

SB60 INTRODUCED



1 4UCX3I-1
2 By Senator Weaver
3 RFD: Finance and Taxation Education
4 First Read: 07-Mar-23
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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; and would remove certain penalties for defaulting.

A BILL
TO BE ENTITLED
AN ACT

Relating to the Board of Nursing; to amend Sections 34-21-96, 34-21-97, and 34-21-98, 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; and to remove certain penalties for defaulting.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

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



SB60 INTRODUCED

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

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

56 (3) The board shall make a careful and thorough



SB60 INTRODUCED

57 investigation of the ability, character, and qualifications of
58 each applicant for loans under the program, and shall ~~in its~~
59 ~~judgment~~ award a loan or loans under the requirements of the
60 program.

61 (4) A person who has signed ~~such~~ a contract with the
62 board may postpone choosing an area of critical need in which
63 to work to a time set by the board.

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

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

77 "§34-21-97

78 (a) An area of critical need ~~shall be an area in~~
79 ~~Alabama with a critical need~~, as determined by the board, ~~for~~
80 ~~advanced practice nurses, and~~ shall be physically located
81 within this state and shall satisfy one of the following:

82 (1) Be located within a primary care health
83 professional shortage area (HPSA) for a geographic area,
84 recognized by the Health Resources and Services



SB60 INTRODUCED

85 Administration, or its successor organization, and by the
86 Alabama Office of Primary Care and Rural Health, or its
87 successor organization.

88 (2) Be a federally qualified health center located
89 anywhere within the state, with a primary care HPSA score of
90 14 or more.

91 (3) Not~~not~~ be a part of, or within five miles of, an
92 urbanized area as defined most recently by the U.S. Census
93 Bureau.

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

96 "§34-21-98

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

~~In addition, the participant shall pay an additional penalty as specified:~~

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

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



SB60 INTRODUCED

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

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

123 (b) The failure of a participant to honor his or her
124 contract with the board or to pay the amount he or she is
125 liable for under this article shall constitute ~~a ground~~
126 grounds for the revocation of his or her license to practice
127 nursing.

128 (c) The board may excuse repayment of a loan, in whole
129 or in part, upon the death of a participant, or upon the
130 participant becoming disabled to the extent that he or she is
131 no longer able to engage in the practice of nursing, or upon
132 some other extreme hardship not the fault of the participant."

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