

Action Item

California Student Aid Commission

**Consideration of Approval of State Nursing Assumption Program of Loans
for Education for Nurses in State Facilities (SNAPLE-NSF) Regulations**

Senate Bill No. 1309 chaptered on September 30, 2006 created the State Nursing Assumption Program of Loans for Education Program for Nurses in State Facilities (SNAPLE-NSF). The California Student Aid Commission (CSAC) is required by California Education Code 70120-70129 to adopt rules and regulations for the purpose of administering the SNAPLE-NSF. After consultation with stakeholders, which included Department of Veterans Affairs, California Nurses Association, American Nurses Association California, Board of Registered Nursing, the Department of Finance, and the Grant Advisory Committee, CSAC staff developed proposed SNAPLE NSF regulations designed to implement the new program.

This program is a loan assumption program for students who agree to become employees of specified 24-hour state facilities and who fulfill agreements to work full-time for 4 consecutive years as registered nurses in an eligible position. At the time the participant commences employment, the facility must have a vacancy rate of greater than 10% in registered nursing positions, as reported annually to the CSAC by the Department of Personnel Administration. The program provides a progressive loan assumption of the amount of a qualifying loan over 4 consecutive years of qualifying clinical registered nursing service, up to a total loan assumption of \$20,000.

The proposed draft regulations were presented to the Grant Advisory Committee (GAC) on October 19th and 20th, 2006 for recommendations and feedback before holding a stakeholder's meeting. Thereafter, a stakeholder meeting was held on November 8, 2006 to review the proposed draft regulations and gather feedback and suggestions from the nursing community and financial aid representatives. California Student Aid Commission staff

incorporated recommendations made at the November 8, 2006 stakeholder's meeting.

On December 26, 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 January 5, 2007, 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 19, 2007.

CSAC staff received one comment from the 45-day public comment period from the Department of Veterans Affairs. Subsequent conversations with the Department of Veterans Affairs revealed concerns regarding who is eligible to apply for the program. Based on the comment received and further review of the Education Code, CSAC Staff came to the conclusion that Section 70120 (b) (1) requires that a participant has been admitted to or is enrolled in an accredited program of professional preparation for licensing as a registered nurse in California which would eliminate eligibility for current state facility employees and those who have completed their program prior to the application year. Therefore, CSAC Staff proceeded with a 15-day public comment period on the changes that were necessary to the proposed regulations. The 15-day public comment period started on March 14 and ended on March 29, 2007. A second, concurrent 15-day public comment period was deemed necessary due to some new language and a thorough review of the proposed regulations. This second 15-day public comment period started on March 20, 2007 and ended on April 4, 2007. Only one non-substantive comment was received and responded to that did not require changes to the proposed regulations.

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-NSF 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 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 NURSES IN STATE FACILITIES
(Educ. Code §§70120-70129)**

FINAL TEXT

Article 17 State Nursing Assumption Program of Loans for Education for Nurses in State Facilities

Section 30920 Definitions

(a) "Accelerated program" means an approved pre-licensure nursing program that enables a student to complete the instructional program in less time than a traditional program, as determined by the institution.

(b) "Accredited program" means a pre-licensure nursing program approved by the California Board of Registered Nursing pursuant to Business and Professions Code Sections 2785 through 2789.

(c) "Eligible applicant" means:

- (1) a student, who has completed a minimum of 60 semester units or the equivalent, and has been admitted to or is enrolled in an approved pre-licensure nursing program, and who submits an application pursuant to Section 30921 and agrees to work in a state-operated facility in an eligible position, and has received or is approved to receive, a loan under one or more of the designated loan programs, or any loan program approved by the Student Aid Commission, or*
- (2) an individual who has completed an approved pre-licensure nursing program within the award year that he or she applies for the program, and who has applied or is applying for licensure as a registered nurse in California, and who submits an application pursuant to section 30921 and agrees to work in a state-operated facility in an eligible position, and has received or is approved to receive, a loan under one or more of the designated loan programs, or any loan program approved by the Student Aid Commission.*

(d) "Eligible institution" means a postsecondary institution that is determined by the Commission to meet both of the following requirements: the institution is eligible to participate in state and federal financial aid programs, and the institution maintains an accredited program of professional preparation for licensing as a registered nurse in California.

