Bill A

Second Regular Session
Sixty-third General Assembly
STATE OF COLORADO

DRAFT

LLS NO. 02-0106.01 Julie Hoerner **HOUSE BILL**

HOUSE SPONSORSHIP

Tochtrop, and Williams T.

SENATE SPONSORSHIP

Hagedorn, Fitz-Gerald, and Isgar

House Committees **Senate Committees**

A BILL FOR AN ACT

101 **CONCERNING THE CREATION OF A LOAN PROGRAM FOR NURSES.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not necessarily reflect any amendments that may be subsequently adopted.)

Task Force to Evaluate Health Care Needs. Makes legislative findings. Authorizes new student loans for qualified nursing programs. Limits the amount of moneys that may be loaned to a nursing student. Sets out repayment requirements.

1 *Be it enacted by the General Assembly of the State of Colorado:*

SECTION 1. Article 38 of title 12, Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW PART to read:

PART 2

THE NURSING SHORTAGE ALLEVIATION ACT OF 2002

12-38-201. Legislative declaration. (1) THE GENERAL ASSEMBLY HEREBY FINDS, DETERMINES, AND DECLARES THAT COLORADO IS FACING A SHORTAGE OF NURSES. THE PROFESSION OF NURSING HAS UNDERGONE A CHANGE FROM A HEALING ART TO A CAREER PATH THAT ENTAILS LONG HOURS, ABUSIVE PATIENTS, MOUNTAINS OF PAPERWORK, AND STRENUOUS PHYSICAL DEMANDS, THUS DISCOURAGING THE RECRUITMENT OF NEW NURSES. SUCH SHORTAGE IMPACTS THE COLORADO COMMUNITY IN MANY WAYS; FOR EXAMPLE, NURSING DUTIES ARE SHIFTED TO PERSONS WHO ARE NOT ADEQUATELY TRAINED FOR NURSING DUTIES, NURSES ARE UNABLE TO PROVIDE SATISFACTORY INDIVIDUALIZED PATIENT CARE, AND THERE IS AN INSUFFICIENT NUMBER OF NURSES TO PROVIDE HOME HEALTH CARE. THEREFORE, THE GENERAL ASSEMBLY FINDS, DETERMINES, AND DECLARES IN THE INTERESTS OF THE RESIDENTS OF COLORADO THAT PERSONS INTERESTED IN NURSING AS A PROFESSION NEED ACCESS TO EDUCATION THROUGH DISTANCE LEARNING PROGRAMS AS WELL AS FINANCIAL AID.

12-38-202. Nursing student loans - cash fund. (1) AS USED IN THIS SECTION:

(a) "APPROVED NURSING PROGRAM" MEANS A PROGRAM OFFERED BY A PUBLIC OR PRIVATE INSTITUTION IN THIS STATE THAT:

(I) CONSISTS OF COURSES OF INSTRUCTION IN REGULARLY SCHEDULED CLASSES LEADING TO A MASTER OF SCIENCE DEGREE, A BACHELOR OF SCIENCE DEGREE, AN ASSOCIATE DEGREE, OR A DIPLOMA IN NURSING, WHICH COURSES MAY BE OFFERED THROUGH ELECTRONIC

METHODS OF COMMUNICATION; OR

(B) IS DESIGNED FOR PREPARATION FOR LICENSURE AS A LICENSED PRACTICAL NURSE AVAILABLE TO REGULARLY ENROLLED UNDERGRADUATE OR GRADUATE STUDENTS.

(b) "COMMISSION" MEANS THE COLORADO COMMISSION ON HIGHER EDUCATION.

(c) "NONTRADITIONAL STUDENT" MEANS A STUDENT WHO HAS NOT ATTENDED CLASSES AS A REGULAR FULL-TIME STUDENT FOR AT LEAST THREE YEARS.

(d) "PRACTICE OF PRACTICAL NURSING" SHALL HAVE THE SAME MEANING AS SET FORTH IN SECTION 12-38-103 (9).

(e) "PRACTICE OF PROFESSIONAL NURSING" SHALL HAVE THE SAME MEANING AS SET FORTH IN SECTION 12-38-103 (10).

