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SYNOPSIS:

Under existing law, the Board of Nursing is responsible for implementing the Alabama Loan-Repayment Program for Advanced Practice Nursing.

This bill would remove the cap on the amount of loan that may be awarded annually; would provide further for the definition of a critical need area; would remove certain penalties for defaulting, and would require the board to consult with the Alabama Commission on the Evaluation of Services.

A BILL  
TO BE ENTITLED  
AN ACT

Relating to the Board of Nursing; to amend Sections 34-21-96, 34-21-97, 34-21-98 and 34-21-99, Code of Alabama 1975, to remove the cap on the amount of loan awarded annually; to provide further for the definition of a critical need area; to remove certain penalties for defaulting, and to require the board to consult with the Alabama Commission on the Evaluation of Services.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. Sections 34-21-96, 34-21-97, 34-21-98, and



29 34-21-99 of the Code of Alabama 1975, are amended to read as  
30 follows:

31 "§34-21-96

32 (a) (1) The board shall establish and award, ~~according~~  
33 ~~to the judgment of the board,~~ loans to provide for the  
34 training of qualified applicants for admission to or students  
35 in accredited nursing education programs approved by the board  
36 who are pursuing, or have completed within the five years  
37 immediately preceding the current loan term, a graduate degree  
38 to become a certified registered nurse practitioner (CRNP), a  
39 certified nurse midwife (CNM), or a certified registered nurse  
40 anesthetist (CRNA), but only for ~~people~~ individuals who have  
41 signed contracts as provided in subsection (b). The board may  
42 permit eligible ~~people~~ individuals to apply for a loan under  
43 the Alabama Loan-Repayment Program for Advanced-Practice  
44 Nursing in any scholastic year and for any previously  
45 completed scholastic year.

46 (2) The board may award to an eligible ~~person~~  
47 individual, for as many as three years for ~~a person an~~  
48 individual pursuing or holding an eligible master's degree and  
49 as many as four years for ~~a person an individual~~ pursuing or  
50 holding an eligible doctorate degree, an annual loan. For the  
51 first year or operation of the program, the maximum annual  
52 loan limit shall not ~~to~~ exceed fifteen thousand dollars  
53 (\$15,000), ~~except that the board in each succeeding year may~~  
54 ~~raise the maximum amount allowed for an annual loan by the~~  
55 ~~average percentage increase for that year, compared to the~~  
56 ~~previous year, in in-state tuition for graduate programs in~~



57 ~~advanced-practice nursing charged by public colleges or~~  
58 ~~universities in Alabama.~~ For subsequent years, the board may  
59 increase the maximum annual loan amount by no more than five  
60 percent annually.

61 (3) The board shall make a careful and thorough  
62 investigation of the ability, character, and qualifications of  
63 each applicant for loans under the program, and shall ~~in its~~  
64 ~~judgment~~ award a loan or loans under the requirements of the  
65 program.

66 (4) ~~A person~~ An individual who has signed ~~such~~ a  
67 contract with the board may postpone choosing an area of  
68 critical need in which to work to a time set by the board.

69 (b) A loan or loans under this program may be awarded  
70 only to ~~people~~ individuals who have signed contracts with the  
71 board to repay amounts received under the program by working  
72 following graduation, or immediately in the case of a then  
73 currently approved CRNP, CNM, or CRNA, in full-time practice  
74 as a CRNA, CRNP, or CNM in an area of critical need for 18  
75 months for each year he or she received a loan under the  
76 program.

77 (c) A participant, subject to approval by the board,  
78 may change the area of critical need where he or she will work  
79 to repay loans under this program, but in no case shall the  
80 applicant work in full-time practice for less than three years  
81 in the new area of critical need."

82 "§34-21-97

83 (a) An area of critical need ~~shall be an area in~~  
84 ~~Alabama with a critical need~~, as determined by the board, ~~for~~



85 ~~advanced-practice nurses, and~~ shall be physically located  
86 within this state and shall satisfy one of the following:

87 (1) Be located within a primary care health  
88 professional shortage area (HPSA) for a geographic area,  
89 recognized by the Health Resources and Services  
90 Administration, or its successor organization, or by the  
91 Alabama Office of Primary Care and Rural Health, or its  
92 successor organization.

