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# Tab 5

## Action Item

### *California Student Aid Commission*

Consideration of the Adoption of Amendments to Title 5, California Code of Regulations, Division 4, Chapter 1, Sections 30920, 30921, 30922, 30923, 30924, 30925 and 30927 to Implement, Interpret, and make Specific Sections 70120-70129 of the Education Code, Establishing the State Nursing Assumption Program of Loans for Education for Nurses in State Facilities (SNAPLE NSF)

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The SNAPLE NSF is a state-funded competitive registered nurse incentive program administered by the California Student Aid Commission (CSAC). It is designed to encourage outstanding students to obtain their California Registered Nursing License and serve in an eligible position as a registered nurse in a state-operated facility with a registered nurse vacancy rate greater than 10 percent. This year CSAC will select up to 100 new participants for the program.

Tab 5a provides background on the new statutes requiring amendments to SNAPLE NSF regulations, and the process for amending the regulations. Tabs 5b – 5f provide the text of the proposed SNAPLE NSF regulations, the Initial Statement of Reasons, the Final Statement of Reasons, the Notice of Proposed Rule-making, and the Updated Informative Digest, respectively.

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

**Responsible Persons:** Catalina Mistler, Division Chief  
Program Administration and  
Services Division

Gloria Falcon, Manager  
Program Policy and Development

Clarita Cortez, Financial Aid Analyst  
Program Policy and Development

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**STATE NURSING ASSUMPTION PROGRAM OF LOANS  
FOR EDUCATION FOR NURSES IN STATE FACILITIES**

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**Program Description**

The State Nursing Assumption Program of Loans for Education for Nurses in State Facilities (SNAPLE-NSF) 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 four 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 California Student Aid Commission by the Department of Personnel Administration.

The program provides a progressive loan assumption of the amount of a qualifying loan over four consecutive years of qualifying clinical registered nursing service, up to a total loan assumption of \$20,000.

**Background**

In 2007, the Legislature passed and the Governor signed Senate Bill 139, a bill that amended sections 70120, 70124, 70125, and 70128.5 of the Education Code. Senate Bill 139 became effective on January 1, 2008. Senate Bill 139 changed existing law by allowing a person who has successfully completed an accredited program of professional preparation for licensing as a registered nurse in California to be eligible to enter into an agreement for loan assumption under the State Nursing Assumption Program of Loans for Education for Nurses in State Facilities (SNAPLE NSF), provided that the person is not currently employed as a registered nurse in a state operated 24-hour facility.

Commission staff drafted amendments to Title 5, Division 4, Chapter 1, of the California Code of Regulations, sections 30920 and 30921 to accommodate the statutory changes enacted by SB 139. It was determined that it was necessary to amend the regulations to obtain additional information and certifications from applicants and nominating institutions and establish an application deadline for the program. Staff amended sections 30921, 30922, 30924, and 30925 to specify:

- additional information it will request from applicants on the application
- modify the content of the loan assumption agreement
- amend the certifications required by eligible institutions
- amend the process for participant selection, and
- establish a June 30 deadline for application submission.

The following stakeholders were consulted: Department of Veterans Affairs, nursing community, Office of Statewide Health Planning and Development (OSHPD), postsecondary institution representatives, Department of Finance, and members of the Grant Advisory Committee who expressed interest in the program.

A stakeholder meeting was held on October 26, 2007, to review the proposed draft regulations and collect feedback and suggestions from the nursing community and financial aid representatives.

On December 20, 2007, the proposed draft regulations were also presented to members of the Grant Advisory Committee (GAC) who expressed interest in the program.

Commission staff considered the comments from the stakeholders and interested members of the GAC and incorporated changes into the draft regulations as appropriate.

On January 15, 2008, Commission 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 25, 2008, 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 March 10, 2008.

No comments were submitted during the 45-day public comment period; therefore it was concluded that no additional changes to the proposed regulations are required.

### **OAL Review**

If the proposed regulations are adopted by the Commission and submitted to OAL, OAL has 30 working days to review the package for approval. If approved, OAL submits the regulations to the Secretary of the State for filing. Regulations normally become effective 30 days after filing, unless the Commission requests that the regulations take effect on an earlier date. Commission staff recommends that the Commission request that the regulations take effect upon filing so that the regulations can be effective prior to the end of the fiscal year.

