

Action Item

California Student Aid Commission

**Consideration of Approval of State Nursing Assumption Program of Loans
for Education for Nursing Faculty (SNAPLE NF) Regulations**

The California Student Aid Commission is required by California Education Code 70100 - 70110 to adopt rules and regulations for the purpose of administering the State Nursing Assumption Program of Loans for Education for Nursing Faculty (SNAPLE NF). After consultation with stakeholders which included the nursing community, postsecondary institution representatives, and the Office of Statewide Health Planning and Development (OSHPD), and the Grant Advisory Committee, CSAC staff developed proposed SNAPLE NF regulations designed to implement the new program.

The SNAPLE NF is a loan assumption program established to provide an incentive for persons to complete their graduate educations and serve as nursing faculty in at a regionally accredited California college or university. Therefore, CSAC staff has geared the scoring so that it gives priority to those seeking a graduate degree. A participant can receive loan assumption benefits upon completion of a baccalaureate or graduate degree in nursing or a field related to nursing and providing the required teaching service.

On December 11, 2006, CSAC Staff delivered a notice of proposed regulations and other required documents to the Office of Administration Law (OAL) to begin the regulatory adoption process. On December 22, 2006, OAL approved the notice of proposed regulations and published the notice in the California Regulatory Notice Register which began the 45-day public comment period. The 45-day public comment period ended on February 5, 2007.

CSAC staff received one comment from the 45-day public comment period. CSAC Staff revised the regulations and on February 21, 2007, CSAC Staff proceeded with a 15-day public comment period. The 15-day public comment period ended on March 8, 2007. The comments and CSAC staff's response to the

comments are enclosed. CSAC Staff has concluded that no additional changes to the proposed regulations are necessary.

If the proposed regulations are adopted by the Commission and submitted to OAL, OAL has 30 working days to review the package and approve or disapprove the regulations. If they are approved, OAL submits the regulations to the Secretary of the State for filing and the regulations normally become effective 30 days after filing, unless the Commission requests that the regulations take effect on an earlier date. Staff recommends that the Commission request that the regulations take effect upon filing with the Secretary of the State so that the Commission can begin administering the program and make awards prior to the end of the fiscal year.

The final text of the proposed SNAPLE-NF regulations, the Final Statement of Reasons, and public comments and staff responses to the public comments are enclosed for your consideration.

Recommended Action: Adopt proposed regulations and accompanying documents, request that the effective date of the regulations be the date of filing, and authorize staff to complete the necessary documents and to take the necessary steps to complete the regulatory process.

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**AMENDMENT TO TITLE 5, DIVISION 4, CHAPTER 1, CA CODE OF REGULATIONS
REGARDING IMPLEMENTATION OF STATE NURSING ASSUMPTION PROGRAM OF
LOANS FOR EDUCATION FOR NURSING FACULTY (Educ. Code §§ 70100-70110)**

FINAL TEXT

Article 17 State Nursing Assumption Program of Loans for Education for Nursing Faculty

Section 30910. Definitions

- (a) *“Academic year” means a period as determined by the employing regionally accredited California college or university.*
- (b) *“Accredited college or university” means a college or university that has been accredited by a national or regional accrediting body, including, but not limited to, Middle States Association of Colleges and Schools, The Northwest Commission on Colleges and Universities, North Central Association of Colleges and Schools, New England Association of Schools and Colleges, Inc./Commission on Institutions of Higher Education, Southern Association of Colleges and Schools/Commission on Colleges, and Western Association of Schools and Colleges/Accrediting Commission for Senior Colleges and Universities.*
- (c) *“Cost of Attendance” means the student budget at the participating institution for the nominated student that includes tuition, fees, housing, food, books, transportation and personal expenses for the year. It may also include an allowance for the rental or purchase of a computer, child care or other dependent care costs and additional expenses for students with disabilities not already covered.*
- (d) *“Demonstrated academic ability” means academic standing consistent with or superior to the requirements established by the accredited college or university for satisfactory progress toward graduation or the award of the graduate or undergraduate degree.*
- (e) *“Demonstrated financial need” means financial need as determined under Article 1.5 (commencing with Section 69503) of Chapter 2 of Part 42 of Division 5 of Title 3 of the Education Code.*
- (f) *“Eligible noncitizen” means a United States resident as defined for financial aid purposes under Title IV of the federal Higher Education Act of 1965.*
- (g) *“Full-time” and “full-time basis” means full-time employment, as determined by the employing regionally accredited California college or university.*

(h) *“Half-time basis” means half-time enrollment as determined by the participating institution.*

(i) *“Natural disaster” means a fire, flood, storm, tidal wave, earthquake, terrorism, epidemic, or other similar public calamity that the Governor determines presents a threat to public safety. (California Government Code, Section 8680.3)*

(j) *“Other natural causes” means a disease, or physical or mental condition involving inpatient care in a hospital or residential health care facility, or continuing treatment or continuing supervision by a health care provider, or family care and medical leave under Government Code section 12945.2 or the federal Family and Medical Leave Act of 1993.*

(k) *“Participating institution” and “eligible institution” and “eligible school or college” means an accredited college or university that has elected to participate in the program by submitting nominations of students to the Commission under the provisions of this Article.*

(l) *“Part-time” and “part-time basis” means part-time employment, as determined by the employing regionally accredited California college or university.*

(m) *“Program” means the State Nursing Assumption Program of Loans for Education for Nursing Faculty established in Article 1 (commencing with section 70100) of Chapter 3 of Part 42 of Division 5 of Title 3 of the Education Code and as set forth in this Article.*

(n) *“Program participant” means an individual who has a loan assumption agreement signed by both the individual and the Commission.*

(o) *“Regionally accredited California college or university” means a college or university that has been accredited by a regional accreditation body and is located in California.*

(p) *“Satisfactory academic progress” means academic standing consistent with the requirements of the accredited college or university for satisfactory progress toward the award of the graduate or undergraduate degree.*

(q) *“Serious illness” means an illness involving inpatient care in a hospital or residential health care facility, or continuing treatment or continuing supervision by a health care provider, or family care and medical leave under Government Code section 12945.2 or the federal Family and Medical Leave Act of 1993.*

Note:

Authority cited: Section 70106, Education Code. Reference: Sections 70101, 70102, 70103, 70104, 70105, Education Code.

