

*As Engrossed: 3/10/95 3/15/95*

1 **State of Arkansas**  
2 **80th General Assembly**  
3 **Regular Session, 1995**  
4 **By: Representatives Flanagin and von Grep**  
5 **By: Senator Bookout**

# A Bill

**ACT 911 OF 1995**  
**HOUSE BILL 1819**

## For An Act To Be Entitled

9 "AN ACT TO AMEND CHAPTER 81 OF TITLE 6 OF THE ARKANSAS  
10 CODE TO ESTABLISH THE RURAL ADVANCED NURSING PRACTICE  
11 STUDENT LOAN AND SCHOLARSHIP PROGRAM AND THE ADVANCED  
12 NURSING PRACTICE COMMUNITY MATCH STUDENT LOAN AND  
13 SCHOLARSHIP PROGRAM; AND FOR OTHER PURPOSES."

## Subtitle

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15  
16 "TO ESTABLISH THE RURAL ADVANCED NURSING  
17 PRACTICE STUDENT LOAN AND SCHOLARSHIP  
18 PROGRAM AND THE ADVANCED NURSING  
19 PRACTICE COMMUNITY MATCH STUDENT LOAN  
20 AND SCHOLARSHIP PROGRAM."

21  
22 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

23  
24 SECTION 1. Chapter 81 of Title 6 of the Arkansas Code is amended by  
25 adding the following subchapter:

26 "6-81-1201. Definitions.

27 As used in this subchapter:

28 (1) Board means the Arkansas Nursing Practice Student Loan and  
29 Scholarship Board;

30 (2) Rural community means a community within a Health Professions  
31 Shortage Area, as determined by the board, or a community having a population  
32 of no more than fifteen thousand (15,000) persons according to the most recent  
33 federal census taken prior to the execution of the loan contract or the most  
34 recent federal census taken prior to the time the recipient of the loan or  
35 loans shall be required to practice full time in such rural community as  
36 provided in §§ 6-81-1204 and 6-81-1206; or

**0223951115.vj6317**

1           (3) Primary Care Nursing means nursing care provided in one of the  
2 following areas of practice: family practice nursing, pediatric nursing,  
3 women's health nursing, nurse midwifery, gerontology nursing and adult  
4 nursing.

5           6-81-1202. Arkansas Primary Care Nursing Practice Student Loan and  
6 Scholarship Board.

7           (a) There is established the Arkansas Primary Care Nursing Practice  
8 Student Loan and Scholarship Board to be composed of the Dean, Chair or  
9 Director of each of the accredited graduate nursing programs in the state that  
10 offer a nurse practitioner specialty in primary care, the President of the  
11 State Board of Nursing, the President of the Council of Nurse Administrators  
12 of Nursing Education Programs in Arkansas, the Director of the Arkansas  
13 Department of Health, and one consumer to be appointed by the Governor.

14           (b) The board shall:

15                   (1) Promulgate reasonable rules and regulations as may be  
16 necessary to execute the provisions of this subchapter, including regulations  
17 addressing:

18                           (A) the requirements for a Health Professions Shortage  
19 Area.

20                           (B) the requirements to become a qualified rural community  
21 eligible to participate in the Advanced Nursing Practice Community Match Loan  
22 and Scholarship Program.

23                           (C) The establishment of a minimum scholastic standing  
24 which a high school graduate must have achieved and the academic or scholastic  
25 standing a student must maintain in an accredited school of nursing in this  
26 state, as a condition of receiving scholarship funds or financial aid under  
27 the provisions of 6-81-1208.

28                           (D) The establishment of standards for a determination of  
29 the financial needs of the applicant for scholarship or financial aid under 6-  
30 81-1208, including the ability of the applicant or the spouse or the parents  
31 or guardian of such applicant to furnish a part of the funds necessary to pay  
32 the expenses of the applicant while attending a school of nursing.

33                           (E) All matters relating directly to the agreement for  
34 providing these scholarship funds or financial aid, including the terms and  
35 conditions of providing financial aid to the student and relating to the

1 obligation of the recipient of financial aid to engage in the nursing  
2 profession in a rural community.

