

Stricken language would be deleted from and underlined language would be added to the law as it existed prior to this session of the General Assembly.

Act 9 of the Regular Session

1 State of Arkansas
2 87th General Assembly
3 Regular Session, 2009

A Bill

HOUSE BILL 1022

4
5 By: Representatives Pennartz, Shelby, Adcock, J. Roebuck, Hall, Hawkins, Gaskill, Cooper, Ragland,
6 Wells
7 By: Senators Steele, Trusty, Lavery, Baker, Horn

For An Act To Be Entitled

11 AN ACT TO AUTHORIZE ADDITIONAL FUNDING FOR THE
12 NURSING STUDENT LOAN PROGRAM; TO PROMOTE TEACHING
13 IN NURSING EDUCATION PROGRAMS; AND FOR OTHER
14 PURPOSES.

Subtitle

17 AN ACT TO AUTHORIZE ADDITIONAL FUNDING
18 FOR THE NURSING STUDENT LOAN PROGRAM AND
19 TO PROMOTE TEACHING IN NURSING EDUCATION
20 PROGRAMS.

23 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

25 SECTION 1. Arkansas Code § 6-81-1401 is amended to read as follows:

26 6-81-1401. Nursing Student Loan ~~Revolving Fund~~ Program Funding.

27 ~~(a) There is established on the books of the Treasurer of State, the~~
28 ~~Auditor of State, and the Chief Fiscal Officer of the State a fund to be~~
29 ~~known as the Nursing Student Loan Revolving Fund. This fund shall consist of~~
30 ~~funds appropriated for the Nursing Student Loan Program, federal funds,~~
31 ~~gifts, grants, bequests, devises, donations, and general revenues, there to~~
32 ~~be used by the Arkansas State Board of Nursing for making loans for nursing~~
33 ~~scholarships.~~ Cash funds for the Nursing Student Loan Program shall consist
34 of:

35 (1) Funds appropriated for the Nursing Student Loan Program;



- 1 (2) Federal funds;
- 2 (3) Gifts;
- 3 (4) Grants;
- 4 (5) Bequests;
- 5 (6) Devises;
- 6 (7) Donations;
- 7 (8) Moneys received to repay a loan under this subchapter;
- 8 (9) Interest and other income accruing to or earned by the
- 9 funds; and
- 10 (10) All moneys provided by law.

11 (b) The Arkansas State Board of Nursing:

- 12 (1) May invest the principal, interest, and income of the funds;
- 13 (2) Shall use the funds for making loans for nursing
- 14 scholarships; and
- 15 (3) Shall deposit all loan repayments as a refund to expenditure
- 16 to be used to make additional loans under this subchapter.

17
18 SECTION 2. Arkansas Code § 6-81-1403(b), concerning the powers and
19 duties of the Arkansas State Board of Nursing with respect to the Nursing
20 Student Loan Program, is amended to read as follows:

21 (b) The board ~~is authorized to~~ may:

- 22 (1) ~~accept~~ Accept gifts, grants, bequests, devises, donations,
- 23 and any federal funds available for this purpose and to deposit any funds so
- 24 received in the Nursing Student Loan Revolving Fund ~~the program,~~ to be used
- 25 together with funds appropriated for the program for making loans under ~~the~~
- 26 provisions of this subchapter; and
- 27 (2) Hire a qualified person or entity to administer any aspect
- 28 of the program.

29
30 SECTION 3. Arkansas Code § 6-81-1404 is amended to read as follows:
31 6-81-1404. Eligibility and requirements for loans.

32 (a) Any person who is enrolled in or has been accepted for admission
33 to an approved school of nursing in this state or a nationally accredited
34 school outside the state in a course of study leading to qualification as a
35 registered nurse, ~~or~~ licensed practical nurse, or nursing educator shall be
36 eligible to make application to the Arkansas State Board of Nursing for a

1 loan under ~~the provisions of~~ this subchapter.