Tab 1.a

- (e) *“Eligible position” means a position in a state-operated facility that appears on the list of Approved Positions for the State Nursing Assumption Program of Loans for Education for Nurses in State Facilities provided by the Student Aid Commission (see Attachment A).*
- (f) *“Employed on a full-time basis” means employed in an eligible position as a registered nurse, in a full-time capacity as defined by the employing, state-operated facility.*
- (g) *“Enrolled on a full-time basis” means enrolled as a pre-licensure registered nurse student, in a full-time capacity as defined by the eligible institution.*
- (h) *“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)*
- (i) *“Need-based student loans” means federally subsidized student loans or other student loans awarded based on the student’s demonstrated financial need.*
- (j) *“Other natural causes” means a disease, or a physical or mental condition involving in-patient 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 of the federal Family and Medical Leave Act of 1993.*
- (k) *“One year” means twelve calendar months.*
- (l) *“Program” means the State Nursing Assumption Program of Loans for Education for Nurses in State Facilities established in Article 2 (commencing with Section 70120 of Chapter 2 of Part 42 of the Education Code) and as set forth in this Article.*
- (m) *“Program participant” means an individual who has a loan assumption agreement signed by both the individual and the Commission.*
- (n) *“Registered nurse” means a person who possesses a valid license to practice as a professional registered nurse in California and provides patient care services in an eligible position as identified in the list of Approved Positions for the State Nursing Assumption Program of Loans for Education for Nurses in State Facilities (see Attachment A).*
- (o) *“Satisfactory academic progress” means academic standing consistent with the requirements of the eligible institution for satisfactory progress toward the completion of the pre-licensure nursing program.*
- (p) *“Serious illness” means an illness involving in-patient 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.*
- (q) *“State-operated facility” means a state-operated facility in California that:*

- (1) provides health care 24 hours per day, 7 days per week, including but not limited to prisons, psychiatric hospitals and veterans' homes;*
- (2) employs registered nurses;*
- (3) has a vacancy rate greater than 10 percent of its registered nurse positions as determined by the Department of Personnel Administration; and,*
- (4) is included on the list of state-operated facilities provided annually to the Commission by the Department of Personnel Administration pursuant to Education Code Section 70121.*

Note:

Authority cited: Section 70125 Education Code. Reference: Sections 70120, 70121, 70124, 70125, and 70128 Education Code.

Section 30921 Application to Participate in the Program

(a) CSAC applications to participate in the program shall be submitted to the Commission by the annual deadline established by the Commission and shall include the following information regarding the applicant:

- (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) The name of the lender, loan identification number(s), type of loan or loans (need-based or non-need-based), and current balance(s) of a loan or loans the applicant has received, or has been approved to receive, in order to meet the costs of the applicant's education under one or more of the following designated loan programs (to be eligible for assumption benefits, loan(s) must be disbursed prior to the date of registered nurse license of applicant):*
 - (i) the Federal Family Education Loan Program (20 U.S.C. Sec. 1071 et seq.);*
 - (ii) the Federal Direct Loan Program (20 U.S.C. Sec. 1087b et seq.);*
 - (iii) any educational 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;*

: and,

- (7) proof that the applicant possess a baccalaureate degree, if applicable.*

(b) Applications to participate in the program from applicants who are admitted to, or are enrolled in an accredited program shall include the following information regarding the applicant:

- (1) Certification from an eligible institution of the applicant's current admission or enrollment as specified in Section 30922(a);
- (2) Certification from an eligible institution that the applicant has completed a minimum of 60 post-secondary semester units or the equivalent;
- (3) Statement that the applicant agrees to:
 - (i) maintain satisfactory academic progress and full-time enrollment;
 - (ii) obtain and maintain a California registered nurse license within 12 months of completing the pre-licensure nursing program; and,
 - (iii) obtain and maintain employment, within 6 months of obtaining a California registered nurse license, as a registered nurse in an eligible position in a state-operated facility, as defined in Section 30920(q), on a full-time basis for four consecutive years.

