

AMENDED IN ASSEMBLY MAY 28, 2008  
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**

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**Introduced by Senator Ashburn**

February 22, 2008

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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~~ *loan assumption agreement*, 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~~ *obtained a baccalaureate or graduate degree from an institution of postsecondary education is eligible to receive a conditional loan assumption agreement.* The bill would limit participation in the SNAPLE program to those who, at a minimum, possess a baccalaureate degree *in nursing or a field related to nursing.* *The bill would prohibit a person who is currently teaching nursing at a regionally accredited California college or university from entering into an agreement for loan assumption.*

(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 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~~ *after* 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~~ *loan assumption agreement* 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 extends the term of a loan assumption agreement if a program participant fails to complete one of the 3 years of teaching service on a full-time basis, or the equivalent on a part-time basis, due to specified circumstances.*

*This bill would extend the term of a loan assumption agreement if a program participant fails to complete one of the 3 years of teaching service due to being called to military active duty status.*

~~(4)~~

(5) 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 (2) *The participant shall be a California resident who, at a*  
14 *minimum, possesses a baccalaureate degree in nursing or a field*  
15 *related to nursing.*

16 (3) The participant shall have complied with United States  
17 Selective Service requirements.

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

20 ~~(b) Any person who has been admitted to, enrolled in, or~~  
21 ~~graduated from,~~

22 (b) (1) *Any person who has obtained a baccalaureate or*  
23 *graduate degree from an institution of postsecondary education,*  
24 *and who is participating in the loan assumption program set forth*  
25 *in this article, may be eligible to receive a conditional warrant for*

1 ~~loan assumption~~ *loan assumption agreement*, to be redeemed  
2 pursuant to this chapter upon meeting the criteria of Section 70102.

3 (2) *A person who is currently teaching nursing at a regionally*  
4 *accredited California college or university is not eligible to enter*  
5 *into an agreement for loan assumption under this article.*

6 ~~(e) (1) The commission shall award loan assumption agreements~~  
7 ~~to graduate students, and applicants with baccalaureate, graduate,~~  
8 ~~or baccalaureate and graduate degrees with demonstrated academic~~  
9 ~~ability.~~

10 ~~(2) The applicant shall have completed a baccalaureate level or~~  
11 ~~graduate level degree program or be admitted to or enrolled in an~~  
12 ~~academic program leading to a graduate level degree.~~

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

19 *(c) (1) The commission shall award loan assumption*  
20 *agreements to either of the following applicants who otherwise*  
21 *meet the eligibility criteria of this section:*

22 *(A) An applicant who has been admitted to or enrolled in an*  
23 *academic program leading to a graduate level degree and*  
24 *demonstrates academic ability.*

25 *(B) An applicant with a baccalaureate, or baccalaureate and*  
26 *graduate degrees.*

27 *(2) (A) An applicant who is pursuing a graduate degree shall*  
28 *be enrolled on at least a half-time basis each academic term as*  
29 *defined by an eligible institution and shall agree to maintain*  
30 *satisfactory academic progress.*

31 ~~(B) Except as provided in subparagraphs (C), (D), and (E)~~  
32 ~~subparagraph (C), if a program participant fails to maintain~~  
33 ~~half-time enrollment as required by this article, under the terms of~~  
34 ~~the agreement pursuant to subparagraph (A), the ~~warrant~~ loan~~  
35 ~~assumption agreement shall be deemed invalid. The participant~~  
36 ~~shall assume full liability for all student loan obligations. The~~  
37 ~~participant is excused from the half-time enrollment requirement~~  
38 ~~if the student is in his or her final term in school and has no~~  
39 ~~additional coursework required to obtain his or her graduate degree~~  
40 ~~in nursing or a field related to nursing.~~

