ARTICLE 6 LOAN PROGRAM FOR ADVANCED PRACTICE NURSING

34-21-94. Loan Repayment Program Established
34-21-95. Definitions
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34-21-98. Provisions for default or other failure to honor a contract with the Board
HB228
173628-5
By Representative Weaver
RFD: Ways and Means Education
First Read: 16-FEB-16
ENROLLED, An Act,

To add a new Article 6 to Title 34, Chapter 21, Code of Alabama 1975, relating to the Board of Nursing; to create a Loan Repayment Program for Advanced-Practice Nursing; to establish and describe the program, to be run by the Board of Nursing; to state that the program shall be funded by direct appropriation from the Education Trust Fund; to provide definitions; to outline the procedure for the Board to award loans to applicants and to require loan repayment through work in medically underserved areas, called areas of critical need; to establish provisions for default or other failure to honor loan-repayment contracts between applicants and the Board; and to further provide other requirements and powers of the Board for running the program.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. A new Article 6 of Chapter 21 of Title 34 is added to the Code of Alabama, 1975, to read as follows:

ARTICLE 6. Loan-Repayment Program for Advanced-Practice Nursing

§34-21-94. Loan Repayment Program Established.

There is hereby created and established the Alabama Loan-Repayment Program for Advanced-Practice Nursing. The program shall be administered by the Alabama Board of Nursing.
The Loan Repayment Program shall be funded by direct appropriation from the Education Trust Fund.

§34-21-95. Definitions

As used in this article, the following terms shall have the following meanings, respectively, unless the context clearly indicates otherwise:

(1) AREA OF CRITICAL NEED. An area with a critical need for more advanced-practice nurses, as determined by the Board.

(2) BOARD. The Alabama Board of Nursing.

(3) PARTICIPANT. Any person who applies for and is awarded a loan as provided in this article.

(4) PROGRAM. The Alabama Loan-Repayment Program for Advanced-Practice Nursing.

§34-21-96. Awarding of loans and terms of repayment.

(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 or students in accredited nursing education programs approved by the Board who are pursuing a graduate degree to become a certified registered nurse practitioner (CRNP), a certified nurse midwife (CNM), or a certified registered nurse anesthetist (CRNA), but only for people who have signed contracts as provided in subsection (b). The Board may permit eligible people to apply for a loan under the Alabama Loan-Repayment
Program for Advanced-Practice Nursing in any scholastic year
and for any previously completed scholastic year.

(2) The Board may award to an eligible person, for
as many as three years for a person pursuing a master's degree
and as many as four years for a person pursuing a doctorate,
an annual loan not to exceed $15,000, except that the Board in
each succeeding year may raise the maximum amount allowed for
an annual loan by the average percentage increase for that
year, compared to the previous year, in in-state tuition for
graduate programs in advanced-practice nursing charged by
public colleges or universities in Alabama.

(3) The Board shall make a careful and thorough
investigation of the ability, character and qualifications of
each applicant for loans under the Program, and shall in its
judgment award a loan or loans under the requirements of the
Program.

A person who has signed such a contract with the
Board may postpone choosing an area of critical need in which
to work to a time set by the Board.

(b) A loan or loans under this Program may be
awarded only to people who have signed contracts with the
Board to repay amounts received under the Program by working
following graduation in full-time practice as a CRNA, CRNP, or
CNM in an area of critical need for eighteen (18) months for
each year he or she received a loan under the Program.
(c) A participant, subject to approval by the Board, may change the area of critical need where he or she will work to repay loans under this Program, but in no case shall the applicant work in full-time practice for less than three years in the new area of critical need.

(d) A participant working in full-time clinical practice in an area of critical need to repay a loan or loans from the Program shall be allowed a credit against the tax imposed by Section 40-10-2 in the sum of $5,000 per tax year. After a participant has repaid his or her loan through work in an area of critical need, he or she may continue to claim the tax credit as long as he or she continues to work in full-time clinical practice in the same area of critical need, except that the tax credit may not be used in more than 10 total tax years. The Department of Revenue shall promulgate any rules and regulations necessary to implement and administer the provisions of this subsection.

§34-21-97. Areas of Critical Need.

(a) An area of critical need shall be defined by the Board, shall be in Alabama, and shall be:

(i) Within a primary care health professional shortage area (HPSA) for a geographic area, recognized by the Health Resources and Services Administration, or its successor organization, and by the Alabama Office of Primary Care and Rural Health, or its successor organization, or
(2) A Federally Qualified Health Center (FQHC) anywhere in Alabama if the FQHC has a primary care HCFA score of 14 or more.

An area of critical need shall be an area in Alabama with a critical need, as determined by the Board, for advanced-practice nurses, and shall not be a part of, or within five miles of, an urbanized area as defined most recently by the U.S. Census Bureau. The Board shall adopt rules under the Administrative Procedure Act to implement this section.

§34-21-98. Provisions for default or other failure to honor a contract with the Board.

(a) In the event that the participant defaults on or otherwise fails to honor a loan-repayment contract with the Board for any reason, the individual shall be liable for immediate repayment of the total principal loan amount plus interest at the rate of 8 percent, or the prime lending rate, whichever is greater, accruing from the date of default 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.

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

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

(b) The failure of a participant to honor his or her contract with the Board or to pay the amount he or she is liable for under this article shall constitute a ground for the revocation of his or her license to practice nursing.

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

§34-21-99. Other requirements and powers of the Board.
(a) The Board annually shall report on the condition and accomplishments of the Program to the Governor, lieutenant governor, speaker of the House, president pro-tem of the Senate and the chairs of the House and Senate health committees. The report shall include for the reporting year the locations where participants agreed to serve or where they were serving to repay loans.

(b) The Board shall make reasonable rules and regulations to implement and administer the Program.

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

Section 2. This act shall become effective immediately following its passage and approval by the Governor, or its otherwise becoming law.
Speaker of the House of Representatives

Kay Ivey

President and Presiding Officer of the Senate

House of Representatives

I hereby certify that the within Act originated in and was passed by the House 23-MAR-16, as amended.

Jeff Woodard
Clerk

Senate 04-MAY-16
House 04-MAY-16

Amended and Passed
Concurred in Senate Amendment

APPROVED 5-11-16
TIME 5:30 PM

GOVERNOR

Alabama Secretary Of State
Act Num....: 2016-353
Bill Num....: H-228
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Recvd 05/12/16 09:12amSLF
HOUSE ACTION

I HEREBY CERTIFY THAT THE RESOLUTION AS REQUIRED IN SECTION C OF ACT NO. 81-889 WAS ADOPTED AND IS ATTACHED TO THE BILL, H.B. 

YEAS 101 NAYS 0

JEFF WOODARD, Clerk

FURTHER SENATE ACTION (OVER)

DATE: 1-5-2019
RD 1 RFD

This Bill was referred to the Standing Committee of the Senate on and was acted upon by such Committee in session and is by order of the Committee returned therefrom with a favorable report w/amend(s) w/sub by a vote of yeas 13 nays 0 abstain 0 this 28th day of April 2014.

PATRICK HARRIS, Secretary

CONFERENCE COMMITTEE

House Conferees

I hereby certify that the Resolution as required in Section C of Act No. 81-889 was adopted and is attached to the Bill, HB

YEAS ______ NAYS ______

PATRICK HARRIS, Secretary