

## CHAPTER 236

**AN ACT** establishing the Nursing Faculty Loan Redemption Program and supplementing chapter 71B of Title 18A of the New Jersey Statutes.

**BE IT ENACTED** by the Senate and General Assembly of the State of New Jersey:

C.18A:71C-50 Short title.

1. This act shall be known and may be cited as the “Nursing Faculty Loan Redemption Program Act.”

C.18A:71C-51 Findings, declarations relative to the Nursing Faculty Loan Redemption Program.

2. The Legislature finds and declares that:

a. This State is experiencing a critical shortage in its nursing workforce, which is expected to worsen in the next two decades. In New Jersey, as well as nationwide, the shortage of faculty in schools of nursing is reaching crisis proportions. Insufficient numbers of faculty hinder schools’ efforts to increase their capacity.

b. According to projections by the Health Resources and Services Administration of the federal Department of Health and Human Services, New Jersey is estimated to be 49% below demand, resulting in a shortfall of 42,400 registered professional nurse full-time equivalent positions throughout the State by 2020.

c. The demand for nurses at all levels of training and in all health care settings, including hospitals, nursing homes, veterans’ homes and home health care and community-based programs, is increasing as the population gets older. Recent data from schools of nursing in New Jersey show that there is an increased interest in nursing by potential students; 67% of schools of nursing in the State turned away qualified student applicants and 57% report numbers of enrollments greater than their current capacity to educate students.

d. The average age of New Jersey’s registered professional nurses and licensed practical nurses is increasing each year; in 2007 54.4% of the State’s registered professional nurses were between 46 and 60 years of age and 13.3% were more than 60 years of age; 29% of non-retired registered professional nurses were older than 55 years of age. These findings indicate that, assuming the majority of nurses retire at 65 years of age, the State will need to replace one third of its nursing workforce over the next 10 years.

e. The number of full-time faculty positions currently budgeted in New Jersey’s schools of nursing totals 575 full-time equivalents. Of these, six percent, or 35 full-time equivalents, were vacant in October 2004; 54% of the nursing schools in the State reported faculty vacancies.

f. The faculty shortage is part of the larger picture and all areas must be addressed as nurses are vital to the public’s health. Research indicates that without sufficient numbers of well-qualified nurses, patients’ lives and well-being are at increased risk. The minimum educational requirement of a nursing instructor according to the New Jersey Board of Nursing regulations is a master’s degree in nursing (MSN). For nursing faculty in the State’s 13 associate degree programs in community colleges and 11 diploma programs in hospitals, a MSN is required. Many schools also require that faculty be certified in the specialty practice area in which they teach.

C.18A:71C-52 Definitions relative to the Nursing Faculty Loan Redemption Program.

3. As used in this act:

“Approved graduate degree program” means a master’s degree in nursing (MSN), a doctor of nursing science degree (DNS), a doctor of nursing practice degree (DPN), a doctor of

philosophy degree (PhD) in nursing or another relevant field of study.

“Authority” means the Higher Education Student Assistance Authority established pursuant to N.J.S.18A:71A-3.

“Eligible student loan expenses” means the cumulative total of the annual student loans covering the cost of attendance at an approved graduate degree program. Interest paid or due on student loans that an applicant has taken out for use in paying the costs of such education shall be considered eligible for reimbursement under the program.

“Participant” means a person who has completed an approved graduate degree program at an accredited public or independent institution of higher education, and who participates in the program.

“Program” means the Nursing Faculty Loan Redemption Program established pursuant to this act.

C.18A:71C-53 Nursing Faculty Loan Redemption Program established.

4. a. There is established within the Higher Education Student Assistance Authority the Nursing Faculty Loan Redemption Program. The purpose of the program is to address the current and projected critical shortage of nursing faculty in the State by providing an incentive for persons to enter graduate nursing education programs and for persons already trained as nurses to advance their training in the profession so as to ensure that sufficient numbers of nursing faculty are available to train nursing students, and the State's hospitals, nursing homes, veterans' facilities and home care services and community care programs will have sufficient, trained nursing staff in the future to provide quality health care services to the residents of this State.

The program shall provide loan redemption in exchange for full-time faculty employment at a school of nursing in the State for a five-year period following completion of the approved graduate degree program. The authority may establish a limit on the total amount of student loans which may be redeemed for participants under the program.

b. In developing the program, the authority shall collaborate with the Robert Wood Johnson Foundation New Jersey Nursing Initiative and such other entities as the authority deems appropriate.

C.18A:71C-54 Eligibility for participation in program.

5. To be eligible to participate in the program, an applicant shall:

a. be a resident of the State and maintain domicile in the State during participation in the program; and

b. (1) have obtained a master's degree in nursing (MSN), a doctor of nursing science degree (DNS), a doctor of nursing practice degree (DNP), a doctor of philosophy degree (PhD) in nursing or another relevant field of study within a one-year period prior to being hired for full-time faculty employment on or after the date of enactment of this act; and

(2) have maintained a grade point average of 3.0 or higher on a scale of 4.0, or its equivalent, while enrolled in an approved graduate degree program.

C.18A:71C-55 Application to authority for loan redemption.

6. a. A graduate nursing student or graduate may apply to the authority for a loan redemption in such manner as prescribed by the authority.

b. A program participant shall enter into a written contract with the authority to participate in the program. The contract shall specify the duration of the applicant's required

service and the total amount of eligible student loan expenses to be redeemed by the authority in return for service.

c. A participant who has entered into a redemption contract with the authority may nullify that contract by submitting written notification to the authority and assuming full responsibility for repayment of the full amount of the loan or that portion of the loan that has not been redeemed by the State in return for partial fulfillment of the contract.

d. In the case of a participant's death or total or permanent disability, the authority shall nullify the service obligation of the participant; or where continued enforcement of the contract may result in extreme hardship, the authority may nullify or suspend the participant's service obligation.

C.18A:71C-56 Annual report on the program.

7. The authority shall annually submit to the Governor, and pursuant to section 2 of P.L.1991, c.164 (C.52:14-19.1), the chairman of the Senate Budget and Appropriations Committee, the chairman of the Assembly Appropriations Committee, the chairmen of the Senate and Assembly Education Committees, and the chairmen of the Senate and Assembly Health Committees, a report on the program. The report shall be submitted no later than August 1 of each year and shall include, but not be limited to, the following information for the prior fiscal year:

- a. the total number of participants receiving loan redemption under the program;
- b. the total number of participants who withdrew from the program or failed to complete the program's employment requirement; and
- c. the effect of the program on filling vacant nursing faculty positions in the State and eliminating the need to turn away qualified nursing school applicants.

C.18A:71C-57 Rules, regulations.

8. The Higher Education Student Assistance Authority shall adopt, in accordance with the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), rules and regulations as may be necessary to implement the provisions of this act.

C.18A:71C-58 Dedication of appropriated funds.

9. Of the funds annually appropriated for the Primary Care Practitioner Loan Redemption Program established in the Higher Education Student Assistance Authority pursuant to N.J.S.18A:71C-32 et seq., 25% shall be dedicated to the Nursing Faculty Loan Redemption Program established pursuant to this act. The program shall be administered directly by the Higher Education Student Assistance Authority.

10. This act shall take effect July 1, 2010; however, the authority may take such anticipatory administrative action in advance thereof as shall be necessary to implement the provisions of this act.

Approved January 16, 2010.