1 ~~(C) Notwithstanding subparagraph (B), if a program participant~~  
2 ~~becomes unable to maintain half-time enrollment due to serious~~  
3 ~~illness, pregnancy, or other natural cause, the participant shall~~  
4 ~~receive a deferral of the resumption of full liability for the loan~~  
5 ~~for a period not to exceed one calendar year, unless approved by~~  
6 ~~the commission for a longer period.~~

7 ~~(D) Notwithstanding subparagraph (B), if a program participant~~  
8 ~~becomes unable to maintain half-time enrollment due to being~~  
9 ~~called to military active duty status, the participant shall receive~~  
10 ~~a deferral of the resumption of full liability for the loan for a period~~  
11 ~~not to exceed one calendar year, unless approved by the~~  
12 ~~commission for a longer period.~~

13 ~~(E) Notwithstanding subparagraph (B), if a natural disaster~~  
14 ~~prevents a program participant from maintaining half-time~~  
15 ~~enrollment due to the interruption of instruction at the eligible~~  
16 ~~institution, the term of the loan assumption agreement shall be~~  
17 ~~extended for a period not to exceed one calendar year, unless~~  
18 ~~approved by the commission for a longer period.~~

19 *(C) Notwithstanding subparagraph (B), a program participant*  
20 *shall be excused from the half-time enrollment requirement for a*  
21 *period not to exceed one calendar year, unless approved by the*  
22 *commission for a longer period, if a program participant becomes*  
23 *unable to maintain half-time enrollment due to any of the following:*

- 24 *(i) Serious illness, pregnancy, or other natural causes.*
- 25 *(ii) The participant is called to military active duty status.*
- 26 *(iii) A natural disaster prevents the participant from maintaining*  
27 *half-time enrollment due to the interruption of instruction at the*  
28 *eligible institution.*

29 ~~(4)~~  
30 (3) The applicant shall have been judged by his or her  
31 postsecondary institution *or employer, whichever is applicable,*  
32 to have outstanding ability on the basis of criteria that may include,  
33 but need not be limited to, any of the following:

- 34 (A) Grade point average.
- 35 (B) Test scores.
- 36 (C) Faculty evaluations.
- 37 (D) Interviews.
- 38 (E) Other recommendations.

39 ~~(5)~~

1 (4) The applicant shall have received, or be approved to receive,  
2 a loan under one or more of the following designated loan  
3 programs:

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

6 (B) The Federal Direct Loan Program.

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

8 ~~(6)~~

9 (5) (A) The applicant shall have agreed to teach nursing on a  
10 full-time basis at one or more regionally accredited California  
11 colleges or universities for at least three years, or on a part-time  
12 basis for the equivalent of three full-time academic years,  
13 commencing not more than 12 months after obtaining an academic  
14 degree, unless the applicant, within 12 months after obtaining the  
15 academic degree, enrolls in an academic degree program leading  
16 to a more advanced degree in nursing or a field related to nursing.

17 (B) A participant ~~that~~ *who* possesses a baccalaureate or graduate  
18 degree at the time of application to the program shall agree to teach  
19 nursing on a full-time or part-time basis commencing not more  
20 than 12 months ~~of~~ *after* receiving a loan assumption award.

21 ~~(7)~~

22 (6) An applicant who teaches on less than a full-time basis may  
23 participate in the program, but is not eligible for loan repayment  
24 until that person teaches for the equivalent of a full-time academic  
25 year.

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

30 SEC. 2. Section 70102 of the Education Code is amended to  
31 read:

32 70102. The commission shall commence loan assumption  
33 payments pursuant to this article upon verification that the  
34 participant has fulfilled all of the following:

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

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

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

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

5 70103. The terms of the loan assumptions granted under this  
6 article shall be as follows, subject to the specific terms of each  
7 loan assumption agreement:

8 (a) After a program participant has completed one academic  
9 year, or the equivalent, of full-time teaching nursing studies at one  
10 or more regionally accredited, eligible California colleges or  
11 universities, pursuant to Section 70102, the commission shall  
12 assume up to eight thousand three hundred thirty-three dollars  
13 (\$8,333) of the outstanding liability of the participant under one  
14 or more of the designated loan programs.

