

ARTICLE 6 LOAN PROGRAM FOR ADVANCED PRACTICE NURSING

34-21-94. Loan Repayment Program Established

34-21-95. Definitions

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

34-21-97. Areas of Critical Need

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

ACT #2016-353

1 HB228  
2 173628-5  
3 By Representative Weaver  
4 RFD: Ways and Means Education  
5 First Read: 16-FEB-16



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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.

1 The Loan Repayment Program shall be funded by direct  
2 appropriation from the Education Trust Fund.

3 §34-21-95. Definitions

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

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

10 (2) BOARD. The Alabama Board of Nursing.

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

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

15 §34-21-96. Awarding of loans and terms of repayment.

16 (a) (1) The Board shall establish and award,  
17 according to the judgment of the Board, loans to provide for  
18 the training of qualified applicants for admission or students  
19 in accredited nursing education programs approved by the Board  
20 who are pursuing a graduate degree to become a certified  
21 registered nurse practitioner (CRNP), a certified nurse  
22 midwife (CNM), or a certified registered nurse anesthetist  
23 (CRNA), but only for people who have signed contracts as  
24 provided in subsection (b). The Board may permit eligible  
25 people to apply for a loan under the Alabama Loan-Repayment

1 Program for Advanced-Practice Nursing in any scholastic year  
2 and for any previously completed scholastic year.

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

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

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

20 (b) A loan or loans under this Program may be  
21 awarded only to people who have signed contracts with the  
22 Board to repay amounts received under the Program by working  
23 following graduation in full-time practice as a CRNA, CRNP, or  
24 CNM in an area of critical need for eighteen (18) months for  
25 each year he or she received a loan under the Program.

1           (c) A participant, subject to approval by the Board,  
2 may change the area of critical need where he or she will work  
3 to repay loans under this Program, but in no case shall the  
4 applicant work in full-time practice for less than three years  
5 in the new area of critical need.

6           ~~(d) A participant working in full-time clinical  
7 practice in an area of critical need to repay a loan or loans  
8 from the Program shall be allowed a credit against the tax  
9 imposed by Section 40-18-2 in the sum of \$5,000 per tax year.  
10 After a participant has repaid his or her loan through work in  
11 an area of critical need, he or she may continue to claim the  
12 tax credit as long as he or she continues to work in full-time  
13 clinical practice in the same area of critical need, except  
14 that the tax credit may not be used in more than 10 total tax  
15 years. The Department of Revenue shall promulgate any rules  
16 and regulations necessary to implement and administer the  
17 provisions of this subsection.~~

18           §34-21-97. Areas of Critical Need.

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

21           ~~(1) Within a primary care health professional  
22 shortage area (HPSA) for a geographic area, recognized by the  
23 Health Resources and Services Administration, or its successor  
24 organization, and by the Alabama Office of Primary Care and  
25 Rural Health, or its successor organization, or~~

1                   ~~(2) A Federally Qualified Health Center (FQHC)~~  
 2 ~~anywhere in Alabama if the FQHC has a primary care HPSA score~~  
 3 ~~of 14 or more.~~

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

11                   §34-21-98. Provisions for default or other failure  
 12 to honor a contract with the Board.

13                   (a) In the event that the participant defaults on or  
 14 otherwise fails to honor a loan-repayment contract with the  
 15 Board for any reason, the individual shall be liable for  
 16 immediate repayment of the total principal loan amount plus  
 17 interest at the rate of 8 percent, or the prime lending rate,  
 18 whichever is greater, accruing from the date of default or  
 19 other failure to honor the contract. In addition, the  
 20 participant shall pay an additional penalty as specified:

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

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

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

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

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

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

24           §34-21-99. Other requirements and powers of the  
25 Board.

1           (a) The Board annually shall report on the condition  
2 and accomplishments of the Program to the Governor, lieutenant  
3 governor, speaker of the House, president pro-tem of the  
4 Senate and the chairs of the House and Senate health  
5 committees. The report shall include for the reporting year  
6 the locations where participants agreed to serve or where they  
7 were serving to repay loans.

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

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

14           Section 2. This act shall become effective  
15 immediately following its passage and approval by the  
16 Governor, or its otherwise becoming law.

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*[Handwritten Signature]*

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	<u>04-MAY-16</u>	Amended and Passed
House	<u>04-MAY-16</u>	Concurred in Senate Amendment

**APPROVED** 5-11-16

**TIME** 3:30 PM

*[Handwritten Signature: Robert Bentley]*  
**GOVERNOR**

Alabama Secretary Of State

Act Num.....: 2016-353  
Bill Num....: H-228

SPONSORS

*Wheeler*

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. RD

YEAS 101 NAYS 0  
JEFF WOODARD, Clerk

I HEREBY CERTIFY THAT THE NOTICE & PROOF IS ATTACHED TO THE BILL, H.B. \_\_\_\_\_ AS REQUIRED IN THE GENERAL ACTS OF ALABAMA, 1975 ACT NO. 919.

JEFF WOODARD, Clerk

CONFERENCE COMMITTEE

House Conferees \_\_\_\_\_

FURTHER SENATE ACTION (OVER)

DATE: 5-5 2014  
RD 1 RFD RD

This Bill was referred to the Standing Committee of the Senate on FTTE 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) 1 w/sub \_\_\_\_\_ by a vote of yeas 13 nays 0 abstain 0 this 29<sup>th</sup> day of April 2014 \_\_\_\_\_ Chairperson

DATE: 5-3 2014  
RF FA RD 2 CAL

DATE: \_\_\_\_\_ 20\_\_\_\_  
RE-REFERRED  RE-COMMITTED   
Committee \_\_\_\_\_

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