Section 30911. Application to Participate in the Program

Applications to participate in the program shall be submitted by the applicant to his or her participating institution by the deadline established each academic year by the Commission. The application shall include the following information regarding the applicant:

(a) Applicant's personal information, including:

- (1) Last name, first name and middle initial;*
- (2) Social Security number;*
- (3) Address and telephone number;*
- (4) Date of birth;*
- (5) E-mail address, if available;*
- (6) California registered nurse license number, if available;*

(7) for an applicant in an undergraduate degree program, a copy of the federal Student Aid Report (SAR) generated by the United States Department of Education based upon the applicant's Free Application for Federal Student Aid (FAFSA) with an Expected Family Contribution (EFC) for the academic year in which the applicant applies to the program. Verification of information provided in the FAFSA and used to calculate the EFC may be requested by the Commission as necessary. Failure to provide verification in a timely manner, if requested, may result in disqualification from consideration for an award.

(b) The applicant's representations that he or she:

- (1) is a United States citizen or eligible noncitizen;*
- (2) is a resident of California;*
- (3) is in compliance with Selective Service requirements;*
- (4) does not owe a refund on any state or federal educational grant;*
- (5) does not currently have a delinquent or defaulted student loan.*

(6) has not received a grant as an instructor in a California community college registered nursing program pursuant to Article 3.51 (commencing with Section 78260 (b) (4) of the Education Code);

(c) The name of the accredited college(s) or university(ies), as applicable, at which the applicant:

- (1) is enrolled on at least a half-time basis in an academic program leading to a baccalaureate or graduate degree in nursing or a field related to nursing;*
- (2) has obtained a baccalaureate degree; or*
- (3) is accepted on at least a half-time basis to a graduate program in nursing or a field related to nursing;*

(d) Statement that the applicant agrees to:

- (1) maintain satisfactory academic progress; and*
- (2) teach in a nursing program on a full-time basis at one or more regionally accredited California colleges or universities for at least three consecutive academic years, or on a part-time basis for the equivalent of three full-time academic years, starting within twelve (12) months after obtaining a degree in nursing or a field related to nursing unless, within twelve (12) months after obtaining such a degree, the participant enrolls in a program leading to a more advanced academic degree in nursing or a field related to nursing;*

(e) The name of lender, loan identification number(s), and current balance(s) of a loan or loans the applicant has received, or has been approved to receive, under one or more of the following designated loan programs:

- (1) the Federal Family Education Loan Program (20 U.S.C. Sec. 1071 et seq.);*
 - (2) the Federal Direct Loan Program (20 U.S.C. Sec. 1087b et seq.);*
 - (3) any loan program approved by the Commission on a case by case basis but not including lines of credit, home equity loans, credit card debt, and other general consumer loans, business loans, personal loans, or mortgages;*
- (f) For applicants who are enrolled in an undergraduate program, the student's cost of attendance at the participating institution for the academic year of application to the program.*

(g) The application shall state that by signing, the applicant agrees that, if requested, the applicant will provide information or documentation to verify the accuracy of the information included in the application, and the applicant understands that failure to provide accurate and complete information as requested may result in disqualification from the program and loss of program benefits. The application shall be dated and signed by the applicant under penalty of perjury under the laws of the State of California.

Note:

Authority cited: Section 70106, Education Code. Reference: Sections 70101, 70102, 70103, 70105, 70107, Education Code.

Section 30912. Nominations by a Participating Institution

(a) A participating institution may nominate one or more applicants who have submitted applications to participate in the program meeting the requirements of Section 30911 by submitting to the Commission by the deadline established by the Commission all of the following information regarding each applicant:

- (1) the applicant's complete application, including the SAR for an undergraduate applicant;*
- (2) the participating institution's certifications of the following information:*
 - (i) the applicant is enrolled in, or has been admitted into, a baccalaureate or graduate degree program in nursing or a field related to nursing in which the applicant is or will be enrolled on at least a half-time basis;*
 - (ii) the applicant's grade point average;*
 - (iii) the applicant is making satisfactory academic progress;*
 - (iv) the applicant has demonstrated academic ability;*
 - (v) it is an accredited college or university; and*
 - (vi) the date the applicant is expected to receive his or her undergraduate or graduate degree in nursing or a field related to nursing;*
- (3) the participating institution's determination that the applicant has demonstrated outstanding ability to become a nursing faculty member, on the basis of the following criteria:*
 - (i) grade point average; and*
 - (ii) faculty evaluation of the applicant's ability to become a nursing faculty member based on the factors used by the participating institution to hire nursing faculty;*

(4) for applicants who are undergraduates, the applicant's cost of attendance for the academic year of application to the program.

(b) Each nomination, including the certifications required by this section, submitted by a participating institution shall be signed by the director of the participating institution's nursing program or designee under penalty of perjury under the laws of the State of California.

Note:

Authority cited: Section 70106, Education Code. Reference: Sections 70101, 70102, 70103, 70107, Education Code.

