

SB57 ENGROSSED



1 W1PS9E-2
2 By Senator Weaver
3 RFD: Finance and Taxation Education
4 First Read: 07-Mar-23
5
6 2023 Regular Session



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A BILL
TO BE ENTITLED
AN ACT

Relating to the Board of Nursing; to add a new Article 8 to Title 34, Chapter 21, Code of Alabama 1975, to create the Alabama Loan Repayment Program for Nursing Education; to establish and describe the program; to provide for program funding from the Education Trust Fund; to provide definitions; to outline the procedure for the board to award loans to applicants who contract with the board to work as an instructor in a prelicense nursing education program; and to provide further for the powers of the board under the program.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. A heading for Article 8, commencing with Section 34-21-150, Chapter 21, Title 34, is added to the Code of Alabama 1975, to read as follows:

"Article 8. Loan Repayment Program for Nursing Education."

Section 2. Article 8, commencing with Section 34-21-150, is added to Chapter 21, Title 34 of the Code of Alabama 1975, to read as follows:

§34-21-150

The Alabama Loan Repayment Program for Nursing



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29 Education is created. The program shall be administered by the
30 board and funded by direct appropriation from the Education
31 Trust Fund.

32 §34-21-151

33 As used in this article, the following terms shall have
34 the following meanings:

35 (1) PARTICIPANT. Any individual who applies for and is
36 awarded a loan pursuant to this article.

37 (2) PROGRAM. The Alabama Loan Repayment Program for
38 Nursing Education.

39 (3) QUALIFIED NURSING EDUCATION PROGRAM. An accredited
40 prelicensure nursing education program conducted by a public
41 two-year or four-year institution of higher education in this
42 state.

43 §34-21-152

44 (a) (1) The board shall establish and award loans to any
45 of the following qualified individuals:

46 a. An applicant for admission to a qualified nursing
47 education program approved by the board, who has signed a
48 contract as provided in subsection (b).

49 b. A student attending a qualified nursing education
50 program approved by the board who is pursuing, or has
51 completed within the five years immediately preceding the
52 current loan term, a graduate degree to become a nurse
53 educator in a qualified nursing education program, who has
54 signed a contract as provided in subsection (b).

55 (2) An application for a nursing education loan under
56 the program may be submitted to the board for any scholastic



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57 year, including previously completed scholastic years.

58 (3) A loan may be granted by the board to an individual
59 who is pursuing or holding an eligible master's degree for up
60 to three years and to an individual pursuing or holding an
61 eligible doctorate degree for up to four years.

62 (4) For the first year of operation of the program, the
63 maximum annual loan amount shall not exceed fifteen thousand
64 dollars (\$15,000). For subsequent years, the board may
65 increase the maximum annual loan amount by no more than five
66 percent annually.

67 (5) The board shall conduct a careful and thorough
68 investigation of the ability, character, and qualifications of
69 each loan applicant and shall award loans pursuant to the
70 requirements of the program.

71 (6) An individual who has signed a contract with the
72 board may postpone his or her choice of qualified nursing
73 education programs to work with until a time set by the board.

74 (b) A loan may only be awarded under the program to
75 those individuals who have signed a contract with the board to
76 repay all amounts received under the program by working
77 following graduation as a full-time nursing instructor in a
78 qualified nursing education program, for a period of 24 months
79 for each annual loan received under the program.

80 §34-21-153

81 (a) If, for any reason, a participant defaults on or
82 otherwise fails to honor a loan repayment contract with the
83 board, the individual shall be liable for immediate repayment
84 of the total principal loan amount, plus interest, at the rate



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85 of eight percent, or the prime lending rate, whichever is
86 greater, accruing from the date of default or other failure to
87 honor the contract.

88 (b) If, for any reason, after graduation with a
89 graduate degree to become a nurse educator and prior to
90 completion of the repayment obligation set forth in Section
91 34-21-152, a participant defaults on or otherwise fails to
92 honor a loan repayment contract with the board, the
93 participant shall pay an additional penalty equal to 20
94 percent of the total principal amount of all loans received by
95 the participant.

96 (c) Failure of a participant to honor his or her
97 contract with the board or to pay the amount he or she is
98 liable for under this article shall constitute grounds for the
99 revocation of his or her license to practice nursing.

100 (d) The board may excuse repayment of a loan, in whole
101 or in part, upon the death of a participant, or upon the
102 participant becoming disabled to the extent that he or she is
103 no longer able to engage in the practice of nursing, or upon
104 some other extreme hardship not the fault of the participant.

105 §34-21-154

106 (a) The board shall annually report on the condition
107 and accomplishments of the program to the Governor, Lieutenant
108 Governor, Speaker of the House of Representatives, President
109 Pro Tempore of the Senate, and the Chairs of the House and
110 Senate Health Committees.

111 (b) The board shall consult with the Alabama Commission
112 on the Evaluation of Services to develop performance metrics



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113 and other measures of success to include in the annual report
114 required pursuant to subsection (a). During the 2028 fiscal
115 year, the program shall undergo an evaluation by the Alabama
116 Commission on the Evaluation of Services to determine whether
117 the program is impacting the determined measures of success.

118 (c) The board shall adopt reasonable rules to implement
119 and administer the program.

120 (d) The board shall use any monies it receives from or
121 for the operation of the program, including repayments,
122 interest, and penalties paid because of default or other
123 failure to honor a contract, to fund loans.

124 §34-21-155

125 This article shall be repealed on September 30, 2029,
126 unless extended by act of the Legislature.

127 Section 3. This act shall become effective on the first
128 day of the third month following its passage and approval by
129 the Governor, or its otherwise becoming law.



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132 Senate

133 Read for the first time and referred07-Mar-23
134 to the Senate committee on Finance
135 and Taxation Education
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137 Read for the second time and placed19-Apr-23
138 on the calendar:
139 1 amendment
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141 Read for the third time and passed02-May-23
142 as amended
143 Yeas 32
144 Nays 0
145 Abstains 0
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148 Patrick Harris,
149 Secretary.
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