2 (b) The board may, depending upon available funds, make a loan to an
3 applicant under ~~the provisions of~~ this subchapter when it determines that the
4 applicant:

5 (1) Is enrolled in or has been accepted for admission to an
6 approved school of nursing in this state or a nationally accredited school
7 outside the state in studies leading to qualification as a registered nurse,
8 ~~or licensed practical nurse, or nursing educator;~~

9 (2) ~~Is in need of Warrants~~ financial assistance to complete his
10 or her nursing studies;

11 (3) ~~Expresses an intention to~~ Has signed a written agreement to:
12 (A) Upon graduation and licensure and for the period of
13 time specified by rule promulgated by the board:

14 (i) Teach in a nursing education program in the
15 State of Arkansas; or

16 (ii) ~~engage~~ Engage in practice as a registered nurse
17 or licensed practical nurse in the State of Arkansas ~~upon graduation and~~
18 ~~licensure; and~~ and

19 (B) Repay each loan with interest at the maximum legal
20 rate if the applicant fails to fulfill the requirements of the board under
21 this subchapter; and

22 (4) Is a ~~citizen~~ lawful resident of the State of Arkansas.
23

24 SECTION 4. Arkansas Code § 6-81-1405 is amended to read as follows:
25 6-81-1405. Amount of loans – Maximum.

26 (a) The Arkansas State Board of Nursing may make a loan to any
27 applicant in an amount calculated to pay the applicant’s tuition,
28 maintenance, and other education expenses while he or she is enrolled in a
29 program of nursing education as described in this subchapter.

30 (b) The total of the loans made to any one (1) student under this
31 subchapter shall not exceed ~~six thousand dollars (\$6,000)~~ twenty thousand
32 dollars (\$20,000).

34 SECTION 5. Arkansas Code § 6-81-1407 is amended to read as follows:
35 6-81-1407. Renewal.

36 (a) Subject to the availability of funds, each loan made to an

1 applicant under this subchapter shall be renewable annually for the number of
2 years required to complete studies leading to qualification as a registered
3 nurse, ~~or licensed practical nurse, or nursing educator.~~

4 (b) Any loan made to an applicant subsequent to an initial loan shall
5 be made only upon application of the recipient and upon finding by the
6 Arkansas State Board of Nursing that the applicant:

7 (1) ~~The applicant has~~ Has successfully completed the nursing
8 studies of the preceding academic year and remains in good standing as an
9 enrolled student in the appropriate school of nursing;

10 (2) ~~The financial situation of the applicant warrants the making~~
11 ~~of a loan under the provisions of this subchapter~~ Warrants financial
12 assistance to complete his or her nursing studies;

13 (3) ~~The applicant shall agree to practice nursing in Arkansas~~
14 ~~for the period specified in the loan contract~~ Has signed a written agreement
15 to:

16 (A) Upon graduation and licensure and for the period of
17 time specified by rule promulgated by the board:

18 (i) Teach in a nursing education program in the State
19 of Arkansas; or

20 (ii) Engage in practice as a registered nurse or
21 licensed practical nurse in the State of Arkansas; and

22 (B) Repay each loan with interest at the maximum legal rate
23 if the applicant fails to fulfill the requirements of the board under this
24 subchapter; and

25 (4) ~~The applicant continues~~ Continues to be a lawful resident of
26 the State of Arkansas.

27
28 SECTION 6. Arkansas Code § 6-81-1409 is amended to read as follows:

29 6-81-1409. Cancellation of principal and interest.

30 Each loan contract shall include a provision that if the recipient
31 completes his or her nursing education and qualification as a registered
32 nurse, ~~or licensed practical nurse, or nursing educator~~, the Arkansas State
33 Board of Nursing shall, ~~for each year that the recipient practices in this~~
34 ~~state~~, cancel the full amount of one (1) year's loan, plus accrued interest,
35 under ~~the provisions of this subchapter~~ for each year that the recipient
36 practices or teaches in this state.