CALIFORNIA STUDENT AID COMMISSION  
P.O. Box 419026  
Rancho Cordova, CA 95741-9026

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  
(Educ. Code §§70120-70129)

PROPOSED TEXT

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*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. However, a person who is currently employed as a registered nurse in a state-operated 24-hour facility is not eligible to enter into an agreement for loan assumption.*

- (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.*
- (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 or 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 June 30 deadline 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):
  - (A) the Federal Family Education Loan Program (20 U.S.C. Sec. 1071 et seq.);
  - (B) the Federal Direct Loan Program (20 U.S.C. Sec. 1087b et seq.);
  - (C) 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;

(8) Ethnicity;

(9) Gender;

(10) Type of program of professional preparation applicant is attending or has attended

(11) the name of the state operated facility the eligible applicant is employed at and the date the eligible applicant commenced employment, if applicable;

(12) the name of the college the eligible applicant is attending or has attended;

(13) the college's federal school code.

(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:

(A) maintain satisfactory academic progress and full-time enrollment;

(B) obtain and maintain a California registered nurse license within 12 months of completing the pre-licensure nursing program; and,

(C) 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:

(A) obtain and maintain a California registered nurse license within 12 months of completing the pre-licensure nursing program

(B) 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:

(A) 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 to the Commission by the June 30 deadline, 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 the 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:

- (A) grade point average;
- (B) test scores;
- (C) faculty evaluations;
- (D) interviews; and
- (E) 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 and the projected completion date;

(7) certification that the institution is eligible to participant in state and federal financial aid programs;

(8) certification that the institution maintains an accredited program of professional preparation for licensing as a registered nurse in California;

(9) the applicant's last name, first name and middle initial;

(10) the applicant's Social Security Number;

~~(7)~~ (11) 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 June 30 deadline, 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:

(A) 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	15

Program	
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*(B) 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:*

- (A) maintain satisfactory academic progress;*
- (B) maintain enrollment on a full-time basis each academic term;*
- (C) apply for and obtain a license to practice as a registered nurse in California within 12 months of completing the pre-licensure nursing program-;*
- (D) 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*

*(E) 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;*

*(F) 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:*

## Tab 5.b

(A) 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;

(B) 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

(C) 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.

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

(d) The Commission shall agree that:

(A) 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);

(B) 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,

(C) 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,

(D) 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.

- (g) The loan assumption agreement shall include the participant's certification that he or she understands:
- A. The consequences of failing to comply with the loan assumption Agreement as specified in section 30926
  - B. The requirements to redeem the conditional warrant as specified in section 30925
  - C. The institution that the participant attends must be eligible for state and federal financial aid
  - D. he or she must respond to all communications and request from the Commission within ten business days
  - E. he or she must report any change in status that may affect his or her SNAPLE NSF eligibility
  - F. he or she must comply with all laws and regulations applicable to the program.
  - G. If it is determined that a loan assumption payment was authorized based on misleading or incorrect information, he or she will be required to reimburse the Commission

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:

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

~~(B)~~ (B) name of eligible registered nurse position;

~~(C)~~ (C) names and addresses of the program participant's employer(s);

~~(D)~~ (D) 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:

- (A) *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,*
- (B) *statement that the employer is a state-operated facility,*
- (C) *employer representative's printed or typed name, title, and telephone number;*
- (D) *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):*

- (A) *program participant's name and social security number;*
- (B) *account number for each loan;*
- (C) *interest rate for each loan;*
- (D) *disbursement date for each loan;*
- (E) *payoff amount for each loan as of June 30;*
- (F) *indication for each loan whether the loan is delinquent or in default;*
- (G) *lending institution/servicer name;*
- (H) *lending institution/servicer eight-digit servicer identification code;*
- (I) *address where payment is to be sent;*
- (J) *a signature of the lending institution official under penalty of perjury under the laws of the State of California;*
- (K) *printed name of the lending institution official;*
- (L) *e-mail address of the lending institution official;*
- (M) *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' expected dates of graduation and employment start dates to project the funding level required to provide loan payments under the program*

*Note: Authority cites: Section 70125, Education Code. Reference: 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*