3 (2) Prescribe forms for and regulate the submission of  
4 applications for financial assistance;

5 (3) Determine eligibility of applicants;

6 (4) Allow or disallow applications for financial assistance;

7 (5) Contract, increase, decrease, terminate, and otherwise  
8 regulate all grants for this purpose and receipt for their repayment, and  
9 convert loans to scholarships;

10 (6) Manage, operate, and control all funds and property  
11 appropriated or otherwise contributed for this purpose;

12 (7) Accept gifts, grants, bequests, or devises and apply them as  
13 a part of this program;

14 (8) Sue and be sued as the board; and

15 (9) Accept moneys from federal programs which may be used for  
16 furtherance of the purposes of this subchapter.

17 (c) The board may, by a majority vote of the total membership of the  
18 board, cast at its first regularly scheduled meeting of each calendar year,  
19 authorize expense reimbursement for board members performing official duties  
20 of the board and such expense reimbursement shall not exceed the rate  
21 established for state employees in the state travel regulations.

22 6-81-1203. Advanced Nursing Students - Eligibility for rural advanced  
23 nursing practice loans.

24 (a) The board may make rural advanced nursing practice loans to an  
25 applicant, each rural advanced nursing practice loan being expressly made  
26 subject to the provisions of § 6-81-1204, if it finds that:

27 (1) The applicant is a bona fide resident of Arkansas;

28 (2) The applicant has been accepted for admission to, or is  
29 enrolled in good standing in, an accredited graduate primary care nurse  
30 practitioner program in the state leading to a graduate degree in nursing;

31 (3) The applicant is or will be a full-time graduate nursing  
32 student;

33 (4) The applicant needs financial assistance to complete his or  
34 her nursing studies;

35 (5) The applicant desires to practice primary care nursing in a

1 rural community; and

2 (6) The applicant is a person of good moral character and one who  
3 has the talent and capacity to profit by advanced nursing studies.

4 (b) Subject to the availability of funds, an initial rural advance  
5 nursing practice loan for one (1) academic year shall be renewable annually  
6 for the number of years required to complete studies leading to a graduate  
7 degree in nursing or additional amounts, not to exceed the maximum amount  
8 specified in 6-81-1204. All subsequent rural advance nursing practice loans  
9 shall be granted only upon application by the recipient and a finding by the  
10 board that:

11 (1) The applicant has completed successfully the advanced nursing  
12 studies of the preceding academic year and remains in good standing as an  
13 enrolled full-time student in an accredited graduate primary care nurse  
14 practitioner program in the state;

15 (2) The applicant continues to be a resident of Arkansas; and

16 (3) The applicant's financial situation continues to warrant  
17 financial assistance made under the conditions of this section.

18 6-81-1204. Advanced Nursing Students - Rural practice loan contracts -  
19 Obligations and conditions.

20 (a) The maximum amount of each rural advanced nursing practice loan  
21 shall not exceed eight thousand dollars (\$8,000) per academic year.

22 (b)(1) The board shall enter a loan contract with the applicant to whom  
23 a rural advanced practice nursing loan is made.

24 (2) The rural advanced nursing practice loan contract shall be  
25 approved by the Attorney General of the State of Arkansas and shall be signed  
26 by the chairman of the board, the vice-chairman of the board and the  
27 applicant.

28 (c) Each applicant to whom a rural advanced nursing practice loan or  
29 loans is granted by the board shall execute a written loan contract which  
30 shall incorporate the following obligations and conditions:

31 (1)(A) The recipient of a rural advanced nursing practice loan or  
32 loans shall bindingly contract that upon completion of his or her graduate  
33 degree in nursing and upon national certification as a nurse practitioner, he  
34 or she shall practice advanced primary care nursing full-time in a rural  
35 community.

