

GUIDELINES FOR GENERAL ASSEMBLY NURSING SCHOLARSHIPS AND LOAN
REPAYMENT PROGRAM REQUIRING SERVICE IN A LONG-TERM-CARE FACILITY
and
GUIDELINES FOR GENERAL ASSEMBLY NURSING SCHOLARSHIPS AND LOAN
REPAYMENT PROGRAM

CHAPTER 507

GUIDELINES FOR GENERAL ASSEMBLY NURSING SCHOLARSHIPS AND LOAN
REPAYMENT PROGRAM REQUIRING SERVICE IN A LONG-TERM-CARE FACILITY
IN THE COMMONWEALTH OF VIRGINIA

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This chapter has been prepared to familiarize scholarship and loan repayment applicants, Deans/Directors of nursing programs, and Financial Aid Officers with the General Assembly Nursing Scholarship and Loan Repayment Program requiring service in a long-term-care facility. The legislative authority for the scholarships and loan

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repayment in addition to the actual steps involved in the application process are reviewed.

ALL SCHOLARSHIPS ARE AWARDED WITHOUT REGARD TO RACE, COLOR, RELIGION, SEX OR NATIONAL ORIGIN.

12 VAC 5-507-10. Legislative authority and general information.

§§32.1-122.6:01, 54.1-3011.1, and 54.1-3011.2 of the Code of Virginia provide the authority to award these scholarships and loan repayment funds.

Titles 23-35.9 - 23.35.13 of the Code of Virginia authorize annual nursing scholarships and loan repayment for students enrolled in undergraduate and graduate nursing programs in exchange for service in a long-term-care facility. Undergraduate nursing programs are defined as those leading to an associate degree, diploma, or baccalaureate degree in nursing. Graduate nursing programs are those offering masters and doctoral degrees.

Under the law, all scholarship awards are made by an Advisory Committee appointed by the State Board of Health. The Advisory Committee consists of eight members: four deans or directors of schools of nursing, two former scholarship recipients, and two members with experience in the administration of student financial aid programs. Committee appointments are for two-year terms and members may not serve for more than two successive terms.

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The Center for Primary Care and Rural Health of the State Health Department serves as the staff element to the Advisory Committee and plays no role in the determination of scholarship recipients.

The basis for determining scholarship recipients is established by the Advisory Committee with due regard given to scholastic attainment, financial need, character, and adaptability to the nursing profession.

After scholarships are awarded, depending upon availability of funds, nursing educational loans will be repaid for those registered nurses, licensed practical nurses, and certified nurse aides applying and meeting eligibility criteria as set forth in these regulations. Educational loans will be paid on a first come, first serve basis, provided applicants have submitted all necessary information, as set forth in these regulations. These regulations set forth the criteria for eligibility for the Nursing Loan Repayment Program for registered nurses, licensed practical nurses, or certified nurse assistants; the general terms and conditions applicable to the obligation of each loan repayment recipient to practice in a long-term-care facility in the Commonwealth; and penalties for a recipient's failure to fulfill the practice requirements of the Nursing Loan Repayment Program.

12 VAC 5-507-10.1 Definitions.

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The following words and terms, when used in this chapter, shall have the following meaning unless the context clearly indicates otherwise:

"Board" or "Board of Health" means the State Board of Health.

"Certified Nurses Aide or CNA" means individuals that have completed a nurse aide education program that is approved by the Board of Nursing, successfully passed the competency evaluation, and have made application and been given certification by the Board of Nursing in the Commonwealth of Virginia.

Commercial loans" means loans made by banks, credit unions, savings and loan associations, insurance companies, schools, and either financial or credit institutions which are subject to examination and supervision in their capacity as lenders by an agency of the United States or of the State in which the lender has its principal place of business.

"Commissioner" means the State Health Commissioner.

"Department" means Virginia Department of Health.

"Full-time" means at least forty (40) hours per week for forty-five (45) weeks per year.

"Licensed Practical Nurse or LPN" means a nurse who has completed a practical nurse program and is licensed by the Commonwealth of Virginia to provide routine care under the supervision of a licensed medical practitioner, a professional nurse, registered

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nurse or registered professional nurse or other licensed health professional authorized
by regulations of the Board of Nursing.

"Long-Term-Care Facility" means a licensed facility in the Commonwealth
traditionally known as a nursing home, including both skilled nursing facilities and
intermediate care facilities depending on the extent of nursing and related medical care
provided.

"Participant" or "loan repayment participant" means an eligible registered nurse,
licensed practical nurse, or certified nurse aide who enters into a contract with the
Commissioner and participates in the scholarship or loan repayment program.

"Penalty" means the amount of money equal to twice the amount of all monetary
loan repayment paid to the scholarship or loan repayment participant, less any service
obligation completed.

"Reasonable educational expenses" means the costs of education, exclusive of
tuition, which are considered to be required by the school's degree program or an
eligible program of study, such as fees for room, board, transportation and commuting
costs, books, supplies, educational equipment and materials, and travel, which was a
part of the estimated student budget of the school in which the participant was enrolled.

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“Registered Nurse or RN” means a nurse who has passed a state registration examination and has been licensed to practice nursing by the Board of Nursing in the Commonwealth of Virginia.

Article 1.

Administration of Nursing Scholarship Program

12VAC5-507-20. Eligibility for scholarship.

In order to be considered for a General Assembly Nursing Scholarship, applicants must meet the following criteria:

1. Be a resident of the State of Virginia for at least one year.
2. Be accepted or enrolled in a school of nursing in the State of Virginia which is approved by the State Board of Nursing. The only exception is for students pursuing graduate degrees not offered in the Commonwealth.
3. If already enrolled in a nursing program, the applicant must demonstrate a cumulative grade point average of at least 2.5.
4. Submit a completed application form and appropriate grade transcript to the Center for Primary Care and Rural Health prior to the established deadline dates.
5. Demonstrate financial need which is verified by the Financial Aid Officer/authorized person.

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FAILURE TO COMPLY WITH ALL OF THESE CRITERIA WILL CAUSE THE APPLICANT TO BE INELIGIBLE FOR A SCHOLARSHIP.

12VAC5-507-30. Conditions of scholarships.

