23 state.

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

26 (i) Two years if the recipient received ~~a \$4,000.00~~ 1
27 scholarship under this act for 1 academic year of full-time

1 enrollment in a nursing ~~program~~ **SCHOOL**. If the recipient received
 2 a partial scholarship for 1 academic year of part-time enrollment,
 3 this 2-year time period is reduced to a time period determined by
 4 multiplying 2 years by a fraction, the numerator of which is the
 5 dollar amount of the partial scholarship and the denominator of
 6 which is ~~-\$4,000.00~~ **THE SCHOLARSHIP AMOUNT FOR FULL-TIME**
 7 **ENROLLMENT IN THAT STATE FISCAL YEAR.**

8 (ii) Four years if the recipient received ~~two \$4,000.00~~ **2**
 9 scholarships under this act for 2 academic years of full-time
 10 enrollment in a nursing ~~program~~ **SCHOOL**. If the recipient received
 11 partial scholarships for 2 academic years of part-time enrollment,
 12 this 4-year time period is reduced to a time period determined by
 13 multiplying 4 years by a fraction, the numerator of which is the
 14 dollar amount of the partial scholarships and the denominator of
 15 which is ~~-\$8,000.00~~ **200% OF THE SCHOLARSHIP AMOUNT FOR FULL-TIME**
 16 **ENROLLMENT IN THAT STATE FISCAL YEAR.**

17 (iii) Six years if the recipient received ~~three \$4,000.00~~ **3**
 18 scholarships under this act for 3 academic years of full-time
 19 enrollment in a nursing ~~program~~ **SCHOOL**. If the recipient received
 20 partial scholarships for 3 academic years of part-time enrollment,
 21 this 6-year time period is reduced to a time period determined by
 22 multiplying 6 years by a fraction, the numerator of which is the
 23 dollar amount of the partial scholarships and the denominator of
 24 which is ~~-\$12,000.00~~ **300% OF THE SCHOLARSHIP AMOUNT FOR FULL-TIME**
 25 **ENROLLMENT IN THAT STATE FISCAL YEAR.**

26 (iv) Eight years if the recipient received ~~four \$4,000.00~~ **4**
 27 scholarships under this act for 4 academic years of full-time

1 enrollment in a nursing ~~program~~ **SCHOOL**. If the recipient received
 2 partial scholarships for 4 academic years of part-time enrollment,
 3 this 8-year time period is reduced to a time period determined by
 4 multiplying 8 years by a fraction, the numerator of which is the
 5 dollar amount of the partial scholarships and the denominator of
 6 which is ~~-\$16,000.00~~ **400% OF THE SCHOLARSHIP AMOUNT FOR FULL-TIME**
 7 **ENROLLMENT IN THAT STATE FISCAL YEAR.**

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

12 (a) Received 1 or more partial scholarships under this act for
 13 part-time enrollment in a nursing ~~program~~ **SCHOOL**.

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

16 (i) If the recipient received a partial scholarship for 1
 17 academic year of part-time enrollment, a time period determined by
 18 multiplying 1 year by a fraction, the numerator of which is the
 19 dollar amount of the partial scholarship and the denominator of
 20 which is ~~-\$4,000.00~~ **THE SCHOLARSHIP AMOUNT FOR FULL-TIME**
 21 **ENROLLMENT IN THAT STATE FISCAL YEAR.**

22 (ii) If the recipient received partial scholarships for 2
 23 academic years of part-time enrollment, a time period determined by
 24 multiplying 2 years by a fraction, the numerator of which is the
 25 dollar amount of the partial scholarships and the denominator of
 26 which is ~~-\$8,000.00~~ **200% OF THE SCHOLARSHIP AMOUNT FOR FULL-TIME**
 27 **ENROLLMENT IN THAT STATE FISCAL YEAR.**

1 (iii) If the recipient received partial scholarships for 3
2 academic years of part-time enrollment, a time period determined by
3 multiplying 3 years by a fraction, the numerator of which is the
4 dollar amount of the partial scholarships and the denominator of
5 which is ~~-\$12,000.00~~ **300% OF THE SCHOLARSHIP AMOUNT FOR FULL-TIME**
6 **ENROLLMENT IN THAT STATE FISCAL YEAR.**

7 (iv) If the recipient received partial scholarships for 4
8 academic years of part-time enrollment, a time period determined by
9 multiplying 4 years by a fraction, the numerator of which is the
10 dollar amount of the partial scholarships and the denominator of
11 which is ~~-\$16,000.00~~ **400% OF THE SCHOLARSHIP AMOUNT FOR FULL-TIME**
12 **ENROLLMENT IN THAT STATE FISCAL YEAR.**

13 (7) A recipient is excused from repayment of any scholarship
14 assistance received under this act if the recipient becomes
15 permanently and totally disabled as established by sworn affidavit
16 of a qualified physician or dies or if circumstances occur that the
17 authority considers as a compelling reason to excuse repayment.

18 **SEC. 7A. THE NURSING SCHOOL GRANT PROGRAM IS CREATED, TO BE**
19 **ADMINISTERED BY THE AUTHORITY. THE AUTHORITY SHALL DO ALL OF THE**
20 **FOLLOWING:**

21 (A) AWARD GRANTS TO NURSING SCHOOLS PURSUANT TO THIS ACT.

22 (B) DEVELOP A FORM OF GRANT APPLICATION FOR USE BY A NURSING
23 SCHOOL SEEKING A GRANT UNDER THIS ACT THAT CONTAINS THE TERMS OF
24 THE GRANT AND THE RIGHTS AND OBLIGATIONS OF THE NURSING SCHOOL IF
25 IT IS AWARDED A GRANT.