(c) Applications to participate in the program from applicants who have completed a pre-licensure nursing program within the award year that he or she applies for the program, but have not obtained a California registered nursing license shall include the following information regarding the applicant:

- (1) Certification from an eligible institution that the applicant has completed a pre-licensure nursing program and the date completed as specified in Section 30922(a);
- (2) Statement that the applicant agrees to:
 - (i) obtain and maintain a California registered nurse license within 12 months of completing the pre-licensure nursing program
 - (ii) obtain and maintain employment, within 6 months of obtaining a California registered nurse license, as a registered nurse in an eligible position in a state-operated facility, as defined in Section 30920(q), on a full-time basis for four consecutive years.

(d) Applications to participate in the program from applicants who have completed a pre-licensure nursing program within the award year that they apply for the program and who possess a current California registered nursing license, shall include the following information regarding the applicant:

- (1) Certification from an eligible institution that the applicant has completed a pre-licensure nursing program and the date completed as specified in Section 30922(a);
- (2) California Registered Nurse License number and expiration date;
- (3) Statement that the applicant agrees to:
 - (i) obtain and maintain employment, within 6 months of being accepted into the program, as a registered nurse in an eligible position in a state-operated facility, as defined in Section 30920(q), on a full-time basis for four consecutive years.

(e) 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 70125, Education Code. Reference: Sections 70120, 70122, 70125, 70128, Education Code.

Section 30922 Certification from Eligible Institution

- (a) All applicants shall submit certification from an eligible institution including:*
- (1) the type of program, whether accelerated or traditional;*
 - (2) that the applicant is, or if admitted will be, enrolled on a full-time basis, or that the applicant completed the pre-licensure nursing program and that completion date;*
 - (3) that the applicant, if enrolled, is maintaining satisfactory academic progress; and,*
 - (4) that the eligible institution has determined that the applicant has demonstrated outstanding ability on the basis of criteria that may include, but need not be limited to, any of the following:*
 - (i) grade point average;*
 - (ii) test scores;*
 - (iii) faculty evaluations;*
 - (iv) interviews; and*
 - (v) other recommendations.*
 - (5) the applicant's grade point average for the pre-licensure nursing program;*
 - (6) the number of remaining semesters or quarters the applicant is expected to take to complete the pre-licensure program;*
 - (7) each certification submitted by an eligible institution shall be signed by the director of the institution's nursing program or designee under penalty of perjury under the laws of the State of California.*

Note:

Authority cited: Section 70125, Education Code. Reference: Section 70120, 70125, 70126, 70128, Education Code.

Section 30923 Award Process

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

by the Commission. The Commission may continue to make awards until the authorized allocation is exhausted.

(b) In the event that the number of applications from eligible applicants exceeds the maximum allocation of awards, the Commission shall score and award points to eligible applicants using the following selection criteria:

(1) Applicants who have completed a baccalaureate degree at time of application shall receive 25 points;

(2) Applicants who are currently enrolled in or who completed an accelerated program within the award year he or she applies for the program shall receive 25 points.

(3) Applicants who have an outstanding balance on a federally subsidized student loan(s) or other need-based student loan(s) disbursed prior to the date of registered nurse license of applicant shall receive 25 points.

(4) Nominated applicants in pre-licensure nursing programs or applicants who have completed a pre-licensure program within the award year that he or she applies for the program will be scored and awarded points using the following selection criteria:

(i) Points will be awarded according to the length of time remaining until the applicant is expected to complete the pre-licensure nursing program, as follows:

Completion of Pre-licensure Nursing Program	POINTS
Completion Within / Longer Than Six Quarters or Four Semesters	0
Completion Within Five Quarters	2.5
Completion Within Three Semesters	3.75
Completion Within Four Quarters	5
Completion Within Three Quarters or Two Semesters	7.5
Completion Within Two Quarters	10.0
Completion Within One Semester	11.25
Completion Within One Quarter	12.5
Completed Pre-Licensure Nursing Program	15

(ii) Points will be awarded based on the applicant's grade point average in the pre-licensure nursing program in nursing as follows:

Pre-licensure Nursing GPA	POINTS
2.99 or Less	0
3.00 - 3.24	2
3.25 – 3.49	4
3.50 – 3.74	6
3.75 – 3.99	8
4.00	10

(c) After assignment of the scores specified in subsection (b), 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 date the application is received by the Commission.

Note:

Authority cited: Section 70125, Education Code. Reference: Sections 70125, 70128, Education Code.

