

ACT 116

S.B. NO. 116

A Bill for an Act Relating to Nurses.

Be It Enacted by the Legislature of the State of Hawaii:

SECTION 1. Hawaii's registered nurse workforce is aging, and as an increasing number of registered nurses retire, the shortage of registered nurses worsens. The projected shortage for 2005 is one thousand five hundred eighteen

registered nurses, and this shortage is expected to grow to two thousand two hundred sixty-seven registered nurses by 2010.

However, Hawaii's nursing schools continue to turn away applicants primarily due to the lack of qualified faculty. This shortage is attributed to various factors, such as limited financial incentives to pursue a career in nursing education, a need to maintain one's income while pursuing a graduate degree, and significant tuition and loan expenses for students who pursue graduate studies in nursing. Increasing the number of qualified nursing school instructors is an essential step towards training the next generation of nurses and reversing the nursing shortage. It is necessary to increase the number of qualified nursing faculty to meet the demand for registered nurses in the next decade.

The legislature finds that the shortage of registered nurses threatens the health and welfare of Hawaii's residents. To meet the demand for registered nurses in the next decade, the legislature finds that it is necessary to increase the number of graduate students pursuing master's degrees and doctoral degrees in nursing so that they may become qualified nursing educators upon completion of their advanced degrees.

The purpose of this Act is to establish a program to encourage baccalaureate-prepared nurses to enroll in master's and doctoral programs that will prepare them for academic careers in nursing.

SECTION 2. The Hawaii Revised Statutes is amended by adding a new chapter to be appropriately designated and to read as follows:

**“CHAPTER
NURSING SCHOLARS PROGRAM**

§ -1 **Definitions.** As used in this chapter, unless the context otherwise requires:

“Approved course of study” means a course of study that leads to enrollment in a graduate nursing program approved by the State board of nursing or a course of study in a graduate nursing program approved by the State board of nursing.

“Approved educational institution” means a public post-secondary educational institution located in this State that has been accredited by a nationally recognized accrediting agency that is listed by the United States Secretary of Education.

“Department” means the University of Hawaii.

“Program” means the nursing scholars program established under this chapter.

“Student” means any individual domiciled in this State who attends or is about to attend a post-secondary educational institution located in this State leading to a master's or doctoral degree in nursing and who intends to teach in a nursing program in Hawaii designed to prepare students for licensure as registered nurses.

“Work requirement” means teaching at a school of nursing located in Hawaii after receiving a master's degree or doctoral degree in nursing.

§ -2 **Nursing scholars program; establishment, administration.** (a) There is established a program to be known as the nursing scholars program to be placed within the department.

(b) The department may provide scholarship grants under the scholarship program to an eligible student who is a resident in this State upon confirmation from an approved educational institution that the student has been accepted for enrollment in an approved graduate course of study. Awarding preference shall be given to Hawaii residents. Scholarship grants shall only be for the amounts set forth in

section -3(a) and shall only be used for tuition, books, laboratory fees, and any other required educational fees and costs.

(c) The department shall establish lists of approved graduate courses of study for the various types of approved educational institutions falling within the program.

(d) To receive a scholarship grant under this chapter, a student shall:

- (1) Have graduated from a recognized nursing program with a bachelor of science in nursing;
- (2) Maintain domicile in Hawaii during the term of the scholarship grants;
- (3) Comply with any conditions placed on the scholarship grant by the department;
- (4) Maintain a grade point average of 3.0 or higher, on a scale of 4.0 or its equivalent; and
- (5) Enter into a written agreement with the department to:
 - (A) Satisfy all degree requirements and other requirements under this chapter;
 - (B) Commence nursing instruction in this State within one year after completion of an approved graduate degree in nursing for a period of one year for each academic year the student received a master's or doctoral degree, for a period of one year for each academic year the student receives a scholarship grant under this chapter, unless the department determines that there are extenuating circumstances; and
 - (C) Reimburse the State for all amounts received under this chapter and interest thereon, as determined by the department, if the student fails to comply with this subsection.

(e) A student applying for the scholarship shall apply to the department and include all information and documentation required by the department. The application shall include a verified statement of grade point average from the appropriate approved educational institution.

(f) The teaching requirement under subsection (d)(5)(B) shall begin after the receipt of the master's or doctoral degree. If a student terminates enrollment in the approved educational institution during the academic year or prior to completion of the approved graduate course of study and is eligible to have all or a portion of the tuition payments refunded under the refund policies of the institution, the approved educational institution shall notify the department in writing and shall return all unused portions of the scholarship grant. Returned amounts shall be used to fund other scholarship grants under this chapter.

(g) A scholarship grant under this chapter is only transferable to another approved educational institution if approved by the department.

(h) Scholarship grants awarded under the program shall be limited to funds appropriated for the purpose of awarding grants or funds otherwise matched by external entities. First priority for scholarship grant awards shall be given to renewal applicants.

§ -3 Scholarships; nursing degree programs. (a) The department shall award a scholarship grant in an amount up to \$10,000 per academic year to a student enrolled full-time in an approved educational institution pursuing a graduate degree in nursing through an approved course of study.

(b) The grant shall be for a maximum of three academic years if the student is enrolled in a master's degree program, or a maximum of four academic years if the student is enrolled in a doctoral program. To qualify for renewals beyond three years, the student shall comply with the requirements of section -2(d), and the department shall determine that the student is making satisfactory progress toward completing a master's or doctoral degree.

§ -4 **Program administration.** (a) The department shall monitor and verify a student's fulfillment of all requirements for a scholarship grant under this chapter.

(b) The department may enter into a contract with a private or public entity to administer the program.

(c) The department shall enforce repayment of all scholarship grants if a student does not comply with the requirements of the scholarship grant. Enforcement shall include the use of all lawful collection procedures, including private collection agencies.

(d) Scholarship grants received by a student under the program shall not be considered taxable income under chapter 235.

(e) Scholarship grants received by a student under the program shall not be considered financial assistance or appropriations to the approved educational institution.

(f) Any person who knowingly or intentionally procures, obtains, or aids another to procure or obtain a scholarship grant under the program through fraudulent means shall be disqualified from participation in the program and shall be liable to the department for an amount equal to three times the amount obtained.

§ -5 **Annual report.** The department shall publish a report by September 1, 2006, and every year thereafter. The report shall include information regarding the operation of the program, including:

- (1) The total number of students receiving nursing scholarship grants;
- (2) The total amount of scholarship grants awarded;
- (3) The number of full-time and part-time graduate students receiving scholarship grants, reported according to institution of enrollment;
- (4) The amount of scholarship grants awarded to graduate students, reported according to institution of enrollment; and
- (5) The total number of graduate students who withdraw from the program.

(b) The annual report shall be submitted to the governor and the legislature no later than twenty days prior to the convening of each regular session."

SECTION 3. There is appropriated out of the general revenues of the State of Hawaii the sum of \$20,000, or so much thereof as may be necessary for fiscal year 2005-2006, for the purposes of this Act.

The sum appropriated shall be expended by the University of Hawaii for the purposes of this Act.

SECTION 4. This Act shall take effect on July 1, 2005.

(Approved June 9, 2005.)