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By: **Senator Hollinger**

Introduced and read first time: February 4, 2005

Assigned to: Education, Health, and Environmental Affairs

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Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: February 28, 2005

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CHAPTER\_\_\_\_\_

1 AN ACT concerning

2 **Higher Education - Nursing Scholarships**

3 FOR the purpose of altering the service obligation requirements for a certain nursing  
4 scholarship to enable certain recipients to perform certain service obligations  
5 working as a full-time or part-time nurse; authorizing the Maryland Higher  
6 Education Commission to award certain nursing scholarships to a nursing  
7 student attending a certain out-of-state institution if a certain letter is  
8 provided to the Commission and a certain verification based on certain  
9 information is made by the Commission; requiring the Commission to give  
10 priority to certain students; requiring the Office of Student Financial Assistance  
11 to waive the repayment of certain grant awards; providing that a certain  
12 repayment shall be forgiven at a certain rate; requiring the Commission to  
13 review the demand for and capacity of certain nursing programs and the  
14 availability of financial aid and other incentives that encourage certain  
15 individuals to pursue certain education programs; requiring the Commission to  
16 make certain recommendations on or before a certain date; altering the  
17 definition of a certain term; making this Act an emergency measure; and  
18 generally relating to nursing scholarships.

19 BY repealing and reenacting, with amendments,  
20 Article - Education  
21 Section 18-701 and 18-706  
22 Annotated Code of Maryland  
23 (2004 Replacement Volume and 2004 Supplement)

24 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
25 MARYLAND, That the Laws of Maryland read as follows:

1 **Article - Education**

2 18-701.

3 (a) There is a program of Economic Development Student Assistance Grants  
4 awarded under this subtitle for students who pledge to work in fields of geographic or  
5 critical shortage in this State upon completion of their studies.

6 (b) The purpose of the Program is to:

7 (1) Provide financial assistance to students enrolled at institutions of  
8 higher education in the State; and

9 (2) Address the economic development needs of the State.

10 (c) A recipient of an Economic Development Student Assistance Grant under  
11 this subtitle shall:

12 (1) Be a resident of the State;

13 (2) Be selected by the Office from qualified applicants based on  
14 standards established and approved by the Commission;

15 (3) Sign a letter of intent to enroll at an eligible institution in the State  
16 in an eligible program as specified for each field in which there is a geographic or  
17 critical shortage in this State as provided in this subtitle;

18 (4) Furnish a promissory note to the Commission or its designee with  
19 security satisfactory to the Commission;

20 (5) After completion of studies in an eligible program, perform the  
21 service obligation as specified for each field in which there is a geographic or critical  
22 shortage as provided in this subtitle; and

23 (6) Satisfy any additional criteria the Commission may establish.

24 (d) (1) The recipient of an Economic Development Student Assistance Grant  
25 shall repay the Commission the funds received as set forth in § 18-112 of this title if  
26 the recipient does not:

27 (i) Complete the specified degree, attain the licensure or  
28 certification required, or fulfill other requirements as provided in this subtitle; and

29 (ii) [Perform] EXCEPT AS PROVIDED IN § 18-706 OF THIS SUBTITLE,  
30 PERFORM the service obligation as specified in each section of this subtitle for 1 year  
31 for each year that the recipient has a grant awarded under this subtitle.

32 (2) (i) Except as otherwise provided in this section AND IN § 18-706 OF  
33 THIS SUBTITLE, the Office shall waive the repayment of the grant award at the rate  
34 of 1 year for each year that the recipient performs the service obligation.

1 (ii) A recipient shall begin repayment at any time during the period  
2 that the recipient is no longer performing the service obligation.

3 (3) A recipient may delay repayment as long as the recipient remains a  
4 student enrolled at least part time in a degree-granting program.

5 (4) Except as otherwise provided in this subtitle, repayment shall be  
6 made to the State within 6 years after the repayment period begins and shall follow  
7 a repayment schedule established by the Office.