It is important that all applicants fully understand the conditions of acceptance of a nursing scholarship. These awards are not outright gifts. For each \$100 of scholarship money received, the recipient agrees to engage in full-time (40 hours per week) nursing practice in a long-term-care facility in the Commonwealth for one month. Therefore, if a student receives \$500 in scholarship awards, they must repay that amount by working continuously for 5 months in a long-term-care facility. Full-time employment must begin within 60 days of the recipient's graduation date. Voluntary military service, even if stationed in Virginia, cannot be used to repay the service obligation required when a scholarship is awarded.

If a scholarship recipient fails to complete their studies, or engage in full-time nursing practice in a long-term-care facility in Virginia, the full amount of money represented in the scholarship(s) received, plus an annual interest charge, must be refunded.

If a recipient leaves the State, or ceases to engage in full-time nursing practice in a long-term-care facility before all employment conditions of the scholarship award are fulfilled, the recipient must repay the balance on his/her account plus an annual interest charge.

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All refund checks should be made payable to the Commonwealth of Virginia and
mailed to:

Center for Primary Care and Rural Health

State Health Department

1500 East Main Street

Suite 227

Richmond, Virginia 23219

Before any scholarship is awarded, the applicant must sign a written contract agreeing
to the terms established by law and the Advisory Committee.

12VAC5-507-40. Number of applications per student.

Scholarships are awarded for single academic years. However, the same student
may, after demonstrating satisfactory progress in his studies, apply for and receive
scholarship awards for any succeeding academic year or years. No student may receive
scholarships for more than a total of five years.

12VAC5-507-50. Amounts of scholarships.

The amount of each scholarship award is dependent upon the amount of money
appropriated by the General Assembly and the number of qualified applicants. No
recipient will receive an award for less than one hundred and fifty dollars. Graduate
nursing scholarships may not exceed four thousand dollars annually.

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12VAC5-507-60. How to apply.

Applications and Guidelines are available from the Dean/Director of your school or from the Financial Aid Office.

If a student is pursuing a graduate degree not available in Virginia, applications may be obtained directly from the Center for Primary Care and Rural Health, State Health Department, 1500 East Main Street, Suite 227, Richmond, VA 23219.

12VAC5-507-70. Deadline dates.

Applications will not be accepted in the Center for Primary Care and Rural Health more than two months in advance of June 30.

APPLICATIONS AND/OR TRANSCRIPTS RECEIVED AFTER 5:00 PM ON THE ABOVE DATES WILL NOT BE CONSIDERED FOR SCHOLARSHIP AWARDS.

FLOW CHART OF RESPONSIBILITIES

D - Dean or Director

FAO - Financial Aid Officer

S-R - Student-Recipient

<u>RESPONSIBILITY</u>	<u>D</u>	<u>FAO</u>	<u>S-R</u>
<u>Distribute applications & Guidelines to those students who otherwise could not provide sufficient funds for themselves while in school.</u>	<u>X</u>	<u>X</u>	

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<p><u>Maintain supply of current scholarship applications and guidelines. Notify the Center for Primary Care and Rural Health when applications are needed.</u></p>	<p><u>X</u></p>		
<p><u>Make certain all parts of the application are completed, including the Financial Aid Officer/Authorized Person and Dean/Director signatures.</u></p>			<p><u>X</u></p>
<p><u>Be certain that a current transcript of grades (high school, or college if now attending)is sent to the Center for Primary Care and Rural Health when applying for a scholarship (original and repeat requests) before deadline dates.</u></p>			<p><u>X</u></p>
<p><u>Review entire Section entitled Financial Data of application. Review whatever school records are accessible to determine the individual applicant's assets and expenditures.</u></p>		<p><u>X</u></p>	
<p><u>Recommend amount of scholarship to be awarded. Should there be a conflict between the student's request and the Financial Aid Officer's/Authorized</u></p>		<p><u>X</u></p>	

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<p><u>Person's opinion of the amount that is needed, an explanation should be included.</u></p>			
<p><u>Review the completed application form before affixing the signature thereby indicating:</u></p> <p><u>A. The applicant has properly completed the application form.</u></p> <p><u>B. The Financial Aid Officer has verified proof of need.</u></p> <p><u>C. The applicant's entrance and graduation dates are correct.</u></p> <p><u>D. The school of nursing is recommending the applicant for a scholarship based upon potential nursing ability.</u></p>	<p><u>X</u></p>		
<p><u>Furnish whatever pertinent data that would be helpful to the scholarship committee when making the awards.</u></p>	<p><u>X</u></p>	<p><u>X</u></p>	<p><u>X</u></p>
<p><u>Forward the completed and signed application to the Center for Primary Care and Rural Health before deadline dates.</u></p>			<p><u>X</u></p>

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<u>Submit a transcript of grades to the Center for Primary Care and Rural Health at the end of each grading period during scholarship year.</u>			<u>X</u>
<u>Notify the Office of Center for Primary Care and Rural Health when student-recipient fails, transfers or withdraws from the school.</u>	<u>X</u>		<u>X</u>
<u>Notify the Center for Primary Care and Rural Health when student-recipient graduation date is changed.</u>	<u>X</u>		<u>X</u>
<u>Notify the Center for Primary Care and Rural Health when there is a change in recipient's name and/or address.</u>			<u>X</u>
<u>Upon graduation, notify the Center for Primary Care and Rural Health of plans for employment and beginning date of employment in a long-term-care facility.</u>			<u>X</u>
<u>Submit verification of employment in a long-term-care facility to Center for Primary Care and Rural Health at least every 6 months until work obligation</u>			<u>X</u>

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<u>is fulfilled.</u>			
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Article 2.

Administration of the Nursing Loan Repayment Program.

12 VAC 5-507-80. Administration of the Nursing Loan Repayment Program.

The Commissioner, as executive officer of the Board of Health, shall administer this program. Any requests for variance from these regulations shall be considered on an individual basis by the Board in regular session or by the Commissioner.

12 VAC 5-507-90. Eligible applicants.

Eligible applicants for the Nursing Loan Repayment Program must:

- A. Be a citizens of the Virginia;
- B. Be a registered nurse, licensed practical nurse, or certified nurse aide who has completed training.
- C. Have a valid unrestricted Virginia license to practice nursing or be certified as a nurse aide, a copy of which shall be furnished to the Nursing Loan Repayment Program;
- D. Have submitted a completed application to participate in the Nursing Loan Repayment Program; and

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- E. Have signed and submitted, a written contract agreeing to repay educational loans and to serve in a long-term-care facility for the applicable period of obligated service in the Commonwealth.