1 (B) For each continuous whole calendar year of advanced  
2 primary care nursing practice in accordance with subdivision (b) (1) (A) of this  
3 section, the *board* shall cancel, by converting to a scholarship grant, the  
4 full amount of one year's loan plus accrued interest.

5 (2) (A) In the event that any rural advanced nursing practice loan  
6 recipient under this subchapter does not engage in the practice of advanced  
7 primary care nursing in accordance with the terms of this section and of his  
8 or her loan contract in order to have the loan contract recognized as a  
9 scholarship, the recipient shall remain obligated to repay the loan or loans  
10 received, together with interest thereon, at the maximum rate allowed by  
11 Arkansas law, or the federal discount rate plus five percent (5%) per annum,  
12 whichever is the lesser, the interest to accrue from the date each payment of  
13 funds was received by the recipient.

14 (B) No interest shall accrue, nor obligation to repay the  
15 principal sums accrued during any one (1) period of time that the recipient  
16 involuntarily serves on active duty in the United States Armed Forces.

17 (C) Repayment of principal, with interest, shall be due and  
18 payable in full at the earliest to occur of the following events:

19 (i) Failure to remain in full-time enrollment status  
20 continuously to completion of a graduate nursing degree for any reason other  
21 than temporary personal illness;

22 (ii) Failure to obtain national certification as a  
23 nurse practitioner within twelve (12) months *after graduation*;

24 (iii) Failure to practice primary care nursing on a  
25 regularly sustained basis while residing in a rural community in Arkansas, as  
26 defined in § 6-81-1201, provided however, that the *board* may waive the  
27 residency requirement on a case-by-case basis; and

28 (iv) Failure to establish a primary care nursing  
29 practice within six (6) months following graduation from an accredited  
30 graduate nursing program or within six (6) months after receiving national  
31 certification, whichever is later, unless otherwise deferred by approval of  
32 the *board*.

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

35 (d) The *board* may amend agreements entered into with any student who is

1 currently enrolled as a graduate nursing student as approved by the board  
2 pursuant to this section.

3 6-81-1205. Advanced Nursing Students - Community Match Contract -  
4 Eligibility for initial and renewal loans.

5 (a) The board shall administer the Advanced Nursing Practice Community  
6 Match Loan and Scholarship Program. Interested rural communities may apply to  
7 the board to participate in the Advanced Nursing Practice Community Match Loan  
8 and Scholarship Program as a qualified rural community. The board shall  
9 approve a designated representative or representatives of the qualified rural  
10 community to assist the board in matters relating to any community match  
11 contracts entered into by the board and the qualified rural community.

12 (b) The board, in conjunction with a qualified rural community, may  
13 make community match loans to applicants, each loan being expressly made  
14 subject to the provisions of 6-81-1206, if it finds that:

15 (1) The applicant is a bona fide resident of Arkansas;

16 (2) The applicant has been accepted for admission to, or is  
17 enrolled in good standing in, an accredited graduate primary care nurse  
18 practitioner program in the state leading to a graduate degree in nursing;

19 (3) The applicant is or will be a full-time graduate nursing  
20 student;

21 (4) The applicant desires to practice primary care nursing in the  
22 qualified rural community;

23 (5) The applicant is a person of good moral character and one who  
24 has the talent and capacity to profit by advanced nursing studies; and

25 (6) The designated representative or representatives of the  
26 qualified rural community approve the applicant.

27 (b) Subject to the availability of funds, an initial advanced nursing  
28 practice community match loan for one (1) academic year shall be renewable  
29 annually for the number of years required to complete studies leading to a  
30 graduate degree in nursing or additional amounts, not to exceed the maximum  
31 amount specified in Arkansas Code Annotated 6-81-1206. All subsequent loans  
32 shall be granted only upon application by the recipient and a finding by the  
33 board that:

34 (1) The applicant has completed successfully the advanced nursing  
35 studies of the preceding academic year and remains in good standing as an

1 enrolled full-time student in an accredited graduate primary care nurse  
2 practitioner program in the state; and

3 (2) The applicant continues to be a resident of Arkansas.