**CALIFORNIA STUDENT AID COMMISSION  
P. O. Box 419029  
Rancho Cordova, CA 95741-9029**

**TITLE 5, DIVISION 4, CHAPTER 1, CA CODE OF REGULATIONS  
AMEND SECTIONS 30920, 30921, 30922, 30924, 30925, 30920 and 30923  
REGARDING STATE NURSING ASSUMPTION PROGRAM OF LOANS FOR EDUCATION  
FOR NURSES IN STATE FACILITIES**

**INITIAL STATEMENT OF REASONS**

**INTRODUCTION**

In 2007, the Legislature passed and the Governor signed SB 139, a bill that amended sections 70120, 70124, 70125, and 70128.5 of the Education Code. The changes in law enacted by SB 139 became effective on January 1, 2008. These amended statutes allow a person who has successfully completed an accredited program of professional preparation for licensing as a registered nurse in California to enter into an agreement for loan assumption under the State Nursing Assumption Program of Loans for Education for Nurses in State Facilities (SNAPLE NSF) provided that they are not currently employed as a registered nurse in a state operated 24-hour facility. Pursuant to the authority provided in Education Code section 70125 to adopt rules and regulations to administer the SNAPLE NSF program the Commission proposes to amend Title 5, Division 4, Chapter 1, of the California Code of Regulations, sections 30920 and 30921. The purpose of these amendments is to accommodate the statutory changes enacted by AB 139.

Pursuant to the authority provided in Education Code section 70125 the Commission adopted California Code of Regulations Title VI, Division 4, Chapter 1 section 30920 et seq to implement, interpret, and make specific the requirements established in Education Code sections 70120-70129. The content of the SNAPLE NFS forms for applicants, eligible institutions, and participants are included in sections 30921, 30922, 30924, 30925, and 30927. The Commission has identified several areas that require additional information and certifications from applicants and nominating institutions to administer the program. The Commission also recognized the necessity to establish an application deadline to assure that it can select the most qualified applicants in the event there are more applicants than can be selected for participation. It proposes to amend sections 30921, 30922, 30924, and 30925 to specify additional information the it will requests from applicants on the application, modify the content of the loan assumption agreements, amend the certifications required by eligible institutions, establish a June 30<sup>th</sup> deadline for application submission, and modify the data collected to project future funding level required.

**SPECIFIC PURPOSE OF EACH SECTION – GOVERNMENT CODE 11346.2(b)(1)**

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

**Proposed Amendments to Section 30920(c)** clarifies that a person who is currently employed as a registered nurse in a state-operated 24-hour facility is excluded from entering into an agreement for loan assumption pursuant to Education Code, section 70120.

**Proposed Amendment to Section 30921(a)** includes an application deadline. Applicants must comply with the deadline to be considered for an award. This allows the Commission more time to process applications, follow up on any missing information, and select the most qualified applicants in the event there are more applicants than can be selected for participation. Currently, there is no established deadline so the Commission continues to accept applications until the date awards are made leaving no time for follow up.

**Proposed Section 30921(a) (8)** clarifies that an applicant must provide his or her ethnicity at the time of application. This is pursuant to Education Code, section 70126, which requires the Commission to report to the legislature annually regarding a participant's sex, age, ethnicity, and type of professional preparation program they are attending or have attended.

**Proposed Section 30921(a) (9)** clarifies that an applicant must provide his or her gender at the time of application. This is pursuant to Education Code, section 70126, which requires the Commission to report to the legislature annually regarding a participant's sex, age, ethnicity, and type of professional preparation program they are attending or have attended.

**Proposed Section 30921(a) (10)** clarifies that an applicant must provide the type of program the applicant is attending or has attended at the time of application. This is pursuant to Education Code section 70126, which requires the Commission to report to the legislature annually regarding a participant's sex, age, ethnicity, and type of professional preparation program they are attending or have attended.

**Proposed Section 30921(a) (11)** clarifies that an application must report if they are currently working at a state operated facility as a registered nurse and the date that employment commenced. This is necessary to exclude applicants who are already employed as registered nurses in state-operated 24-hour facilities from applying for the SNAPLE NSF program as required by Education Code, section 70120.