12 VAC 5-507-100. Application requirement and restrictions.

The applicant must submit a completed application for loan repayment on a form provided by the Nursing Loan Repayment Program between the dates of January 1 and May 1 of the year in which the applicant intends to initiate practice in the Commonwealth. The applicant must agree to serve a minimum of one year for a loan amount up to \$12,000 to a maximum of four years for a loan amount up to \$48,000.

12 VAC 5-507-110. Selection criteria.

Applicants shall be competitively reviewed and selected for participation in the Nursing Loan Repayment Program based upon the following criteria:

- A. Commitment to serve in a long-term-care facility. The individual's stated commitment to serve in any long-term-care facility in the Commonwealth.
- B. Virginia residents/graduates. Preferential consideration will be given to individuals who are or have been Virginia residents, graduates of Virginia nursing schools (verification will be obtained by the Nursing Loan Repayment Program).

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- C. Availability for service. Individuals who are immediately eligible and available for service in a long-term-care facility will be given higher consideration.
- D. Length of proposed commitment. Preferential consideration will be given to individuals who commit to longer periods of service in a long-term-care facility.
- E. Selection for participation. All of an individual's professional qualifications and competency to practice will be considered, including but not limited to certification in a specialty, professional achievements, and other indicators of competency received from supervisors, program directors, etc.
- F. No other obligations. Individuals shall have no other obligation for health professional service to the federal government or state government, unless such obligation will be completely satisfied prior to the beginning of service under the Nursing Loan Repayment Program.

12 VAC 5-507-120. Loan repayment amount.

The amount that the State agrees to repay will depend upon availability of funds and the applicant's indebtedness, but no amount will exceed the total indebtedness. The Nursing Loan Repayment Program expects one year of service in a long-term-care facility in the Commonwealth for up to \$12,000 in loans paid by this program.

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12 VAC 5-507-130. Loans qualifying for repayment.

Based on the availability of funds, the loan repayment program will pay for the cost of education necessary to obtain a nursing degree. The program will pay toward the outstanding principal, interest, and related expense of federal, state, or local government loans (not to include repayment of the Mary Marshall Nursing Scholarship Program or the Nursing Scholarship Program with a Commitment to Serve in a Long-Term-Care Facility) and commercial loans obtained by the participant for:

- A. School tuition and required fees incurred by the participant;
- B. Other reasonable educational expenses, including fees, books and laboratory expenses; and
- C. Reasonable living expenses as determined by the Commissioner or his designee.

12 VAC 5-507-140. Repayment restrictions.

The following financial debts or service obligations are not qualified for repayment by the loan repayment program:

- A. Public Health Service Nursing Shortage Area Scholarship,
- B. Public Health and National Health Service Corps Scholarship Training Program,
- C. Indian Health Service Scholarship Program,
- D. Armed Forces Health Professions Scholarship Programs, and

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- E. National Health Service Corps Scholarship Program financial damages or loans obtained to repay such damages;
- F. Indian Health Corps Scholarship or loan obtained to repay such damages;
- G. Financial damages or loans obtained to repay damages incurred as a result of breach of contract with any other federal, state, local agency or commercial institution;
- H. Loans for which documentation verifying the educational use of the loans is not available or is not sufficient;
- I. Loans, or part of loans, obtained for educational or personal expenses during the participant's education, which exceed the "reasonable" level, as determined by the school's standard budget in the year the loan was made;
- J. Loans that have been repaid in full; and loans that incur their own obligation for service which has not yet been performed;
- K. Loans from friends and relatives; and
- L. The Mary Marshall Nursing Scholarship Program.
- M. The Nursing Scholarship Program with a Commitment to Service in a Long-Term-Care Facility.

The Commissioner or his designee will be the final authority in determining qualifying educational loans.

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12 VAC 5-507-150. Release of information.

Applicants shall agree to execute a release to allow the Board access to loan records, credit information, and information from lenders necessary to verify eligibility and to determine loan repayments. To facilitate the process, applicants should submit pay-off statements from each lending institution.

Participants who have consolidated qualifying loans with other loans may be asked to submit other documentation, such as copies of original loan applications, to verify the portion of the loan that qualifies for repayment.

The applicant is required to submit all requested loan documentation prior to approval by the Commonwealth.

12 VAC 5-507-160. Effective date for start of service.

Applicants become participants in the loan repayment program only when the applicant and the Commissioner or his designee have signed the loan repayment program contract. The effective start date of the obligated service under contract is the date of employment in a long-term-care facility or the date of the Commissioner's signature, which ever is later.

If the contracted participant fails to begin or complete the period of professional practice in a long-term-care facility to which he has agreed, the participant will be subject to the financial damages specified in the contract.

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12 VAC 5-507-170. Repayment policy.

It will be the responsibility of the participant to negotiate with each lending institution for the terms of the educational loan repayments. Each lending institution must certify that the participant's debt is a valid educational loan prior to payment by the loan repayment program. Any penalties associated with early repayment shall be the responsibility of the participant.

12 VAC 5-507-180. Disbursement procedure.

In an effort to assist loan repayment participants in reducing their educational debt with as little interest expense as is possible, the Nursing Loan Repayment Program will disburse the funds in a lump sum payment. A participant will be paid one lump sum payment up to \$12,000 for a one year commitment within forty-five days of execution of the contract. If a participant wishes to commit to another year of service, he will be required to sign another contract. He will be paid a lump sum payment up to \$12,000 for another year commitment, depending on availability of funds. Payment will be made approximately forty-five days after the beginning of the subsequent year. The maximum number of years a participant can commit to is four years.

12 VAC 5-507-190. Compensation during service.

Each participant is responsible for negotiating his own compensation package directly with the site where he will provide nursing services in a long-term-care facility.

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12 VAC 5-507-200. Tax implications.

Loan repayments are income, and therefore, are taxable by the United States Internal Revenue Service. It will be the responsibility of each participant to report the loan repayment award when preparing his tax return. Program participants should seek the advice of a qualified tax advisor regarding this matter.

The Board will provide a form 1099 to applicants awarded loan repayment.

