

SEC. 17. Article 2 (commencing with Section 70120) is added to Chapter 2 of Part 42 of the Education Code, to read:

Article 2. Employees of State Facilities

70120. (a) (1) Any person enrolled in an eligible institution, or any person who agrees to work full time as a registered nurse in a state-operated 24-hour facility that employs registered nurses, may be eligible to enter into an agreement for loan assumption, to be redeemed pursuant to Section 70122 upon becoming employed as a clinical registered nurse 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 as reported annually to the commission by the Department of Personnel Administration pursuant to Section 70121. In order to be eligible to enter into an agreement for loan assumption, an applicant shall satisfy all of the conditions specified in subdivision (b).

(2) As used in this article, "eligible institution" means a postsecondary institution that is determined by the Student Aid Commission to meet both of the following requirements:

(A) The institution is eligible to participate in state and federal financial aid programs.

(B) The institution maintains an accredited program of professional preparation for licensing as a registered nurse in California.

(3) As used in this article, "state-operated 24-hour facility" includes, but is not necessarily limited to, a state-operated prison, psychiatric hospital, or veterans' home.

(b) (1) The applicant has been admitted to, or is enrolled in, an accredited program of professional preparation for licensing as a registered nurse in California.

(2) The applicant is currently enrolled, or has been admitted to a program in which he or she will be enrolled, on a full-time basis, as determined by the participating institution. The applicant shall agree to maintain satisfactory academic progress and a minimum of full-time enrollment, as defined by the participating eligible institution.

(3) The applicant has been judged by his or her postsecondary institution to have 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.

(E) Other recommendations.

(4) The applicant has received, or is approved to receive, a loan under one or more of the following designated loan programs:

(A) The Federal Family Education Loan Program (20 U.S.C. Sec. 1071 et seq.).

(B) Any loan program approved by the Student Aid Commission.

(5) The applicant has agreed to work full time for at least four consecutive years as a clinical registered nurse 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 as reported annually to the commission by the Department of Personnel Administration.

(c) No applicant who has completed fewer than 60 semester units,

or the equivalent, shall be eligible under this section to participate in the loan assumption program set forth in this article.

(d) An agreement shall remain valid even if the state-operated facility at which the applicant is employed ceases to be listed pursuant to Section 70121 after the applicant is employed there.

(e) A person participating in the program pursuant to this section shall not enter into more than one agreement.

70121. On or before January 31, 2007, and each January 31 thereafter until, and including, January 31, 2012, the Department of Personnel Administration shall provide the commission with a list including each state-operated 24-hour facility that employs registered nurses where, as of the immediately preceding January 1, there is a vacancy rate in clinical registered nurse positions that exceeds 10 percent.

70122. The commission shall commence loan assumption payments, as specified in Section 70123, upon verification that the applicant has fulfilled all of the following:

(a) The applicant has become a registered nurse licensed to practice in California.

(b) The applicant is working full time as a clinical registered nurse in a state-operated 24-hour facility that employs registered nurses and that, at the time the applicant commenced employment there, had a clinical registered nurse vacancy rate of greater than 10 percent as reported, pursuant to Section 70121, by the Department of Personnel Administration in its most recent annual report to the commission.

(c) The applicant has met the requirements of the agreement and all other pertinent conditions of this article.

70123. The terms of a loan assumption granted under this article shall be as follows, subject to the specific terms of each agreement:

(a) After a program participant has completed one year of full-time employment as described in subdivision (b) of Section 70122, the commission shall assume up to five thousand dollars (\$5,000) of the participant's outstanding liability under one or more of the designated loan programs.

(b) After a program participant has completed two years of full-time employment as described in subdivision (b) of Section 70122, the commission shall assume 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).

(c) After a program participant has completed three years of full-time employment as described in subdivision (b) of Section 70122, the commission shall assume 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).

(d) After a program participant has completed four years of full-time employment as described in subdivision (b) of Section 70122, the commission shall assume 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).

70124. (a) Except as provided in subdivision (b), if a program participant fails to complete a minimum of four consecutive years of

full-time employment as required by this article, under the terms of the agreement pursuant to paragraph (5) of subdivision (b) of Section 70120, the participant shall assume full liability for all student loan obligations remaining after the commission's assumption of loan liability for the last year of qualifying clinical registered nursing service pursuant to Section 70123.

(b) Notwithstanding subdivision (a), if a program participant becomes unable to complete one of the four consecutive years of qualifying clinical registered nursing service 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 as specified in Section 70122 have been satisfied.

(c) If a natural disaster prevents a program participant from completing one of the required years of work due to the interruption of employment at the employing state facility, the term of the loan assumption agreement shall be extended for the period of time equal to the period from the interruption of employment at the employing state facility to the resumption of instruction. The commission shall make no further payments under the loan assumption agreement until the applicable teaching requirements specified in Section 70103 have been satisfied.

70125. The commission shall administer this article, and shall adopt rules and regulations for that purpose. The rules and regulations shall include, but need not be limited to, provisions regarding the period of time during which an agreement shall remain valid, the reallocation of resources in light of agreements that are not utilized by program participants, the failure, for any reason, of a program participant to complete a minimum of four consecutive years of qualifying clinical registered nursing service, and the development of projections for funding purposes.

70126. On or before January 31, 2008, and on or before each January 31 thereafter until, and including, January 31, 2012, the commission shall report annually to the Legislature regarding both of the following, on the basis of sex, age, and ethnicity:

(a) The total number of program participants and the type of program of professional preparation they are attending or have attended.

(b) The numbers of participants who complete one, two, three, or four years of qualifying clinical registered nursing service, respectively.

70127. On or before May 1, 2011, the Office of the Legislative Analyst shall submit a report to the Legislature that includes the findings and recommendations of the Legislative Analyst with respect to the efficacy of the program established by this article.

70128. In selecting applicants for participation in this program, the commission shall grant priority to applicants who, in the determination of the commission, are included in any of the following categories:

(a) Persons who possess a baccalaureate degree at the time of initial application.

(b) Persons who are enrolled in an accelerated program of professional preparation for licensing as a registered nurse in California.

(c) Persons who are recipients of federally subsidized student loans or other need-based student loans.

70129. This article shall become inoperative on July 1, 2012, and, as of January 1, 2013, is repealed, unless a later enacted statute, that becomes operative on or before January 1, 2013, deletes or extends the dates on which it becomes inoperative and is repealed.