**Proposed Section 30921(a) (12)** clarifies that an applicant must report the name of the college the eligible applicant is attending or has attended. This is necessary so that the Commission can determine if the applicant is attending an eligible institution that participates in state and federal financial aid programs and maintains an accredited program of professional preparation for licensing as a registered nursing in California pursuant to Education Code, section 70120(a) (2).

**Proposed Section 30921(a) (13)** clarifies that an applicant must report their college's federal school code. There are many colleges with the same name so this field is necessary to verify which school the applicant is attending.

**Proposed Amendments to Section 30922(a)** includes a June 30<sup>th</sup> deadline so that institutions understand that only certifications received by the deadline will be considered for participation in the program. This is necessary to ensure that the Commission can select the

## Tab 5.c

most qualified applicants in the event there are more applicants than can be selected for participation.

**Proposed Amendments to Section 30922(a) (6)** requires eligible institutions report the applicant's completion date. The information is necessary in order to project funding for future years since applicants may have completed their educational requirements at the time of application.

**Proposed Section 30922(a) (7)** requires eligible institutions to certify that the institution is eligible to participant in state and federal financial aid programs. This is necessary to ensure that an institution meets the required by Education Code, section 70120(a).

**Proposed Section 30922(a) (8)** requires eligible institutions to certify that they maintain an accredited program of professional preparation for licensing as a registered nurse in California. This is necessary to ensure that the institution meets the required by Education Code, section 70120(a) (2) (B).

**Proposed Section 30922(a) (9)** requires the applicant's name to be included on the nomination form. This is necessary for the Commission to identify each applicant's nomination separately from any other applicant's nomination.

**Proposed Section 30922(a) (10)** requires the applicant's Social Security Number is included on the nomination form. This is necessary for the Commission to identify each applicant's nomination separately from any other applicant's nomination.

**Proposed Amendments to Section 30923(a)** specifies the Commission will select participants from eligible applicants nominated by the June 30th deadline. This amendment will ensure that it can select the most qualified applicants in the event there are more applicants than can be selected for participation. 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. Selection from among nominated students may continue even after the completion of the initial award process until the maximum authorized allocation is exhausted.

**Proposed Section 30924(g) (A)** requires the participant's certification that he or she understands the consequences of failing to comply with the loan assumption agreement as specified in section 30926. Participants need to be aware of the consequences that will be imposed; therefore, the consequences should be included on the loan assumption agreement.

**Proposed Section 30924(g) (B)** requires the participant's to certify that he or she understands the requirements to redeem his or her loan assumption agreement. Participants should be informed of the requirements to redeem his or her loan assumption agreement as specified in section 30925; therefore, it is necessary to include these requirements on the loan assumption agreement.

## Tab 5.c

**Proposed Section 30924(g) (C)** requires a participant's certification that he or she understands that his or her institution must be eligible for state and federal aid pursuant to Education Code 70120. Participants should be aware of this eligibility requirement; therefore it should be included on the loan assumption agreement.

**Proposed Section 30924(g) (D)** requires a participant's certification that he or she understands he or she must respond to the Commission within ten business days of receipt of the request. This requirement is essential for the Commission to receive the information in a timely manner in order to make funding projections, process payments, and determine continued program eligibility. Therefore, it is necessary to include this requirement on the loan assumption agreement.

**Proposed Section 30924(g) (E)** requires a participant's certification that he or she understands he or she must report any change in status that may affect his or her SNAPLE NF eligibility. This requirement is critical for the Commission to receive the most up to date information that may affect a participant's eligibility for payment; therefore, this requirement should be included on the loan assumption agreement.

**Proposed Section 30924(g) (F)** requires a participant's certification that he or she understands that he or she must comply with all laws and regulations applicable to the program. Participants should be aware of all laws and regulations applicable to the program; therefore, the loan assumption agreement should contain language that explains participants must comply with all laws and regulations of the program.

**Proposed Section 30924(g) (G)** requires a participant's certification that he or she understands that he or she will be required to reimburse the Commission if it is determined that a loan assumption payment was authorized based on misleading or incorrect information. This requirement will allow the Commission to collect funds made on behalf of individuals not eligible for program benefits and will encourage the reporting of accurate information. Therefore, this requirement should be included on the loan assumption agreement.

