

SENATE BILL No. 836

October 20, 2005, Introduced by Senators BROWN, SWITALSKI, GEORGE, TOY and BIRKHOLZ and referred to the Committee on Appropriations.

A bill to establish an educational scholarship program for eligible resident students enrolled in certain nursing faculty programs; to prescribe conditions for repayment of the scholarships; to provide for the administration of the nursing faculty 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 "nursing faculty scholarship act".

3 Sec. 3. As used in this act:

4 (a) "Authority" means the Michigan higher education assistance
5 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,
8 supplies, transportation, or day care; and other reasonable living

1 expenses that the authority determines are appropriate for a
2 student in a nursing faculty program.

3 (c) "Eligible employment" means teaching in a nursing program
4 at an eligible institution.

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

8 (e) "Nursing faculty program" means a graduate school of
9 nursing, or a program at a graduate school of teaching that focuses
10 on preparing faculty for nursing programs, approved by the Michigan
11 board of nursing and operated by an eligible institution.

12 (f) "Nursing program" means a program that meets all of the
13 following:

14 (i) Trains individuals to become registered nurses.

15 (ii) Awards an associate or bachelor's degree for successful
16 completion.

17 (iii) Is operated in this state by an eligible institution.

18 (iv) Is approved by the Michigan board of nursing.

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

22 Sec. 5. The nursing faculty scholarship program is created, to
23 be administered by the authority. The authority shall do all of the
24 following:

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

26 (b) Develop a scholarship agreement to be entered into by a
27 scholarship recipient and the authority that contains the terms of

1 a scholarship made under this act and the rights and obligations of
2 the scholarship recipient and the authority.

3 (c) Collect repayment of scholarships if required under
4 section 11.

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

9 (e) Publicize the nursing faculty scholarship program and
10 recruit qualifying students to participate in the nursing faculty
11 scholarship program.

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

16 Sec. 7. The authority may award a scholarship under this act
17 to an individual determined by the authority to meet all of the
18 following eligibility criteria:

19 (a) Is a United States citizen or permanent resident of the
20 United States.

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

24 (c) Is enrolled or has been accepted into a nursing faculty
25 program.

26 (d) Has signed a written scholarship agreement with the
27 authority stating the individual's intention to serve in eligible

1 employment in this state for 3 continuous years after completion of
2 the graduate nursing program.

3 (e) Is in compliance with this act and the rules promulgated
4 under this act.

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

7 (g) Meets any other standards established in rules promulgated
8 by the authority under section 5.

9 Sec. 9. (1) Subject to subsection (2), each scholarship
10 recipient shall receive a \$4,000.00 scholarship upon enrollment in
11 a nursing faculty program.

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

16 Sec. 11. (1) An individual shall not receive a scholarship
17 under this act unless he or she enters into a written agreement
18 with the authority, in which he or she agrees to all of the
19 following:

20 (a) Beginning within 1 year after completing the nursing
21 faculty program for which the scholarship was awarded, to serve for
22 3 years of continuous eligible employment in this state.

23 (b) Except as provided in subsection (4) or (5), if he or she
24 does not meet the condition described in subdivision (a), to repay
25 all or part of a scholarship award received under this act plus
26 interest and, if applicable, reasonable collection fees, in
27 compliance with rules promulgated by the authority.

1 (2) The agreement described in subsection (1) shall fully
2 disclose the terms and conditions under which scholarship
3 assistance under this act is provided and under which repayment may
4 be required. The agreement shall include a description of both of
5 the following:

6 (a) The appeals procedures established by the authority under
7 which a scholarship recipient may appeal a determination of
8 noncompliance with any provision under this act.

9 (b) The procedures under which a scholarship recipient who
10 serves in eligible employment in this state for less than the
11 period required under subsection (1) may have the repayment
12 requirement extended under subsection (4) or excused under
13 subsection (5).

14 (3) The authority shall require a scholarship recipient found
15 by the authority to be in noncompliance with the agreement entered
16 into under this section to repay the scholarship awards received,
17 plus interest at a rate that does not exceed the rate applicable to
18 other student loans guaranteed by the authority in that time period
19 and, where applicable, reasonable collection fees, on a schedule
20 and at a rate of interest to be prescribed by the authority by
21 rule.

22 (4) A scholarship recipient is not in violation of the
23 agreement entered into under subsection (1) and any repayment
24 obligation is deferred during any period in which the scholarship
25 recipient meets 1 of the following:

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

1 (b) Is temporarily totally disabled for a period of 3 years or
2 less, as established by sworn affidavit of a qualified physician.

3 (c) Satisfies the provisions of any other repayment exceptions
4 prescribed by the authority by rule.

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

11 Sec. 13. (1) The department of treasury shall establish and
12 administer a restricted account in the general fund for the nursing
13 faculty scholarship program. The department of treasury shall
14 credit to the account money appropriated or received from any other
15 source including, but not limited to, amounts repaid to the
16 authority on scholarships awarded under this act and earnings in
17 the account.

18 (2) The department of treasury shall use the money in the
19 account only to provide money to the authority for scholarships
20 awarded under this act.

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

24 Sec. 15. Not later than November 1, the authority shall
25 annually submit a report to the state budget director, the house
26 and senate appropriation subcommittees on higher education, and the
27 house and senate fiscal agencies for the preceding fiscal year on

1 the nursing faculty scholarship program. The report shall include,
2 but is not limited to, the number of scholarships awarded under
3 this act, the total dollar amount of scholarships awarded, the
4 type of eligible institutions in which the scholarship recipients
5 enrolled, and the number of scholarships, if any, for which
6 students have incurred a repayment obligation under section 11(3).