93 (2) Be a Federally Qualified Health Center or  
94 designated Indian Health Service, Tribal Health, and Urban  
95 Indian Health Organization located anywhere within the state,  
96 with a primary care HPSA score of 14 or more.

97 ~~(3) not be a part of, or within five miles of, an~~  
98 ~~urbanized area as defined most recently by the U.S. Census~~  
99 ~~Bureau~~ Be located within an eligible Alabama Rural Medical  
100 Service Awards rural community as defined most recently by the  
101 Alabama Office of Primary Care and Rural Health, or its  
102 successor organization.

103 (b) The board shall adopt rules under the  
104 Administrative Procedure Act to implement this section."

105 "§34-21-98

106 (a) In the event that the participant defaults on or  
107 otherwise fails to honor a loan-repayment contract with the  
108 board for any reason, the individual shall be liable for  
109 immediate repayment of the total principal loan amount plus  
110 interest at the rate of eight percent, or the prime lending  
111 rate, whichever is greater, accruing from the date of default  
112 or other failure to honor the contract. ~~In addition, the~~



113 ~~participant shall pay an additional penalty as specified:~~

114 ~~(1) For default or other failure to honor a contract~~  
115 ~~under which a year's worth of loans have been received, a~~  
116 ~~penalty equal to 20 percent of the total principal amount of~~  
117 ~~the loan.~~

118 ~~(2) For default or other failure to honor a contract~~  
119 ~~under which two years' worth of loans have been received, a~~  
120 ~~penalty equal to 30 percent of the total principal amount of~~  
121 ~~the loan.~~

122 ~~(3) For default or other failure to honor a contract~~  
123 ~~under which three or more years' worth of loans have been~~  
124 ~~received, a penalty equal to 40 percent of the total principal~~  
125 ~~amount of the loan.~~

126 ~~(4) If default or other failure to honor a contract~~  
127 ~~occurs after graduation with a graduate degree in~~  
128 ~~advanced-practice nursing but prior to completion of the~~  
129 ~~repayment obligation set forth in Section 34-21-96, a penalty~~  
130 ~~equal to 100 percent of the total principal amount of all~~  
131 ~~loans received by the participant from the program.~~

132 (b) If, for any reason, after graduation with a  
133 graduate degree to become a nurse educator and prior to  
134 completion of the repayment obligation set forth in Section  
135 34-21-97, a participant defaults on or otherwise fails to  
136 honor a loan repayment contract with the board, the  
137 participant shall pay an additional penalty equal to 20  
138 percent of the total principal amount of all loans received by  
139 the participant.

140 ~~(b)~~ (c) The failure of a participant to honor his or her



141 contract with the board or to pay the amount he or she is  
142 liable for under this article shall constitute ~~a ground~~  
143 grounds for the revocation of his or her license to practice  
144 nursing.

145 ~~(e)~~ (d) The board may excuse repayment of a loan, in  
146 whole or in part, upon the death of a participant, ~~or upon~~ the  
147 participant becoming disabled to the extent that he or she is  
148 no longer able to engage in the practice of nursing, or ~~upon~~  
149 some other extreme hardship not the fault of the participant."

150 "§34-21-99

151 (a) The board annually shall report on the condition  
152 and accomplishments of the program to the Governor, Lieutenant  
153 Governor, Speaker of the House, President ~~Pro-Tem~~ Pro Tempore  
154 of the Senate, and the Chairs of the House and Senate Health  
155 Committees. The report shall include for the reporting year  
156 the locations where participants agreed to serve or where they  
157 were serving to repay loans.

158 (b) The board shall consult with the Alabama Commission  
159 on the Evaluation of Services to develop performance metrics  
160 and other measures of success to include in the annual report  
161 required pursuant to subsection (a). During the 2028 fiscal  
162 year, the program shall undergo an evaluation by the Alabama  
163 Commission on the Evaluation of Services to determine whether  
164 the program is impacting the determined measures of success.

165 ~~(b)~~ (c) The board shall ~~make~~ adopt reasonable rules ~~and~~  
166 ~~regulations~~ to implement and administer the program.

167 ~~(e)~~ (d) The board shall use any monies it receives from  
168 or for the operation of the program, including repayments,



169 interest, and penalties paid because of default or other  
170 failure to honor a contract, to fund loans."

171 Section 2. This act shall become effective on the first  
172 day of the third month following its passage and approval by  
173 the Governor, or its otherwise becoming law.