(2) THE COMMISSION SHALL ADMINISTER A STUDENT LOAN PROGRAM PURSUANT TO THIS SECTION THAT SHALL MAKE LOANS DIRECTLY TO QUALIFIED STUDENTS ENROLLED IN APPROVED NURSING PROGRAMS IN THE STATE OF COLORADO AS PROVIDED FOR IN SUBSECTION (5) OF THIS SECTION. LOANS SHALL BE MADE TO AT LEAST ONE QUALIFIED STUDENT AT EACH INSTITUTION IN THE STATE THAT HAS AN APPROVED NURSING PROGRAM. THE MONEYS SHALL BE LOANED IN SUCH A MANNER AS CAN REASONABLE BE PREDICTED TO RESULT IN THE GREATEST INCREASE IN THE NUMBER OF PERSONS ENGAGED IN THE STUDY OF NURSING. LOANS SHALL BE MADE AVAILABLE FOR STUDENTS BEGINNING JANUARY 1, 2003, AND IN EACH ACADEMIC YEAR THEREAFTER. IT IS THE INTENT OF THE GENERAL ASSEMBLY THAT A PORTION OF THE LOANS ALLOCATED BE USED TO ENHANCE THE EDUCATIONAL OPPORTUNITIES OF NONTRADITIONAL STUDENTS AND ETHNIC MINORITY STUDENTS.

(3) (a) TO QUALIFY FOR A LOAN PURSUANT TO THIS SECTION, A STUDENT SHALL BE A RESIDENT OF COLORADO, INTEND TO PRACTICE IN COLORADO, BE MOTIVATED TO PRACTICE IN COLORADO, AND HAVE SUBSTANTIAL FINANCIAL NEED AS DETERMINED BY THE COMMISSION.

(b) EACH RECIPIENT OF A LOAN PURSUANT TO THIS SECTION SHALL AGREE TO ENGAGE IN THE PRACTICE OF NURSING IN THIS STATE FOR THE EQUIVALENT OF ONE YEAR OF FULL-TIME PRACTICE FOR EACH YEAR A LOAN IS RECEIVED.

(c) EACH APPROVED NURSING PROGRAM SHALL FORWARD TO THE COMMISSION THE NAMES OF THE QUALIFIED STUDENTS RECOMMENDED TO RECEIVE LOANS PURSUANT TO THIS SECTION, BASED ON THE CRITERIA SPECIFIED IN PARAGRAPHS (a) AND (b) OF THIS SUBSECTION (3), AND ANY OTHER INFORMATION AND DOCUMENTATION THE COMMISSION DEEMS NECESSARY.

(4) (a) LOANS RECEIVED PURSUANT TO THIS SECTION SHALL BE USED ONLY FOR EDUCATIONAL EXPENSES FOR AN APPROVED NURSING PROGRAM. THE USE OF LOAN MONEYS BY STUDENTS IS SUBJECT TO REVIEW BY THE COMMISSION.

(b) EACH LOAN SHALL BE FOR ONE ACADEMIC YEAR. EACH STUDENT SHALL BE LOANED NOT MORE THAN ONE THOUSAND DOLLARS PER ACADEMIC YEAR, AND NOT MORE THAN TWO THOUSAND DOLLARS TOTAL.

(c) IF A STUDENT WHO HAS RECEIVED A LOAN DISCONTINUES THE APPROVED NURSING PROGRAM BEFORE COMPLETING THE PROGRAM, THE STUDENT SHALL REPAY ONE HUNDRED PERCENT OF THE OUTSTANDING LOAN PRINCIPAL WITH SIMPLE INTEREST AT A RATE OF ONE POINT BELOW THE PRIME INTEREST RATE. SUCH REPAYMENT SHALL COMMENCE WITHIN SIX MONTHS AFTER THE DATE OF DISCONTINUATION OF THE COURSE OF

STUDY AND SHALL BE COMPLETED WITHIN THE NUMBER OF YEARS FOR WHICH LOANS WERE AWARDED.

