

State of Arkansas  
95th General Assembly  
Regular Session, 2025

# A Bill

SENATE BILL 554

By: Senator C. Tucker  
By: Representative Wooldridge

## For An Act To Be Entitled

AN ACT TO CREATE THE BEHAVIORAL HEALTH LOAN  
FORGIVENESS PROGRAM; AND FOR OTHER PURPOSES.

## Subtitle

TO CREATE THE BEHAVIORAL HEALTH LOAN  
FORGIVENESS PROGRAM.

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

SECTION 1. Arkansas Code Title 6, Chapter 81, is amended to add an  
additional subchapter to read as follows:

### Subchapter 21 – Behavioral Health Loan Forgiveness Program

#### 6-81-2101. Definitions.

#### As used in this subchapter:

(1) “Behaviorally underserved community” means a given  
geographical area in this state that the Secretary of the Department of Human  
Services determines has unmet needs for behavioral health services caused by  
factors, including without limitation:

(A) The ratio of mental health professionals to the  
population in the given geographical area;

(B) The ratio of licensed alcoholism and substance abuse  
counselors to the population in the given geographical area;

(C) The percentage of the population with incomes below  
the federal poverty level in the given geographical area;

(D) Accessibility within the given geographical area to



1 mental health professionals and alcoholism and substance use counselors; and

2 (E) Other relevant criteria the secretary may deem  
3 necessary for a determination of unmet needs for behavioral health services  
4 in the given geographical area;

5 (2) "Eligible loan" means the student loan debt incurred by a  
6 participant to become a mental health professional or a licensed alcoholism  
7 and drug abuse counselor;

8 (3) "Licensed alcoholism and drug abuse counselor" means the  
9 same as defined in § 17-27-401;

10 (4) "Mental health professional" means a psychiatrist,  
11 psychologist, advanced practice registered nurse, therapist, counselor, or  
12 social worker licensed in this state and certified by the Division of Aging,  
13 Adult, and Behavioral Health Services of the Department of Human Services;  
14 and

15 (5) "Participant" means a mental health professional or a  
16 licensed alcoholism and substance abuse counselor who has been selected by  
17 the secretary to participate in the Behavioral Health Loan Forgiveness  
18 Program.

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20 6-81-2102. Creation.

21 (a) There is created the Behavioral Health Loan Forgiveness Program to  
22 be administered by the Department of Human Services in accordance with the  
23 provisions of this subchapter.

24 (b) The program shall promote mental health professionals serving in  
25 behaviorally underserved communities in this state by providing participants  
26 with payments toward eligible loans in accordance with this subchapter.

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28 6-81-2103. Secretary of Department of Human Services powers and  
29 duties.

30 The Secretary of the Department of Human Services shall:

31 (1) Determine the behaviorally underserved communities in this  
32 state;

33 (2) Prescribe forms for and regulate the submission of  
34 applications for possible participants in the Behavioral Health Loan  
35 Forgiveness Program;

36 (3) Determine eligibility of applicants;

1           (4) Select applicants each year for participation in the program  
2 within the limits of available funding;

3           (5) Select applicants for the program based on their suitability  
4 for best addressing the unmet needs of behaviorally underserved communities  
5 as indicated by experience or training;

6           (6) Give preference to applicants for the program closest to  
7 completing their training or having completed their training;

8           (7) Otherwise administer the program; and

9           (8) Promulgate reasonable rules necessary to implement this  
10 subchapter, including rules addressing the requirements and in conformance  
11 with the requirements of the Arkansas Administrative Procedure Act, § 25-15-  
12 201 et seq., and other appropriate state laws in promulgating and placing  
13 rules into effect to establish the program.

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15       6-81-2104. Eligibility.

16       (a) To be eligible to be a participant, an individual shall:

17           (1) Either:

18               (A) Be a mental health professional or a licensed  
19 alcoholism and substance abuse counselor; or

20               (B) Be enrolled in a training or education program to  
21 become a mental health professional or a licensed alcoholism and substance  
22 abuse counselor; and

23           (2) Submit an application for the Behavioral Health Loan  
24 Forgiveness Program.

25       (b) An applicant selected to be a participant shall sign a contract to  
26 agree to serve a minimum three-year full-time service obligation as a mental  
27 health professional or a licensed alcoholism and substance abuse counselor in  
28 behaviorally underserved communities.

29       (c) A participant shall:

30           (1) Secure his or her own qualified educational loans;

31           (2) Verify to the Secretary of the Department of Human Services  
32 with documentation the amount of the participant's eligible loans; and

33           (3) Designate to the secretary a particular eligible loan toward  
34 which the participant will use any loan repayment disbursement from the  
35 Arkansas Behavioral Health Professional Student Loan Repayment Fund.