12 VAC 5-507-210. Monitoring during service.

Monitoring of the service by participants shall be conducted on an on-going basis by Department staff. Service verification forms will be submitted by the participant to the Department semi-annually (every six months), countersigned by a representative of the service site, e.g. the Medical Director, Human Resource Coordinator, Chief Executive Officer, etc., certifying continuous full-time service by participants.

The participant is required to maintain practice records in a manner that will allow the Department to readily determine if the individual has complied with or is complying with the terms and conditions of the participation agreement

12 VAC 5-507-220. Terms of service.

The following are the terms of service for the loan repayment program:

- A. The participant shall contract to provide one year of service with a maximum of up to four years in whole year increments. Additional service beyond the one year

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commitment is dependent upon the availability of state funds for the Nursing Loan Repayment Program. An existing contract may be renewed for one year at a time up to a maximum of four years, as funds become available;

- B. The participant shall begin service within three months from entering into the contract;
- C. The participant shall provide full time service of at least 40 hours per week for 45 weeks per year, to allow for continuing education, holidays, and vacation. The minimum 40-hour week must not be performed in less than four days per week, with no more than 12 hours of work performed in any 24 hour period. Time spent in an "on-call" status will not count toward the 40 hour week. Any exceptions to the "on-call" provisions of this policy must be approved in advance by the Commissioner prior to acceptance in the Loan Repayment Program.
- D. No period of advanced training may count toward satisfying a period of obligated service under this loan repayment program;

Article 3.

Contract

12 VAC 5-507-230. Loan repayment contract.

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Prior to the becoming a participant in the Nursing Loan Repayment Program, the applicant shall enter into a contract with the Commissioner agreeing to the terms and conditions upon which the loan repayment is granted. The contract shall:

- A. Include the terms and conditions to carry out the purposes and intent of this program;
- B. Provide that the participant will be required to provide nursing services in a long-term-care facility in the Commonwealth for a minimum period of one year. A four year commitment is required in order to be eligible for the maximum amount of loan repayment, depending upon availability of funds. All loan repayment program participation will be contingent upon continuous, full-time work in the nursing profession in a long-term-care facility in the Commonwealth;
- C. Provide for repayment of all amounts paid, plus interest, and penalties, less any service time, based on a schedule that is agreed to by the recipient and approved by the Commissioner, if the recipient is found to be in breach of the contract;
- D. Be signed by the applicant;
- E. Be signed by the Commissioner or his designee; and
- F. Be signed by the Assistant Attorney General.

12 VAC 5-507-240. Breach of contract.

The following may constitute breach of contract:

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- A. Participant's to begin or complete his term of obligated service in a long-term-care facility under the terms and conditions of the Nursing Loan Repayment contract, regardless of the length of the agreed period of obligated service;
- B. Participant's falsification or misrepresentation of information or misrepresentation of information on the Program application or verification forms or other required document;
- C. Participant's employment being terminated for good cause, as determined by the employer and confirmed by the Department. If employment is terminated for reasons beyond the participant's control (e.g. closure of site), the participant must transfer to another long-term-care facility site in the Commonwealth within six months of termination. Failure of participant to transfer to another site shall be deemed to be a breach of the contract; and
- D. Participant's failure to provide all reasonable, usual and customary full-time health care service in a long-term-care facility for at least forty-five (45) weeks per year.

12 VAC 5-507-250. Collection procedure.

If any person who has received funds and has been declared in breach of contract under this Loan Repayment Program at anytime becomes an employee of the Commonwealth or any of its agencies, he shall be deemed to have agreed, as a

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condition of employment, to voluntary or involuntary withholding his wages to repay the default damages.

Failure of a participant to make any repayment of the loan repayment amount and penalty when it is due shall be cause for the Commissioner to refer the debt to one or all of the following: collection agency, Debt Set-Off Program through the Department of Taxation, the Office of the Attorney General, and to the appropriate credit reporting agencies for collection. The recipient shall be responsible for any costs of collection as may be provided in Virginia law.

12 VAC 5-507-260. Waiver and suspension or both.

Participants have the obligation to complete full-time continuous service for the period of their entire commitment. Under unusual circumstances (e.g. illness), a participant may request that the Commissioner agree to a postponement of the service obligation. This postponement, if granted, will not relieve the participant of the responsibility to complete the remaining portion of the obligation. Such postponement will not be permitted as a matter of course, but may be allowed in the most compelling cases.

Waiver of the default provisions may be considered if the participant suffers from a physical or mental disability which occurs after the participant's commitment and results in the total and permanent inability of the participant to perform the obligated service (as

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determined by the Commissioner), or if the participant dies during the period of obligated service.

12 VAC 5-507-270. Cash Reimbursement and Penalty.

Regardless of the length of the agreed period of obligated service, participants who serve less than the one-year minimum are liable to pay monetary damages to the Commonwealth as stated in the contract. The default penalty will require the participant to repay twice the total amount of the award received. So, that way if a recipient owes \$12,000, he would have to repay at total of \$24,000.

Article 4.

RECORDS AND REPORTING

12 VAC 5-507-280. Reporting Requirements.

Reporting requirements of the loan repayment participant are as follows:

- A. Each participant shall at any time provide information as required by the Commissioner to verify compliance with the practice requirements of the Nursing Loan Repayment Program, e.g. verification of employment in a long-term-care facility.
- B. Each participant shall promptly notify the Commissioner, in writing, within 30 days before any of the following events occur:
 1. Participant changes name;

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2. Participant changes address;
3. Participant changes practice site;
4. Participant no longer intends to fulfill service obligation as a nurse in the Commonwealth; or
5. Participant ceases to practice as a registered nurse, licensed practical nurse, or certified nurse aide.

12 VAC 5-507-290. Compliance with the Administrative Process Act.

Chapter 1.4:1 (Section 9-6. 14:1 et seq.) of Title 9 of the Code of Virginia (the Administrative Process Act) governs the promulgation and administration of this chapter and applies to any appeal of a case decision made pursuant to or based upon this chapter.

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CHAPTER 510

GUIDELINES FOR GENERAL ASSEMBLY NURSING SCHOLARSHIPS AND LOAN
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12 VAC 5-510-10. Legislative authority and general information.

