

SENATE BILL No. 562

May 31, 2007, Introduced by Senators BROWN, KUIPERS, KAHN, PAPPAGEORGE, VAN WOERKOM, BIRKHOLOZ, JACOBS, HUNTER and HARDIMAN 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
9 expenses that the authority determines are appropriate for a
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1 student in a nursing faculty program.

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

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

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

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

13 (i) Trains individuals to become registered nurses.

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

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

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

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

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

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

25 (b) Develop a scholarship agreement to be entered into by a
26 scholarship recipient and the authority that contains the terms of
27 a scholarship made under this act and the rights and obligations of

1 the scholarship recipient and the authority.

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

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

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

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

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

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

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

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

25 (d) Has signed a written scholarship agreement with the
26 authority stating the individual's intention to serve in eligible
27 employment in this state for 3 continuous years after completion of

1 the graduate nursing program.

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

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

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

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

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

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

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

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

27 (2) The agreement described in subsection (1) shall fully

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

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

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

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

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

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

27 (b) Is temporarily totally disabled for a period of 3 years or

1 less, as established by sworn affidavit of a qualified physician.

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

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

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

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

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

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

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