Section 30913. Award Process

(a) The Commission shall select program participants from among the applicants whose applications and nominations are complete and are received by the Commission by the designated deadline date of each academic year and who are determined by the Commission to meet all requirements for participation established in the Education Code. If the maximum authorized allocation of awards is not exhausted after this selection process is completed, the Commission may continue to accept nominations and select program participants based on the date the nominations are received by the Commission. The Commission may continue to make awards until the maximum authorized allocation is exhausted.

(b) The Commission shall only consider and select from among nominated applicants with demonstrated academic ability. In addition, undergraduate applicants may only be considered if they have demonstrated financial need. The Commission shall determine that such financial need exists if the applicant's cost of attendance at the participating institution for the academic year exceeds the applicant's EFC for that year.

(c) Nominated applicants in graduate degree programs will be scored and awarded points using the following selection criteria:

(1) Points will be awarded according to the length of time remaining until the applicant is expected to receive the graduate degree in nursing or a field related to nursing, as follows:

GRADUATE DEGREE	POINTS
Completion Within Four Years or Less	20
Completion Within Three Years or Less	30
Completion Within Two Years or Less	40
Completion Within One Year or Less	50

(2) Points will be awarded based on the applicant's grade point average in the graduate program in nursing or a field related to nursing as follows:

GRADUATE GPA	POINTS
2.99 or Less	0
3.00 - 3.24	10
3.25 - 3.49	15
3.50 - 3.74	20
3.75 - 3.99	25

4.00	30
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(d) Nominated applicants in undergraduate degree programs who have been determined to have demonstrated financial need pursuant to subsection (b) will be scored and awarded points using the following selection criteria:

(1) Points will be awarded according to the length of time remaining until the applicant is expected to receive the baccalaureate degree in nursing or a field related to nursing, as follows:

BACCALAUREATE DEGREE	POINTS
Completion Within Four Years or Less	10
Completion Within Three Years or Less	15
Completion Within Two Years or Less	20
Completion Within One Year or Less	25

2) Points will be awarded based on the applicant's grade point average in the baccalaureate degree program in nursing or a field related to nursing as follows:

BACCALAUREATE GPA	POINTS
<u>2.99 or Less</u>	<u>0</u>
<u>3.00 - 3.24</u>	<u>05</u>
<u>3.25 - 3.49</u>	<u>7.5</u>
<u>3.50 - 3.74</u>	<u>10</u>
<u>3.75 - 3.99</u>	<u>12.5</u>
<u>4.00</u>	<u>15</u>

(e) In addition to the points based on expected date of degree award and GPA, 20 points will be awarded to any nominated applicant with an active registered nurse license issued by the California Board of Registered Nursing.

(f) The Commission will select nominees with the highest point totals until the authorized award allocation is exhausted. In the case of a tie in the total number of points, the Commission will select nominees based on the earliest date of expected graduation and in the case of a secondary tie, by the highest grade point average.

Note:

Authority cited: Section 70106, Education Code. Reference: Sections 70105, 70107, 70109, Education Code.

Section 30914. Loan Assumption Agreements

(a) The Commission shall provide a loan assumption agreement to each nominated applicant selected by the Commission to be a program participant. The loan assumption agreement shall be effective when both the program participant and the Commission have signed the agreement.

(b) The loan assumption agreement shall include the following:

(1) The program participant shall agree to:

- (i) maintain satisfactory academic progress;*
- (ii) maintain enrollment on at least a half-time basis each academic term at an accredited college or university;*
- (iii) continue to satisfy the eligibility requirements in section 30911(b)(1)-(6);*
- (iv) teach nursing on a full-time basis at one or more regionally accredited California colleges or universities for at least three consecutive academic years, or part-time for the equivalent of three full time academic years, starting within twelve (12) months after obtaining a baccalaureate or graduate degree in nursing or a field related to nursing, unless, within twelve (12) months after obtaining such a degree, the participant enrolls in a program leading to a more advanced academic degree in nursing or a field related to nursing;*
- (v) authorize the accredited college or university attended by the applicant, employers, and lenders to provide information requested by the Commission for the purposes of administering the loan assumption agreement; and*
- (vi) comply with all laws and regulations applicable to the program.*

(2) The Commission shall agree that:

- (i) after the program participant has completed one academic year of teaching nursing studies on a full-time basis, or the equivalent on a part-time basis, at one or more regionally accredited California colleges or universities, the Commission shall assume, subject to the requirements of section 30915, 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;*
- (ii) after the program participant has completed two consecutive academic years of teaching nursing studies on a full-time basis, or the equivalent on a part-time basis, at one or more regionally accredited California colleges or universities, the Commission shall assume, subject to the terms of section 30915, 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); and*
- (iii) after the program participant has completed three consecutive academic years teaching nursing studies on a full-time basis, or the equivalent on a part-time basis, at one or more regionally accredited California colleges or universities, the Commission shall assume, subject to the terms of section 30915, 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).*

(c) The term of the loan assumption agreement shall be no more than 10 years from the date signed by the program participant and the Commission unless extended pursuant to Section 30916.

(d) The loan assumption agreement shall constitute a conditional warrant that may be redeemed with the Commission as specified in section 30915. A participant in this program shall not receive more than one loan assumption agreement.

Note:

Authority cited: Section 70106, Education Code. Reference: Sections 70101, 70102, 70103, 70106 Education Code.

