S T A T E O F N E W Y O R K

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2009-2010 Regular Sessions

I N A S S E M B L Y

February 26, 2009

Introduced by M. of A. BARRA, KOLB, WALKER -- Multi-Sponsored by -- M. of A. TOWNSEND -- read once and referred to the Committee on Higher Education

AN ACT to amend the education law, in relation to creating a regents nursing professional's loan forgiveness program

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. Section 605 of the education law is amended by adding a new subdivision 13 to read as follows:

13. REGENTS NURSING PROFESSIONAL'S LOAN FORGIVENESS PROGRAM. REGENTS LOAN FORGIVENESS AWARDS SHALL BE AWARDED ANNUALLY TO NURSE APPLICANTS WHO AGREE TO ENGAGE IN EMPLOYMENT IN HOSPITALS, NURSING HOMES OR HOSPICE CENTERS ON A FULL-TIME BASIS. SUCH AWARDS SHALL BE GRANTED ANNUALLY, AND SHALL BE CLASSIFIED AND ALLOCATED IN ACCORDANCE WITH REGENTS RULES.

A. (1) THE APPLICANT SHALL BE A RESIDENT OR PERMANENT RESIDENT ALIEN OF NEW YORK STATE AND A GRADUATE OF AN INSTITUTION OF HIGHER EDUCATION APPROVED OR REGISTERED BY THE REGENTS.

(2) THE APPLICANT SHALL AGREE TO ENGAGE IN SUCH EMPLOYMENT FOR A PERIOD OF TIME WHICH SHALL NOT BE LESS THAN TWO YEARS.

B. PRIORITY SHALL BE ACCORDED TO APPLICANTS IN THE FOLLOWING ORDER:

(1) FIRST, TO ANY APPLICANT WHO IS COMPLETING THE SECOND YEAR OF THE SERVICE REQUIREMENT AND IS REAPPLYING FOR A NEW AWARD;

(2) SECOND, TO ANY APPLICANT WHO IS ECONOMICALLY DISADVANTAGED AS DEFINED BY THE REGENTS;

(3) THIRD, TO ANY APPLICANT ACCORDING TO THE SEVERITY OF SHORTAGE OF NURSES IN THE AREA SELECTED BY THE APPLICANT.

IN THE EVENT THAT THERE ARE MORE APPLICANTS WHO HAVE THE SAME PRIORITY THAN THERE ARE REMAINING SCHOLARSHIPS, THE COMMISSIONER SHALL DISTRIBUTE THE REMAINING NUMBER OF SUCH SCHOLARSHIPS BY MEANS OF A LOTTERY OR OTHER FORM OF RANDOM SELECTION.

EXPLANATION--Matter in ITALICS (underscored) is new; matter in brackets [ ] is old law to be omitted.

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C. THE COMMISSIONER SHALL THEN FORWARD APPROVED APPLICATIONS TO THE PRESIDENT AND SHALL NOTIFY UNSUCCESSFUL APPLICANTS.

D. THE PRESIDENT SHALL NOTIFY APPLICANTS OF THEIR AWARD ENTITLEMENT.

E. THE PRESIDENT SHALL, IN CONSULTATION WITH THE COMMISSIONER AND WITH THE APPROPRIATE DIRECTOR, DEVELOP AND SECURE FROM EACH SUCCESSFUL APPLICANT A WRITTEN AGREEMENT TO ENGAGE IN SUCH EMPLOYMENT, AS APPROPRIATE. WITHIN SUCH TIME AS THE COMMISSIONER SHALL BY REGULATION PROVIDE, A RECIPIENT OF AN AWARD SHALL HAVE ENGAGED IN SUCH EMPLOYMENT AS APPROPRIATE, FOR THAT NUMBER OF MONTHS CALCULATED BY MULTIPLYING BY TWELVE THE NUMBER OF ANNUAL PAYMENTS RECEIVED BY THE RECIPIENT. IN NO CASE SHALL THE TOTAL NUMBER OF MONTHS OF SERVICE REQUIRED BE LESS THAN TWENTY-FOUR. IF A RECIPIENT FAILS TO COMPLY FULLY WITH SUCH CONDITIONS, THE PRESIDENT SHALL BE ENTITLED TO RECEIVE FROM SUCH RECIPIENT AN AMOUNT TO BE DETERMINED BY THE FORMULA:

$$A = \frac{B\,(T-S)}{T}$$

IN WHICH "A" IS THE AMOUNT THE PRESIDENT IS ENTITLED TO RECOVER; "B" IS THE SUM OF ALL PAYMENTS MADE TO THE RECIPIENT AND THE INTEREST ON SUCH AMOUNT WHICH WOULD BE PAYABLE IF AT THE TIMES SUCH AWARDS WERE PAID THEY WERE LOANS BEARING INTEREST AT THE MAXIMUM PREVAILING RATE; "T" IS THE TOTAL NUMBER OF MONTHS IN THE RECIPIENT'S PERIOD OF OBLIGATED SERVICES; AND "S" IS THE NUMBER OF MONTHS OF SERVICE ACTUALLY RENDERED BY THE RECIPIENT. ANY AMOUNT WHICH THE PRESIDENT IS ENTITLED TO RECOVER UNDER THIS PARAGRAPH SHALL BE PAID WITHIN THE FIVE-YEAR PERIOD BEGINNING ON THE DATE THAT THE RECIPIENT FAILED TO COMPLY WITH THIS SERVICE CONDITION. NOTHING IN THE WRITTEN AGREEMENT SHALL AFFECT THE TERMS OF EMPLOYMENT OF THE INDIVIDUAL WHO SHALL NEGOTIATE, SEPARATE AND APART FROM THE PROGRAM, HIS OR HER SALARY AND OTHER FORMS OF EMPLOYMENT WITH AN AGENCY, INSTITUTION OR A PROGRAM IN WHICH HE OR SHE SHALL BE EMPLOYED.

ANY OBLIGATION TO COMPLY WITH SUCH PROVISIONS AS OUTLINED IN THIS SUBDIVISION SHALL BE CANCELLED UPON THE DEATH OF THE RECIPIENT. THE COMMISSIONER SHALL MAKE REGULATIONS TO PROVIDE FOR THE WAIVER OR SUSPENSION OF ANY FINANCIAL OBLIGATION WHICH WOULD INVOLVE EXTREME HARDSHIP.

F. A RECIPIENT OF AN AWARD SHALL REPORT ANNUALLY TO THE NEW YORK STATE HIGHER EDUCATION SERVICES CORPORATION, ON FORMS PRESCRIBED BY IT, AS TO THE PERFORMANCE OF THE REQUIRED SERVICES, COMMENCING WITH THE CALENDAR YEAR IN WHICH THE RECIPIENT BEGINS SUCH EMPLOYMENT AND CONTINUING UNTIL THE RECIPIENT SHALL HAVE COMPLETED, OR IT IS DETERMINED THAT HE OR SHE SHALL NOT BE OBLIGATED TO COMPLETE, THE REQUIRED SERVICES. IF THE RECIPIENT SHALL FAIL TO FILE ANY REPORT REQUIRED HEREUNDER WITHIN THIRTY DAYS OF WRITTEN NOTICE TO THE RECIPIENT, MAILED TO THE ADDRESS SHOWN ON THE LAST APPLICATION FOR AN AWARD OR LAST REPORT FILED, WHICHEVER IS LATER, THE PRESIDENT MAY IMPOSE A FINE OF UP TO ONE THOUSAND DOLLARS. THE PRESIDENT SHALL HAVE THE DISCRETION TO WAIVE THE FILING OF A REPORT, EXCUSE A DELAY IN FILING OR A FAILURE TO FILE A REPORT, OR WAIVE OR REDUCE ANY FINE IMPOSED FOR GOOD CAUSE SHOWN.

S 2. This act shall take effect immediately.