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

23 (c) After a program participant has completed three consecutive  
24 academic years, or the equivalent of full-time teaching, at one or  
25 more regionally accredited California colleges or universities,  
26 *pursuant to Section 70102*, the commission shall assume up to an  
27 additional eight thousand three hundred thirty-four dollars (\$8,334)  
28 of the outstanding liability of the participant under one or more of  
29 the designated loan programs, for a total loan assumption of up to  
30 twenty-five thousand dollars (\$25,000).

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

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

37 SEC. 4. Section 70104 of the Education Code is amended to  
38 read:

39 70104. (a) Except as provided in subdivisions (b) and (c), if  
40 a program participant fails to complete a minimum of three

1 academic years of teaching on a full-time basis or the equivalent  
2 on a part-time basis, as required by this article under the terms of  
3 the agreement pursuant to paragraph ~~(6)~~ (5) of subdivision (c) of  
4 Section 70101, the loan assumption agreement is no longer  
5 effective and shall be deemed terminated, and the commission  
6 shall not make any further payments. The participant shall resume  
7 responsibility for any remaining loan obligations, but shall not be  
8 required to repay any loan payments previously made through this  
9 program.

10 (b) Notwithstanding subdivision (a), if a program participant  
11 becomes unable to complete one of the three years of teaching  
12 service on a full-time basis, or the equivalent on a part-time basis,  
13 due to a serious illness, pregnancy, or other natural causes, *or due*  
14 *to being called to military active duty status*, the term of the loan  
15 assumption agreement shall be extended for a period not to exceed  
16 one academic year, unless extended by the commission on a  
17 case-by-case basis. The commission shall make no further  
18 payments under the loan assumption agreement until the applicable  
19 teaching requirements specified in Section 70103 have been  
20 satisfied.

21 (c) Notwithstanding subdivision (a), if a natural disaster prevents  
22 a program participant from completing one of the required years  
23 of teaching service due to the interruption of instruction at the  
24 employing regionally accredited California college or university,  
25 the term of the loan assumption agreement shall be extended for  
26 the period of time equal to the period from the interruption of  
27 instruction at the employing regionally accredited California  
28 college or university to the resumption of instruction. The  
29 commission shall make no further payments under the loan  
30 assumption agreement until the applicable teaching requirements  
31 specified in Section 70103 have been satisfied.

32 SEC. 5. Section 70105 of the Education Code is amended to  
33 read:

34 70105. (a) The commission shall accept nominations from  
35 accredited colleges and universities made pursuant to this article.

36 (b) The commission shall choose from among those nominations  
37 of graduate students and applicants who have completed their  
38 baccalaureate or graduate degrees with outstanding student loans,  
39 based upon criteria that may include, but are not necessarily limited  
40 to, all of the following:

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

3 (2) Grades in the undergraduate program.

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

5 (4) General aptitude for graduate study.

6 (5) Critical human resource needs.

7 (c) The commission may develop additional criteria for the  
8 selection of award recipients consistent with the purposes of this  
9 article.

10 SEC. 6. Section 70106 of the Education Code is amended to  
11 read:

12 70106. (a) The commission shall administer this article, and  
13 shall adopt rules and regulations for that purpose. The rules and  
14 regulations shall include, but need not be limited to, provisions  
15 regarding the period of time for which a ~~warrant~~ *loan assumption*  
16 *agreement* shall remain valid and the development of projections  
17 for funding purposes. In developing these rules and regulations,  
18 the commission shall solicit the advice of representatives from  
19 postsecondary education institutions, the Office of Statewide Health  
20 Planning and Development, and the nursing community.

21 (b) If this article is amended and the commission deems it  
22 necessary to adopt a rule or regulation to implement that  
23 amendment, the commission shall develop and adopt that rule or  
24 regulation no later than 12 months after the operative date of the  
25 statute that amends the article.

O