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1       6-81-2105. Disbursement.

2       (a)(1) The Secretary of the Department of Human Services shall  
3 distribute available funds from the Arkansas Behavioral Health Professional  
4 Student Loan Repayment Fund to participants proportionally among the eligible  
5 professions according to the vacancy rate for mental health professionals and  
6 licensed alcoholism and substance abuse counselors.

7       (2) If the secretary does not receive enough qualified  
8 applicants each year to use the entire allocation of funds for one (1)  
9 eligible profession, the remaining funds may be allocated proportionally  
10 among the other eligible professions according to the vacancy rate for each  
11 profession, as determined by the secretary.

12       (b) Upon the completion of each year that a participant meets the  
13 service obligation required under § 6-81-2104(b), up to a maximum of three  
14 (3) years, the secretary shall make annual disbursements from the fund  
15 directly to the participant in an amount equivalent to fifteen percent (15%)  
16 of the average educational debt for indebted graduates in the participant's  
17 profession in the year closest to the participant's selection for the  
18 Behavioral Health Loan Forgiveness Program for which information is  
19 available, not to exceed the balance of the participant's qualifying  
20 educational loans.

21       (c)(1) Before receiving loan repayment disbursements from the fund and  
22 as requested by the secretary, a participant shall complete and return to the  
23 secretary a confirmation of practice form provided by the secretary verifying  
24 that the participant is practicing as required under § 6-81-2104(b).

25       (2) A participant who moves their practice to a new location  
26 remains eligible for loan repayment in the program as long as he or she  
27 practices as required under § 6-81-2104(b).

28       (3) The participant shall verify to the secretary with  
29 documentation that the full amount of loan repayment disbursement from the  
30 fund received by the participant as part of the program has been applied  
31 toward the designated eligible loan.

32       (4) The secretary shall not make an additional loan repayment  
33 disbursement to a participant from the fund until the verification required  
34 by subdivision (c)(3) of this section has been received by the secretary.

35       (d)(1) If a participant does not fulfill the contract of service  
36 required under § 6-81-2104(b), the secretary shall:

1                   (A) Collect from the participant the total amount paid to  
2 the participant under the program plus interest at a rate of five percent  
3 (5%) per annum; and

4                   (B) Deposit the money collected under this subchapter into  
5 the fund.

6                   (2) The secretary shall allow waivers of all or part of the  
7 money owed to the secretary as a result of the nonfulfillment penalty under  
8 subdivision (d)(1) of this section if, subject to the secretary's discretion,  
9 exigent circumstances prevented the participant's fulfillment of the terms of  
10 the contract required by § 6-81-2104(b).

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12           SECTION 2. Arkansas Code Title 19, Chapter 5, Subchapter 12, is  
13 amended to add an additional section to read as follows:

14           19-5-1288. Arkansas Behavioral Health Professional Student Loan  
15 Repayment Fund.

16           (a) There is created on the books of the Treasurer of State, the  
17 Auditor of State, and the Chief Fiscal Officer of the State a miscellaneous  
18 fund to be known as the "Arkansas Behavioral Health Professional Student Loan  
19 Repayment Fund".

20           (b) The fund shall consist of:

21                   (1) Moneys obtained from private or public grants, gifts, or  
22 donations that are designated to be credited to the fund; and

23                   (2) Any other funds authorized, appropriated, or provided by  
24 law.

25           (c) The fund shall be used by the Department of Human Services to  
26 create and maintain the Behavioral Health Loan Forgiveness Program under § 6-  
27 81-2101 et seq.

28           (d) Moneys remaining in the fund at the end of each fiscal year shall  
29 carry forward and be made available for the purposes stated in this section  
30 in the next fiscal year.

31           (e) The Secretary of the Department of Human Services shall:

32                   (1) Administer and disburse the fund;

33                   (2) Manage, operate, and control all funds and property  
34 appropriated or otherwise contributed to the fund for the program;

35                   (3) Accept gifts, grants, bequests, or devises and apply them to  
36 the fund as a part of the program;

1           (4) Accept moneys from federal programs that may be used for  
2 furtherance of the program; and

3           (5) Promulgate reasonable rules necessary to implement this  
4 section, including rules addressing the requirements and in conformance with  
5 the requirements of the Arkansas Administrative Procedure Act, § 25-15-201 et  
6 seq., and other appropriate state laws in promulgating and placing rules into  
7 effect to establish the fund.

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