Section 30915. Loan Payments

(a) A program participant may redeem the conditional warrant and the Commission shall make loan payments, pursuant to the loan assumption agreement and as provided in Section 30914 and subsection (c), when the Commission has received the following information for each qualifying year of teaching:

(1) documentation certifying that the program participant has received a baccalaureate or graduate degree in nursing or a field related to nursing from an accredited, participating institution;

(2) the following employment information for each applicable year of employment subject to the loan assumption agreement:

(i) program participant's name and social security number;

(ii) names and addresses of the program participant's employers;

(iii) program participant's signature under penalty of perjury under the laws of the State of California.

(3) the following employment information from the participant's employer(s) for each applicable year of employment subject to the loan participation agreement:

(i) statement that the program participant completed an academic year of teaching nursing on a full-time basis, or, if the program participant is employed on a part-time basis, the percentage of employment as related to a full-time academic year.

(ii) statement that the employer is a regionally accredited California college or university;

(iii) employer representative's printed or typed name, title, and telephone number;

(iv) employer representative's signature under penalty of perjury under the laws of the State of California;

(v) certification that the participant has not received a grant pursuant to Article 3.51 commencing with Section 78260 of the Education Code.

(4) the following information from each lending institution for each loan that qualifies for payment under the program and the loan assumption agreement:

(i) program participant's name and social security number;

(ii) account number for each loan;

(iii) interest rate for each loan;

(iv) disbursement date for each loan;

(v) payoff amount for each loan as of June 30;

(vi) indication for each loan whether the loan is delinquent or in default;

(vii) lending institution/servicer name;

(viii) lending institution/servicer eight-digit servicer identification code;

(ix) address for where payment is to be sent;

(x) a signature of the lending institution official under penalty of perjury under the laws of the State of California

(xi) printed name of the lending institution official;

(xii) e-mail address of the lending institution official;

(xiii) telephone number of the lending institution official;

(5) the Commission has determined that the program participant has satisfied the requirements for payment to be made under the loan assumption agreement.

(b) A program participant who teaches on less than a full-time basis is not eligible for a loan payment until he or she teaches for the equivalent of a full-time academic year.

(c) Loan payments shall be made by lump-sum payment to the lender, to be applied directly to the principal balance, if not otherwise prohibited by applicable law or by the terms of the loan agreement between the program participant and the lender. Payments shall first be made toward loans with the highest interest rates. The program participant shall continue to make payments as required under the terms of the loans to avoid defaulting on those loans, until notified by the lenders or loan servicers that the loans are paid in full.

Note:

Authority cited: Section 70106, Education Code. Reference: Sections 70101, 70102, 70103, Education Code.

Section 30916. Failure to Comply with the Loan Assumption Agreement

(a) Except as otherwise specified in subsections (b) and (c), a program participant who fails to meet the requirements for payment pursuant to the terms of the loan assumption agreement, including failure to complete a minimum of three consecutive academic years of teaching in nursing at one or more regionally accredited California colleges or universities on a full-time basis, or the equivalent on a part-time basis, will not qualify for loan payment. The loan assumption agreement shall be deemed terminated, and the Commission shall not make any further payments. The participant shall retain responsibility to continue to make any payments required for any remaining loan obligations under the terms of any outstanding loans to avoid defaulting on those loans but shall not be required to repay any loan payments previously made through the program.

(b) If a program participant is unable to complete one of the three consecutive academic years of teaching nursing at one or more regionally accredited California colleges or universities on a full-time basis, or the equivalent on a part-time basis, due to serious illness, pregnancy, or other natural causes, the term of the loan assumption agreement shall be extended for a period not to exceed one academic year. The Commission shall make no further payments under the loan assumption agreement until the applicable teaching requirements specified have been satisfied. The program participant shall retain responsibility to continue to make any payments required under the terms of any outstanding loans to avoid defaulting on those loans.

(c) If a natural disaster prevents a program participant from completing one of the required academic 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 have been satisfied. The program participant shall retain responsibility to continue to make any payments required under the terms of any outstanding loans to avoid defaulting on those loans.

Note:

Authority cited: Section 70106, Education Code. Reference: Sections 70101, 70102, 70103, 70104 Education Code.

Section 30917. Development of Projections for Funding Purposes

The Commission shall use program participants' expected dates of graduation and employment dates to project the funding level required to provide loan payments under the program.

Note:

Authority cited: Section 70106, Education Code. Reference: Section 70106 Education Code.

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**AMENDMENT TO TITLE 5, DIVISION 4, CHAPTER 1, CA CODE OF REGULATIONS
REGARDING STATE NURSING ASSUMPTION PROGRAM OF LOANS FOR EDUCATION
FOR NURSING FACULTY
(EDUCATION CODE 70100 *et seq.*)**

FINAL STATEMENT OF REASONS

INTRODUCTION

The State Nursing Assumption Program of Loans for Education for Nursing Faculty is established in Education Code sections 69616-69616.7. Effective January 1, 2007, the Legislature amended and renumbered these statutes as Education Code sections 70100 - 70110. This program authorizes the California Student Aid Commission (CSAC) to make payments on behalf of program participants of loans used to pay for the costs of obtaining their undergraduate and/or graduate degrees. (Educ. Code §70101.) The loan payments begin only after those program participants obtain their baccalaureate or graduate degree and complete an academic year of full-time, or the part-time equivalent, teaching nursing in a regionally accredited California college or university. (Educ. Code §70102.) The participants are obligated to teach for three consecutive academic years of full-time teaching, or the equivalent period on a part-time basis, to receive up to \$25,000 in loan payments. (Educ. Code §70103.) CSAC is required to select participants in the program from nominees submitted by accredited colleges and universities based on demonstrated academic ability and, in the case of undergraduate applicants, demonstrated financial need. (Educ. Code §70105.) The Legislature's stated intent for this loan assumption program was that it "be designed to encourage persons to complete their graduate educations and serve as nursing faculty at a regionally accredited California college or university." (Educ. Code § 70100(c).) Recognizing the growing need for new faculty members in the nursing field at California's colleges and universities, the Legislature found that "the rising costs of higher education, coupled with a shift in available financial aid from scholarships and grants to loans, make loan repayment options an important consideration in a student's decision to pursue a graduate degree in nursing education." (Educ. Code § 70100(b).)