12 VAC 5-510-10.1 Definitions

12 VAC 5-510-20. Eligibility for scholarships.

12 VAC 5-510-30. Conditions of scholarships.

12 VAC 5-510-40. Number of applications per student.

12 VAC 5-510-50. Amounts of scholarships.

12 VAC 5-510-60. How to apply.

12 VAC 5-510-70. Deadline dates.

12 VAC 5-510-80. Administration of the Nursing Loan Repayment Program.

12 VAC 5-510-90. Eligible applicants.

12 VAC 5-510-100. Application requirement and restrictions.

12 VAC 5-510-110. Selection criteria.

12 VAC 5-510-120. Loan repayment amount.

12 VAC 5-510-130. Loans qualifying for repayment.

12 VAC 5-510-140. Repayment restrictions.

12 VAC 5-510-150. Release of information.

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12 VAC 5-510-160. Effective date for start of service.

12 VAC 5-510-170. Repayment policy.

12 VAC 5-510-180. Disbursement procedure.

12 VAC 5-510-190. Compensation during service.

12 VAC 5-510-200. Tax implications.

12 VAC 5-510-210. Monitoring during service.

12 VAC 5-510-220. Terms of service.

12 VAC 5-510-230. Loan repayment contract.

12 VAC 5-510-240. Breach of contract.

12 VAC 5-510-250. Collection procedure.

12 VAC 5-510-260. Waiver and suspension or both.

12 VAC 5-510-270. Cash Reimbursement and Penalty.

12 VAC 5-510-280. Reporting Requirements.

12 VAC 5-510-290. Compliance with the Administrative Process Act.

This chapter has been prepared to familiarize scholarship and Loan Repayment applicants, Deans/Directors of nursing programs, and Financial Aid Officers with the General Assembly Nursing Scholarship and Loan Repayment Program. The legislative authority for the scholarships in addition to the actual steps involved in the application process are reviewed.

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~~Do not hesitate to contact the Office of Public Health Nursing, Virginia State Health Department, 1500 East Main Street, Suite 227, Richmond, VA 23219, with any questions relating to the scholarship program. The phone number at the Bureau office is (804) 371-4090.~~

ALL SCHOLARSHIPS ARE AWARDED WITHOUT REGARD TO RACE, COLOR, RELIGION, SEX OR NATIONAL ORIGIN.

12VAC5-510-10. Legislative authority and general information.

§§32.1-122.6:01, 54.1-3011.1, and 54.1-3011.2 of the Code of Virginia grants authority to the Board of Health to award certain scholarships and loan repayment funds.

Titles 23-35.9 - 23.35.13 of the Code of Virginia authorize annual nursing scholarships and Loan Repayment for students enrolled in undergraduate and graduate nursing programs. Undergraduate nursing programs are defined as those leading to an associate degree, diploma, or baccalaureate degree in nursing. Graduate nursing programs are those offering masters and doctoral degrees.

Under the law, all scholarship awards are made by an Advisory Committee appointed by the State Board of Health. The Advisory Committee consists of eight members: four deans or directors of schools of nursing, two former scholarship recipients, and two members with experience in the administration of student financial aid programs.

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Committee appointments are for two-year terms and members may not serve for more than two successive terms.

The ~~Office of Public Health Nursing~~ Center for Primary Care and Rural Health of the State Health Department serves as the staff element to the Advisory Committee and plays no role in the determination of scholarship recipients.

The basis for determining scholarship recipients is established by the Advisory Committee with due regard given to scholastic attainment, financial need, character, and adaptability to the nursing profession.

After scholarships are awarded, depending upon availability of funds, nursing educational loans will be repaid for those registered nurses, licensed practical nurses, and certified nurse assistants applying and meeting eligibility criteria as set forth in these regulations. Educational loans will be paid on a first come, first basis, providing applicants have provided all necessary information, as set forth in these regulations. These regulations set forth the criteria for eligibility for the Nursing Loan Repayment Program for registered nurses, licensed practical nurses, or certified nurse assistants; the general terms and conditions applicable to the obligation of each loan repayment recipient to practice in the Commonwealth; and penalties for a recipient's failure to fulfill the practice requirements of the Nursing Loan Repayment Program.

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§32.1-122.6:1 of the Code of Virginia requires the Board of Health to promulgate regulations for the implementation of the Virginia Medical Loan Repayment Program.

12 VAC 5-508-10.1 Definitions.

The following words and terms, when used in this chapter, shall have the following meaning unless the context clearly indicates otherwise:

"Board" or "Board of Health" means the State Board of Health.

"Certified Nurses Aide or CNA" means individuals that have completed a nurse aide education program that is approved by the Board of Nursing, successfully passed the competency evaluation, and have made application and been given certification by the Board of Nursing in the Commonwealth of Virginia.

Commercial loans" means loans made by banks, credit unions, savings and loan associations, insurance companies, schools, and either financial or credit institutions which are subject to examination and supervision in their capacity as lenders by an agency of the United States or of the State in which the lender has its principal place of business.

"Commissioner" means the State Health Commissioner.

"Department" means Virginia Department of Health.

"Full-time" means at least forty (40) hours per week for forty-five (45) weeks per year.

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“Licensed Practical Nurse or LPN” means a nurse who has completed a practical nurse program and is licensed by the Commonwealth of Virginia to provide routine care under the supervision of a licensed medical practitioner, a professional nurse, registered nurse or registered professional nurse or other licensed health professional authorized by regulations of the Board of Nursing.

“Participant” or “loan repayment participant” means an eligible registered nurse, licensed practical nurse, or certified nurse aide who enters into a contract with the Commissioner and participates in the scholarship or loan repayment program.

“Penalty” means the amount of money equal to twice the amount of all monetary loan repayment paid to the scholarship or loan repayment participant, less any service obligation completed.

“Reasonable educational expenses” means the costs of education, exclusive of tuition, which are considered to be required by the school’s degree program or an eligible program of study, such as fees for room, board, transportation and commuting costs, books, supplies, educational equipment and materials, and travel, which was a part of the estimated student budget of the school in which the participant was enrolled.

“Registered Nurse or RN” means a nurse who has passed a state registration examination and has been licensed to practice nursing by the Board of Nursing in the Commonwealth of Virginia.

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Article 1.

Administration of Nursing Scholarship Program

12VAC5-510-20. Eligibility for scholarship.

