

# STATE OF NEW YORK

5341

2017-2018 Regular Sessions

## IN ASSEMBLY

February 8, 2017

Introduced by M. of A. MAGNARELLI -- Multi-Sponsored by -- M. of A. McDONALD -- read once and referred to the Committee on Higher Education

AN ACT to amend the education law, in relation to regents professional education scholarships, health care professional opportunity scholarships and loan forgiveness for nurses

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

1 Section 1. Subdivision 3 of section 605 of the education law, as  
2 amended by chapter 31 of the laws of 1985, is amended to read as  
3 follows:

4 3. Regents professional education in medicine ~~[e]~~, dentistry, or  
5 nursing scholarships. Regents professional education in medicine ~~[e]~~,  
6 dentistry, or nursing scholarships shall be awarded annually, on a  
7 competitive basis, to students beginning professional study in medicine  
8 ~~[e]~~, dentistry, or nursing. One hundred such scholarships shall be  
9 awarded annually to students beginning professional study in medicine  
10 and two thousand such scholarships to students beginning professional  
11 study in nursing, and shall be classified and allocated in accordance  
12 with regents rules. The provisions of this subdivision shall only apply  
13 to any recipient who receives his or her first award payment prior to  
14 the nineteen hundred eighty-five--nineteen hundred eighty-six academic  
15 year. Further, the provisions of this subdivision shall only apply to a  
16 student studying to be a registered professional nurse as defined in  
17 section sixty-nine hundred three of this chapter.

18 § 2. Subdivision 9 of section 605 of the education law, as amended by  
19 chapter 523 of the laws of 1992 and subparagraph 3 of paragraph a as  
20 amended by section 89 of subpart B of part C of chapter 62 of the laws  
21 of 2011, is amended to read as follows:

22 9. Regents physician and nursing loan forgiveness program. Regents  
23 physician and nursing loan forgiveness awards shall be awarded annually  
24 to physicians and nurses who agree to practice medicine or nursing in an  
25 area of New York state designated by the regents as having a shortage of

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

LBD07366-01-7

1 physicians or nurses. Such awards shall be classified and allocated in  
2 accordance with regents rules.

3 a. Eligibility. (1) The applicant must be a resident of New York state  
4 and licensed to practice medicine or nursing and shall be a registered  
5 professional nurse as defined in section sixty-nine hundred three of  
6 this chapter.

7 ~~(2) [The applicant must have completed a professional residency~~  
8 ~~program within the five years immediately preceding the period for which~~  
9 ~~the first award would be granted, or be within two years of completion~~  
10 ~~of an accredited residency program in a primary care specialty desig-~~  
11 ~~nated in short supply by the board of regents.~~

12 ~~(3)~~ The applicant must agree to practice medicine or nursing in an  
13 area in New York state designated as having a shortage of physicians or  
14 nurses. The regents, after consultation with the commissioners of  
15 health, corrections and community supervision, mental health and devel-  
16 opmental disabilities, shall designate those regions and facilities of  
17 New York state which have a shortage of physicians or nurses for the  
18 purposes of this section and establish relative rankings thereof.

19 b. Selection. The commissioner, in consultation with the commissioner  
20 of health, shall establish criteria for the selection of participants in  
21 the program. An applicant must satisfy at least one of the criteria  
22 established. A priority shall be accorded to any applicant who is  
23 completing the second year of the service requirement and is reapplying  
24 for a new award. The criteria shall include but not be limited to the  
25 following:

26 (i) reapplication for a new award by a person who is completing the  
27 second year of a service requirement;

28 (ii) receipt of specific training in a primary care specialty or  
29 obstetrics, or nursing determined by the regents to be in short supply;

30 (iii) receipt of specific training or experience in serving a shortage  
31 area;

32 (iv) receipt of specific training or experience matching a specific  
33 medical need existing in a shortage area; and

34 (v) agreement pursuant to ~~[subdivision (d)]~~ paragraph d of this  
35 ~~[section]~~ subdivision to practice in an area determined by the regents  
36 to have a severe shortage of primary care physician services and nursing  
37 services.

38 c. Notification. (1) The commissioner shall then forward approved  
39 applications to the president and shall notify unsuccessful applicants;

40 (2) The president shall verify the approved applicants':

41 (i) eligibility; and

42 (ii) total undergraduate and medical school and nursing school student  
43 expense;

44 (3) The president shall notify applicants of their award entitlement.