**Proposed Section 30925(a) (2) (B)** requires participant to list the name of the eligible position that he or she is employed as registered nurse. This information is critical to ensure that the participant is providing service in a position that is included on the list of state-operated facilities that have a nurse vacancy rate of greater than 10 percent pursuant to Education Code sections 70122.

**Proposed Amendments to Section 30927** changes the data used to project future funding levels. This is necessary for tracking purposes to determine when participants are eligible for payment.

**CALIFORNIA STUDENT AID COMMISSION  
P. O. Box 419026  
Rancho Cordova, CA 95741-9026**

**STATE NURSING ASSUMPTION PROGRAM OF LOANS FOR EDUCATION FOR  
NURSES IN STATE FACILITIES**

**FINAL STATEMENT OF REASONS**

**UPDATE OF INITIAL STATEMENT OF REASONS**

There have been no changes to the proposed regulations as originally noticed to the public.

**SUMMARY AND RESPONSE TO COMMENTS RECEIVED DURING THE INITIAL NOTICE  
PERIOD OF JANUARY 25, 2008, THROUGH MARCH 10, 2008.**

There were no comments received during the initial notice period.

**LOCAL MANDATE DETERMINATION**

This proposal does not impose a mandate on local agencies or school districts and does not involve any issues of reimbursement.

**ALTERNATIVES**

The California Student Aid Commission has determined that no alternative would be more effective in carrying out the purpose for which the adoption of this regulation is proposed or would be as effective as and less burdensome to affected private persons than the proposed regulation.

**CALIFORNIA STUDENT AID COMMISSION  
P.O. Box 419029  
Rancho Cordova, CA 95741-9029**

**NOTICE OF PROPOSED RULEMAKING  
TITLE 5, CA CODE OF REGULATIONS  
AMEND SECTIONS 30920, 30921, 30922, 30924, 30925, 30920 and 30923  
REGARDING STATE NURSING ASSUMPTION PROGRAM OF LOANS FOR EDUCATION  
FOR NURSES IN STATE FACILITES  
(SNAPLE NSF)**

**NATURE OF PROCEEDING**

Notice is given that the California Student Aid Commission (CSAC) is proposing to take the action described in the Informative Digest.

A public hearing regarding this proposal is currently not scheduled. However, any interested person or duly authorized representative may request, no later than 15 days before the close of the written comment period, that a public hearing be scheduled.

Following the public hearing, if one is requested, or following the written comment period, if no public hearing is requested, the California Student Aid Commission, upon its own motion or at the instance of any interested party, may thereafter adopt the proposals substantially as described below or may modify the proposals if the modifications are sufficiently related to the original text. With the exception of technical or grammatical changes, the full text of any modified proposal will be available for 15 days before its adoption from the person designated in this Notice as contact person and will be mailed to those persons who submit written comments related to this proposal, or who provide oral testimony if a public hearing is held, or who have requested notification of any changes to the proposal.

Notice is also given that any interested person, or his or her authorized representative, may submit written comments relevant to the proposed regulatory action to the

California Student Aid Commission  
Attention: Gloria Falcon, Manager  
P. O. Box 419029  
Rancho Cordova, CA 95741-9029

Comments may also be submitted by facsimile (FAX) at (916) 526-8002 or by e-mail to [snapple@csac.ca.gov](mailto:snapple@csac.ca.gov). Comments must be submitted before 5:00 p.m. on March 10, 2008.

**AUTHORITY AND REFERENCE**

Pursuant to the authority vested by section 70125 of the Education Code, and to implement, interpret, or make specific sections 70120-70129 of the Education Code, the California Student Aid Commission is considering changes to Division 4 of Title 5 of the California Code of Regulations as follows: amend sections 30920, 30921, 30922, 30923, 30924, 30925, 30927 to implement, interpret, and make specific sections 70120-70129 of the Education Code

establishing the State Nursing Assumption Program of Loans for Education for Nurses in State Facilities (SNAPLE NSF).