8 (5) The Office may waive or defer repayment in the event of disability or  
9 extended sickness which prevents the recipient from fulfilling the service obligation  
10 required under this subtitle.

11 (e) [The] EXCEPT AS PROVIDED IN § 18-706 OF THIS SUBTITLE, THE  
12 repayment of the grant award by a recipient who is not yet required by the provisions  
13 of this subtitle to begin repayment of the award and who accepts employment that  
14 fulfills the service obligation shall be forgiven, for the purposes of this subtitle, at a  
15 rate of 1 year for each year that the recipient performs the service obligation.

16 (f) The Commission may adopt guidelines or regulations necessary to  
17 implement this subtitle.

18 (g) (1) The Commission may restructure an existing Economic Development  
19 Student Assistance Grants Program, as necessary, to address the existing critical  
20 shortages under the Program.

21 (2) The Commission shall adopt regulations necessary to implement any  
22 changes under paragraph (1) of this subsection.

23 (3) The Commission shall notify the General Assembly of any changes  
24 implemented under this subsection.

25 (h) Funds for the Economic Development Student Assistance Grants Program  
26 shall be as provided in the annual budget of the Commission by the Governor.

27 18-706.

28 (a) In this section the following words have the meanings indicated.

29 (1) "Eligible organization" means an institution, including a licensed  
30 hospital, nursing home, adult day care center, public health agency, home health  
31 agency, or other organization authorized by the Secretary of Health and Mental  
32 Hygiene.

33 (2) "Eligible institution" means an institution of postsecondary  
34 education:

35 (i) 1. Approved to operate by the Maryland Higher Education  
36 Commission; [and] OR



1 4. Makes satisfactory progress toward the nursing degree or  
2 diploma according to the standards of the eligible institution attended.

3 (c) Each recipient of the nursing scholarship awarded under this section shall:

4 (1) Be a nursing student;

5 (2) Have a grade point average of at least 3.0 on a 4.0 scale or its  
6 equivalent;

7 (3) Be selected by the Office on a competitive basis from among the  
8 qualified applicants based on academic criteria established by the Commission; and

9 (4) Perform the service obligation AS A:

10 (I) FULL-TIME NURSE AT A RATE OF 1 YEAR FOR EACH YEAR THAT  
11 THE RECIPIENT RECEIVES A GRANT AWARDED UNDER THIS SUBTITLE; OR

12 (II) PART-TIME NURSE AT A RATE OF 2 YEARS FOR EACH YEAR  
13 THAT THE RECIPIENT RECEIVES A GRANT AWARDED UNDER THIS SUBTITLE.

14 (D) NOTWITHSTANDING § 18-701(B) AND (C) OF THIS SUBTITLE, THE  
15 COMMISSION MAY AWARD A NURSING SCHOLARSHIP UNDER THIS SECTION TO A  
16 NURSING STUDENT ATTENDING AN OUT-OF-STATE ELIGIBLE INSTITUTION IF:

17 (1) THE NURSING STUDENT PROVIDES THE COMMISSION WITH A COPY  
18 OF A LETTER THAT THE NURSING STUDENT RECEIVED FROM THE IN-STATE  
19 ELIGIBLE INSTITUTION INDICATING THAT THE NURSING STUDENT'S APPLICATION  
20 WAS ACCEPTED AND DEFERRED DUE TO A LACK OF CAPACITY; AND

21 (2) THE COMMISSION VERIFIES, BASED ON INFORMATION PROVIDED TO  
22 THE COMMISSION BY THE INSTITUTION, THAT THERE IS A LACK OF CAPACITY AT THE  
23 IN-STATE ELIGIBLE INSTITUTION IDENTIFIED UNDER ITEM (1) OF THIS SUBSECTION  
24 FOR THE RELEVANT ACADEMIC SEMESTER AND NURSING PROGRAM.

