

**ASSEMBLY BILL**

**No. 697**

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**Introduced by Assembly Member Gomez**

February 21, 2013

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An act to add and repeal Article 2 (commencing with Section 70130) of Chapter 3 of Part 42 of Division 5 of Title 3 of the Education Code, relating to nursing education.

LEGISLATIVE COUNSEL'S DIGEST

AB 697, as introduced, Gomez. Nursing education: service in state veterans homes.

Existing law establishes the Student Aid Commission as the primary state agency for the administration of state-authorized student financial aid programs available to students attending all segments of postsecondary education.

Existing law establishes the State Nursing Assumption Program of Loans for Education (SNAPLE), administered by the commission, under which any person enrolled in an institution of postsecondary education and participating in that loan assumption program is eligible to receive a conditional warrant for loan assumption, to be redeemed upon becoming employed as a full-time nursing faculty member at a California college or university.

This bill would establish a loan assumption program for employees of state veterans' homes within the SNAPLE program. This program would provide loan assumption benefits to persons who fulfill agreements to work full time for 4 consecutive years as clinical registered nurses in state veterans' homes, as specified, that employ registered nurses. The program provides for a progressive assumption of the amount of a qualifying loan over 4 consecutive years of qualifying

clinical registered nursing service, up to a total loan assumption of \$20,000. The bill would require that, in any fiscal year, the commission award no more than the number of warrants that are authorized in the Budget Act for that fiscal year for the assumption of loans pursuant to the program. This program would become inoperative on July 1, 2019, and would be repealed on January 1, 2020.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. Article 2 (commencing with Section 70130) is  
2 added to Chapter 3 of Part 42 of Division 5 of Title 3 of the  
3 Education Code, to read:

4  
5 Article 2. Service in State Veterans’ Homes  
6

7 70130. (a) (1) Any person enrolled in an eligible institution,  
8 or any person who agrees to work full time as a registered nurse  
9 in a state veterans’ home that employs registered nurses, may be  
10 eligible to enter into an agreement for loan assumption, to be  
11 redeemed pursuant to Section 70131 upon becoming employed as  
12 a clinical registered nurse in a state veterans’ home that employs  
13 registered nurses. In order to be eligible to enter into an agreement  
14 for loan assumption, an applicant shall satisfy all of the conditions  
15 specified in subdivision (b).

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

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

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

24 (3) As used in this article, “state veterans’ home” means any of  
25 the institutions referenced in Section 1011 of the Military and  
26 Veterans Code.

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

1 However, a person who is currently employed as a registered nurse  
2 in a state veterans' home may be eligible to enter into an agreement  
3 for loan assumption under Article 1 (commencing with Section  
4 70100), but is not eligible to enter into an agreement for loan  
5 assumption under this article.

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

12 (3) The applicant has been judged by his or her postsecondary  
13 institution to have outstanding ability on the basis of criteria that  
14 may include, but need not be limited to, any of the following:

15 (A) Grade point average.

16 (B) Test scores.

17 (C) Faculty evaluations.

18 (D) Interviews.

19 (E) Other recommendations.

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

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

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

26 (5) The applicant has agreed to work full time for at least four  
27 consecutive years as a clinical registered nurse in a state veterans'  
28 home that employs registered nurses.

29 (c) No applicant who has completed fewer than 60 semester  
30 units, or the equivalent, shall be eligible under this section to  
31 participate in the loan assumption program set forth in this article.

32 (d) A person participating in the program pursuant to this section  
33 shall not enter into more than one agreement under this article.

34 70131. The commission shall commence loan assumption  
35 payments, as specified in Section 70132, upon verification that  
36 the applicant has fulfilled all of the following:

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

39 (b) The applicant is working full time as a clinical registered  
40 nurse in a state veterans' home that employs registered nurses.

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

3 70132. The terms of a loan assumption granted under this  
4 article shall be as follows, subject to the specific terms of each  
5 agreement:

6 (a) After a program participant has completed one year of  
7 full-time employment as described in subdivision (b) of Section  
8 70131, the commission shall assume up to five thousand dollars  
9 (\$5,000) of the participant’s outstanding liability under one or  
10 more of the designated loan programs.

