



2001 SENATE BILL 370

January 8, 2002 - Introduced by Senators GEORGE, ROBSON and GROBSCHMIDT, cosponsored by Representatives MORRIS-TATUM, TURNER, LASSA, WALKER, CARPENTER, MILLER, PLOUFF, URBAN, PETTIS, UNDERHEIM, LA FAVE and STASKUNAS. Referred to Committee on Universities, Housing, and Government Operations.

1 **AN ACT** *to amend* 39.393 (2) and 39.393 (3) of the statutes; **relating to:** setting
2 certain priorities that the higher educational aids board must observe in
3 awarding loans under the nursing student loan forgiveness program and
4 forgiveness of the principal and interest of a loan awarded under that program.

Analysis by the Legislative Reference Bureau

Under current law, \$450,000 is appropriated in fiscal year 2002-03 for the higher educational aids board (HEAB) to make loans to defray the cost of tuition, fees, and expenses for persons enrolled in a program in this state that confers an associate degree, a bachelor's degree, or a diploma, in nursing or that confers a second degree that will make the person eligible to take the nursing licensure examination. The maximum amount of loans that a person may receive during a fiscal year is \$3,000, and the maximum total amount of loans that a person may receive is \$15,000. After the loan recipient has completed the program, HEAB must forgive 25% of the loan's principal and interest after the first full year, and 25% of the loan's principal and interest after the second full year, that the loan recipient has been employed full time in this state as a nurse.

This bill requires HEAB, to the extent possible, to make those loans to persons who are likely to work in the nursing profession in this state upon completion of the program and who demonstrate a financial need for the loan. The bill also requires HEAB, in making the loans, to give priority to persons who are minority group members and who reside in urban areas of this state that have unemployment rates higher than the state average. In addition, the bill requires HEAB to forgive 50%

SENATE BILL 370

of the loan's principal and interest after the third full year that the loan recipient has been employed full time in this state as a nurse.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1 **SECTION 1.** 39.393 (2) of the statutes, as created by 2001 Wisconsin Act 16, is
2 amended to read:

3 39.393 (2) Beginning in the 2002-03 fiscal year, the board shall make loans
4 under this section from the appropriation account under s. 20.235 (1) (cm). To the
5 extent possible, the board shall make loans under this section to persons who are
6 likely to work in the nursing profession in this state upon completion of the program
7 under sub. (1) and who demonstrate a financial need for the loan. In making loans
8 under this section, the board shall give priority to persons who are minority group
9 members, as defined in s. 560.036 (1) (f), and who reside in urban areas of this state
10 that have unemployment rates higher than the state average. The maximum
11 amount of loan for a person all loans that a person may receive under this section
12 during any fiscal year is \$3,000. The maximum total amount of all loans that a
13 person may receive under this section is \$15,000. The board shall ensure that the
14 terms of the loan do not require a loan recipient to repay the loan while the recipient
15 is enrolled in a program under sub. (1).

16 **SECTION 2.** 39.393 (3) of the statutes, as created by 2001 Wisconsin Act 16, is
17 amended to read:

18 39.393 (3) After the recipient of a loan under sub. (1) has completed the
19 program described in sub. (1), the board shall forgive 25% of the loan's principal and
20 interest after the first full year and, 25% of the loan's principal and interest after the
21 2nd full year, and 50% of the loan's principal and interest after the 3rd full year that

SENATE BILL 370

1 the recipient has been employed full time in this state as a nurse. The board may
2 forgive loans on a prorated basis for persons who are employed less than full time.

3 (END)