The proposed regulations implement, interpret, and make specific the requirements established in Education Code sections 70100-70110.

The specific purpose of each proposed adoption, and the rationale for the determination that each adoption is reasonably necessary to carry out the purpose for which it is proposed, is as follows:

PROPOSED ARTICLE 17 – STATE NURSING ASSUMPTION PROGRAM OF LOANS FOR EDUCATION FOR NURSING FACULTY

Section 30910 – Definitions

This section defines the terms used in this Article.

Subsection (a) of section 30910 defines “academic year.” This clarifies that the term used in Education Code section 70103 regarding the length of teaching service required for a loan payment, means an academic year as defined by the employing California school. Rather than imposing a different definition solely for the purposes of this program, it is simpler and more efficient to accept the employing California college’s or university’s definition.

Subsection (b) of section 30910 defines “accredited college or university.” The definition specifies that a college or university attended by a student who applies to participate in the program must be accredited by a national or regional accrediting body, including six specifically-named regional accrediting bodies. This is necessary because Education Code section 70102 (a) requires that students who apply for the program must receive a baccalaureate or a graduate degree from an accredited college or university. The six named regional accrediting bodies are recognized by the United States Department of Education.

Subsection (c) of section 30910 defines “cost of attendance” to mean the student budget at the participating institution for the nominated student. This definition clarifies the information that is necessary for CSAC to determine “demonstrated financial need” for undergraduate students as required by Education Code sections 70101(c) and 70105(b). For simplicity and uniformity, CSAC will consider the same cost information used in federal and state financial aid programs.

Subsection (d) of section 30910 defines “demonstrated academic ability” to mean academic standing consistent with or superior to the requirements established by the accredited college or university for satisfactory progress toward graduation or the award of an undergraduate or graduate degree. This definition is necessary because Education Code section 70101(c) requires that program participants have demonstrated academic ability.

Subsection (e) of section 30910 defines “demonstrated financial need” to mean financial need determined under Article 1.5 (commencing with section 69503) of Chapter 2 of Part 42 of Division 5 of Title 3 of the Education Code, as required by Education Code section 70101(c). This definition is necessary because Education Code section 70101(c) requires program participants who are undergraduates to have demonstrated financial need, as determined under the referenced article.

Subsection (f) of section 30910 defines “eligible noncitizen.” This definition is necessary because Education Code section 70101(a)(1) limits program participation to United States citizens or eligible noncitizens. The proposed definition is the same definition used for federal financial aid programs, including student loans issued by the Federal Family Education Loan Program (FFELP) and the Direct Lending Program. Since student loans obtained under both FFELP and the Direct Lending Program are eligible for payment under the program, using a similar definition for eligible noncitizen is more efficient and enhances clarity and consistency.

Tab 3.b

Subsection (g) defines “full-time” and “full-time basis” to mean full-time employment as determined by the employing regionally accredited California college or university. This is necessary because Education Code section 70103 requires a program participant to agree to teach in a regionally accredited California college or university on a full-time basis, or the equivalent of full-time, to qualify for loan payments by CSAC. California colleges and universities have different standards by which they determine whether an employee is working full-time, and these standards apply for purposes of determining retirement and other employment rights. Rather than imposing a different definition solely for program purposes, it is more efficient to accept the employing California college’s or university’s standard for full-time employment.

Subsection (h) of section 30910 defines “half-time basis” as half-time enrollment as determined by the participating institution. This is necessary because Education Code section 70101(c) (3) requires enrollment on at least a half-time basis to be eligible for the program. Participating institutions have different standards by which they determine enrollment status. Rather than imposing a different definition solely for program purposes, it is more efficient to accept the participating institutions standards for half-time enrollment.

Subsection (i) of section 30910 defines “natural disaster” to mean a fire, flood, storm, tidal wave, earthquake, terrorism, epidemic, or other similar public calamity that the Governor determines presents a threat to public safety pursuant to Government Code section 8680.3. This is necessary to clarify Education Code section 70104 (c), which provides that a program participant who fails to fulfill his or her teaching commitment due to a natural disaster is to receive an extension equal to the period from interruption of instruction at the employing accredited California college or university to the resumption of instruction.

Subsection (j) of section 30910 defines “other natural causes” to mean a disease or physical or mental condition involving inpatient care in a hospital or residential health care facility, or continuing treatment or continuing supervision by a health care provider, or family care and medical leave under Government Code section 12945.2 or the federal Family and Medical Leave Act of 1993. This is necessary to clarify Education Code section 70104 (b), which provides that a program participant who fails to fulfill his or her teaching commitment due to serious illness, pregnancy or other natural causes is to receive an extension of the term of the loan assumption agreement not to exceed one academic year.

Subsection (k) of section 30910 defines “participating institution” and “eligible institution” and “eligible school or college.” This definition is necessary to clarify references to those colleges and universities that choose to submit nominations of applicants to CSAC, as authorized by Education Code section 70105(a). This definition also distinguishes references in the regulations to colleges or universities that have nominated applicants from references to colleges or universities that employ program participants to teach in nursing programs after the participants receive their degrees.

