

Senate Bill 701

Sponsored by Senator DEVLIN, Representative GALIZIO; Senators MONNES ANDERSON, NELSON, Representatives STIEGLER, WHISNANT

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Changes Nursing Services Program to Nursing Faculty Loan Repayment Program. Changes terms of loan repayment.

A BILL FOR AN ACT

1
2 Relating to a loan repayment program for nurse educators; amending ORS 348.570, 442.535, 442.540
3 and 442.545.

4 **Be It Enacted by the People of the State of Oregon:**

5 **SECTION 1.** ORS 442.535 is amended to read:

6 442.535. As used in ORS 442.540 and 442.545:

7 [(1) "*Commission*" means the Oregon Student Assistance Commission.]

8 [(2)] (1) "Nurse" means any person who is licensed under ORS 678.010 to 678.410 as a registered
9 nurse.

10 [(3) "*Nursing critical shortage area*" means a locality or practice specialty identified as such by the
11 Oregon State Board of Nursing, in consultation with the Office of Rural Health, under ORS 442.540.]

12 [(4)] (2) "Qualifying loan" means any loan made to a nursing student under:

13 (a) Programs under Title IV, parts B, D and E, of the Higher Education Act of 1965, as amended;

14 or

15 (b) The Nursing Student Loan and Health Education Assistance Loan programs administered by
16 the United States Department of Health and Human Services.

17 **SECTION 2.** ORS 442.540 is amended to read:

18 442.540. (1) There is created the Nursing [*Services*] **Faculty Loan Repayment** Program, to be
19 administered by the Oregon Student Assistance Commission [*pursuant to rules adopted by the com-*
20 *mission*]. The purpose of the program is to provide loan repayments on behalf of [*nurses who agree*
21 *to practice in nursing critical shortage areas.*] **nurse educators at nursing schools in Oregon who**
22 **have earned master's or doctoral degrees from accredited nursing programs.**

23 [(2) *To be eligible to participate in the program, a nurse or prospective nurse shall submit a letter*
24 *of interest to the commission. Applicants who are selected for participation according to criteria*
25 *adopted by the commission under subsection (3) of this section shall sign a letter of agreement stipu-*
26 *lating that the applicant agrees to abide by the terms of the program described in ORS 442.545.]*

27 [(3)] (2) The commission shall by rule adopt, in consultation with the Oregon State Board of
28 Nursing and the [*Office of Rural Health*] **Oregon Center for Nursing**, criteria for participation in
29 the program.

30 [(4) *The Oregon State Board of Nursing by rule shall annually identify, in consultation with the*
31 *Office of Rural Health, those areas that are considered nursing critical shortage areas.*]

NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted.
New sections are in **boldfaced** type.

1 *[(5) Amounts paid to the commission as penalties under ORS 442.545 shall be credited and depos-*
 2 *ited in the Nursing Services Account created under ORS 348.570. The commission, in consultation with*
 3 *the Oregon State Board of Nursing, by rule shall allow waiver of all or part of any fees or penalties*
 4 *owed to the commission due to circumstances that prevent a nurse from fulfilling a service obligation*
 5 *under ORS 442.545.]*

6 **SECTION 3.** ORS 442.545 is amended to read:

7 442.545. (1) *[A nurse or prospective nurse applicant who is a graduate of an accredited nursing*
 8 *program with a baccalaureate or associate degree and who wishes to participate in the Nursing Ser-*
 9 *vices Program established under ORS 442.540 shall agree that:]* **To be eligible to participate in the**
 10 **Nursing Faculty Loan Repayment Program, a nurse educator or prospective nurse educator**
 11 **shall submit a letter of interest to the Oregon Student Assistance Commission. An applicant**
 12 **who is selected for participation according to rules adopted under ORS 442.540 shall sign a**
 13 **letter of agreement stipulating that the applicant agrees to practice for a minimum of five**
 14 **calendar years as a full-time nurse educator in Oregon.**

15 *[(a)]* (2) For each *[year of nursing school]* **of the five years of instruction**, the applicant **shall**
 16 **designate** *[designates]* an agreed amount **of loan repayment**, not to exceed *[\$8,800 or the amount*
 17 *determined under subsection (2) of this section, as a qualifying loan for the program.]* **the lesser of**
 18 **20 percent of the total of the applicant's outstanding qualifying loans or \$12,000 as adjusted**
 19 **under subsection (3) of this section. The commission shall pay the amount designated to the**
 20 **nurse educator annually.**

