

**SUBSTITUTE FOR
SENATE BILL NO. 793**

A bill 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.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. This act shall be known and may be cited as the
2 "Michigan nursing scholarship act".

3 Sec. 2. As used in this act:

4 (a) "Authority" means the Michigan higher education assist-
5 ance authority created by 1960 PA 77, MCL 390.951 to 390.961.

6 (b) "Eligible costs" means tuition and fees charged by an
7 eligible institution; related costs for room, board, books,

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1 supplies, transportation, or day care; and other costs determined
2 by the authority.

3 (c) "Eligible employment" means a registered nurse or
4 licensed practical nurse providing full-time nursing care in a
5 ward, emergency department, emergency room, operating room, or
6 trauma center of a hospital licensed under article 17 of the
7 public health code, 1978 PA 368, MCL 333.20101 to 333.22260, or
8 in a nursing home or hospice licensed under article 17 of the
9 public health code, 1978 PA 368, MCL 333.20101 to 333.22260, or
10 as an employee of a home health care agency providing home
11 patient care.

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

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

19 (f) "Nursing program" means a program for the training of
20 individuals to become registered nurses or licensed practical
21 nurses operated in this state by an eligible institution and
22 approved by the Michigan board of nursing.

23 (g) "Registered professional nurse" means that term as
24 defined in section 17201 of the public health code, 1978 PA 368,
25 MCL 333.17201.

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1 Sec. 3. The Michigan nursing scholarship program is
2 created, to be administered by the authority. The authority
3 shall do all of the following:

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

6 (b) Develop a scholarship agreement to be entered into by a
7 scholarship recipient and the authority that contains the terms
8 of a scholarship made under this act and the rights and obliga-
9 tions of the scholarship recipient and the authority.

10 (c) Collect repayment of scholarships if required under sec-
11 tion 7.

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

16 (e) Publicize the Michigan nursing scholarship program and
17 recruit qualifying students to participate in the Michigan nurs-
18 ing scholarship program.

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

24 Sec. 4. The authority may award a scholarship under this
25 act to an individual determined by the authority to meet all of
26 the following eligibility criteria:

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

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

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

8 (d) Has signed a written scholarship agreement with the
9 authority stating the individual's intention to pursue nursing as
10 a career and to serve in eligible employment in this state for 1
11 of the following periods:

12 (i) Not less than 1 year if the individual received scholar-
13 ship assistance under this act in 1 academic year in a nursing
14 program.

15 (ii) Not less than 2 years if the individual received schol-
16 arship assistance under this act in 2 academic years in a nursing
17 program.

18 (iii) Not less than 3 years if the individual received
19 scholarship assistance under this act in 3 academic years in a
20 nursing program.

21 (iv) Not less than 4 years if the individual received schol-
22 arship assistance under this act in 4 academic years in a nursing
23 program.

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

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

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

3 Sec. 5. Each scholarship recipient shall receive a
4 \$4,000.00 scholarship, or a scholarship in an amount equal to the
5 recipient's eligible costs minus any other grants or scholarships
6 the recipient receives, whichever is less, for each academic year
7 in a nursing program. An individual shall not receive scholar-
8 ship assistance for more than 4 academic years, as determined by
9 the authority.

10 Sec. 6. Recipients of scholarship assistance under this act
11 shall continue to receive scholarship payments only during peri-
12 ods that the authority finds that the recipient is both of the
13 following:

14 (a) Enrolled as a full-time or part-time student in a nurs-
15 ing program.

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

18 Sec. 7. (1) An individual shall not receive a scholarship
19 under this act unless he or she enters into a written agreement
20 with the authority, in which he or she agrees to all of the
21 following:

22 (a) To obtain a license from this state as a registered pro-
23 fessional nurse or licensed practical nurse within 1 year after
24 completing the nursing program for which the scholarship was
25 awarded.

26 (b) Beginning within 1 year after completing the nursing
27 program for which the scholarship was awarded, to serve for the

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1 period of eligible employment applicable to the individual under
2 section 4(d) in this state.

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

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

10 (2) The agreement described in subsection (1) must fully
11 disclose the terms and conditions under which scholarship assist-
12 ance under this act is provided and under which repayment may be
13 required. The agreement must include a description of both of
14 the following:

15 (a) The appeals procedures established by the authority
16 under which a recipient may appeal a determination of noncompli-
17 ance with any provision under this act.

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

23 (3) The authority shall require recipients found by the
24 authority to be in noncompliance with the agreement entered into
25 under this section to repay the scholarship awards received, plus
26 interest, but in no event at an interest rate higher than the
27 rate applicable to other student loans guaranteed by the

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1 authority in that time period and, where applicable, reasonable
2 collection fees, on a schedule and at a rate of interest to be
3 prescribed by the authority by rule.

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

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

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

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

15 (d) Satisfies the provisions of any other repayment excep-
16 tions prescribed by the authority by rule.

17 (5) A recipient is excused from repayment of any scholarship
18 assistance received under this act if the recipient becomes per-
19 manently and totally disabled as established by sworn affidavit
20 of a qualified physician or dies or if circumstances occur that
21 the authority considers as a compelling reason to excuse
22 repayment.

23 Sec. 8. (1) The department of treasury shall establish and
24 administer a restricted account in the general fund for the
25 Michigan nursing scholarship program. The department of treasury
26 shall credit to the account money appropriated from the Michigan
27 merit award trust fund established in section 3 of the Michigan

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1 merit award scholarship act, 1999 PA 94, MCL 390.1453, or
2 received from any other source including, but not limited to,
3 amounts repaid to the authority on scholarships awarded under
4 this act and earnings in the account. The department of treasury
5 shall use the money in the account only to provide money to the
6 authority for scholarships awarded under this act.

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

10 Enacting section 1. This act does not take effect unless
11 Senate Bill No. 792 of the 91st Legislature is enacted into law.