

AMENDED IN SENATE APRIL 23, 2008

AMENDED IN SENATE APRIL 10, 2008

AMENDED IN SENATE APRIL 3, 2008

AMENDED IN SENATE MARCH 25, 2008

SENATE BILL

No. 1621

Introduced by Senator Ashburn

February 22, 2008

An act to amend Sections 70101, 70102, 70103, 70104, 70105, and 70106 of the Education Code, relating to nursing education.

LEGISLATIVE COUNSEL'S DIGEST

SB 1621, as amended, Ashburn. Nursing education.

(1) Existing law establishes the Student Aid Commission as the primary state agency for the administration of state-authorized student financial aid programs available to students attending all segments of postsecondary education. Existing law establishes the State Nursing Assumption Program of Loans for Education (SNAPLE), administered by the commission, under which any person enrolled in, or a graduate of, an institution of postsecondary education or who has earned a baccalaureate or graduate level degree, and who meets the other requirements of the program, is eligible to receive a conditional warrant for loan assumption, to be redeemed upon becoming employed as a full-time nursing faculty member at a California college or university.

This bill would specify that an otherwise qualified person who has been admitted to an institution of postsecondary education is eligible to receive a conditional warrant for loan assumption. ~~The bill would prohibit a person who is teaching nursing at a regionally accredited California college or university from entering into an agreement for~~

~~loan assumption unless the applicant is enrolled or admitted to an academic degree program leading to a more advanced degree in nursing, during the academic year that he or she applies to the program. The bill would limit participation in the SNAPLE program to those who, at a minimum, possess a baccalaureate degree.~~

(2) Existing law requires the commission to award loan assumption agreements to undergraduate and graduate students with demonstrated academic ability and financial need, as specified. Existing law requires that, unless an exception applies, program participants agree to teach nursing at a college or university within 12 months after obtaining an academic degree.

~~The bill would delete provisions of law relating to the award of loan assumption agreements to undergraduate students. The bill would require the commission to additionally award loan assumption agreements to otherwise qualified program applicants with baccalaureate and graduate degrees. The bill would make conforming changes to existing law. The bill would authorize the commission to extend the time period in which a participant agrees to teach nursing at a college or university, on a case-by-case basis, if the participant does not have the minimum qualifications to become a nurse educator within 12 months of receiving his or her degree. The bill would require a participant possessing a baccalaureate or graduate degree at the time of application to agree to teach nursing on a full-time or part-time basis commencing not more than 12 months of receiving a loan assumption award.~~

(3) Existing law requires a program participant pursuing a baccalaureate or graduate degree to be enrolled on at least a half-time basis each academic term and to agree to maintain satisfactory academic progress.

This bill would, unless certain exceptions apply, invalidate the warrant for loan assumption if a participant fails to maintain half-time enrollment. The bill would provide that a participant who fails to maintain half-time enrollment receive a deferral of the resumption of the full liability for the loan or an extension of the loan assumption agreement for a period not to exceed one calendar year, unless approved by the commission for a longer period, under specified circumstances.

(4) Existing law requires the commission to develop and adopt a rule or regulation no later than 6 months after the operative date of a statute that adds a provision of law to the SNAPLE program.

This bill would extend this period to 12 months after the operative date of the statute *that amends the program*.

Vote: majority. Appropriation: no. Fiscal committee: yes.

State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 70101 of the Education Code is amended
2 to read:

3 70101. (a) Program participants shall meet all of the following
4 eligibility criteria prior to selection into the program, and shall
5 continue to meet these criteria, as appropriate, during the payment
6 periods:

7 (1) The participant shall be a United States citizen or eligible
8 noncitizen.

9 (2) The participant shall be a California resident admitted to,
10 attending, or having earned a baccalaureate or graduate level degree
11 from, an eligible school or college. *The participant shall, at a*
12 *minimum, possess a baccalaureate degree.*

13 (3) The participant shall have complied with United States
14 Selective Service requirements.