Section 30924 Loan Assumption Agreements

(a) The Commission shall provide a loan assumption agreement to each applicant who has been chosen 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 for participants who are enrolled in or admitted to an approved program, the program participant's agreements to:

(i) maintain satisfactory academic progress;

(ii) maintain enrollment on a full-time basis each academic term;

(iii) apply for and obtain a license to practice as a registered nurse in California within 12 months of completing the pre-licensure nursing program-;

(iv) obtain and maintain full-time employment, within 6 months of obtaining a California registered nurse license, for four consecutive years in an eligible position as a registered nurse in a state-operated facility, as defined in Section 30920(q);and

(v) authorize the eligible institution that the applicant is attending, future employers from state operated facilities, and student loan lenders to provide information requested by the Commission for the purposes of administering the loan assumption agreement;

(vi) notify the Commission of starting date of employment within 2 weeks of obtaining eligible employment.

(c)The loan assumption agreement shall include for participants who have completed a pre-licensure nursing program within the award year that he or she applies for the program the program participant's agreements to:

(i) apply for and obtain a license to practice as a registered nurse in California within 12 months of completing the pre-licensure nursing program, if the participant has not already obtained his or her license;

(ii) obtain and maintain full time employment, within 6 months of obtaining a California registered nurse license, or within 6 months of entering the program if the participant holds a registered nurse license prior to entering into the program, for four consecutive years in an eligible position as a registered nurse in a state-operated facility, as defined in Section 30920(q); and

(iii) authorize the eligible institution that the applicant attended, future employers from state-operated facilities, and student loan lenders to provide information requested by the Commission for the purposes of administering the loan assumption agreement.

(iv) notify the Commission of starting date of employment within 2 weeks of obtaining eligible employment.

(d) *The Commission shall agree that:*

(i) after the program participant has completed one year of full time employment in an eligible position as a registered nurse in a state-operated facility, the Commission shall assume, subject to the requirements of Section 30925, up to five thousand dollars (\$5,000) of the outstanding liability under one or more of the designated loan programs (to be eligible for assumption benefits, loan(s) must be disbursed prior to the date of registered nurse license of participant);

(ii) after the program participant has completed two consecutive years of full time employment in an eligible position as a registered nurse in a state-operated facility, the Commission shall assume, subject to the terms of Section 30925, up to an additional five thousand dollars (\$5,000) of the participant's outstanding liability under one or more of the designated loan programs, for a total loan assumption of up to ten thousand dollars (\$10,000) (to be eligible for assumption benefits, loan(s) must be disbursed prior to the date of registered nurse license of participant); and,

(iii) after the program participant has completed three consecutive years of full time employment in an eligible position as a registered nurse in a state-operated facility, the Commission shall assume, subject to the terms of Section 30925, up to an additional five thousand dollars (\$5,000) of the participant's outstanding liability under one or more of the designated loan programs, for a total loan assumption of up to fifteen thousand dollars (\$15,000) (to be eligible for assumption benefits, loan(s) must be disbursed prior to the date of registered nurse license of participant); and,

(iv) after the program participant has completed four consecutive years of full time employment in an eligible position as a registered nurse in a state-operated facility, the Commission shall assume, subject to the terms of Section 30925, up to an additional five thousand dollars (\$5,000) of the participant's outstanding liability under one or more of the designated loan programs, for a total loan assumption of up to twenty thousand dollars (\$20,000) (to be eligible for assumption benefits, loan(s) must be disbursed prior to the date of registered nurse license of participant).

(e) 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 by the Commission in the case of serious illness, pregnancy, other natural causes or a natural disaster.

(f) The loan assumption agreement shall constitute a conditional warrant that may be redeemed with the Commission as specified in Section 30925. A participant in this program shall not receive more than one loan assumption agreement.

Note: Authority cited: Section 70125, Education Code. Reference: Sections 70120, 70121, 70122, 70123, 70125, Education Code.

Section 30925. Loan Payments

(a) A program participant may redeem the conditional warrant and the Commission shall make loan payments, as provided in Section 30924(d) and Section 30925 subsection(c), when:

(1) the program participant has provided documentation certifying licensure as a registered nurse in California.