(d) AFTER COMPLETION OF THE APPROVED NURSING PROGRAM, A LOAN AWARDED TO A STUDENT SHALL BE FORGIVEN WHEN THE RECIPIENT OF THE LOAN HAS ENGAGED IN THE FULL-TIME PRACTICE OF NURSING IN COLORADO FOR A PERIOD OF TIME WHICH WOULD BE THE EQUIVALENT OF FULL-TIME PRACTICE FOR THE NUMBER OF YEARS FOR WHICH LOANS WERE RECEIVED.

(e) IF A RECIPIENT OF A LOAN PURSUANT TO THIS SECTION IS NOT ENGAGED IN FULL-TIME PRACTICE, OR THE EQUIVALENT OF FULL-TIME PRACTICE, AS REQUIRED IN PARAGRAPH (b) OF SUBSECTION (3) OF THIS SECTION, THE RECIPIENT SHALL REPAY ONE HUNDRED TWENTY-FIVE PERCENT OF THE OUTSTANDING LOAN PRINCIPAL. SUCH REPAYMENT SHALL BE WITH SIMPLE INTEREST AT A RATE OF ONE POINT BELOW THE PRIME INTEREST RATE. INTEREST SHALL ACCRUE BEGINNING UPON THE COMPLETION OF THE APPROVED NURSING PROGRAM. REPAYMENT SHALL COMMENCE WITHIN SIX MONTHS AFTER THE DATE OF DISCONTINUATION OF THE PRACTICE OF NURSING IN COLORADO OR THE COMMENCEMENT OF LESS THAN FULL-TIME EMPLOYMENT AND SHALL BE COMPLETED WITHIN THE NUMBER OF YEARS FOR WHICH LOANS WERE AWARDED.

(5) THE COMMISSION, IN CONJUNCTION WITH INSTITUTIONS OFFERING APPROVED NURSING PROGRAMS, SHALL ADOPT AND PROMULGATE RULES NECESSARY FOR THE IMPLEMENTATION OF THIS SECTION. IN CONFORMANCE WITH SUCH RULES, INSTITUTIONS OFFERING APPROVED NURSING PROGRAMS MAY ACT AS AGENTS OF THE COMMISSION FOR THE DISTRIBUTION OF THE LOANS TO ELIGIBLE STUDENTS. THE COMMISSION MAY CONTRACT WITH OUTSIDE SOURCES TO IMPLEMENT THIS

SECTION.

(6) THE COMMISSION MAY ACCEPT AND EXPEND GIFTS, GRANTS, AND DONATIONS FROM ANY SOURCE FOR THE IMPLEMENTATION AND AWARDING OF LOANS TO STUDENTS PURSUANT TO THIS SECTION.

(7) THE NURSING STUDENT LOAN CASH FUND, ALSO REFERRED TO IN THIS SUBSECTION (7) AS THE "FUND" IS HEREBY CREATED IN THE STATE TREASURY. THIS FUND SHALL BE THE REPOSITORY FOR LOAN REPAYMENTS RECEIVED PURSUANT TO SUBSECTION (4) OF THIS SECTION. ANY MONEYS IN THIS FUND MAY BE INVESTED BY THE STATE TREASURER PURSUANT TO SECTION 24-36-113, C.R.S. ALL MONEYS CREDITED TO THE FUND SHALL BE USED AS PROVIDED IN THIS SECTION AND SHALL NOT BE DEPOSITED IN OR TRANSFERRED TO THE GENERAL FUND OF THIS STATE OR ANY OTHER FUND.

SECTION 2. Repeal. 23-3.3-701, Colorado Revised Statutes, is repealed as follows:

23-3.3-701. Colorado nursing scholarship program. ~~(1) The general assembly hereby authorizes the commission to establish a nursing scholarship program. Such program shall be administered in accordance with policies and procedures established by the commission. The general assembly may appropriate annually an amount for the support of such program.~~

~~(2) The commission shall determine, by guideline, the institutions of higher education eligible for participation in the scholarship program.~~

(3) ~~It is the intent of the general assembly that, under the policies and procedures established by the commission under subsection (1) of this section for awarding nursing scholarships, preference be given to individuals who shall work in federal qualifying health clinics and underserved areas with nursing shortages throughout the state.~~

~~(4) Repealed.~~

~~(5) Repealed.~~

SECTION 3. Effective date. This act shall take effect July 1, ____.

SECTION 4. Safety clause. The general assembly hereby finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, and safety.