45 d. Service requirement. Within such time as the commissioner shall by  
46 regulation provide, a recipient of an award shall have agreed to prac-  
47 tice medicine or nursing in a specific area designated as having a shor-  
48 tage of physicians or nurses for a period of twelve months for each  
49 annual payment to be received by the recipient. Physicians and nurses in  
50 training who receive an award shall not receive credit toward their  
51 required service for time spent in a training program. ~~[In no case shall~~  
52 ~~the total number of months of service required be less than twenty~~  
53 ~~four.]~~ The president shall, in consultation with the commissioner,

54 develop and secure from each award recipient, a written agreement to[+  
55 ~~(i)]~~ practice medicine or nursing in the designated shortage area[+  
56 ~~(ii) to accept Medicare and Medicaid payments, and~~

~~(iii) to provide thirty-five hours per week of direct patient care in the designated shortage area being served, or to the designated population being served].~~

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:

$$A = 2B (t-s)$$

-----

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 section 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.

e. Reporting. A recipient of an award shall report annually to the New York state higher education services corporation, and the department of health on forms prescribed by the president, as to the performance of the required services, commencing with the calendar year in which the recipient begins to practice medicine or nursing in a shortage area 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 of the corporation 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.

f. Other awards. Award recipients shall be eligible to apply for one additional award.

§ 3. Subdivision 10 of section 605 of the education law, as added by chapter 31 of the laws of 1985, is amended to read as follows:

10. Regents health care professional opportunity scholarships. Regents health care professional opportunity scholarships shall be awarded annually to students who are beginning or engaged in an approved program in medicine ~~[or]~~, dentistry, or nursing and who are economically disadvantaged and/or members of an underrepresented minority group, provided, however, that to the extent that regents health care professional opportunity scholarships are not awarded, such scholarships shall be awarded as regents professional opportunity scholarships. These scholarships shall be classified and allocated in accordance with regents rules. This subdivision shall apply only to registered professional nurses as defined in section sixty-nine hundred three of this chapter.

1 a. In selecting and certifying scholarship recipients under this  
 2 subdivision, priority shall be accorded to applicants in the following  
 3 order:

4 (1) First, to any applicant who is economically disadvantaged as  
 5 defined by the regents and a minority historically underrepresented in  
 6 the profession as determined by the regents after consultation with the  
 7 council on professional career opportunity created by section nine  
 8 hundred forty-one of the executive law;

9 (2) Second, to any applicant who is a minority underrepresented in the  
 10 profession as determined by the regents after consultation with the  
 11 council on professional career opportunity created by section nine  
 12 hundred forty-one of the executive law;

13 (3) Third, to any applicant who is a graduate of the state-sponsored  
 14 opportunity program pursuant to section sixty-four hundred fifty-one or  
 15 sixty-four hundred fifty-two of this chapter.

16 In the event that there are more applicants who have the same priority  
 17 than there are remaining scholarships, the commissioner shall distribute  
 18 the remaining number of such scholarships by means of a lottery or other  
 19 form of random selection.

20 b. The commissioner shall then forward approved applications to the  
 21 president and shall notify unsuccessful applicants.

22 c. The president shall notify applicants of their award entitlement.

23 d. The president shall, in consultation with the commissioner, develop  
 24 and secure from each successful applicant a written agreement to prac-  
 25 tice medicine ~~[ex]~~, dentistry, or nursing, as appropriate, in a desig-  
 26 nated shortage area. Within such time as the commissioner shall by regu-  
 27 lation provide, a recipient of an award shall have practiced medicine  
 28 ~~[ex]~~, dentistry, or nursing in an area designated as having a shortage  
 29 of physicians ~~[ex]~~, dentists, or nurses, as appropriate, for that number  
 30 of months calculated by multiplying by twelve the number of annual  
 31 payments received by the recipient. In no case shall the total number of  
 32 months of service required be less than twenty-four. If a recipient  
 33 fails to comply fully with such conditions, the president shall be enti-  
 34 tled to receive from such recipient an amount to be determined by the  
 35 formula:

$$A = 2B (t-s)$$

-----

t

39 in which "A" is the amount the president is entitled to recover; "B" is  
 40 the sum of all payments made to the recipient and the interest on such  
 41 amount which would be payable if at the times such awards were paid they  
 42 were loans bearing interest at the maximum prevailing rate; "t" is the  
 43 total number of months in the recipient's period of obligated services;  
 44 and "s" is the number of months of service actually rendered by the  
 45 recipient. Any amount which the president is entitled to recover under  
 46 this paragraph shall be paid within the five-year period beginning on  
 47 the date that the recipient failed to comply with this service condi-  
 48 tion. Nothing in the written agreement shall affect the terms of employ-  
 49 ment of the individual who shall negotiate, separate and apart from the  
 50 program, his or her salary and other forms of employment with an agency,  
 51 institution or a program in which he or she shall be employed.

52 Any obligation to comply with such provisions as outlined in this  
 53 section shall be cancelled upon the death of the recipient. The commis-  
 54 sioner shall make regulations to provide for the waiver or suspension of  
 55 any financial obligation which would involve extreme hardship.

1 e. A recipient of an award shall report annually to the New York state  
2 higher education services corporation, on forms prescribed by it, as to  
3 the performance of the required services, commencing with the calendar  
4 year in which the recipient begins to practice medicine ~~[or]~~, dentistry,  
5 or nursing in a shortage area and continuing until the recipient shall  
6 have completed, or it is determined that he or she shall not be obli-  
7 gated to complete, the required services. If the recipient shall fail  
8 to file any report required hereunder within thirty days of written  
9 notice to the recipient, mailed to the address shown on the last appli-  
10 cation for an award or last report filed, whichever is later, the presi-  
11 dent of the corporation may impose a fine of up to one thousand dollars.  
12 The president shall have the discretion to waive the filing of a report,  
13 excuse a delay in filing or a failure to file a report, or waive or  
14 reduce any fine imposed for good cause shown.

15 § 4. Section 677 of the education law, as added by chapter 31 of the  
16 laws of 1985 and subdivision 1 as amended by chapter 439 of the laws of  
17 1988, is amended to read as follows:

18 § 677. Regents physician and nursing loan forgiveness program. 1.  
19 Number and certification. Eighty regents physician and nursing loan  
20 forgiveness awards shall be awarded each year. Such awards shall be  
21 allocated as provided in article thirteen of this chapter to eligible  
22 physicians and nurses as certified to the president by the commissioner.  
23 This section shall apply only to registered professional nurses as  
24 defined in section sixty-nine hundred three of this chapter.

25 2. Calculation of award amounts. Each award shall consist of two  
26 consecutive annual loan forgiveness payments. Each of the annual  
27 payments shall be for an amount equal to the total of undergraduate and  
28 medical or nursing school student loan expense or ten thousand dollars  
29 whichever is less. The president shall be responsible for calculating  
30 the dollar amount of each award that ~~[eligible]~~ eligible candidates may  
31 receive from this program. For the purposes of this section, student  
32 loan expense shall mean the cumulative total of the annual student loans  
33 covering the cost of attendance at an undergraduate institution and/or  
34 medical or nursing school. Interest paid or due on student loans that an  
35 applicant has taken out for use in paying for such undergraduate and/or  
36 medical or nursing education shall be considered eligible for reimburse-  
37 ment under this program.

38 3. Award disbursement. a. Annual award disbursements shall be the  
39 responsibility of the president and shall occur prior to the beginning  
40 of each of the required terms of service as specified in the service  
41 contract. The board of trustees of the higher education services corpo-  
42 ration shall adopt rules and regulations regarding criteria for deter-  
43 mining successful completion of the service contract and any appeal  
44 process that may be required to implement this paragraph upon recommen-  
45 dation of the president in consultation with the commissioner.

46 b. The disbursement of the second annual award shall be dependent upon  
47 successful completion of the first year requirement of the service  
48 contract as defined by the president, as well as other criteria set  
49 forth in this section.

50 § 5. This act shall take effect on the first of July next succeeding  
51 the date on which it shall have become a law, provided, that the amend-  
52 ments to subdivisions 3, 9 and 10 of section 605 and section 677 of the  
53 education law made by sections one, two, three and four of this act  
54 shall not affect the termination of such subdivisions and section as  
55 provided by section 17 of chapter 31 of the laws of 1985, as amended.