(2) the program participant has provided 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 employer(s);

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

(3) the program participant has provided the following employment information from his or her employers for each applicable year of employment subject to the loan participation agreement:

(i) statement that the program participant completed a year of work in an eligible position as a registered nurse on a full-time basis in a state-operated facility,

(ii) statement that the employer is a state-operated facility,

(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;

(4) the program participant has provided the following information from each lending institution on the loans subject to the loan assumption agreement (to be eligible for assumption benefits, loan(s) must be disbursed prior to the date of registered nurse license of participant):

(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 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 all requirements for payment to be made pursuant to the loan assumption agreement.

(b) 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.

(c) The state-operated facility at which the participant is employed must be included on the current list provided to the Commission by the Department of Personnel Administration of facilities with a greater than 10 percent vacancy rate for registered nursing positions as of the date that the participant commences employment at the facility. If the facility is removed from the list after the date the participant commenced employment, the agreement remains valid.

Note: Authority cited: Section 70125, Education Code. Reference: Sections 70122, 70123, 70125, Education Code.

Section 30926 Failure to Comply with the Loan Assumption Agreement

(a) Except as otherwise specified in subsections (b) and (c), a program participant who fails to comply with all requirements for payment under the loan assumption agreement, including failure to complete a minimum of four consecutive years of full time employment in an eligible position as a registered nurse in a state-operated facility or failure to maintain full-time enrollment or satisfactory academic progress while attending a pre-licensure nursing program, shall be withdrawn from the program and assume full liability for all student loan obligations remaining after the Commission's payment of any loan liability for any year of qualifying registered nursing service.

(b) If a program participant is unable to complete one of the four consecutive years of work as a registered nurse in a state-operated facility, 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 year. The Commission shall make no further payments under the loan assumption agreement until the applicable work 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 four consecutive years of employment at the state-operated facility, the term of the loan assumption agreement shall be extended for the period of time equal to the period from the date that the participant's employment at the facility temporarily ceased to the date on which the participant resumed employment at the facility. The Commission shall make no further payments under the loan assumption agreement until the applicable work requirements have been satisfied. The program participant, however, shall retain responsibility to continue to make any payments required under the terms of any outstanding loans to avoid defaulting on those loans.

(d) If a program participant self-withdraws or is withdrawn from the program within the award year he or she applies for the program, the Commission will reallocate the award to the next eligible applicant.

Note: Authority cited: Section 70125, Education Code. Reference: Sections 70124, 70125, Education Code.

Section 30927 Development of Projections for Funding Purposes

The Commission shall use program participants' employment start dates to project the funding level required to provide loan payments under the program

Note: Authority cites: Section 70125, Education Code.

ATTACHMENT A

*List of Approved Positions for the
State Nursing Assumption Program of Loans for Education for Nurses in State Facilities*

Nurse-Anesthetist, Correctional Facility

Nurse Practitioner

Nurse-Practitioner, Correctional Facility

Nurse Practitioner, Departments of Mental Health & Developmental Services

Nurse Practitioner, Safety

Registered Nurse

Registered Nurse, Correctional Facility

Registered Nurse, Safety

Surgical Nurse I

Surgical Nurse I, Correctional Facility

Surgical Nurse II, Correctional Facility

Surgical Nurse I, Departments of Mental Health & Developmental Services

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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 NURSES IN STATE FACILITIES
(EDUCATION CODE 70120 *et seq.*)**

FINAL STATEMENT OF REASONS

INTRODUCTION

The State Nursing Assumption Program of Loans for Education for Nurses in State Facilities is established in Education Code sections 70120-70129. This program authorizes the California Student Aid Commission (CSAC) to make payments on behalf of program participants' of outstanding educational loans incurred prior to the receipt of their California registered nurse license. (Educ. Code § 70120) The loan payments begin only after those program participants obtain their California registered nurse license and complete a year of full-time employment in an eligible position in a state-operated 24-hour facility that employs registered nurses and that has a clinical registered nurse vacancy rate of greater than 10 percent. (Educ. Code §70120). The participants are obligated to work for four consecutive years of as a registered nurse in an eligible position to receive up to \$20,000 in loan payments. (Educ. Code §70123). CSAC is required to select participants in the program from applications received from eligible applicants (Educ. Code § 70121) This loan assumption program is designed to encourage persons to work in state-operated facilities with a clinical registered nurse vacancy rate of greater than 10 percent. (Educ. Code § 70120 (a)).

The proposed regulations implement, interpret, and make specific the requirements established in Education Code sections 70120 – 70129.