In order to be considered for a General Assembly Nursing Scholarship, applicants must meet the following criteria:

1. Be a resident of the State of Virginia for at least one year.
2. Be accepted or enrolled in a school of nursing in the State of Virginia which is approved by the State Board of Nursing. The only exception is for students pursuing graduate degrees not offered in the Commonwealth.
3. If already enrolled in a nursing program, the applicant must demonstrate a cumulative grade point average of at least 2.5.
4. Submit a completed application form and appropriate grade transcript to the ~~Office of Public Health Nursing~~ Center for Primary Care and Rural Health prior to the established deadline dates.
5. Demonstrate financial need which is verified by the Financial Aid Officer/authorized person.

FAILURE TO COMPLY WITH ALL OF THESE CRITERIA WILL CAUSE THE APPLICANT TO BE INELIGIBLE FOR A SCHOLARSHIP.

12VAC5-510-30. Conditions of scholarships.

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It is important that all applicants fully understand the conditions of acceptance of a General Assembly Nursing Scholarship. These awards are not outright gifts. For each \$100 of scholarship money received, the recipient agrees to engage in full-time (40 hours per week) nursing practice in the Commonwealth for one month. Therefore, if a student receives \$500 in scholarship awards, they must repay that amount by working continuously for 5 months. Full-time employment must begin within 60 days of the recipient's graduation date. Voluntary military service, even if stationed in Virginia, cannot be used to repay the service obligation required when a scholarship is awarded awards.

If a scholarship recipient fails to complete their studies, or engage in full-time nursing practice in Virginia, the full amount of money represented in the scholarship(s) received, plus an annual interest charge, must be refunded.

If a recipient leaves the State, or ceases to engage in full-time nursing practice before all employment conditions of the scholarship award are fulfilled, the recipient must repay the balance on his/her account plus an annual interest charge.

All refund checks should be made payable to the Commonwealth of Virginia and mailed to:

~~Office of Public Health Nursing~~ Center for Primary Care and Rural Health

State Health Department

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1500 East Main Street

Suite 227

Richmond, Virginia 23219

Before any scholarship is awarded, the applicant must sign a written contract agreeing to the terms established by law and the Advisory Committee.

12VAC5-510-40. Number of applications per student.

Scholarships are awarded for single academic years. However, the same student may, after demonstrating satisfactory progress in his/her studies, apply for and receive scholarship awards for any succeeding academic year or years. No student may receive scholarships for more than a total of five years.

12VAC5-510-50. Amounts of scholarships.

The amount of each scholarship award is dependent upon the amount of money appropriated by the General Assembly and the number of qualified applicants. No recipient will receive an award for less than one hundred and fifty dollars. Graduate nursing scholarships may not exceed four thousand dollars annually.

12VAC5-510-60. How to apply.

Applications and Guidelines are available from the Dean/Director of your school or from the Financial Aid Office.

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If a student is pursuing a graduate degree not available in Virginia, applications may be obtained directly from the ~~Office of Public Health Nursing~~ Center for Primary Care and Rural Health, State Health Department, 1500 East Main Street, Suite 227, Richmond, VA 23219.

12VAC5-510-70. Deadline dates.

Applications will not be accepted in the ~~Office of Public Health Nursing~~ Center for Primary Care and Rural Health more than 6 2 months in advance of ~~the following~~ ~~deadline dates:~~

~~March 15 -- for students already enrolled in schools of nursing.~~

~~June 15 30 -- for new students entering nursing programs.~~

APPLICATIONS AND/OR TRANSCRIPTS RECEIVED AFTER 5:00 PM ON THE ABOVE DATES WILL NOT BE CONSIDERED FOR SCHOLARSHIP AWARDS.

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FLOW CHART OF RESPONSIBILITIES

D - Dean or Director

FAO - Financial Aid Officer

S-R - Student-Recipient

RESPONSIBILITY	D	FAO	S-R
Distribute applications & Guidelines to those students who otherwise could not provide sufficient funds for themselves while in school.	X	X	
Maintain supply of current scholarship applications and guidelines. Notify the Office of Public Health Nursing Center for Primary Care and Rural Health when applications are needed.	X		
Make certain all parts of the application are completed, including the Financial Aid Officer/Authorized Person and Dean/Director signatures.			X
Be certain that a current transcript of grades (high school, or college if now attending) is sent to the Office of Public Health Nursing Center for Primary			X

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<p><u>Care and Rural Health</u> when applying for a scholarship (original and repeat requests) before deadline dates.</p>			
<p>Review entire Section V Financial Data of application. Review whatever school records are accessible to determine the individual applicant's assets and expenditures.</p>		X	
<p>Recommend amount of scholarship to be awarded. Should there be a conflict between the student's request and the Financial Aid Officer's/Authorized Person's opinion of the amount that is needed, an explanation should be included.</p>		X	
<p>Review the completed application form before affixing the signature thereby indicating: A. The applicant has properly completed the application form. B. The Financial Aid Officer has verified proof of need. C. The applicant's entrance and graduation dates</p>	X		

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are correct.			
D. The school of nursing is recommending the applicant for a scholarship based upon potential nursing ability.			
Furnish whatever pertinent data that would be helpful to the scholarship committee when making the awards.	X	X	X
Forward the completed and signed application to the Office of Public Health Nursing <u>Center for Primary Care and Rural Health</u> before deadline dates.			X
Submit a transcript of grades to the Office of Public Health Nursing <u>Center for Primary Care and Rural Health</u> at the end of each grading period during scholarship year.			X
Notify the Office of Office of Public Health Nursing <u>Center for Primary Care and Rural Health</u> when student-recipient fails, transfers or withdraws from the school.	X		X

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Notify the Office of Public Health Nursing Center <u>for Primary Care and Rural Health</u> when student-recipient graduation date is changed.	X		X
Notify the Office of Public Health Nursing Center <u>for Primary Care and Rural Health</u> when there is a change in recipient's name and/or address.			X
Upon graduation, notify the Office of Public Health Nursing Center <u>for Primary Care and Rural Health</u> of plans for employment and beginning date of employment.			X
Submit verification of employment to Office of Public Health Nursing Center <u>for Primary Care and Rural Health</u> at least every 6 months until work obligation is fulfilled.			X

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Article 2.

Administration of the Nursing Loan Repayment Program.