15 (4) The participant shall not owe a refund on any state or federal
16 educational grant or have delinquent or defaulted student loans.

17 (b) ~~(4)~~ Any person who has been admitted to, enrolled in, or
18 graduated from, an institution of postsecondary education, and
19 who is participating in the loan assumption program set forth in
20 this article, may be eligible to receive a conditional warrant for
21 loan assumption, to be redeemed pursuant to this chapter upon
22 meeting the criteria of Section 70102.

23 ~~(2) A person who is currently teaching nursing at a regionally~~
24 ~~accredited California college or university is not eligible to enter~~
25 ~~into an agreement for loan assumption under this article, unless~~
26 ~~the applicant is enrolled in, or admitted to, an academic degree~~
27 ~~program leading to a more advanced degree in nursing, or a field~~
28 ~~related to nursing, during the academic year that he or she applies~~
29 ~~to the program.~~

30 (c) (1) The commission shall award loan assumption agreements
31 to undergraduate students with demonstrated academic ability and
32 financial need, as determined by the commission pursuant to Article
33 1.5 (commencing with Section 69503) of Chapter 2, and to graduate

1 ~~students and applicants with baccalaureate and graduate degrees~~
2 ~~to graduate students, and applicants with baccalaureate, graduate,~~
3 ~~or baccalaureate and graduate degrees~~ with demonstrated
4 academic ability.

5 (2) The applicant shall have completed a baccalaureate level or
6 graduate level degree program or be admitted to or enrolled in an
7 academic program leading to ~~a baccalaureate level or~~ a graduate
8 level degree.

9 (3) (A) The applicant shall be enrolled in, admitted to, or have
10 successfully completed, a baccalaureate or graduate degree
11 program. Applicants who are pursuing their ~~baccalaureate or~~
12 graduate degree shall be enrolled on at least a half-time basis each
13 academic term as defined by an eligible institution and shall agree
14 to maintain satisfactory academic progress.

15 (B) Except as provided in subparagraphs (C), (D), and (E), if a
16 program participant fails to maintain half-time enrollment as
17 required by this article, under the terms of the agreement pursuant
18 to subparagraph (A), the warrant shall be deemed invalid. The
19 participant shall assume full liability for all student loan
20 obligations. The participant is excused from the half-time
21 enrollment requirement if the student is in his or her final term in
22 school and has no additional coursework required to obtain his or
23 her ~~baccalaureate or~~ graduate degree in nursing or a field related
24 to nursing.

25 (C) Notwithstanding subparagraph (B), if a program participant
26 becomes unable to maintain half-time enrollment due to serious
27 illness, pregnancy, or other natural cause, the participant shall
28 receive a deferral of the resumption of full liability for the loan
29 for a period not to exceed one calendar year, unless approved by
30 the commission for a longer period.

31 (D) Notwithstanding subparagraph (B), if a program participant
32 becomes unable to maintain half-time enrollment due to being
33 called to military active duty status, the participant shall receive
34 a deferral of the resumption of full liability for the loan for a period
35 not to exceed one calendar year, unless approved by the
36 commission for a longer period.

37 (E) Notwithstanding subparagraph (B), if a natural disaster
38 prevents a program participant from maintaining half-time
39 enrollment due to the interruption of instruction at the eligible
40 institution, the term of the loan assumption agreement shall be

1 extended for a period not to exceed one calendar year, unless
2 approved by the commission for a longer period.

3 (4) The applicant shall have been judged by his or her
4 postsecondary institution to have outstanding ability on the basis
5 of criteria that may include, but need not be limited to, any of the
6 following:

7 (A) Grade point average.

8 (B) Test scores.

9 (C) Faculty evaluations.

10 (D) Interviews.

11 (E) Other recommendations.

12 (5) The applicant shall have received, or be approved to receive,
13 a loan under one or more of the following designated loan
14 programs:

15 (A) The Federal Family Education Loan Program (20 U.S.C.
16 Sec. 1071 et seq.).