11 (b) After a program participant has completed two years of  
12 full-time employment as described in subdivision (b) of Section  
13 70131, the commission shall assume up to an additional five  
14 thousand dollars (\$5,000) of the participant’s outstanding liability  
15 under one or more of the designated loan programs, for a total loan  
16 assumption of up to ten thousand dollars (\$10,000).

17 (c) After a program participant has completed three years of  
18 full-time employment as described in subdivision (b) of Section  
19 70131, the commission shall assume up to an additional five  
20 thousand dollars (\$5,000) of the participant’s outstanding liability  
21 under one or more of the designated loan programs, for a total loan  
22 assumption of up to fifteen thousand dollars (\$15,000).

23 (d) After a program participant has completed four years of  
24 full-time employment as described in subdivision (b) of Section  
25 70131, the commission shall assume up to an additional five  
26 thousand dollars (\$5,000) of the participant’s outstanding liability  
27 under one or more of the designated loan programs, for a total loan  
28 assumption of up to twenty thousand dollars (\$20,000).

29 70133. (a) Except as provided in subdivision (b), if a program  
30 participant fails to complete a minimum of four consecutive years  
31 of full-time employment as required by this article, under the terms  
32 of the agreement pursuant to paragraph (5) of subdivision (b) of  
33 Section 70130, the participant shall retain full liability for all  
34 student loan obligations remaining after the commission’s  
35 assumption of loan liability for the last year of qualifying clinical  
36 registered nursing service pursuant to Section 70132.

37 (b) Notwithstanding subdivision (a), if a program participant  
38 becomes unable to complete one of the four consecutive years of  
39 qualifying clinical registered nursing service due to serious illness,  
40 pregnancy, or other natural causes, the term of the loan assumption

1 agreement shall be extended for a period not to exceed one year.  
2 The commission shall make no further payments under the loan  
3 assumption agreement until the applicable work requirements as  
4 specified in Section 70131 have been satisfied.

5 (c) If a natural disaster prevents a program participant from  
6 completing one of the required years of work due to the interruption  
7 of employment at the employing state veterans' home, the term of  
8 the loan assumption agreement shall be extended for the period of  
9 time equal to the period from the interruption of employment at  
10 the employing state veterans' home until the resumption of  
11 employment. The commission shall make no further payments  
12 under the loan assumption agreement until the applicable  
13 employment requirements specified in Section 70131 have been  
14 satisfied.

15 70134. (a) The commission shall administer this article, and  
16 shall adopt rules and regulations for that purpose. The rules and  
17 regulations shall include, but need not be limited to, provisions  
18 regarding the period of time during which an agreement shall  
19 remain valid, the reallocation of resources in light of agreements  
20 that are not used by program participants, the failure, for any  
21 reason, of a program participant to complete a minimum of four  
22 consecutive years of qualifying clinical registered nursing service,  
23 and the development of projections for funding purposes.

24 (b) If a provision is added to this article and the commission  
25 deems it necessary to adopt a rule or regulation to implement that  
26 provision, the commission shall develop and adopt that rule or  
27 regulation no later than six months after the operative date of the  
28 statute that adds the provision.

29 70135. On or before January 31, 2015, and on or before each  
30 January 31 thereafter until, and including, January 31, 2019, the  
31 commission shall report annually to the Legislature regarding both  
32 of the following, on the basis of sex, age, and ethnicity:

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

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

39 70136. On or before May 1, 2018, the Office of the Legislative  
40 Analyst shall submit a report to the Legislature that includes the

1 findings and recommendations of the Legislative Analyst with  
2 respect to the efficacy of the program established by this article.

3 70137. Reports pursuant to Sections 70135 and 70136 shall be  
4 submitted pursuant to Section 9795 of the Government Code.

5 70138. In selecting applicants for participation in this program,  
6 the commission shall grant priority to applicants who, in the  
7 determination of the commission, are included in any of the  
8 following categories:

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

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

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

16 70139. Notwithstanding any other law, in any fiscal year, the  
17 commission shall award no more than the number of warrants that  
18 are authorized in the annual Budget Act for that fiscal year for the  
19 assumption of loans pursuant to this article.

20 70140. This article shall become inoperative on July 1, 2019,  
21 and, as of January 1, 2020, is repealed, unless a later enacted  
22 statute, that becomes operative on or before January 1, 2020,  
23 deletes or extends the dates on which it becomes inoperative and  
24 is repealed.