12 VAC 5-510-80. Administration of the Nursing Loan Repayment Program.

The Commissioner, as executive officer of the Board of Health, shall administer this program. Any requests for variance from these regulations shall be considered on an individual basis by the Board in regular session or by the Commissioner.

12 VAC 5-510-90. Eligible applicants.

Eligible applicants for the Nursing Loan Repayment Program must:

- F. Be a citizens of the Virginia;
- G. Be a registered nurse, licensed practical nurse, or certified nurse aide who has completed training.
- H. Have a valid unrestricted Virginia license to practice nursing or be certified as a nurse aide, a copy of which shall be furnished to the Nursing Loan Repayment Program;
- I. Have submitted a completed application to participate in the Nursing Loan Repayment Program; and
- J. Have signed and submitted, a written contract agreeing to repay educational loans and to serve for the applicable period of obligated service in the Commonwealth.

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12 VAC 5-510-100. Application requirement and restrictions.

The applicant must submit a completed application for loan repayment on a form provided by the Nursing Loan Repayment Program between the dates of January 1 and May 1 of the year in which the applicant intends to initiate practice in the Commonwealth. The applicant must agree to serve a minimum of one year for a loan amount up to \$12,000 to a maximum of four years for a loan amount up to \$48,000.

12 VAC 5-510-110. Selection criteria.

Applicants shall be competitively reviewed and selected for participation in the Nursing Loan Repayment Program based upon the following criteria:

- G. Commitment to serve. The individual's stated commitment to serve in any area of the Commonwealth.
- H. Virginia residents/graduates. Preferential consideration will be given to individuals who are or have been Virginia residents, graduates of Virginia nursing schools (verification will be obtained by the Nursing Loan Repayment Program).
- I. Availability for service. Individuals who are immediately eligible and available for service will be given higher consideration.
- J. Length of proposed commitment. Preferential consideration will be given to individuals who commit to longer periods of service.

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K. Selection for participation. All of an individual's professional qualifications

and competency to practice will be considered, including but not limited to

certification in a specialty, professional achievements, and other indicators

of competency received from supervisors, program directors, etc.

L. No other obligations. Individuals shall have no other obligation for health

professional service to the federal government or state government, unless

such obligation will be completely satisfied prior to the beginning of service

under the Nursing Loan Repayment Program.

12 VAC 5-510-120. Loan repayment amount.

The amount that the State agrees to repay will depend upon availability of funds and the

applicant's indebtedness, but no amount will exceed the total indebtedness. The

Nursing Loan Repayment Program expects one year of service anywhere in the

Commonwealth for up to \$12,000 in loans paid by this program.

12 VAC 5-510-130. Loans qualifying for repayment.

Based on the availability of funds, the loan repayment program will pay for the cost of

education necessary to obtain a nursing degree. The program will pay toward the

outstanding principal, interest, and related expense of federal, state, or local

government loans (not to include repayment of the Mary Marshall Nursing Scholarship

Program) and commercial loans obtained by the participant for:

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- D. School tuition and required fees incurred by the participant;
- E. Other reasonable educational expenses, including fees, books and laboratory expenses; and
- F. Reasonable living expenses as determined by the Commissioner or his designee.

12 VAC 5-510-140. Repayment restrictions.

The following financial debts or service obligations are not qualified for repayment by the loan repayment program:

- N. Public Health Service Nursing Shortage Area Scholarship,
- O. Public Health and National Health Service Corps Scholarship Training Program,
- P. Indian Health Service Scholarship Program,
- Q. Armed Forces Health Professions Scholarship Programs, and
- R. National Health Service Corps Scholarship Program financial damages or loans obtained to repay such damages;
- S. Indian Health Corps Scholarship or loan obtained to repay such damages;
- T. Financial damages or loans obtained to repay damages incurred as a result of breach of contract with any other federal, state, local agency or commercial institution;

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- U. Loans for which documentation verifying the educational use of the loans is not available or is not sufficient;
- V. Loans, or part of loans, obtained for educational or personal expenses during the participant's education, which exceed the "reasonable" level, as determined by the school's standard budget in the year the loan was made;
- W. Loans that have been repaid in full; and loans that incur their own obligation for service which has not yet been performed;
- X. Loans from friends and relatives; and
- Y. The Mary Marshall Nursing Scholarship Program.

The Commissioner or his designee will be the final authority in determining qualifying educational loans.

12 VAC 5-510-150. Release of information.

Applicants shall agree to execute a release to allow the Board access to loan records, credit information, and information from lenders necessary to verify eligibility and to determine loan repayments. To facilitate the process, applicants should submit pay-off statements from each lending institution.

Participants who have consolidated qualifying loans with other loans may be asked to submit other documentation, such as copies of original loan applications, to verify the portion of the loan that qualifies for repayment.

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The applicant is required to submit all requested loan documentation prior to approval by the Commonwealth.

12 VAC 5-510-160. Effective date for start of service.

Applicants become participants in the loan repayment program only when the applicant and the Commissioner or his designee have signed the loan repayment program contract. The effective start date of the obligated service under contract is the date of employment or the date of the Commissioner's signature, which ever is later.

If the contracted participant fails to begin or complete the period of professional practice to which he has agreed, the participant will be subject to the financial damages specified in the contract.

12 VAC 5-510-170. Repayment policy.

It will be the responsibility of the participant to negotiate with each lending institution for the terms of the educational loan repayments. Each lending institution must certify that the participant's debt is a valid educational loan prior to payment by the loan repayment program. Any penalties associated with early repayment shall be the responsibility of the participant.

12 VAC 5-510-180. Disbursement procedure.

In an effort to assist loan repayment participants in reducing their educational debt with as little interest expense as is possible, the Nursing Loan Repayment Program will

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disburse the funds in a lump sum payment. A participant will be paid one lump sum payment up to \$12,000 for a one year commitment within forty-five days of execution of the contract. If a participant wishes to commit to another year of service, he will be required to sign another contract. He will be paid a lump sum payment up to \$12,000 for another year commitment, depending on availability of funds. Payment will be made approximately forty-five days after the beginning of the subsequent year. The maximum number of years a participant can commit to is four years.

12 VAC 5-510-190. Compensation during service.

Each participant is responsible for negotiating his own compensation package directly with the site where he will provide nursing services.