17 (B) The Federal Direct Loan Program.

18 (C) Any loan program approved by the commission.

19 (6) (A) The applicant shall have agreed to teach nursing on a
20 full-time basis at one or more regionally accredited California
21 colleges or universities for at least three years, or on a part-time
22 basis for the equivalent of three full-time academic years,
23 commencing not more than 12 months after obtaining an academic
24 degree, unless the applicant, within 12 months after obtaining the
25 academic degree, enrolls in an academic degree program leading
26 to a more advanced degree in nursing or a field related to nursing.
27 ~~If the participant possesses a baccalaureate or graduate degree at~~
28 ~~the time of application to the program, the participant shall agree~~
29 ~~to teach nursing on a full-time or part-time basis within 12 months~~
30 ~~of being accepted into the program.~~

31 ~~(B) If the participant does not have the minimum qualifications~~
32 ~~to become a nurse educator within 12 months of receiving his or~~
33 ~~her degree, the commission may extend the 12-month period~~
34 ~~specified in subparagraph (A) on a case-by-case basis.~~

35 *(B) A participant that possesses a baccalaureate or graduate*
36 *degree at the time of application to the program shall agree to*
37 *teach nursing on a full-time or part-time basis commencing not*
38 *more than 12 months of receiving a loan assumption award.*

39 (7) An applicant who teaches on less than a full-time basis may
40 participate in the program, but is not eligible for loan repayment

1 until that person teaches for the equivalent of a full-time academic
2 year.

3 (d) A person participating in the program pursuant to this section
4 shall not receive more than one loan assumption agreement, and
5 shall not be eligible to receive a grant pursuant to Article 3.51
6 (commencing with Section 78260) of Chapter 2 of Part 48.

7 SEC. 2. Section 70102 of the Education Code is amended to
8 read:

9 70102. The commission shall commence loan assumption
10 payments pursuant to this article upon verification that the
11 participant has fulfilled all of the following:

12 (a) The participant has received a baccalaureate degree or a
13 graduate degree from an accredited, participating institution.

14 (b) The participant has provided the equivalent of full-time
15 nursing instruction at one or more regionally accredited California
16 colleges or universities for one academic year or the equivalent.

17 (c) The participant has met the requirements of the loan
18 assumption agreement and all other conditions of this article.

19 SEC. 3. Section 70103 of the Education Code is amended to
20 read:

21 70103. The terms of the loan assumptions granted under this
22 article shall be as follows, subject to the specific terms of each
23 loan assumption agreement:

24 (a) After a program participant has completed one academic
25 year, or the equivalent, of full-time teaching nursing studies at one
26 or more regionally accredited, eligible California colleges or
27 universities, pursuant to Section 70102, the commission shall
28 assume up to eight thousand three hundred thirty-three dollars
29 (\$8,333) of the outstanding liability of the participant under one
30 or more of the designated loan programs.

31 (b) After the program participant has completed two consecutive
32 academic years, or the equivalent, of full-time teaching at one or
33 more regionally accredited California colleges or universities,
34 pursuant to Section 70102, the commission shall assume up to an
35 additional eight thousand three hundred thirty-three dollars (\$8,333)
36 of the outstanding liability of the participant under one or more of
37 the designated loan programs, for a total loan assumption of up to
38 sixteen thousand six hundred sixty-six dollars (\$16,666).

39 (c) After a program participant has completed three consecutive
40 academic years, or the equivalent of full-time teaching, at one or

1 more regionally accredited California colleges or universities, the
2 commission shall assume up to an additional eight thousand three
3 hundred thirty-four dollars (\$8,334) of the outstanding liability of
4 the participant under one or more of the designated loan programs,
5 for a total loan assumption of up to twenty-five thousand dollars
6 (\$25,000).

