

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.

1 State of Arkansas  
2 84th General Assembly  
3 Regular Session, 2003  
4

# A Bill

SENATE BILL 25

5 By: Senator Gullett  
6 By: Representatives Lendall, Dees  
7  
8

## For An Act To Be Entitled

10 AN ACT TO AMEND ACT 1594 OF 2001 TO ADD THE  
11 NURSING STUDENT SCHOLARSHIP FUND TO GENERAL  
12 IMPROVEMENT FUNDS RELEASED AND CREATE THE NURSING  
13 STUDENT LOAN PROGRAM.  
14

## Subtitle

15 AN ACT FOR THE NURSING STUDENT LOAN  
16 PROGRAM.  
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19

20 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
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22 SECTION 1. Section 1 of Act 1594 of 2001 is amended to read as  
23 follows:

24 SECTION 1. APPROPRIATION. There is hereby appropriated, to the  
25 Legislative Nursing Commission, to be payable from the General Improvement  
26 Fund or its Successor Fund or Fund Accounts, for study expenses,  
27 consultation, support and operating expenses of the Legislative Nursing  
28 Commission and for transfers to the Nursing Student Loan Revolving Fund for  
29 the biennial period ending June 30, 2003, the sum of .....\$60,000.  
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31 SECTION 2. Nursing Student Loan Revolving Fund. There is hereby re-  
32 established on the books of the Treasurer of State, Auditor of State, and  
33 Chief Fiscal Officer of the State a fund to be known as the Nursing Student  
34 Loan Revolving Fund. This fund shall consist of funds appropriated for the  
35 Nursing Student Loan Program, federal funds, gifts, grants, bequests,  
36 devises, donations, and general revenues there to be used by the State Board



1 of Nursing for making loans for Nursing Scholarships.

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 3 SECTION 3. Program established - Administration. There is established  
 4 a Nursing Student Loan Program to be administered by the Arkansas State Board  
 5 of Nursing in accordance with the provisions of this subchapter.

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 7 SECTION 4. Rules and regulations. The Arkansas State Board of Nursing  
 8 shall adopt such reasonable rules and regulations not inconsistent with this  
 9 subchapter as it deems necessary to effectively and efficiently carry out the  
 10 purposes of this subchapter.

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 12 SECTION 5. Arkansas State Board of Nursing - Powers and duties.

13 (a) The Arkansas State Board of Nursing shall:

- 14 (1) Prescribe forms to be used in the loan program;
- 15 (2) Regulate the submission of applications for loans;
- 16 (3) Determine eligibility of applicants;
- 17 (4) Allow or disallow applications for financial assistance;
- 18 (5) Contract for, increase, decrease, terminate, and otherwise  
 19 regulate all loans made under this subchapter and the repayment of these  
 20 loans;

21 (6) Forgive loans and portions of loans as provided for; and

22 (7) Manage, operate, and control all funds and property  
 23 appropriated or otherwise contributed for purposes of funding this program.

24 (b) The board is authorized to accept gifts, grants, bequests,  
 25 devises, donations, and any federal funds available for this purpose and to  
 26 deposit any funds so received in the Nursing Student Loan Revolving Fund  
 27 provided for in this subchapter, to be used together with funds appropriated  
 28 for the program for making loans under the provisions of this subchapter.

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 30 SECTION 6. Eligibility and requirements for loans.

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

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

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

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

10           (3) Expresses an intention to engage in practice as a registered  
11 nurse or licensed practical nurse in the State of Arkansas upon graduation  
12 and licensure; and

13           (4) Is a citizen of the State of Arkansas.

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15           SECTION 7. Written contract required.

16 Each recipient of a loan under the provisions of this subchapter shall  
17 execute a written loan contract with the board for the repayment of the loan  
18 under such terms as are provided in this subchapter and as the board shall  
19 prescribe.

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21           SECTION 8. Amount of loans - Maximum.

22 (a) The board may make a loan to any applicant in an amount calculated to  
23 pay the applicant's tuition, maintenance, and other education expenses while  
24 he or she is enrolled in a program of nursing education as described in this  
25 subchapter.

26           (b) The total of the loans made to any one (1) student under this  
27 subchapter shall not exceed six thousand dollars (\$6,000).

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29           SECTION 9. Term of loans.

30 Each loan made to an applicant under this subchapter shall be for one (1)  
31 academic year.

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33           SECTION 10. Renewal.

34 (a) Each loan made to an applicant under this subchapter, subject to the  
35 availability of funds, shall be renewable annually for the number of years  
36 required to complete studies leading to qualification as a registered nurse

1 or licensed practical nurse.

2 (b) Any loan made to an applicant subsequent to an initial loan shall  
3 be made only upon application of the recipient and upon finding by the board  
4 that:

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

8 (2) The financial situation of the applicant warrants the making  
9 of a loan under the provisions of this subchapter;

10 (3) The applicant shall agree to practice nursing in Arkansas  
11 for the period specified in loan contract; and

12 (4) The applicant continues to be a resident of Arkansas.

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14 SECTION 11. Cancellation of principal and interest.

15 Each contract shall include a provision that if the recipient, upon  
16 completion of his or her nursing education and qualification as registered  
17 nurse or licensed practical nurse, the board shall, for each year that the  
18 recipient practices in this state, cancel the full amount of one year's loan,  
19 plus accrued interest, under the provisions of this subchapter.

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21 SECTION 12. Repayment - Interest.

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

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

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

35 (d) It shall be considered unprofessional conduct for failure to repay  
36 a loan as specified herein.

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2 SECTION 13. Borrower's loss of good standing - Acceleration of due  
3 date. If the recipient of the loan under this subchapter ceases to be  
4 enrolled in good standing in a recognized school of nursing prior to  
5 completion of the education requirements to qualify as a registered nurse or  
6 licensed practical nurse all loans made under this subchapter to such person,  
7 and the interest thereon, shall become due and payable immediately, or as may  
8 be otherwise provided in the contract for the loans.

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10 SECTION 14. EMERGENCY CLAUSE. It is found and determined by the  
11 General Assembly, that to provide funds for Nursing Student Scholarships to  
12 help alleviate the nursing shortage crises and provide a mechanism for  
13 existing funds to be used to educate competent Nurses are necessary; that  
14 Nurses provide critical services to the citizens of the State and the  
15 shortage of qualified Nurses can cause irreparable damage to the community.  
16 Therefore, an emergency is hereby declared to exist and this Act being  
17 necessary for the immediate preservation, health and safety for the citizens  
18 of Arkansas and shall be in full force and effect from and after the date of  
19 its passage and approval. If the bill is neither approved nor vetoed by the  
20 Governor, it shall become effective on the expiration of the period of time  
21 during which the Governor may veto the bill. If the bill is vetoed by the  
22 Governor and the veto is overridden, it shall become effective on the date  
23 the last house overrides the veto.

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