### **INFORMATIVE DIGEST/POLICY STATEMENT OVERVIEW**

In 2007 the Legislature passed and the Governor signed SB 139, a bill that amended sections 70120, 70124, 70125, and 70128.5 of the Education Code. The changes in law enacted by SB 139 will take effect on January 1, 2008. These amended statutes allow a person who has successfully completed an accredited program of professional preparation for licensing as a registered nurse in California to enter into an agreement for loan assumption under the State Nursing Assumption Program of Loans for Education for Nurses in State Facilities (SNAPLE NSF) provided that they are not currently employed as a registered nurse in a state operated 24-hour facility. Pursuant to the authority provided in Education Code section 70125 to adopt rules and regulations to administer the SNAPLE NSF program the Commission proposes to amend Title 5, Division 4, Chapter 1, of the California Code of Regulations, sections 30920 and 30921. The purpose of these amendments is to accommodate the statutory changes enacted by AB 139.

Pursuant to the authority provided in Education Code section 70125 the Commission adopted California Code of Regulations Title VI, Division 4, Chapter 1 section 30920 et. seq. to implement, interpret, and make specific the requirements established in Education Code sections 70120-70129. The content of the SNAPLE NFS forms for applicants, eligible institutions, and participants are included in sections 30921, 30922, 30924, 30925. The Commission has identified several areas that require additional information and certifications from applicants and nominating institutions to administer the program. The Commission also recognized the necessity to establish an application deadline to assure that it can select the most qualified applicants in the event there are more applicants than can be selected for participation. It proposes to amend sections 30921, 30922, 30924, and 30925 to specify additional information it will requests from applicants on the application, modify the content of the loan assumption agreements, amend the certifications required by eligible institutions, and establish a June 30<sup>th</sup> deadline for application submission.

The proposed amendments would implement, interpret, and make specific the elements of SNAPLE NSF. Specifically, the proposal would:

1. Define terms used in the regulations;
2. Establish a deadline for application submission;
3. Amend the requirements for applications to participate in the program;
4. Amend the requirements for the nominations of students for the program by accredited colleges or universities that decide to participate in the program;
5. Amend the process by which CSAC will select program participants from among nominated students;
6. Amend the requirements for loan assumption agreements between the selected program participants and CSAC;
7. Amend the requirements under which CSAC may make loan payments on behalf of the program participants;

8. Amend the consequences of a program participant's failure to complete the obligation to teach nursing;
9. Amend the development of projections for funding purposes.

There are no comparable provisions of federal law related to this proposal.

### **LOCAL MANDATE**

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 made an initial determination 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 Government Code section 11342.610 because the regulations apply to individual students and nurses who would be seeking to receive loan assumption agreements. Individual students and nurses are not small businesses within the meaning of Government Code 11342.610. Further, 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 NSF, and thus, chooses voluntarily to comply with the requirements for nominations.

### **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 must determine that no reasonable alternative considered by the agency, or that has otherwise been identified and brought to the agency's attention, would be more effective in carrying out the purpose for which the adoption of this regulation is proposed, or would be as effective as and less burdensome to affected private persons than the proposed action.

**CONTACT PERSON**

Inquiries concerning the proposed adoption of this regulation and written comment may be directed to:

Clarita Cortez, Financial Aid Analyst  
California Student Aid Commission  
P. O. Box 419029  
Rancho Cordova, CA 95741-9029

(916) 526-7953

or

Gloria Falcon, Manager  
California Student Aid Commission  
P. O. Box 419029  
Rancho Cordova, CA 95741-9029

(916) 526-7508

**TEXT OF PROPOSAL**

Copies of the exact language of the proposed regulations and of the initial statement of reasons and all the information upon which the proposal is based may be obtained upon request from CSAC, P. O. Box 419029, Rancho Cordova, CA 95741-9029. These documents may also be viewed and downloaded from the CSAC website at [www.csac.ca.gov](http://www.csac.ca.gov).

### **INITIAL STATEMENT OF REASONS AND INFORMATION**

CSAC has prepared an initial statement of reasons for the proposed action and has available all the information upon which the proposal is based.

### **AVAILABILITY AND LOCATION OF THE FINAL STATEMENT OF REASONS AND RULEMAKING FILE**

All the information upon which the proposed regulations are based is contained in the rulemaking file which is available for public inspection by contacting the person named above.

You may obtain a copy of the final statement of reasons once it has been prepared, by making a written request to the contact person named above.

### **WEBSITE ACCESS**

Materials regarding this proposal can be found at [www.csac.ca.gov](http://www.csac.ca.gov).