

**SB60 ENGROSSED**



1 4UCX3I-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 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 34-21-99 of the Code of Alabama 1975, are amended to read as follows:

"§34-21-96

(a) (1) The board shall establish and award, ~~according to the judgment of the board,~~ loans to provide for the training of qualified applicants for admission to or students in accredited nursing education programs approved by the board who are pursuing, or have completed within the five years immediately preceding the current loan term, a graduate degree to become a certified registered nurse practitioner (CRNP), a



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29 certified nurse midwife (CNM), or a certified registered nurse  
30 anesthetist (CRNA), but only for ~~people~~ individuals who have  
31 signed contracts as provided in subsection (b). The board may  
32 permit eligible ~~people~~ individuals to apply for a loan under  
33 the Alabama Loan-Repayment Program for Advanced-Practice  
34 Nursing in any scholastic year and for any previously  
35 completed scholastic year.

36 (2) The board may award to an eligible ~~person~~  
37 individual, for as many as three years for ~~a person~~ an  
38 individual pursuing or holding an eligible master's degree and  
39 as many as four years for ~~a person~~ an individual pursuing or  
40 holding an eligible doctorate degree, an annual loan. For the  
41 first year or operation of the program, the maximum annual  
42 loan limit shall not ~~to~~ exceed fifteen thousand dollars  
43 (\$15,000), ~~except that the board in each succeeding year may~~  
44 ~~raise the maximum amount allowed for an annual loan by the~~  
45 ~~average percentage increase for that year, compared to the~~  
46 ~~previous year, in in-state tuition for graduate programs in~~  
47 ~~advanced-practice nursing charged by public colleges or~~  
48 ~~universities in Alabama.~~ For subsequent years, the board may  
49 increase the maximum annual loan amount by no more than five  
50 percent annually.

51 (3) The board shall make a careful and thorough  
52 investigation of the ability, character, and qualifications of  
53 each applicant for loans under the program, and shall ~~in its~~  
54 ~~judgment~~ award a loan or loans under the requirements of the  
55 program.

56 (4) ~~A person~~ An individual who has signed ~~such~~ a



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57 contract with the board may postpone choosing an area of  
58 critical need in which to work to a time set by the board.

59 (b) A loan or loans under this program may be awarded  
60 only to ~~people~~ individuals who have signed contracts with the  
61 board to repay amounts received under the program by working  
62 following graduation, or immediately in the case of a then  
63 currently approved CRNP, CNM, or CRNA, in full-time practice  
64 as a CRNA, CRNP, or CNM in an area of critical need for 18  
65 months for each year he or she received a loan under the  
66 program.

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

72 "§34-21-97

73 (a) An area of critical need ~~shall be an area in~~  
74 ~~Alabama with a critical need~~, as determined by the board, ~~for~~  
75 ~~advanced-practice nurses, and~~ shall be physically located  
76 within this state and shall satisfy one of the following:

77 (1) Be located within a primary care health  
78 professional shortage area (HPSA) for a geographic area,  
79 recognized by the Health Resources and Services  
80 Administration, or its successor organization, or by the  
81 Alabama Office of Primary Care and Rural Health, or its  
82 successor organization.

83 (2) Be a Federally Qualified Health Center or  
84 designated Indian Health Service, Tribal Health, and Urban



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85 Indian Health Organization located anywhere within the state,  
86 with a primary care HPSA score of 14 or more.

87 ~~(3) not be a part of, or within five miles of, an~~  
88 ~~urbanized area as defined most recently by the U.S. Census~~  
89 ~~Bureau~~ Be located within an eligible Alabama Rural Medical  
90 Service Awards rural community as defined most recently by the  
91 Alabama Office of Primary Care and Rural Health, or its  
92 successor organization.

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

95 "§34-21-98

96 (a) In the event that the participant defaults on or  
97 otherwise fails to honor a loan-repayment contract with the  
98 board for any reason, the individual shall be liable for  
99 immediate repayment of the total principal loan amount plus  
100 interest at the rate of eight percent, or the prime lending  
101 rate, whichever is greater, accruing from the date of default  
102 or other failure to honor the contract. ~~In addition, the~~

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

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

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

112 ~~(3) For default or other failure to honor a contract~~



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113 ~~under which three or more years' worth of loans have been~~  
114 ~~received, a penalty equal to 40 percent of the total principal~~  
115 ~~amount of the loan.~~

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

122 (b) If, for any reason, after graduation with a  
123 graduate degree to become a nurse educator and prior to  
124 completion of the repayment obligation set forth in Section  
125 34-21-97, a participant defaults on or otherwise fails to  
126 honor a loan repayment contract with the board, the  
127 participant shall pay an additional penalty equal to 20  
128 percent of the total principal amount of all loans received by  
129 the participant.

130 ~~(b)~~ (c) The failure of a participant to honor his or her  
131 contract with the board or to pay the amount he or she is  
132 liable for under this article shall constitute ~~a ground~~  
133 grounds for the revocation of his or her license to practice  
134 nursing.

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

140 "§34-21-99



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141 (a) The board annually shall report on the condition  
142 and accomplishments of the program to the Governor, Lieutenant  
143 Governor, Speaker of the House, President ~~Pro-Tem~~ Pro Tempore  
144 of the Senate, and the Chairs of the House and Senate Health  
145 Committees. The report shall include for the reporting year  
146 the locations where participants agreed to serve or where they  
147 were serving to repay loans.

148 (b) The board shall consult with the Alabama Commission  
149 on the Evaluation of Services to develop performance metrics  
150 and other measures of success to include in the annual report  
151 required pursuant to subsection (a). During the 2028 fiscal  
152 year, the program shall undergo an evaluation by the Alabama  
153 Commission on the Evaluation of Services to determine whether  
154 the program is impacting the determined measures of success.

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

157 ~~(e)~~ (d) The board shall use any monies it receives from  
158 or for the operation of the program, including repayments,  
159 interest, and penalties paid because of default or other  
160 failure to honor a contract, to fund loans."

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



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166 Senate

167 Read for the first time and referred .....07-Mar-23  
168 to the Senate committee on Finance  
169 and Taxation Education  
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171 Read for the second time and placed .....19-Apr-23  
172 on the calendar:  
173 0 amendments  
174  
175 Read for the third time and passed .....25-Apr-23  
176 as amended  
177 Yeas 32  
178 Nays 0  
179 Abstains 0  
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Patrick Harris,  
Secretary.