

Senate Bill No. 1621

CHAPTER 183

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

[Approved by Governor July 22, 2008. Filed with Secretary of State July 22, 2008.]

LEGISLATIVE COUNSEL'S DIGEST

SB 1621, 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 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 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 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 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 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, in addition, 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.

(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.

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

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

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

- (1) The participant shall be a United States citizen or eligible noncitizen.
- (2) The participant shall be a California resident who, at a minimum, possesses a baccalaureate degree in nursing or a field related to nursing.
- (3) The participant shall have complied with United States Selective Service requirements.
- (4) The participant shall not owe a refund on any state or federal educational grant or have delinquent or defaulted student loans.

(b) (1) Any person who has obtained a baccalaureate or graduate degree from an institution of postsecondary education, and who is participating in the loan assumption program set forth in this article, may be eligible to receive a conditional loan assumption agreement, to be redeemed pursuant to this chapter upon meeting the criteria of Section 70102.

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

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

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

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

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

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

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

(i) Serious illness, pregnancy, or other natural causes.

(ii) The participant is called to military active duty status.

(iii) A natural disaster prevents the participant from maintaining half-time enrollment due to the interruption of instruction at the eligible institution.

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

(A) Grade point average.

(B) Test scores.

(C) Faculty evaluations.

(D) Interviews.

(E) Other recommendations.

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

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

(B) The Federal Direct Loan Program.

(C) Any loan program approved by the commission.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

70104. (a) Except as provided in subdivisions (b) and (c), if a program participant fails to complete a minimum of three academic years of teaching on a full-time basis or the equivalent on a part-time basis, as required by this article under the terms of the agreement pursuant to paragraph (5) of subdivision (c) of Section 70101, the loan assumption agreement is no longer effective and shall be deemed terminated, and the commission shall not make any further payments. The participant shall resume responsibility for any remaining loan obligations, but shall not be required to repay any loan payments previously made through this program.

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

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

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

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

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

- (1) Grades at the undergraduate level in a subject field related to nursing.
- (2) Grades in the undergraduate program.
- (3) Aptitude for graduate work in the field of nursing.
- (4) General aptitude for graduate study.
- (5) Critical human resource needs.

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

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

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

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