

## **BILL ANALYSIS**

S.B. 145  
By: Hinojosa  
Higher Education  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

The Texas Department of State Health Services has reported that the state is facing a shortage of 71,000 nurses by 2020, as demand continues to outpace supply. According to the Texas Nurses Association, almost 57 percent of nursing faculty will reach the age of 65 within seven years.

The purpose of S.B. 145 is to help address the nurse faculty shortage by providing loan repayment assistance to nurses with an advanced degree in professional nursing.

To fund this program, S.B. 145 will pull money from the physician education loan repayment program account that exceeds the amount needed for physicians to fund no more than 50 eligible nurse faculty applicants.

As proposed, S.B. 145 amends current law relating to student loan repayment assistance for nurses employed as faculty members at certain institutions of higher education.

### **RULEMAKING AUTHORITY**

Rulemaking authority is expressly granted to Texas Higher Education Coordinating Board in SECTION 1 (Section 61.9788, Education Code) of this bill.

### **ANALYSIS**

SECTION 1. Amends Chapter 61, Education Code, by adding Subchapter GG, as follows:

#### **SUBCHAPTER GG. NURSING FACULTY LOAN REPAYMENT ASSISTANCE PROGRAM**

Sec. 61.9781. **REPAYMENT AUTHORIZED.** Requires the Texas Higher Education Coordinating Board (THECB) to establish and administer a program to provide, in accordance with this subchapter and THECB rules, assistance in the repayment of student loans for nurses who are serving on the faculties of nursing degree programs at institutions of higher education or private or independent institutions of higher education in positions that require an advanced degree in professional nursing and who apply and qualify for the assistance.

Sec. 61.9782. **ELIGIBILITY.** Requires a nurse, to be eligible to receive loan repayment assistance under this subchapter to apply to the THECB at the time of application for repayment assistance have been employed full-time for at least one year as, and be currently employed full-time as, a faculty member of a nursing degree program at an institution of higher education or a private or independent institution of higher education; and comply with any additional requirements adopted by THECB rule.

Sec. 61.9783. **LIMITATIONS.** (a) Authorizes a nurse, on qualifying for loan repayment assistance under this subchapter, to receive repayment assistance for each year of full-time employment as a faculty member of a nursing degree program at an institution of higher education or private or independent institution of higher education, not to exceed five years.

(b) Prohibits the amount of loan repayment assistance received by a nurse under this subchapter from exceeding \$5,000 in any one year.

(c) Prohibits the total amount of loan repayment assistance provided under this subchapter from exceeding the total amount of gifts and grants accepted by THECB for repayment assistance, legislative appropriations for the repayment assistance, and other funds available to THECB for the repayment assistance, including any money reallocated under Section 61.9786.

Sec. 61.9784. ELIGIBLE LOANS. (a) Authorizes THECB to provide repayment assistance for the repayment of any student loan for education at any public or private institution of higher education, including a loan for undergraduate education, received by an eligible person through any lender.

(b) Prohibits THECB from providing repayment assistance for a student loan that is in default at the time of the nurse's application.

Sec. 61.9785. REPAYMENT. (a) Requires THECB to deliver any repayment under this subchapter in a lump sum payable to both the lender or other holder of the loan and the nurse or directly to the lender or other holder of the loan on the nurse's behalf.

(b) Authorizes a repayment under this subchapter to be applied to any amount due in connection the loan.

Sec. 61.9786. REALLOCATION OF MONEY. (a) Requires THECB, in each state fiscal year, to reallocate for loan repayment assistance under this subchapter for a particular year any money in the physician education loan repayment program account established under Section 61.5391 (Physician Education Loan Repayment Program Account) that exceeds the amount necessary in that fiscal year for purposes of repayment assistance under Subchapter J (Repayment of Certain Physician Education Loans).

(b) Provides that each year money reallocated under this section may be used to fund loan repayment assistance for not more than 50 eligible applicants.

(c) Provides that any money reallocated under Subsection (a) in a fiscal year that is not used for loan repayment assistance under this subchapter in that fiscal year is treated as if that unused amount had not been reallocated in that fiscal year.

Sec. 61.9787. SOLICITATION AND ACCEPTANCE OF GIFTS. Authorizes THECB to solicit and accept gifts and grants from any source for the purposes of this subchapter.

Sec. 61.9788. RULES. (a) Requires THECB to adopt rules as necessary to administer this subchapter.

(b) Requires THECB to distribute a copy of the rules adopted under this section and pertinent information regarding this subchapter to each institution of higher education and private or independent institution of higher education, any appropriate state agency, and any appropriate professional association.

SECTION 2. Amends Section 61.5391(b), Education Code, to prohibit money in the account from being appropriated for any purpose except to provide loan repayment assistance to eligible physicians under this subchapter or to provide loan repayment assistance under Subchapter GG if reallocated under Section 61.9786.

SECTION 3. Requires THECB to adopt the rules for loan repayment assistance under Subchapter GG, Chapter 61, Education Code, as added by this Act, not later than December 1, 2011.

SECTION 4. Effective date: upon passage or September 1, 2011.

#### **EFFECTIVE DATE**

Upon passage, or, if the Act does not receive the necessary vote, the Act takes effect September 1, 2011.