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SECTION 7. Arkansas Code § 6-81-1410 is amended to read as follows:

6-81-1410. Borrower’s loss of good standing – Acceleration of due date.

If the recipient of ~~the~~ a loan under this subchapter ceases to be enrolled in good standing in a recognized school of nursing ~~prior to~~ completion of before completing the education requirements to qualify as a registered nurse, ~~or~~ licensed practical nurse, or nursing educator, ~~the~~ principal and interest of all loans made under this subchapter to the ~~person~~ recipient shall become due and payable immediately or as ~~may be otherwise provided in the contract for the loans~~ provided in the loan agreement.

SECTION 8. Arkansas Code § 6-81-1411 is amended to read as follows:

6-81-1411. Repayment – Interest.

~~(a) Any recipient of a loan under this subchapter who upon completion of his or her education does not engage in the practice of nursing in this state or does not continue practice in accordance with the provisions of this subchapter shall be obligated to repay the loans received under the provisions of this subchapter in accordance with the provisions of the loan contracts, together with interest at the maximum allowed by Arkansas law. The interest shall accrue from the date each payment of funds was received by the recipient.~~

~~(b) No interest shall accrue nor any obligation to repay the principal sums during any period of the time that the recipient involuntarily serves on active duty in the United States armed forces.~~

~~(c) In the event of the death of the recipient, all loans unpaid shall be due and payable.~~

~~(d) It shall be considered unprofessional conduct to fail to repay a loan as specified in this section.~~

(a) A recipient of a loan under this subchapter shall repay each loan together with interest at the maximum rate allowed by Arkansas law if the recipient:

(1) Ceases to be enrolled in good standing in a recognized school of nursing before completing the education requirements to qualify as a registered nurse, licensed practical nurse, or nursing educator;

1 (2) For the period specified by rule of the Arkansas State Board
2 of Nursing upon completion of the education requirements to qualify as a
3 registered nurse, licensed practical nurse, or nursing educator does not:

4 (A) Teach in a nursing education program in the State of
5 Arkansas; or

6 (B) Engage in practice as a registered nurse or licensed
7 practical nurse in the State of Arkansas; or

8 (3) Fails to comply with any other requirement of this
9 subchapter.

10 (b) Interest shall accrue from the date each payment of funds was
11 received by the recipient.

12 (c) No interest shall accrue and no obligation to repay a loan exists
13 during any period of time that the recipient of the loan serves on active
14 duty in the United States armed forces.

15 (d) If repayment of a loan is required, upon the death of the
16 recipient of the loan all unpaid principal and interest is due and payable.

17 (e) The failure to repay a loan as specified in this section may be
18 considered unprofessional conduct for disciplinary purposes.

19
20 SECTION 9. Arkansas Code § 6-81-1412 is amended to read as follows:

21 6-81-1412. Rules ~~and regulations.~~

22 The Arkansas State Board of Nursing shall adopt ~~such~~ reasonable rules
23 ~~and regulations not inconsistent~~ consistent with this subchapter ~~as it deems~~
24 ~~necessary~~ to effectively and efficiently carry out the purposes of this
25 subchapter.

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27 SECTION 10. Arkansas Code § 19-5-1222 is repealed.

28 ~~19-5-1222. Nursing Student Loan Revolving Fund.~~

29 ~~(a) There is established on the books of the Treasurer of State, the~~
30 ~~Auditor of State, and the Chief Fiscal Officer of the State a fund to be~~
31 ~~known as the "Nursing Student Loan Revolving Fund".~~

32 ~~(b) The fund shall consist of funds appropriated for the Nursing~~
33 ~~Student Loan Program, federal funds, gifts, grants, bequests, devises,~~
34 ~~donations, and general revenues, there to be used by the Arkansas State Board~~
35 ~~of Nursing for making loans for nursing scholarships.~~