Subsection (l) of section 30910 defines “part-time” and “part-time basis” to mean part-time employment as determined by the employing regionally accredited California college or university. This is necessary because Education Code sections 70101(b), 70101(c)(6) and 70103 require a program participant to agree to teach in an accredited California college or university full-time, or for the part-time equivalent, to qualify for loan payments by CSAC.

Tab 3.b

California colleges and universities have different standards by which they determine whether an employee is working part-time, and these standards apply for purposes of determining retirement and other employment rights. Rather than imposing a different definition solely for program purposes, it is more efficient, and not inconsistent with the purposes of the program, to accept the employing California college's or university's standard for part-time employment.

Subsection (m) of section 30910 defines "program" to mean the State Nursing Assumption Program of Loans for Education for Nursing Faculty, established in Education Code section 70100 et seq. This simplifies the references to the program throughout the Article.

Subsection (n) of section 30910 defines "program participant" as an individual who has a loan assumption agreement signed by both the individual and the Commission. This is necessary to distinguish a participant who has been selected and has an executed agreement with the Commission for loan payments, from an individual who has submitted an application to his or her participating institution, and from an applicant who has been nominated to participate by a participating institution, but has not been selected by CSAC.

Subsection (o) of section 30910 defines "regionally accredited California college or university." This definition clarifies that a regionally accredited California college or university must be located in California and be accredited by a regional accrediting body. This is necessary because Education Code sections 70102(b) and 70103 require a program participant to teach in a regionally accredited California college or university to qualify for loan payments.

Subsection (p) of section 30910 defines "satisfactory academic progress" to mean academic standing consistent with the requirements of the accredited college or university for satisfactory progress toward the award of a graduate or undergraduate degree. This definition is necessary to clarify Education Code sections 70101(a)(3) and (c)(3), which require program participants to agree to, and to maintain, satisfactory academic progress.

Subsection (q) of section 30910 defines "serious illness" to mean an illness involving inpatient care in a hospital or residential health care facility, or continuing treatment or continuing supervision by a health care provider, or family care and medical leave under Government Code section 12945.2 or the federal Family and Medical Leave Act of 1993. This is necessary to clarify Education Code section 70104(b), which provides that a program participant who fails to fulfill his or her teaching commitment due to serious illness, pregnancy or other natural causes is eligible for an extension of the loan assumption agreement not to exceed one academic year.

Section 30911 – Application to Participate in the Program

This section specifies the content of an application to participate in the program. This is necessary to provide student applicants with guidance on the eligibility requirements for the program, and to ensure that each application contains sufficient information for the participating institution to evaluate the applicant for nomination, consistent with Education Code section 70105, and for CSAC to determine whether to select the applicant for participation. The regulation also specifies that CSAC will establish a deadline each year for

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application to the program, to assure that it can select the most qualified applicants in the event there are more applicants than can be selected for participation.

Subsection (a) of section 30911 – This section specifies personal information that must be submitted by each applicant that is necessary for CSAC to identify each applicant separately from any other applicant, to contact the applicant, and to determine “demonstrated financial need” of undergraduate students as required by Education Code section 70105 (b). CSAC also requires applicants to provide information regarding whether they have been licensed as a registered nurse, in order to consider this information as a factor in selecting the most qualified participants, pursuant to the authority granted to CSAC in Education Code section 70105(c).

Subsections (b and c) of section 30911 – These subsections specify information that each applicant must submit to ensure that each applicant meets the eligibility requirements for program participation established by Education Code section 70101.

Subsection (d) of section 30911 – This section requires a statement from the applicant affirming applicant’s agreement to maintain satisfactory academic progress and to earn a baccalaureate or master’s degree in nursing or a field related to nursing and subsequently teach in a nursing program in a regionally accredited California college or university for the equivalent of three full-time academic years. This is necessary to affirm the applicant’s intention to meet the requirements specified in Education Code section 70102.

Subsection (e) of section 30911 – This section requires that the applicant provide information regarding their student loan(s) to meet the requirement specified in Education Code section 70101 (c) (5).

Subsection (f) of section 30911 – This section requires that undergraduate student provide the cost of attendance at the participating institution for the academic year of application to the program. This is a component of the formula the Student Aid Commission will use to determine that the applicant has a demonstrated financial need as required by Education Code section 70101 (c) (1).

Subsection (g) of section 30911 – This section requires the application to be dated and signed under penalty of perjury under the laws of the State of California, and requires the applicant to agree to provide verification of the accuracy of the information included in the application, if requested. This is necessary to obtain information with a degree of reliability to justify the expenditure of State funds for making payments for the applicant’s student loans.

Section 30912 – Nominations by a Participating Institution

Subsection (a) of section 30912 – This section specifies that a participating institution may choose to nominate one or more student-applicants to participate in the program. This is consistent with Education Code section 70105, which specifies that CSAC will accept nominations from accredited colleges and universities. The regulation also specifies that nominations must be submitted to CSAC by an established deadline each year to assure that it can select the most qualified applicants in the event there are more applicants than can be selected for participation.

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This section also specifies the information to be included in a participating institution's nomination of an applicant to participate in the loan assumption program. This is necessary to ensure that CSAC receives the information necessary to select participants consistent with the eligibility criteria in Education Code section 70101 the selection criteria in proposed section 30913.

Subsection (b) of section 30912 – This section requires each nomination to be signed by the director of the participating institution's nursing program, or designee, under penalty of perjury. This section clarifies who must sign the nomination, and is also necessary to obtain information with a degree of reliability to justify the expenditure of State funds for making payments for the applicant's student loans.

