SB57 ENGROSSED



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

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6 2023 Regular Session



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5	A BILL
6	TO BE ENTITLED
7	AN ACT
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9	Relating to the Board of Nursing; to add a new Article
10	8 to Title 34, Chapter 21, Code of Alabama 1975, to create the
11	Alabama Loan Repayment Program for Nursing Education; to
12	establish and describe the program; to provide for program
13	funding from the Education Trust Fund; to provide definitions;
14	to outline the procedure for the board to award loans to
15	applicants who contract with the board to work as an
16	instructor in a prelicense nursing education program; and to
17	provide further for the powers of the board under the program.
18	BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:
19	Section 1. A heading for Article 8, commencing with
20	Section 34-21-150, Chapter 21, Title 34, is added to the Code
21	of Alabama 1975, to read as follows:
22	"Article 8. Loan Repayment Program for Nursing
23	Education."
24	Section 2. Article 8, commencing with Section
25	34-21-150, is added to Chapter 21, Title 34 of the Code of
26	Alabama 1975, to read as follows:
27	§34-21-150
28	The Alabama Loan Repayment Program for Nursing



- 29 Education is created. The program shall be administered by the
- 30 board and funded by direct appropriation from the Education
- 31 Trust Fund.
- 32 \$34-21-151
- 33 As used in this article, the following terms shall have
- 34 the following meanings:
- 35 (1) PARTICIPANT. Any individual who applies for and is
- 36 awarded a loan pursuant to this article.
- 37 (2) PROGRAM. The Alabama Loan Repayment Program for
- 38 Nursing Education.
- 39 (3) QUALIFIED NURSING EDUCATION PROGRAM. An accredited
- 40 prelicensure nursing education program conducted by a public
- 41 two-year or four-year institution of higher education in this
- 42 state.
- 43 \$34-21-152
- (a) (1) The board shall establish and award loans to any
- 45 of the following qualified individuals:
- 46 a. An applicant for admission to a qualified nursing
- 47 education program approved by the board, who has signed a
- 48 contract as provided in subsection (b).
- b. A student attending a qualified nursing education
- 50 program approved by the board who is pursuing, or has
- 51 completed within the five years immediately preceding the
- 52 current loan term, a graduate degree to become a nurse
- 53 educator in a qualified nursing education program, who has
- 54 signed a contract as provided in subsection (b).
- 55 (2) An application for a nursing education loan under
- the program may be submitted to the board for any scholastic



- 57 year, including previously completed scholastic years.
- 58 (3) A loan may be granted by the board to an individual
- 59 who is pursuing or holding an eligible master's degree for up
- 60 to three years and to an individual pursuing or holding an
- eligible doctorate degree for up to four years.
- (4) For the first year of operation of the program, the
- 63 maximum annual loan amount shall not exceed fifteen thousand
- dollars (\$15,000). For subsequent years, the board may
- increase the maximum annual loan amount by no more than five
- 66 percent annually.
- (5) The board shall conduct a careful and thorough
- 68 investigation of the ability, character, and qualifications of
- 69 each loan applicant and shall award loans pursuant to the
- 70 requirements of the program.
- 71 (6) An individual who has signed a contract with the
- 72 board may postpone his or her choice of qualified nursing
- 73 education programs to work with until a time set by the board.
- 74 (b) A loan may only be awarded under the program to
- 75 those individuals who have signed a contract with the board to
- 76 repay all amounts received under the program by working
- 77 following graduation as a full-time nursing instructor in a
- 78 qualified nursing education program, for a period of 24 months
- 79 for each annual loan received under the program.
- \$34-21-153
- 81 (a) If, for any reason, a participant defaults on or
- 82 otherwise fails to honor a loan repayment contract with the
- 83 board, the individual shall be liable for immediate repayment
- 84 of the total principal loan amount, plus interest, at the rate



- of eight percent, or the prime lending rate, whichever is greater, accruing from the date of default or other failure to honor the contract.
- 88 (b) If, for any reason, after graduation with a 89 graduate degree to become a nurse educator and prior to completion of the repayment obligation set forth in Section 90 91 34-21-152, a participant defaults on or otherwise fails to 92 honor a loan repayment contract with the board, the 93 participant shall pay an additional penalty equal to 20 percent of the total principal amount of all loans received by 94 95 the participant.
 - (c) 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 grounds for the revocation of his or her license to practice nursing.
- (d) 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.

105 \$34-21-154

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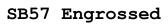
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- 106 (a) The board shall annually report on the condition
 107 and accomplishments of the program to the Governor, Lieutenant
 108 Governor, Speaker of the House of Representatives, President
 109 Pro Tempore of the Senate, and the Chairs of the House and
 110 Senate Health Committees.
- 111 (b) The board shall consult with the Alabama Commission 112 on the Evaluation of Services to develop performance metrics





- 113 and other measures of success to include in the annual report 114 required pursuant to subsection (a). During the 2028 fiscal year, the program shall undergo an evaluation by the Alabama 115 116 Commission on the Evaluation of Services to determine whether 117 the program is impacting the determined measures of success. 118 (c) The board shall adopt reasonable rules to implement 119 and administer the program. 120 (d) The board shall use any monies it receives from or 121 for the operation of the program, including repayments, interest, and penalties paid because of default or other 122 123 failure to honor a contract, to fund loans.
- 124 \$34-21-155
- 125 This article shall be repealed on September 30, 2029, 126 unless extended by act of the Legislature.
- Section 3. This act shall become effective on the first day of the third month following its passage and approval by the Governor, or its otherwise becoming law.





130 131	
132	Senate
133	Read for the first time and referred07-Mar-23
134	to the Senate committee on Finance and Taxation Education
135 136	and laxacion Education
137	Read for the second time and placed19-Apr-23
138	on the calendar:
139	1 amendment
140 141	Read for the third time and passed02-May-23
142	as amended
143	Yeas 32
144	Nays 0
145	Abstains 0
146 147	
147	Patrick Harris,
149	Secretary.
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