4 6-81-1206. Advanced Nursing Students - Community Match Contract -  
5 Obligations and Conditions.

6 (a) The maximum amount of each advanced nursing practice community  
7 match loan shall not exceed twelve thousand five hundred dollars (\$12,500) per  
8 academic year. The *board* shall provide one-half (1/2) of the community match  
9 loan, and the qualified rural community shall provide the other one-half (1/2)  
10 of the loan; provided, however, that in the event the *board* does not have  
11 sufficient funds to match the community's portion of the loan, nothing shall  
12 preclude a qualified rural community from providing the total loan amount.

13 (b)(1) The *board* and the qualified rural community shall enter a joint  
14 loan contract with the applicant to whom a loan is made.

15 (2) The advanced nursing practice community match contract shall  
16 be approved by the Attorney General of the State of Arkansas and shall be  
17 signed by the chairman of the *board*, the vice-chairman of the *board*, the  
18 designated representative or representatives of the qualified rural community  
19 and the applicant.

20 (c) Each applicant to whom an advanced nursing practice community match  
21 loan or loans is granted by the *board* shall execute a written loan contract  
22 which shall incorporate the following obligations and conditions:

23 (1)(A) The recipient of an advanced nursing practice community  
24 match loan or loans shall bindingly contract that upon the completion of his  
25 or her graduate degree in nursing and upon national certification as a nurse  
26 practitioner, he or she shall practice primary care nursing full-time in the  
27 contracting qualified rural community.

28 (B) For each continuous whole calendar year of primary care  
29 nursing practice in accordance with subdivision (d)(1)(A) of this section, the  
30 *board* and the qualified rural community shall cancel, by converting to a  
31 scholarship grant, the full amount of one year's loan plus accrued interest.

32 (2)(A) In the event that any loan recipient withdraws from the  
33 Advanced Nursing Practice Community Match Loan and Scholarship Program while  
34 enrolled as a graduate nursing student at an accredited graduate primary care  
35 nursing school in the state, the recipient shall be obligated to repay the

1 community match loan or loans received, together with interest thereon, at the  
2 maximum rate allowed by Arkansas law, or the federal discount rate plus five  
3 percent (5%) per annum, whichever is the lesser, the interest to accrue from  
4 the date each payment of funds was received by the recipient.

5 (B) Repayment of principal, with interest and liquidated  
6 damages, under subdivision (c)(2) shall be due and payable in full at the  
7 earliest to occur of the following events:

8 (i) Withdrawal from the Community Match Loan and  
9 Scholarship Program; or

10 (ii) Failure to remain in full-time enrollment status  
11 continuously to completion of the graduate degree in nursing for any reason  
12 other than temporary personal illness.

13 (3) (A) In the event that any loan recipient from the Advanced  
14 Nursing Practice Community Match Loan and Scholarship Program under this  
15 section does not engage in the practice of primary care nursing in accordance  
16 with the terms of this section and of his or her loan contract in order to  
17 have the loan contract recognized as a scholarship, the recipient shall be  
18 obligated to repay the loan or loans received, together with interest thereon,  
19 at the maximum rate allowed by Arkansas law, or the federal discount rate plus  
20 five percent (5%) per annum, whichever is the lesser, the interest to accrue  
21 from the date each payment of funds was received by the recipient.

22 (B) Repayment of principal, with interest and penalties,  
23 under subdivision (c)(3) shall be due and payable in full at the earliest to  
24 occur of the following events:

25 (i) Failure to obtain national certification within  
26 twelve (12) months after graduation;

27 (ii) Failure to practice primary care nursing on a  
28 regularly sustained basis while residing in the contracting qualified rural  
29 community in Arkansas, provided however, that the board, in conjunction with  
30 the qualified rural community, may waive the residency requirement on a  
31 case-by-case basis; and

32 (iii) Failure to establish a primary care practice  
33 within six (6) months following graduation from an accredited graduate nurse  
34 practitioner program or within six (6) months after receiving national  
35 certification, whichever is later, unless otherwise deferred by approval of



1 the board.