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 NURSES IN STATE FACILITIES

Section 30920 – Definitions

This section defines the terms used in this Article.

Subsection (a) of section 30920 defines “Accelerated program”. This definition clarifies that the institution establishes the timeframe of the pre-licensure programs, some of which are designated accelerated because they can be completed in less time than others. This is

Tab 1. b

necessary because Education Code section 70128 gives priority to participants enrolled in an accelerated program.

Subsection (b) of section 30920 defines “accredited program.” This definition clarifies that the California Board of Registered Nursing must approve the pre-licensure nursing program. The Business and Professions Code Sections 2785 through 2789 uses the word approve, rather than accredit. This clarification is necessary because Education Code 70120 (b) (1) specifies that a student applicant must be enrolled in an “accredited program” of professional preparation for licensing as a registered nurse in California.

Subsection (c) of section 30920 defines “Eligible applicant.” This definition clarifies the criteria which must be met to be considered an eligible applicant. This is necessary because Education Code 70120 (a) through (c) limits participation to these criteria.

Subsection (d) of section 30910 defines “eligible institution.” This definition is necessary to clarify references to those colleges and universities that may submit nominations of applicants to CSAC, as authorized by Education Code section 70120 (a) (2) (A) (B).

Subsection (e) defines “eligible position.” The legislation creating this program refers to “clinical registered nurse” regarding employment in a state-operated facility. Since there is no such classification as “clinical” registered nurse, the Commission has provided a list of “eligible positions” on Attachment A, that meet the legislature’s intent regarding “clinical” registered nurse positions.

Subsection (f) defines “employed on a full-time basis” to mean full-time employment as determined by the employing state-operated facility. This is necessary because Education Code section 70123 requires a program participant to work at a state-operated facility on a full-time basis to qualify for loan payments by CSAC. State-operated facilities may 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 state-operated facilities standard for full-time employment.

Subsection (g) defines “Enrolled on a full-time basis” to mean full-time enrolled as determined by the eligible institution. This is necessary because Education Code section 70120 requires a program participant to maintain a minimum of full-time enrollment. Rather than imposing a different definition of full-time solely for program purposes, it is more efficient to accept the institution’s standard for full-time enrollment.

Subsection (h) of section 30920 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 70124 (c), which provides that a program participant who fails to fulfill his or her registered nursing service commitment due to a natural disaster is to receive an extension equal to the period from interruption of instruction at the employing state-operated facility to the resumption of instruction.

Tab 1. b

Subsection (i) defines “Need-based student loans.” This definition is necessary since Education Code section 70128 give priority to applicants who are recipients for need-based student loans.

Subsection (j) of section 30920 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 70124 (b), which provides that a program participant who fails to fulfill his or her registered nursing service 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 30920 defines “one year.” This clarifies that the term used in Education Code section 70123 regarding the length of service required for a loan payment.

Subsection (l) of section 30910 defines “program” to mean the State Nursing Assumption Program of Loans for Education for Nurses in State Facilities, established in Education Code section 70120 et seq. This simplifies the references to the program throughout the Article.

Subsection (m) of section 30920 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 (n) of section 30920 defines “registered nurse.” This is necessary because Education Code sections 70120, 70122, and 70123 requires participant to provide consecutive service as a “clinical” registered nurse in a state-operated facility. Since there is no such classification as “clinical” registered nurse, the Commission has provided a list of “eligible positions” on Attachment A, that meet the legislature’s intent regarding “clinical” registered nurse positions. This definition of registered nurse is for purposes of the SNAPLE NSF program only.

Subsection (o) of section 30920 defines “satisfactory academic progress” to mean academic standing consistent with the requirements of the accredited college or university for satisfactory progress toward the completion of the pre-licensure nursing program. This definition is necessary to clarify Education Code section 70120(b)(2), which requires program participants to agree to, and to maintain, satisfactory academic progress.

Subsection (p) of section 30920 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 70124(b), which provides that a program participant who fails to fulfill his or her commitment to work as a registered nurse in an

Tab 1. b

eligible position in a state-operated facility 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.

Subsection (q) of section 30920 defines “state-operated facility.” This definition is necessary because Education Code sections 70122 and 70123 require a program participant to provide service in state-operated facility for four consecutive years.