26 (C) CONDUCT PERIODIC AUDITS OF GRANT RECIPIENTS TO ENSURE
27 COMPLIANCE WITH THE TERMS OF THE GRANT AND TAKE NECESSARY STEPS TO

1 ENFORCE THE TERMS OF THE GRANT.

2 (D) PUBLICIZE THE NURSING SCHOOL GRANT PROGRAM.

3 (E) PROMULGATE RULES AS NECESSARY TO IMPLEMENT THIS ACT
4 PURSUANT TO THE ADMINISTRATIVE PROCEDURES ACT OF 1969, 1969 PA 306,
5 MCL 24.201 TO 24.328. THE RULES MAY INCLUDE ADDITIONAL STANDARDS OF
6 ELIGIBILITY FOR NURSING SCHOOLS TO RECEIVE GRANTS UNDER THIS ACT.

7 SEC. 7B. (1) THE AUTHORITY MAY AWARD A GRANT UNDER THIS ACT TO
8 A NURSING SCHOOL DETERMINED BY THE AUTHORITY TO MEET ALL OF THE
9 FOLLOWING ELIGIBILITY CRITERIA:

10 (A) THE NURSING SCHOOL IS ENGAGED IN TRAINING OF INDIVIDUALS
11 TO BECOME REGISTERED NURSES OR LICENSED PRACTICAL NURSES.

12 (B) THE NURSING SCHOOL IS OPERATED IN THIS STATE BY AN
13 ELIGIBLE INSTITUTION.

14 (C) THE NURSING SCHOOL IS APPROVED BY THE MICHIGAN BOARD OF
15 NURSING.

16 (D) THE NURSING SCHOOL HAS ENROLLED MORE STUDENTS IN THE
17 ACADEMIC YEAR WHEN THE GRANT APPLICATION IS SUBMITTED THAN IN THE
18 PREVIOUS ACADEMIC YEAR.

19 (E) THE NURSING SCHOOL HAS SUBMITTED A WRITTEN GRANT
20 APPLICATION TO THE AUTHORITY IN THE FORM ESTABLISHED BY THE
21 DEPARTMENT UNDER SECTION 7A(B).

22 (F) THE NURSING SCHOOL IS IN COMPLIANCE WITH THIS ACT AND THE
23 RULES PROMULGATED UNDER THIS ACT.

24 (G) THE NURSING SCHOOL MEETS ANY OTHER STANDARDS ESTABLISHED
25 IN RULES PROMULGATED BY THE DEPARTMENT UNDER SECTION 7A.

26 (2) A NURSING SCHOOL MAY ONLY SUBMIT 1 GRANT APPLICATION IN AN
27 ACADEMIC YEAR.

1 (3) A NURSING SCHOOL MAY ONLY USE GRANT MONEY RECEIVED UNDER
2 THIS ACT FOR ANY OF THE FOLLOWING PURPOSES:

3 (A) EMPLOYMENT OF FULL-TIME AND PART-TIME FACULTY AND SUPPORT
4 PERSONNEL.

5 (B) PROVIDING CLINICAL SUPERVISION AT HOSPITALS AND OTHER
6 HEALTH CARE FACILITIES.

7 (C) PURCHASING INSTRUCTIONAL EQUIPMENT, MATERIALS, SUPPLIES,
8 AND SOFTWARE.

9 (D) PROVIDING SPECIAL PREPARATION CLASSES FOR NURSING
10 GRADUATES TAKING A STATE-APPROVED LICENSING EXAMINATION.

11 (E) PRODUCING MARKETING AND RECRUITMENT MATERIALS AIMED AT
12 ATTRACTING QUALIFIED STUDENTS TO THE NURSING SCHOOL.

13 Sec. 8. (1) The department of treasury shall establish and
14 administer a restricted account in the general fund for the
15 ~~Michigan nursing scholarship program~~ **AND NURSING SCHOOL GRANT**
16 **PROGRAMS ESTABLISHED IN THIS ACT, NAMED THE "NURSING EDUCATION**
17 **INCENTIVE FUND"**. The department of treasury shall credit to the
18 account money appropriated from the Michigan merit award trust fund
19 established in section 3 of the Michigan merit award scholarship
20 act, 1999 PA 94, MCL 390.1453, or **APPROPRIATED OR** received from any
21 other source including, but not limited to, amounts repaid to the
22 authority on scholarships awarded under this act and earnings in
23 the account. The department of treasury shall use the money in the
24 account only to provide money to the authority for scholarships **AND**
25 **GRANTS** awarded under this act.

26 (2) BEFORE EACH STATE FISCAL YEAR, FROM MONEY APPROPRIATED FOR
27 THAT FISCAL YEAR FOR THE NURSING SCHOLARSHIP AND NURSING SCHOOL

1 GRANT PROGRAMS, THE AUTHORITY SHALL DETERMINE THE AMOUNT ALLOCATED
2 TO EACH OF THE PROGRAMS; THE AMOUNT IT INTENDS TO DISTRIBUTE FROM
3 MONEY ALLOCATED TO THE NURSING SCHOOL GRANT PROGRAMS TO INDIVIDUAL
4 NURSING SCHOOLS; AND THE SCHOLARSHIP AMOUNT FOR FULL-TIME
5 ENROLLMENT FOR THAT STATE FISCAL YEAR, BASED ON ITS DETERMINATION
6 OF AVAILABLE RESOURCES AND AMOUNTS APPROPRIATED.

7 (3) ~~—(2)—~~ Money in the account at the end of a **STATE** fiscal
8 year shall not revert to the general fund but shall be carried over
9 in the account to the next **STATE** fiscal year.

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