Section 30913 – Award Process

This section specifies the process by which CSAC will select and the criteria to be used in selecting participants from the nominations submitted by participating institutions.

Subsection (a) of section 30913 – This section specifies that CSAC will select participants from those nominated by an established deadline each year to assure that it can select the most qualified applicants in the event there are more applicants than can be selected for participation.. The section also provides that if a maximum authorized allocation established by Education Code section 70109 is not exhausted after the award process, CSAC may continue to accept nominations after the deadline and select program participants based on the date the nominations are received by CSAC. This section is necessary to clarify that the selection from among nominated students may continue even after the completion of the initial award process until the maximum authorized allocation is exhausted.

Subsection (b) of 30913 – This section specifies that CSAC will only select nominated undergraduate students who demonstrate financial need and academic ability and graduate students who demonstrate academic ability. This is consistent with the eligibility requirements established in Education Code section 70101(c) and 70105(b). This subsection also specifies how CSAC will determine financial need for undergraduate applicants based on the cost of attendance at the institution and the applicant's expected family contribution, in compliance with Education Code section 70105(b). Using information that is also used in federal financial aid programs will make the process simple for applicants.

Subsection (c) of section 30913 – This section specifies the criteria CSAC will apply to select graduate participants from among nominations submitted by participating institutions. This is necessary to ensure that all nominations are considered under identical standards. This section is also necessary to clarify the criteria authorized by Education Code section 70105 (b). CSAC will give greater weight to applicants who have demonstrated academic ability based on their grade point average and who are closer to completion of their degree and therefore closer to obtaining employment as nursing faculty.

Subsection (d) of section 30913 - This section specifies the criteria CSAC will apply to select undergraduate participants from among nominations submitted by participating institutions.

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This is necessary to ensure that all nominations are considered under identical standards. This section is also necessary to clarify the criteria authorized by Education Code section 70105(b). CSAC will give greater weight to applicants who have demonstrated academic ability based on their grade point average and who are closer to completion of their degree and therefore closer to obtaining employment as nursing faculty.

Subsection (e) of section 30913 – This section specifies that CSAC will give additional points to applicants who have an active registered nurse license. CSAC has determined that this is an appropriate factor to consider in selecting the most qualified participants, pursuant to the authority granted to CSAC in Education Code section 70105(c).

Subsection (f) of section 30913 – This section specifies that CSAC will select nominees with the highest point totals. This is necessary to clarify how the selection criteria will be used. The section also provides that in case of a tie, CSAC will select nominees based on the earliest date of expected graduation date and in the case of a secondary tie, by the highest GPA. This is necessary to provide clarity on how CSAC will choose from among equal scores when remaining awards are limited.

Section 30914 – Loan Assumption Agreements

This section specifies the process and content of loan assumption agreements that will be provided to applicants upon their selections by CSAC to participate in the program.

Subsection (a) of section 30914 – This section requires CSAC to provide a loan assumption agreement to each applicant who has been selected to participate, but specifies that the loan assumption agreement is not effective until it is signed by both the applicant and CSAC. This section is consistent with Education Code section 70103, which requires CSAC to enter into agreements with participants, clarifies that a signed agreement is necessary for participation, and clarifies the effective date of the loan assumption agreement.

Subsection (b) of section 30914 – This section establishes the contents of the loan assumption agreement. Subsection (b)(1) is necessary to assure participants are informed of their obligations, consistent with Education Code sections 70101 and 70103. This section is also necessary to assure that CSAC receives the information from the participant, the participant's school, the lenders holding the participant's educational loans, and the participant's employers necessary to administer the program and the loan assumption agreement. Subsection (b)(2) specifies the conditions under which CSAC is authorized to make loan payments, consistent with Education Code section 70103.

Subsection (c) of section 30914 – This section provides that the term of the loan assumption agreement shall be no more than 10 years from the date signed by the program participant and CSAC. This is consistent with the requirement in Education Code section 70103(e).

Subsection (d) of section 30914 – This section establishes that the loan assumption agreement constitutes a conditional warrant that may be redeemed under conditions specified in section 30915. This section is necessary to clarify Education Code sections 70102 and 70103 regarding when payments will be made by CSAC. This subsection also

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specifies that a participant may have only one loan assumption agreement, consistent with Education Code section 70101(d).

Section 30915 – Loan Payments

This section specifies the process by which program participants may redeem their conditional warrants (loan assumption agreements) and CSAC may make loan payments on behalf of the program participants.

Subsection (a) of section 30915 – This section specifies the information that a program participant must provide to CSAC before CSAC can begin making loan payments. This section is necessary to ensure compliance with the conditions for loan payments by CSAC established in Education Code sections 70102 and 70103, and to obtain information to identify each participant separately from every other participant and to enable CSAC to determine, process, and pay the appropriate amount of loan payment.

Subsection (b) of section 30915 – This section establishes that a program participant who teaches on a less than full-time basis is not eligible for loan payments until he or she teaches for the equivalent of a full-time academic year. This section is consistent with Education Code section 70101(c) (7).

Subsection (c) of section 30915 – This section specifies that loan payments are to be paid by CSAC in a lump sum, which is to be applied directly to the principal balance, that payments will first be made toward loans with the highest interest rates, and that program participants must continue to make payments as required under the terms of the loans to avoid defaulting on the loans. This section is necessary to clarify the method for loan payment by CSAC and to clarify program participants' continuing obligations on their loans.

Section 30916 – Failure to Comply with the Loan Assumption Agreement

This section specifies the consequences of a program participant's failure to comply with the requirements of the loan assumption agreement.

