

HCS SB 980 -- TEACHING AND NURSING SCHOLARSHIPS

SPONSOR: Clemens (Moore)

COMMITTEE ACTION: Voted "do pass" by the Special Committee on Student Achievement and Finance by a vote of 6 to 0.

This substitute changes the laws regarding the Nursing Student Loan Repayment Program. "Eligible student" is redefined as a person who has been accepted as a full-time nursing student, rather than a person who has applied for admission. Currently, 25% of the loan is forgiven for each year of employment; the substitute revises the repayment provision to permit forgiveness through employment without mention of a specific schedule.

The substitute also establishes the Urban Flight and Rural Needs Scholarship Program for up to 100 college education students who meet the grade point requirement and agree to teach in certain school districts. The scholarship may also be granted to certain community college students or people who have completed a bachelor's degree and make the commitment to pursue a career in teaching. The scholarship covers up to four years of tuition and fees at a Missouri college or university and is forgiven at a rate of one year of scholarship for every two years of teaching; otherwise, the scholarship is converted to a loan which is to be repaid at 9.5% interest a year. The Department of Elementary and Secondary Education will administer the program and provide 75% of the scholarship amount, subject to appropriations. The school district with which the recipient contracts will provide the remaining 25%. The department may defer interest under certain conditions and may sell the loan to the Missouri Higher Education Loan Authority (MoHELA).

The Urban Flight and Rural Needs Scholarship Program Fund is created and will consist of all moneys appropriated, gifts, contributions, grants, or bequests which are to be used solely for awarding scholarships under this program.

FISCAL NOTE: Estimated Cost on General Revenue Fund of \$522,000 in FY 2007, \$1,075,320 in FY 2008, and \$1,661,369 in FY 2009. Subject to appropriations. No impact on Other State Funds in FY 2007, FY 2008, and FY 2009.

PROPONENTS: Supporters say that these two changes to the nursing loan program should help reduce the default rate and make the loan more like the Primary Care Resource Initiative for Missouri (PRIMO) loan which is available to other medical professionals.

Testifying for the bill was Senator Clemens.

OPPONENTS: There was no opposition voiced to the committee.

Becky DeNeve, Senior Legislative Analyst