12 VAC 5-510-200. Tax implications.

Loan repayments are income, and therefore, are taxable by the United States Internal Revenue Service. It will be the responsibility of each participant to report the loan repayment award when preparing his tax return. Program participants should seek the advice of a qualified tax advisor regarding this matter.

The Board will provide a form 1099 to applicants awarded loan repayment.

12 VAC 5-510-210. Monitoring during service.

Monitoring of the service by participants shall be conducted on an on-going basis by Department staff. Service verification forms will be submitted by the participant to the

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Department semi-annually (every six months), countersigned by a representative of the service site, e.g. the Medical Director, Human Resource Coordinator, Chief Executive Officer, etc., certifying continuous full-time service by participants.

The participant is required to maintain practice records in a manner that will allow the Department to readily determine if the individual has complied with or is complying with the terms and conditions of the participation agreement

12 VAC 5-510-220. Terms of service.

The following are the terms of service for the loan repayment program:

- E. The participant shall contract to provide one year of service with a maximum of up to four years in whole year increments. Additional service beyond the one year commitment is dependent upon the availability of state funds for the Nursing Loan Repayment Program. An existing contract may be renewed for one year at a time up to a maximum of four years, as funds become available;
- F. The participant shall begin service within three months from entering into the contract;
- G. The participant shall provide full time service of at least 40 hours per week for 45 weeks per year, to allow for continuing education, holidays, and vacation. The minimum 40-hour week must not be performed in less than four days per week, with no more than 12 hours of work performed in any 24 hour period. Time spent in an

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“on-call” status will not count toward the 40 hour week. Any exceptions to the "on-call" provisions of this policy must be approved in advance by the Commissioner prior to acceptance in the Loan Repayment Program.

- H. No period of advanced training may count toward satisfying a period of obligated service under this loan repayment program;

Article 3.

Contract

12 VAC 5-510-230. Loan repayment contract.

Prior to the becoming a participant in the Nursing Loan Repayment Program, the applicant shall enter into a contract with the Commissioner agreeing to the terms and conditions upon which the loan repayment is granted. The contract shall:

- G. Include the terms and conditions to carry out the purposes and intent of this program;
- H. Provide that the participant will be required to provide nursing services in the Commonwealth for a minimum period of one year. A four year commitment is required in order to be eligible for the maximum amount of loan repayment, depending upon availability of funds. All loan repayment program participation will be contingent upon continuous, full-time work in the nursing professional in the Commonwealth;

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- I. Provide for repayment of all amounts paid, plus interest, and penalties, less any service time, based on a schedule that is agreed to by the recipient and approved by the Commissioner, if the recipient is found to be in breach of the contract;
- J. Be signed by the applicant;
- K. Be signed by the Commissioner or his designee; and
- L. Be signed by the Assistant Attorney General.

12 VAC 5-510-240. Breach of contract.

The following may constitute breach of contract:

- E. Participant's to begin or complete his term of obligated service under the terms and conditions of the Nursing Loan Repayment contract, regardless of the length of the agreed period of obligated service;
- F. Participant's falsification or misrepresentation of information or misrepresentation of information on the Program application or verification forms or other required document;
- G. Participant's employment being terminated for good cause, as determined by the employer and confirmed by the Department. If employment is terminated for reasons beyond the participant's control (e.g. closure of site), the participant must transfer to another site in the Commonwealth within six months of termination. Failure of

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participant to transfer to another site shall be deemed to be a breach of the contract;

and

H. Participant's failure to provide all reasonable, usual and customary full-time health care service for at least forty-five (45) weeks per year.

12 VAC 5-510-250. Collection procedure.

If any person who has received funds and has been declared in breach of contract under this Loan Repayment Program at anytime becomes an employee of the Commonwealth or any of its agencies, he shall be deemed to have agreed, as a condition of employment, to voluntary or involuntary withholding his wages to repay the default damages.

Failure of a participant to make any repayment of the loan repayment amount and penalty when it is due shall be cause for the Commissioner to refer the debt to one or all of the following: collection agency, Debt Set-Off Program through the Department of Taxation, the Office of the Attorney General, and to the appropriate credit reporting agencies for collection. The recipient shall be responsible for any costs of collection as may be provided in Virginia law.

12 VAC 5-510-260. Waiver and suspension or both.

Participants have the obligation to complete full-time continuous service for the period of their entire commitment. Under unusual circumstances (e.g. illness), a participant may

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request that the Commissioner agree to a postponement of the service obligation. This postponement, if granted, will not relieve the participant of the responsibility to complete the remaining portion of the obligation. Such postponement will not be permitted as a matter of course, but may be allowed in the most compelling cases.

Waiver of the default provisions may be considered if the participant suffers from a physical or mental disability which occurs after the participant's commitment and results in the total and permanent inability of the participant to perform the obligated service (as determined by the Commissioner), or if the participant dies during the period of obligated service.

12 VAC 5-510-270. Cash Reimbursement and Penalty.

Regardless of the length of the agreed period of obligated service, participants who serve less than the one-year minimum are liable to pay monetary damages to the Commonwealth as stated in the contract. The default penalty will require the participant to repay twice the total amount of the award received. So, that way if a recipient owes \$12,000, he would have to repay at total of \$24,000.

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RECORDS AND REPORTING

12 VAC 5-510-280. Reporting Requirements.

Reporting requirements of the loan repayment participant are as follows:

- C. Each participant shall at any time provide information as required by the
Commissioner to verify compliance with the practice requirements of the Nursing
Loan Repayment Program, e.g. verification of employment.
- D. Each participant shall promptly notify the Commissioner, in writing, within 30 days
before any of the following events occur:
 - 6. Participant changes name;
 - 7. Participant changes address;
 - 8. Participant changes practice site;
 - 9. Participant no longer intends to fulfill service obligation as a nurse in the
Commonwealth; or
 - 10. Participant ceases to practice as a registered nurse, licensed practical nurse, or
certified nurse aide.

12 VAC 5-510-290. Compliance with the Administrative Process Act.

Chapter 1.4:1 (Section 9-6. 14:1 et seq.) of Title 9 of the Code of Virginia (the
Administrative Process Act) governs the promulgation and administration of this chapter

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and applies to any appeal of a case decision made pursuant to or based upon this

chapter.