Section 30921 – Application to Participate in the Program

This section specifies the content of an application to participate in the program. This is necessary to provide applicants with guidance on the eligibility requirements for the program, and to ensure that each application contains sufficient information to evaluate the applicant, consistent with Education Code section 70120, 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 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 30921 – 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, and to contact the applicant. CSAC also requires applicants to provide information regarding whether they have need based student loans and or a baccalaureate degree, 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 70128).

Subsection (b), (c), (d) of section 30921 – This section specifies information that each applicant must submit so that the Commission can determine that each applicant meets the eligibility requirements for program participation established by Education Code sections 70120, 70121 and 70123. These sections are necessary to ensure that each type of applicant meets the requirements for program participation.

Subsection (e) of section 30921 – 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 30922 – Certification from Eligible Institution

Subsection (a) of section 30922 – This section specifies the required certifications from an eligible institution that all applicants must submit when applying for the program. This is consistent with Education Code section 70120.

This section requires the certification be signed, 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.

This section also specifies the information to be included in an eligible institution's certification 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 70120 and the selection criteria in proposed section 30923.

Section 30923 – Award Process

This section specifies the process by which CSAC will select participants and the criteria to be used in selecting participants from the applications submitted by the annual deadline.

Subsection (a) of section 30923 – This section specifies that CSAC will select participants from those applications received 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 70125 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) (1), (2), (3) of 30923 – This section specifies that CSAC will only select eligible applicants for participation in the program. This is consistent with the eligibility requirements established in Education Code sections 70120 and 70128. This section specifies the points that CSAC will apply to applicants whose submitted applications show priority criteria. Priority criteria include baccalaureate degree, enrollment in an accelerated program and outstanding balance on need-based student loans. This is necessary to ensure that all nominations are considered under identical standards.

Subsection (b) (4) of section 30923 - This section specifies the criteria CSAC will apply to applicants enrolled in pre-licensure nursing programs or applicants that have completed a pre-licensure nursing program within the academic year that he or she applies for the program. This is necessary to ensure that all nominations are considered under identical standards. 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 pre-licensure nursing program and therefore closer to obtaining employment at a state-operated facility. CSAC has determined that these are appropriate factors to consider in selecting the most qualified participants, pursuant to the authority granted to CSAC in Education Code section 70120 and 70125.

Subsection (c) of section 30923 – 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. This section also provides that in case of a tie, CSAC will select nominees based on the

Tab 1. b

earliest date the application was received by the Commission. This is necessary to provide clarity on how CSAC will choose from among equal scores when remaining awards are limited.

Section 30924 – 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 30924 – 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 70123, 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 30924 – This section establishes the contents of the loan assumption agreement for participants enrolled in or admitted to an approved program. This subsection is necessary to assure participants are informed of their obligations, consistent with Education Code sections 70122 and 70123. 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, which is necessary to administer the program.

Subsection (c) of section 30924 – This section establishes the contents of the loan assumption agreement for participants who have completed a pre-licensure program within the award year that he or she applies for the program. Subsection (c) is necessary to assure participants are informed of their obligations, consistent with Education Code sections 70122 and 70123. 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, which is necessary to administer the program.

Subsection (d) of section 30924 – specifies the conditions under which CSAC is authorized to make loan payments, consistent with Education Code section 70123.

Subsection (e) of section 30924 – 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 70125.

Subsection (f) of section 30924 – This section establishes that the loan assumption agreement constitutes a conditional warrant that may be redeemed under conditions specified in section 30925. This section is necessary to clarify Education Code sections 70122 and 70123 regarding when payments will be made by CSAC. This subsection also specifies that a participant may have only one loan assumption agreement, consistent with Education Code section 70120(e).

Section 30925 – Loan Payments

This section specifies the process by and conditions under 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 30925 – 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 70122 and 70123, 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 to the appropriate lender.

Subsection (b) of section 30925 – 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.

Subsection (c) – This section clarifies that the participant must be employed at a state-operated facility included on a list provided by the Department of Personnel Administration. If the facility is removed from the list after the date the participant commenced employment, the agreement remains valid. This is necessary to ensure that the requirement that participants must work in facilities with a greater than 10% vacancy rate in registered nurses is fulfilled and that a participant who remains employed at the same facility is not penalized if the vacancy rate falls below 10%.

