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SFA**BILL ANALYSIS**

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Senate Bill 792 (as reported without amendment)
Senate Bill 793 (Substitute S-2 as reported)
Sponsor: Senator John J. H. Schwarz, M.D.
Committee: Appropriations

CONTENT

Senate Bill 792 would amend the Michigan Merit Award Scholarship Act to allow funding of the proposed Nursing Scholarship Program from the Michigan Merit Award Trust Fund. Senate Bill 793 (S-1) would create the "Michigan Nursing Scholarship Act" and the Michigan Nursing Scholarship Program, to be administered by the Michigan Higher Education Assistance Authority.

The Michigan Higher Education Assistance Authority could award a scholarship to an individual meeting the following requirements:

- (a) Is a United States citizen or permanent resident of the United States;
- (b) Has resided in Michigan for the 12 months preceding his or her application;
- (c) Is enrolled or has been accepted into a nursing program;
- (d) Has signed a written scholarship agreement stating intent to pursue nursing as a career and to serve in eligible employment in Michigan for a minimum period of one to four years (equivalent to the number of years for which the individual received scholarship assistance); and
- (e) Has not been convicted of a felony involving assault, physical injury, or death.

Scholarship recipients would have to be enrolled either full-time or part-time in an eligible nursing program at a degree- or certificate-granting public or independent nonprofit college or university, and maintain satisfactory academic progress as determined by the eligible institution. In order to receive a nursing scholarship, an individual would be required to enter into a written agreement with the Michigan Higher Education Assistance Authority. The written agreement would require an individual to:

- (a) Obtain a license from the State as a registered professional nurse or licensed practical nurse within one year after completing the nursing program;
- (b) Serve for a period of four years as a registered nurse or licensed practical nurse providing full-time nursing care in a ward, emergency department, emergency room, operating room, trauma center, nursing home, hospice, or home health care agency;
- (c) Repay all or part of a scholarship award plus interest, if the conditions in subdivisions (a) and (b) were not satisfied.

MCL 390.1455 (S.B. 792)

FISCAL IMPACT

Senate Bill 793 (S-1) would allow each scholarship recipient to receive up to \$4,000 annually for a maximum of four academic years. Eligible costs would include tuition and fees, room, board, books, supplies, transportation, and day care.

Senate Bill 793 (S-1) also would create a restricted account for the Michigan Nursing Scholarship Program in the State Treasury and allow the acceptance of appropriations from the Michigan Merit Award Trust Fund or any other source. The Department of Treasury could use the account only to provide dollars for the nursing scholarships established under the proposed Act.

There are registered nurse baccalaureate degree programs at 15 postsecondary institutions, associate degree programs at 30 postsecondary institutions, and practical nurse programs at 21 postsecondary institutions. In academic year 2000-01, there were approximately 1,988 fiscal-year-equated undergraduate nursing students at 12 of Michigan's public universities. If all 1,988 of these students had received a \$4,000 nursing scholarship, the annual cost for nursing students at four-year public universities would have been \$7,952,000. At Michigan's public community colleges, there were approximately 3,196 fiscal-year-equated nursing students during academic year 1999-2000, the most recent year for which data are available.

The FY 2002-03 Higher Education appropriation bill passed by the Senate and the House, and signed into law by the Governor (P.A. 144 of 2002) includes \$4 million from the Michigan Merit Award Trust Fund for the Nursing Scholarship Program. This \$4 million appropriation could provide \$4,000 scholarships to 1,000 nursing students.

Date Completed: 5-6-02

Fiscal Analyst: Ellen Jeffries

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.