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# A BILL FOR AN ACT

RELATING TO NURSING.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1           SECTION 1. The Hawaii Revised Statutes is amended by  
2 adding a new subpart to part VII of chapter 304A to be  
3 appropriately designated and to read as follows:

4           "       . Nursing Teacher Loan Forgiveness Program

5           **§304A- Definitions.** As used in this subpart, unless the  
6 context otherwise requires:

7           "Program" means the nursing teacher loan forgiveness pilot  
8 program authorized under this subpart.

9           "Qualified loan" means a student loan incurred while  
10 earning a master's degree in nursing or a doctoral degree in  
11 nursing or related field from a private or public institution of  
12 higher education located in this State.

13           "Qualified position" means full-time employment by a  
14 private or public institution of higher education located in  
15 this State to teach classes required to earn a degree or  
16 certificate in nursing.

17           "Student" means any individual domiciled in this State who  
18 attends or is about to attend a private or public post-secondary



1 educational institution located in this State leading to a  
2 master's or doctoral degree in nursing and who intends to teach  
3 in a nursing program in Hawaii designed to prepare students for  
4 licensure as registered nurses.

5       **§304A- Nursing teacher loan forgiveness program;**  
6 **establishment; administration; qualifications.** (a) There is  
7 established a program to be known as the nursing teacher loan  
8 forgiveness program to be placed within the University of Hawaii  
9 for administrative purposes. The program shall be funded by the  
10 nursing teacher loan forgiveness special fund created in part V.

11       (b) The University of Hawaii shall develop and maintain a  
12 nursing teacher loan forgiveness program for implementation  
13 beginning in the fall semester of the 2009-2010 academic year.  
14 The program shall provide for payment of up to \$20,000 for all  
15 or part of the principal of and interest on a qualified loan if  
16 the person is hired for a qualified position and stays in a  
17 qualified position for a period of not less than seven  
18 consecutive academic years after the person has earned an  
19 advanced degree in nursing. Repayment of loans through the  
20 program may be made using moneys in the nursing teacher loan  
21 forgiveness fund.



- 1 (c) A nursing teacher shall meet the following conditions  
2 in order to qualify for the program:
- 3 (1) Earn a master's or doctoral degree in nursing;
- 4 (2) Be liable for any outstanding balance on a qualified  
5 loan;
- 6 (3) Agree to teach in a qualified position for a period of  
7 not less than seven consecutive academic years after  
8 completion of the advanced degree;
- 9 (4) Teach in a qualified position for not less than seven  
10 consecutive academic years after completion of the  
11 advanced degree; and
- 12 (5) Agree that, if the nursing teacher leaves the  
13 qualified position prior to teaching for seven  
14 consecutive academic years, the nursing teacher shall  
15 be liable to repay the amount of the qualified loan  
16 paid or forgiven through the program plus interest;  
17 provided that if the nursing teacher leaves the  
18 qualified position involuntarily, the nursing teacher  
19 shall not be liable to repay the amount paid or  
20 forgiven, but shall be responsible for paying the  
21 amount remaining due on a qualified loan, plus  
22 interest.



1 (d) The program shall provide that loan forgiveness shall  
2 be provided to the recipient as follows:

3 (1) Ten per cent of the total amount of the loan award and  
4 interest shall be waived every year for the first five  
5 years of repayment; and

6 (2) Twenty-five per cent of the total amount of the loan  
7 award and interest shall be waived every year for the  
8 sixth and seventh years of repayment.

9 **§304A- Annual report.** (a) The University of Hawaii  
10 shall publish a report by September 1, 2009, and every year  
11 thereafter. The report shall include information regarding the  
12 operation of the program, including:

- 13 (1) The total number of participants in the program;  
14 (2) The amount of funds applied toward loan repayment or  
15 forgiveness; and  
16 (3) The source of those funds.

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

20 SECTION 2. Chapter 304A, Hawaii Revised Statutes, is  
21 amended by adding a new section to subpart C of part V to be  
22 appropriately designated and to read as follows:



1        "§304A-        Nursing teacher loan forgiveness special fund.

2        There is created in the state treasury the nursing teacher loan  
3        forgiveness special fund. The fund shall consist of all moneys  
4        appropriated to the fund by the legislature and any gifts,  
5        grants, and donations received in conjunction with the  
6        administration of the nursing teacher loan forgiveness program  
7        established in part VII. Moneys deposited in the special fund  
8        shall be expended for the administration of the nursing teacher  
9        loan forgiveness program."

10        SECTION 3. There is appropriated out of the general  
11 revenues of the State of Hawaii the sum of \$100,000 or so much  
12 thereof as may be necessary for fiscal year 2008-2009 for the  
13 purposes of this Act.

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

16        SECTION 4. New statutory material is underscored.

17        SECTION 5. This Act shall take effect on July 1, 2008.



**Report Title:**

Nursing; Loan Forgiveness; Appropriation

**Description:**

Establishes and provides funds for a nursing teacher loan forgiveness program at the University of Hawaii. (SD1)