21 *[(b) In the four years following the execution of a Nursing Services Program agreement with the*
 22 *Oregon Student Assistance Commission, a nurse agrees to practice for at least two full years in a*
 23 *nursing critical shortage area in Oregon.]*

24 *[(c) For not less than two nor more than four years that the nurse practices in a nursing critical*
 25 *shortage area, the commission shall annually pay:]*

26 *[(A) For full-time practice, an amount equal to 25 percent of the total of all qualifying loans made*
 27 *to the nurse.]*

28 *[(B) For half-time practice, an amount equal to 12.5 percent of the total of all qualifying loans made*
 29 *to the nurse.]*

30 *[(d) If the nurse does not complete the full service obligation set forth in paragraphs (b) and (c)*
 31 *of this subsection, the commission shall collect 100 percent of any payments made by the commission*
 32 *to the nurse under the Nursing Services Program. In addition, the commission shall assess against the*
 33 *nurse a penalty equal to 50 percent of the qualifying loans and interest paid by the commission.]*

34 *[(2)(a)]* (3)(a) On July 1 of each year, beginning in *[2002 and ending in 2007]* **2010**, the Oregon
 35 Student Assistance Commission shall adjust the maximum dollar amount allowed under subsection
 36 *[(1)(a)]* (2) of this section as a qualifying loan by multiplying the amount by a cost-of-living adjust-
 37 ment as specified in this subsection.

38 (b) The cost-of-living adjustment applied on July 1 each year by the commission shall be equal
 39 to the ratio of the seasonally adjusted United States City Average Consumer Price Index for All
 40 Urban Consumers as published by the Bureau of Labor Statistics of the United States Department
 41 of Labor for April of the calendar year divided by the value of the same index for April 2001.

42 (c) Beginning on July 1, *[2008]* **2010**, the commission shall use the cost-of-living adjustment cal-
 43 culated for July 1, *[2007]* **2010**.

44 (d) If the value of the dollar amount determined under paragraph (a) of this subsection is not a
 45 multiple of \$100, the commission shall round the dollar amount to the next lower multiple of \$100.

SECTION 4. ORS 348.570 is amended to read:

348.570. (1) There is established in the State Treasury a fund, separate and distinct from the General Fund, to be known as the Oregon Student Assistance Fund for investment as provided by ORS 293.701 to 293.820 and for the payment of the expenses of the Oregon Student Assistance Commission in carrying out the purposes of ORS 348.210 to 348.250, 348.505 to 348.615, 348.696 and 348.992. Interest earned by the fund shall be credited to the fund.

(2) There is established in the State Treasury a fund, separate and distinct from the General Fund, to be known as the Alternative Student Loan Program Fund for investment as provided by ORS 293.701 to 293.820 and for the payment of expenses of the commission in carrying out the purposes of ORS 348.625 to 348.695. This fund, including the interest earnings on the fund, if any, is continuously appropriated to the commission for those purposes for which such funds were provided to, received or collected by the commission.

[(3)(a) There is established in the General Fund an account to be known as the Nursing Services Account. Funds in the account shall be used for the payment of expenses of the Nursing Services Program created in ORS 442.540.]

[(b) The account shall consist of:]

[(A) Funds appropriated to the Oregon Student Assistance Commission for deposit into the account;]

[(B) Collections and penalties received by the commission under ORS 442.545; and]

[(C) Any donations or grants received by the commission for purposes of the Nursing Services Program.]

[(c) Any funds in the account that are not expended in any biennium shall be retained in the account and may be expended in the next biennium.]

[(4)] (3) There is established in the State Treasury a fund, separate and distinct from the General Fund, to be known as the Former Foster Youth Scholarship Fund. Moneys received from appropriations, donations and grants shall be credited to the fund. Moneys in the fund are continuously appropriated to the Oregon Student Assistance Commission for the purposes of investment, as provided by ORS 293.701 to 293.820, and for carrying out the provisions of ORS 348.270 (1)(b). Interest earned by the fund shall be credited to the fund.

[(5)] (4) There is established in the State Treasury a fund, separate and distinct from the General Fund, to be known as the ASPIRE Program Fund. Moneys received from donations and grants shall be credited to the ASPIRE Program Fund. Moneys in the fund are continuously appropriated to the Oregon Student Assistance Commission for the purposes of investment, as provided by ORS 293.701 to 293.820, and for carrying out the provisions of ORS 348.500. Interest earned by the fund shall be credited to the fund.