25 (E) IN MAKING SCHOLARSHIP AWARDS UNDER THIS SECTION, THE  
26 COMMISSION SHALL GIVE PRIORITY TO STUDENTS ENROLLING IN INSTITUTIONS OF  
27 HIGHER EDUCATION IN THE STATE.

28 [(d)] (F) (1) Each recipient of a nursing scholarship awarded under this  
29 section may be entitled, based on financial need, to an additional grant to meet living  
30 costs not to exceed \$3,000 annually for a full-time student or a prorated award  
31 according to the number of credit hours taken by a part-time student.

32 (2) Each additional grant shall be renewable on an annual basis up to a  
33 maximum amount of \$12,000, if the recipient meets the requirements for continuing  
34 the scholarship award under subsection (b)(2)(ii) of this section.

1 (3) The Office shall require a recipient of a nursing scholarship who  
2 seeks an additional grant for living costs to provide information to the Office  
3 sufficient to assure that the student has a definite financial need.

4 (G) (1) THE OFFICE SHALL WAIVE THE REPAYMENT OF A GRANT AWARD  
5 FOR A:

6 (I) FULL-TIME NURSE AT THE RATE OF 1 YEAR FOR EACH YEAR  
7 THAT THE RECIPIENT PERFORMS THE SERVICE OBLIGATION; OR

8 (II) PART-TIME NURSE AT THE RATE OF 2 YEARS FOR EACH YEAR  
9 THAT THE RECIPIENT PERFORMS THE SERVICE OBLIGATION.

10 (2) THE REPAYMENT OF THE GRANT AWARD BY A RECIPIENT WHO IS  
11 NOT YET REQUIRED BY THE PROVISIONS OF THIS SUBTITLE TO BEGIN REPAYMENT  
12 OF THE AWARD AND WHO ACCEPTS EMPLOYMENT THAT FULFILLS THE SERVICE  
13 OBLIGATION SHALL BE FORGIVEN, FOR THE PURPOSES OF THIS SUBTITLE, FOR A:

14 (I) FULL-TIME NURSE AT THE RATE OF 1 YEAR FOR EACH YEAR  
15 THAT THE RECIPIENT PERFORMS THE SERVICE OBLIGATION; OR

16 (II) PART-TIME NURSE AT THE RATE OF 2 YEARS FOR EACH YEAR  
17 THAT THE RECIPIENT PERFORMS THE SERVICE OBLIGATION.

18 [(e)] (H) The Commission shall establish and publish rules and regulations to  
19 administer the grants awarded under this section.

20 [(f)] (I) Funds for the nursing scholarships awarded under this section shall  
21 be as provided in the annual budget of the Commission by the Governor.

22 SECTION 2. AND BE IT FURTHER ENACTED, That the Maryland Higher  
23 Education Commission, in collaboration with the State Board of Nursing, shall  
24 review:

25 (1) the demand for and capacity of higher education nursing programs in  
26 the State; and

27 (2) the availability of financial aid and other incentives that encourage  
28 individuals to pursue nursing education programs, particularly those that focus on  
29 the need to address the nursing faculty shortage.

30 SECTION 3. AND BE IT FURTHER ENACTED, That on or before June 30,  
31 2006, the Maryland Higher Education Commission shall make recommendations to  
32 the Governor and, in accordance with § 2-1246 of the State Government Article, the  
33 General Assembly regarding:

34 (1) the need to increase nursing education capacity at higher education  
35 institutions in the State; and

1                   (2)       any modifications needed to available financial aid and other  
2 incentives to increase the availability of nurses, particularly nurse educators.

3       SECTION 4. AND BE IT FURTHER ENACTED, That this Act is an emergency  
4 measure, is necessary for the immediate preservation of the public health or safety,  
5 has been passed by a ye and nay vote supported by three-fifths of all the members  
6 elected to each of the two Houses of the General Assembly, and shall take effect from  
7 the date it is enacted.