

**SB57 INTRODUCED**



1 W1PS9E-1  
2 By Senator Weaver  
3 RFD: Finance and Taxation Education  
4 First Read: 07-Mar-23  
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SYNOPSIS:

This bill would create the Alabama Loan Repayment Program for Nursing Education under the administration of the Board of Nursing to authorize the board to contract with and award loans to participating nurses who agree to work as instructors in prelicense nursing education programs.

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



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29 of Alabama 1975, to read as follows:

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

32 Section 2. Article 8, commencing with Section  
33 34-21-150, is added to Chapter 21, Title 34 of the Code of  
34 Alabama 1975, to read as follows:

35 §34-21-150

36 The Alabama Loan Repayment Program for Nursing  
37 Education is created. The program shall be administered by the  
38 board and funded by direct appropriation from the Education  
39 Trust Fund.

40 §34-21-151

41 As used in this article, the following terms shall have  
42 the following meanings:

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

45 (2) PROGRAM. The Alabama Loan Repayment Program for  
46 Nursing Education.

47 (3) QUALIFIED NURSING EDUCATION PROGRAM. An accredited  
48 prelicensure nursing education program conducted by a public  
49 two-year or four-year institution of higher education in this  
50 state.

51 §34-21-152

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

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



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57           b. A student attending a qualified nursing education  
58 program approved by the board who is pursuing, or has  
59 completed within the five years immediately preceding the  
60 current loan term, a graduate degree to become a nurse  
61 educator in a qualified nursing education program, who has  
62 signed a contract as provided in subsection (b).

63           (2) An application for a nursing education loan under  
64 the program may be submitted to the board for any scholastic  
65 year, including previously completed scholastic years.

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

70           (4) For the first year of operation of the program, the  
71 maximum annual loan amount shall not exceed fifteen thousand  
72 dollars (\$15,000). For subsequent years, the board may  
73 increase the maximum annual loan amount by no more than five  
74 percent annually.

75           (5) The board shall conduct a careful and thorough  
76 investigation of the ability, character, and qualifications of  
77 each loan applicant and shall award loans pursuant to the  
78 requirements of the program.

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

82           (b) A loan may only be awarded under the program to  
83 those individuals who have signed a contract with the board to  
84 repay all amounts received under the program by working



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85 following graduation as a full-time nursing instructor in a  
86 qualified nursing education program, for a period of 24 months  
87 for each annual loan received under the program.

88 §34-21-153

89 (a) If, for any reason, a participant defaults on or  
90 otherwise fails to honor a loan repayment contract with the  
91 board, the individual shall be liable for immediate repayment  
92 of the total principal loan amount, plus interest, at the rate  
93 of eight percent, or the prime lending rate, whichever is  
94 greater, accruing from the date of default or other failure to  
95 honor the contract.

96 (b) 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 (c) 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 adopt reasonable rules to implement  
112 and administer the program.



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113           (c) The board shall use any monies it receives from or  
114 for the operation of the program, including repayments,  
115 interest, and penalties paid because of default or other  
116 failure to honor a contract, to fund loans.

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