MICHIGAN NURSING SCHOLARSHIP ACT

Act 591 of 2002

AN ACT 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.

History: 2002, Act 591, Imd. Eff. Oct. 17, 2002

The People of the State of Michigan enact:

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390.1181 Short title.

Sec. 1.

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

History: 2002, Act 591, Imd. Eff. Oct. 17, 2002
Compiler's Notes: For transfer of powers and duties of Michigan higher education assistance authority to department of treasury, see E.R.O. No. 2010-2, compiled at MCL 12.194.

390.1182 Definitions.

Sec. 2.

As used in this act:

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

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

(c) "Eligible employment" means either of the following:

(i) Teaching in a nursing program.

(ii) A registered nurse or licensed practical nurse providing full-time nursing care, or part-time nursing care if section 7 applies, in a ward, emergency department, emergency room, operating room, or trauma center of a hospital licensed under article 17 of the public health code, 1978 PA 368, MCL 333.20101 to 333.22260, in a nursing home or hospice licensed under article 17 of the public health code, 1978 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 health care agency providing home patient care.

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

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

(f) "Nursing program" means either of the following:

(i) A program for the training of individuals to become registered nurses or licensed practical nurses operated in this state by an eligible institution and approved by the Michigan board of nursing.

(ii) A master's degree in nursing program operated in this state by an eligible institution and approved by the Michigan board of nursing.

(g) "Registered professional nurse" means that term as defined in section 17201 of the public health code, 1978

PA 368, MCL 333.17201.

History: 2002, Act 591, Imd. Eff. Oct. 17, 2002 ;-- Am. 2006, Act 444, Imd. Eff. Nov. 27, 2006
Compiler's Notes: For transfer of powers and duties of Michigan higher education assistance authority to department of treasury, see E.R.O. No. 2010-2, compiled at MCL 12.194.For the transfer of the powers and duties for the administration of certain scholarship and grant programs from the office of postsecondary financial planning within the department of treasury to the director of MiLEAP, see E.R.O. No. 2023-2, compiled at MCL 388.1283.

390.1183 Michigan nursing scholarship program; creation; administration; duties of authority.

Sec. 3.

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

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

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

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

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

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

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

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History: 2002, Act 591, Imd. Eff. Oct. 17, 2002
Compiler's Notes: For transfer of powers and duties of Michigan higher education assistance authority to department of treasury, see E.R.O. No. 2010-2, compiled at MCL 12.194.For the transfer of the powers and duties for the administration of certain scholarship and grant programs from the office of postsecondary financial planning within the department of treasury to the director of MiLEAP, see E.R.O. No. 2023-2, compiled at MCL 388.1283.

390.1184 Scholarship award; criteria.

Sec. 4.

The authority may award a scholarship under this act to an individual determined by the authority to meet all of the following eligibility criteria:

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

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

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

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

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

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

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

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

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

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

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

History: 2002, Act 591, Imd. Eff. Oct. 17, 2002

390.1185 Scholarship amount; determination; limitation.

Sec. 5.

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

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

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

History: 2002, Act 591, Imd. Eff. Oct. 17, 2002

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390.1186 Duration of payments.

Sec. 6.

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

(a) Enrolled as a full-time or part-time student in a nursing program.

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

History: 2002, Act 591, Imd. Eff. Oct. 17, 2002

390.1187 Agreement; provisions; disclosure of terms and conditions; noncompliance; deferred or excused repayment.

Sec. 7.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(i) Two years if the recipient received a $4,000.00 scholarship under this act for 1 academic year of full-time enrollment in a nursing program. If the recipient received a partial scholarship for 1 academic year of part-time enrollment, this 2-year time period is reduced to a time period determined by multiplying 2 years by a fraction, the numerator of which is the dollar amount of the partial scholarship and the denominator of which is $4,000.00.

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

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

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

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

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

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

(i) If the recipient received a partial scholarship for 1 academic year of part-time enrollment, a time period determined by multiplying 1 year by a fraction, the numerator of which is the dollar amount of the partial scholarship and the denominator of which is $4,000.00.

(ii) If the recipient received partial scholarships for 2 academic years of part-time enrollment, a time period determined by multiplying 2 years by a fraction, the numerator of which is the dollar amount of the partial scholarships and the denominator of which is $8,000.00.

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

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

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

History: 2002, Act 591, Imd. Eff. Oct. 17, 2002

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390.1188 Restricted account; reversion.

Sec. 8.

(1) The department of treasury shall establish and administer a restricted account in the general fund for the Michigan nursing scholarship program. The department of treasury shall credit to the account money appropriated from the Michigan merit award trust fund established in section 3 of the Michigan merit award scholarship act, 1999 PA 94, MCL 390.1453, or received from any other source including, but not limited to, amounts repaid to the authority on scholarships awarded under this act and earnings in the account. The department of treasury shall use the money in the account only to provide money to the authority for scholarships awarded under this act.

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

History: 2002, Act 591, Imd. Eff. Oct. 17, 2002

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390.1189 Report.

Sec. 9.

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

History: 2002, Act 591, Imd. Eff. Oct. 17, 2002