2                   (C) *In addition, because of the hardship placed upon the*  
3 *rural community as a result of a breach of contract by the loan recipient and*  
4 *the difficulty in ascertaining or determining damages arising out of a breach*  
5 *of contract by the loan recipient, the contract shall provide for liquidated*  
6 *damages in an amount equal to fifty percent (50%) of the principal of the loan*  
7 *which shall not preclude the board and the qualified rural community from*  
8 *asserting other legal rights as a result of the breach of contract.*

9                   (4) No interest shall accrue, nor obligation to repay the  
10 principal sums accrued during any one (1) period of time that the recipient  
11 involuntarily serves on active duty in the United States Armed Forces.

12                   (5) In the event of the death of the recipient, all loans unpaid  
13 shall be due and payable.

14                   (d) The board may amend agreements entered into with any student who is  
15 currently enrolled as a graduate primary care nursing student as approved by  
16 the board pursuant to this section.

17                   6-81-1207. Funding of loans.

18                   All payments for loans under this subchapter shall be made on  
19 requisitions signed by the chairperson of the board drawn against funds held  
20 for the purposes of this subchapter. These funds, consisting of state  
21 appropriations so designated, including the Nursing Student Scholarship Fund,  
22 revolving amounts received from repayment of loans and interest, and all funds  
23 and property, and income therefrom, received by the board under its authority  
24 to accept and apply gifts, bequests and devises, shall be held in trust and  
25 disbursed by the fiscal officers of the Medical Center, University of  
26 Arkansas, pursuant to this subchapter.

27                   6-81-1208. Nursing students - Terms and conditions of loans.

28                   (a) (1) The board may make a scholarship award or grant of financial  
29 assistance to any worthy high school graduate in this state in order to pay  
30 all or part of the reasonable and necessary expenses of the applicant while  
31 attending a recognized school of nursing at a publicly supported institution  
32 in this state.

33                   (2) However, in no event shall the amount of any scholarship  
34 award or financial assistance to any single applicant exceed two thousand  
35 dollars (\$2,000) per academic year.

1 (b) (1) No scholarship award or financial assistance shall be provided  
2 to any applicant under the provisions of this section unless the applicant  
3 enters into a written agreement with the *board* to engage in the practice of  
4 *nursing in a rural community for a period of one (1) year for each year of*  
5 *scholarship assistance.*

6 (2) If any recipient of a scholarship award or financial  
7 assistance under the provisions of this section fails or refuses to comply  
8 with the agreement entered into with the board to engage in the practice of  
9 nursing in a *rural community*, the recipient shall be obligated to immediately  
10 repay the full amount of all scholarship awards or financial assistance  
11 received, together with interest at the *maximum rate allowed by law* from the  
12 date of receipt of the funds."

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14 SECTION 2. Arkansas Code 6-81-712 and 6-81-713 are repealed.

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16 SECTION 3. All provisions of this act of a general and permanent nature  
17 are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code  
18 Revision Commission shall incorporate the same in the Code.

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20 SECTION 4. If any provision of this act or the application thereof to  
21 any person or circumstance is held invalid, such invalidity shall not affect  
22 other provisions or applications of the act which can be given effect without  
23 the invalid provision or application, and to this end the provisions of this  
24 act are declared to be severable.

25

26 SECTION 5. All laws and parts of laws in conflict with this act are  
27 hereby repealed.

28

29 SECTION 6. EMERGENCY. It is hereby found and determined by the  
30 Eightieth General Assembly that there is a pressing and immediate need for  
31 additional nurse practitioners in rural areas of Arkansas; that this act has  
32 as its purposes the furnishing of financial assistance to those willing to  
33 commit to rural practice. Therefore, an emergency is hereby declared to exist  
34 and this act being necessary for the immediate preservation of the public  
35 peace, health and safety shall be in full force and effect from and after its

1 passage and approval.

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*/s/Rep. Flanagan, et al*

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APPROVED: 4-5-95

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