Section 30926 – 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 30926 – 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 four consecutive years of full-time nursing employment at a state-operated facility, 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 70120, 70122, 70123 and 70124(a).

Tab 1. b

Subsection (b) of section 30926 – This section establishes that the term of the loan assumption agreement shall be extended for a period of not to exceed one year if a program participant becomes unable to complete one of the three years of work as a registered nurse in an eligible position at a state-operated facility on a full-time basis, due to a serious illness, pregnancy, or other natural causes. This section is consistent with Education Code section 70124(b).

Subsection (c) of section 30926 – This section establishes an extension of the term of the loan assumption agreement equal to the period from the interruption of employment due to a natural disaster at the employing state-operated facility to the resumption of employment. The Commission shall make no further payments under the loan assumption agreement until the applicable registered nursing service specified in Section 70123 has been satisfied. This section is consistent with Education Code section 70124(c).

Subsection (d) of section 30926 – This section clarifies how the Commission will reallocate resources in light of agreements that are not utilized by program participants. This is necessary to meet the requirements of Education Code 70125.

Section 30927 – Development of Projections for Funding Purposes

This section clarifies how the Commission will develop projections for funding purposes. This is necessary to meet the requirements of Education Code 70125.

**State Nursing Assumption Program of Loans for Education for Nurses
in State Facilities (SNAPLE NSF)
Comments on Proposed SNAPLE NSF Regulations**

propose that this program should be expanded to included reimbursement for those who have paid out of pocket and were not eligible for a loan. We all will be working for the same facilities and we all will receive the same education. The resources of our payments are different, but should be considered as valued as a loan.

Thank you

Dawn Stout-Fernandez RN, RNBC, BSN

**State Nursing Assumption Program of Loans for Education for Nurses
in State Facilities (SNAPLE NSF)
Summary of Comments on Proposed SNAPLE NSF Regulations**

1. Section 30920 –

“...propose that this program should be expanded to include for reimbursement those whowere not eligible for a loan. We will all be working for the same facilities and we all will receive the same education. The resources of our payments are different, but should be considered as valued as a loan.”

Dawn Stout Fernandez RN, RNBC, BSN

2. Section 30920-

**“... We believe the definition of ‘Registered nurse’ should be as follows:
... ‘Registered nurse’ means a person licensed as a Registered Nurse in the State of California who provides direct patient care services in a state-operated facility.”**

Jerry R Jones Chief, Legislation and Public Affairs

3. Section 30920-

**“... We believe the definition of ‘Eligible position’ should be as follows:
... ‘Eligible position’ means a position providing direct patient care in a state- operated facility that appears on the annual list of approved positions provided by the Commission for the State Nursing Assumption Program of Loans for Education for Nurses in State Facilities.”**

Jerry R Jones Chief, Legislation and Public Affairs

**State Nursing Assumption Program of Loans for Education for Nurses
in State Facilities (SNAPLE NSF)
Response to Comments on SNAPLE NSF Proposed Rulemaking**

1. Section 30920 –

Education Code Article 2, Section 70120 creates a loan assumption program to encourage students to obtain a California registered nurse license and work in a state-operated 24-hour facility that has a vacancy rate of greater than 10% in registered nurses. The Commission cannot expand the program through the regulatory process but must administer the law as intended.

2. Section 30920-

CSAC staff was not able to implement the changes to the “Registered nurse” definition as recommend by the Department of Veterans affairs due to the ambiguity of the phrase “direct patient care.” CSAC staff worked closely with the Department of Veterans Affairs to find an agreeable alternative. “Registered nurse” is now defined as a person who possesses a valid license to practice as a professional registered nurse in California and provides patient care services in an eligible position as identified in the list of Approved Positions for the State Nursing Assumption Program of Loans for Education for Nurses in State Facilities.

3. Section 30920-

CSAC staff was not able to implement the changes to the “Eligible position” definition as recommend by the Department of Veterans affairs due to the ambiguity of the phrase “direct patient care.” CSAC staff worked closely with the Department of Veterans Affairs to find an agreeable alternative. “Eligible position” is now defined as a position in a state-operated facility that appears on the list of Approved Positions for the State Nursing Assumption Program of Loans for Education for Nurses in State Facilities provided by the Student Aid Commission.