Subsection (a) of section 30916 – This section specifies that a program participant who fails to meet the conditions for payment in the loan assumption agreement, including failure to complete the required three consecutive academic years of teaching nursing studies on a full-time basis, or the equivalent on a part-time basis, will not qualify for loan payment. The loan assumption agreement shall be deemed terminated and the Commission shall not make any further payments. The participant shall retain responsibility to continue to make any payments required for any remaining loan obligations under the terms of any outstanding loans to avoid defaulting on those loans but shall not be required to repay any loan payments previously made through the program. This section is necessary to clarify the consequences of a program participant's failure to satisfy the obligations included in the loan assumption agreement and to implement Education Code sections 70101, 70102, 70103 and 70104(a).

Subsection (b) of section 30916 – This section establishes that the term of the loan assumption agreement shall be extended for a period of not to exceed one academic year if

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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. This section is consistent with Education Code section 70104(b).

Subsection (c) of section 30916 – This section establishes an extension of the term of the loan assumption agreement equal to the period from the interruption of instruction due to a natural disaster 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. This section is consistent with Education Code section 70104(c).

Section 30917 – Development of Projections for Funding Purposes

This section is necessary to implement the requirement in Education Code section 70106 that CSAC include in its regulations provisions for the development of projections for funding purposes.

Summary of Comments Received and Response

The Summary of Comments and Responses filed in Tab ___ of the Final Rulemaking File is incorporated herein as if fully set forth.

Impact On Local Agencies/School Districts

This proposal does not impose a mandate on local agencies or school districts.

Fiscal Impact Estimates

This proposal does not impose costs on any local agency or school district for which reimbursement would be required pursuant to Part 7 (commencing with Section 17500) of Division 4 of the Government Code. This proposal does not impose other nondiscretionary cost or savings on local agencies. This proposal does not result in any cost or savings in federal funding to the state.

Costs Or Savings To State Agencies

None.

Effect On Housing Costs: None

Business Impact/Small Businesses

CSAC has determined that the proposed regulatory action would have no significant statewide adverse economic impact directly affecting business, including the ability of California businesses to compete with businesses in other states. The proposal would impose no costs upon business. The proposal does not affect small businesses as defined by section

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11342.610. This proposal would affect a private sector or small business only if a private sector college or university voluntarily chooses to nominate its students to participate in SNAPLE.

Assessment Regarding Effect On Jobs/Businesses

CSAC has determined that this regulatory proposal will not have any impact on the creation of jobs or new businesses or the elimination of jobs or existing businesses or the expansion of businesses in the State of California.

Cost Impact On Representative Person Or Business

The agency is not aware of any cost impacts that a representative private person or business would necessarily incur in reasonable compliance with the proposed action.

Business Report

This regulatory proposal does not require a report.

Alternatives

CSAC did not receive any proposed alternatives during the public comment period. CSAC has determined that no alternative would be more effective or as effective and less burdensome to affected persons than this proposal.

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Response to State Nursing Assumption Program of Loans for Education for Nursing
Faculty (SNAPLE-NF)

Submitted by
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I am responding to the proposed rulemaking on SNAPLE_NF. My concern is with Sections 30911.7i, 30912.2i, 30914.b1iv. In each these the students would be enrolled in a nursing program or field related to nursing. To teach nursing the person needs a bachelor degree in nursing in order to be a clinical instructor. To actually be a full time teacher the person would need a Masters in Nursing. With the current wave of entry level masters programs they can have bachelors in any field. However, the Masters in Nursing is an absolute must. As a director of an associate degree nursing program, I will be unable to hire the entry level masters without 6 years of at the bedside experience. These nurses have no more time or maybe less at the bedside than an ADN grad. So this may be a problem repaying the loan.

New wording I would suggest is “participants in a more advanced academic degree in nursing. Participants must complete or have completed a masters in nursing. May pursue an advanced degree course beyond the MN in courses related to nursing. I would prefer to decrease the confusion Thank you for considering my issue.

**State Nursing Assumption Program of Loans for Education for Nursing Faculty (SNAPLE NF)
Comments on Proposed SNAPLE NF Regulations**

Section 30911 (7)(i), 30912(2)(i), 30914(b)(1)(iv) “in each of these the students would be enrolled in a nursing program or field related to nursing. To teach nursing the person needs a bachelor degree in nursing in order to be a clinical instructor. To actually be a full time teacher the person would need a Masters in Nursing.....the Masters in Nursing is an absolute must.”

**State Nursing Assumption Program of Loans for Education for Nursing Faculty (SNAPLE NF)
Response to Comments**

Section 30911(7)(i), 30912(2)(i), 30914(b)(1)(iv)

Education Code Chapter 3, Section 70100 (b) and (c) indicate that because “loan repayment options (are) an important consideration in a student’s decision to pursue a graduate degree in nursing education or in a field related to nursing” that it is the Legislature’s intent to design SNAPLE NF to “encourage persons to complete their graduate educations and serve as nursing faculty in a registered nursing program at an accredited California college or university.”

Section 70101(c)(1) directs the Commission to award loan assumption agreements to undergraduate students with demonstrated academic ability and financial need.....and to graduate students with demonstrated academic ability.

Section 70101(c)(2) states that “the applicant shall have completed a baccalaureate degree program or be enrolled in an academic program leading to a baccalaureate level or graduate level degree.” It does not specify the type of baccalaureate or graduate degree to be considered.

Section 70101(c)(6) states “.....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.” This indicates that the intent is to target an advanced degree in nursing or a field related to nursing but it does not limit the program to those pursuing an advanced degree in nursing. Therefore, the Commission cannot limit access to the program by limiting the type of degree other than what the law stipulates.