7 (d) The commission may assume liability for loans received by
8 the program participant to pay for the costs of obtaining the
9 program participant's undergraduate and graduate degrees.

10 (e) The term of the loan assumption agreement shall be not more
11 than 10 years from the date on which the agreement was executed
12 by the program participant and the commission.

13 ~~SEC. 3.~~

14 *SEC. 4.* Section 70104 of the Education Code is amended to
15 read:

16 70104. (a) Except as provided in subdivisions (b) and (c), if
17 a program participant fails to complete a minimum of three
18 academic years of teaching on a full-time basis or the equivalent
19 on a part-time basis, as required by this article under the terms of
20 the agreement pursuant to paragraph (6) of subdivision (c) of
21 Section 70101, the loan assumption agreement is no longer
22 effective and shall be deemed terminated, and the commission
23 shall not make any further payments. The participant shall resume
24 responsibility for any remaining loan obligations, but shall not be
25 required to repay any loan payments previously made through this
26 program.

27 (b) Notwithstanding subdivision (a), if a program participant
28 becomes unable to complete one of the three years of teaching
29 service on a full-time basis, or the equivalent on a part-time basis,
30 due to a serious illness, pregnancy, or other natural causes, the
31 term of the loan assumption agreement shall be extended for a
32 period not to exceed one academic year, unless extended by the
33 commission on a case-by-case basis. The commission shall make
34 no further payments under the loan assumption agreement until
35 the applicable teaching requirements specified in Section 70103
36 have been satisfied.

37 (c) Notwithstanding subdivision (a), if a natural disaster prevents
38 a program participant from completing one of the required years
39 of teaching service due to the interruption of instruction at the
40 employing regionally accredited California college or university,

1 the term of the loan assumption agreement shall be extended for
2 the period of time equal to the period from the interruption of
3 instruction at the employing regionally accredited California
4 college or university to the resumption of instruction. The
5 commission shall make no further payments under the loan
6 assumption agreement until the applicable teaching requirements
7 specified in Section 70103 have been satisfied.

8 ~~SEC. 4.~~

9 *SEC. 5.* Section 70105 of the Education Code is amended to
10 read:

11 70105. (a) The commission shall accept nominations from
12 accredited colleges and universities made pursuant to this article.

13 (b) The commission shall choose from among those nominations
14 ~~of undergraduate students deemed financially needy with~~
15 ~~outstanding student loans pursuant to Article 1.5 (commencing~~
16 ~~with Section 69503), and~~ of graduate students and applicants who
17 have completed their baccalaureate or graduate degrees with
18 outstanding student loans, based upon criteria that may include,
19 but are not necessarily limited to, all of the following:

20 (1) Grades at the undergraduate level in a subject field related
21 to nursing.

22 (2) Grades in the undergraduate program.

23 (3) Aptitude for graduate work in the field of nursing.

24 (4) General aptitude for graduate study.

25 (5) Critical human resource needs.

26 (c) The commission may develop additional criteria for the
27 selection of award recipients consistent with the purposes of this
28 article.

29 ~~SEC. 5.~~

30 *SEC. 6.* Section 70106 of the Education Code is amended to
31 read:

32 70106. (a) The commission shall administer this article, and
33 shall adopt rules and regulations for that purpose. The rules and
34 regulations shall include, but need not be limited to, provisions
35 regarding the period of time for which a warrant shall remain valid
36 and the development of projections for funding purposes. In
37 developing these rules and regulations, the commission shall solicit
38 the advice of representatives from postsecondary education
39 institutions, the Office of Statewide Health Planning and
40 Development, and the nursing community.

1 (b) ~~If a provision is added to this article~~ *this article is amended*
2 and the commission deems it necessary to adopt a rule or regulation
3 to implement that ~~section~~ *amendment*, the commission shall
4 develop and adopt that rule or regulation no later than 12 months
5 after the operative date of the statute that ~~adds the provision~~ *amends*
6 *the article*.

O