1	State of Arkansas	As Engrossed: H2/14/01 S3/7/01		
2	83rd General Assembly	A Bill	Act 787 of	f <b>2001</b>
3	Regular Session, 2001		HOUSE BILL	1645
4				
5	By: Representatives Bond, B	orhauer, Bledsoe, Cleveland, Cook, Dees, Green, Mi	ilum, Salmon	
6	By: Senators Gullett, Baker			
7				
8				
9		For An Act To Be Entitled		
10	AN ACT	TO CREATE THE GRADUATE NURSING STUDENT		
11	LOAN AND	O SCHOLARSHIP PROGRAM; TO CREATE THE		
12	GRADUATE	E NURSING STUDENT LOAN AND SCHOLARSHIP		
13	BOARD; A	AND FOR OTHER PURPOSES.		
14				
15		Subtitle		
16	AN AC	CT TO CREATE THE GRADUATE NURSING		
17	STUDE	ENT LOAN AND SCHOLARSHIP PROGRAM; TO		
18	CREAT	TE THE GRADUATE NURSING STUDENT LOAN		
19	AND S	SCHOLARSHI P BOARD.		
20				
21				
22	BE IT ENACTED BY THE G	SENERAL ASSEMBLY OF THE STATE OF ARKANS	AS:	
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24	SECTION 1. Arka	nnsas Code 6-81-1201 is amended to read	as follows:	
25	6-81-1201. Defi	ni ti ons.		
26	As used in this	subchapter:		
27	(1) "Arkansas D	Department of Public Health" means any	of Arkansas'	
28	<pre>public health units;</pre>			
29	<del>(1)</del> <u>(2)</u> "Arkansa	as school of nursing" means any school	or <u>school's</u>	
30	department of nursing	located in <del>Arkansas' universities or c</del>	<del>:olleges</del> <u>Arkan</u>	<u>sas</u> ;
31	<del>(2)</del> (3) "Board"	means the <del>Arkansas Primary Care Nursin</del>	<del>g Practice an</del>	d
32	Nurse Educator Student	: Loan and Schol arship Board Graduate N	ursing Studen	<u>t</u>
33	Loan and Scholarship B	Board;		
34	<u>(4) "Master's o</u>	or doctoral nursing education program"	means Arkansa	<u>S</u>
35	nursing education prog	grams located in an Arkansas public or	pri vate	
36	institution of higher	education that has a master's nursing	program	

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     accredited by a recognized national nursing accreditation organization or a
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     Doctor of Philosophy in nursing program accredited by North Central
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     Association of Colleges and Secondary Schools.
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           (3)(5) "Nurse educator" means a student enrolled in an Arkansas
     master's nursing education program or doctoral nursing education program who
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     will prepare to teach nursing in one of Arkansas' nursing schools or
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     departments of nursing in higher education an Arkansas school of nursing;
           (4)(6)(A) "Primary care nursing" means advanced nursing care provided
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     in one (1) of the following areas of practice:
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                       (A)(i) Family practice nursing:
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                       (B)(ii) Pediatric nursing;
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                       (C)(iii) Women's health nursing;
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                       (D)(iv) Nurse midwifery;
                       (E)(v) Gerontology nursing; and
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                       (F)(vi) Adult nursing; and
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                 (B) Primary care nursing occurs in the context of the community
     and is characterized by long-term, close relationships between the
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     practitioner and patient, in which the primary care provider treats common
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     and episodic illness, but refers more complex problems to specialists;
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           (5)(7) "Rural community" means a community within a health professions
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     shortage area, as determined by the board, or a community having a population
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     of no more than fifteen thousand (15,000) persons according to the most
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     recent federal census taken prior to the execution of the loan contract or
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     the most recent federal census taken prior to the time the recipient of the
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     loan or loans shall be required to practice full time in such a rural
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     community as provided in §§ 6-81-1204 and 6-81-1206.
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                       Arkansas Code 6-81-1202 is amended to read as follows:
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           SECTION 2.
29
                       Arkansas Primary Care Nursing Practice and Nurse Educator
           6-81-1202.
     Student Loan and Scholarship Board Graduate Nurse Educator Loan and
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31
     Schol arship Board.
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           (a) There is established the Arkansas Primary Care Nursing Practice
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     and Nurse Educator Student Loan and Scholarship Board Graduate Nurse Educator
     Loan and Scholarship Board composed of:
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                 (1) The dean, chair, or director of each of the accredited
     graduate nursing programs in the state that offers a nurse practitioner
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1	specialty in primary care or preparation for nurse educators <u>at the master's</u>			
2	<u>or doctoral levels</u> ;			
3	(2) The President of the Council of Nurse Administrators of			
4	Nursing Education Programs in Arkansas;			
5	(3) The President of the Arkansas State Board of Nursing;			
6	(4) The Director of the Department of Health or the director's			
7	desi gnee; and			
8	(5) One (1) consumer, to be appointed by the Governor.			
9	(b) The board shall:			
10	(1) Promulgate reasonable rules and regulations as may be			
11	necessary to execute the provisions of this subchapter, including regulations			
12	addressi ng:			
13	(A) The requirements for a health professions shortage			
14	area;			
15	(B) The requirements for an Arkansas school of nursing in			
16	<del>hi gher educati on</del> ;			
17	(C) The requirements to become a qualified rural community			
18	eligible to participate in the Advanced Nursing Practice Community Match Loar			
19	and Scholarship Program for a community having a population of no more than			
20	fifteen thousand (15,000) persons according to the most recent census;			
21	(D) The requirements of the Department of Health;			
22	(D)(E) The establishment of a minimum scholastic standing			
23	which a high school graduate baccal aureate or master's nursing graduate must			
24	have achieved and the academic or scholastic standing a student must maintain			
25	in an accredited school of nursing in this state as a condition of receiving			
26	scholarship funds or financial aid under the provisions of § 6-81-1208;			
27	$\frac{(E)(F)}{(E)}$ The establishment of standards for a determination			
28	of the financial needs of the applicant for scholarship funds or financial			
29	aid under § 6-81-1208, including the ability of the applicant or the spouse			
30	or the parents or guardian of such applicant to furnish a part of the funds			
31	necessary to pay the expenses of the applicant while attending a school of			
32	nursi ng; and			

(F)(G) All matters relating directly to the agreement for providing these scholarship funds or financial aid, including the terms and conditions of providing financial aid to the student and relating to the obligation of the recipient of financial aid to engage in the nursing

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- 1 profession in a rural community or as a nurse educator in an Arkansas school 2 of nursing;
- 3 (2) Prescribe forms for and regulate the submission of 4 applications for financial assistance;
  - (3) Determine eligibility of applicants;
  - (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;
  - (6) Manage, operate, and control all funds and property appropriated or otherwise contributed for this purpose;
  - (7) Accept gifts, grants, bequests, or devises and apply them as a part of this program;
    - (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.
  - (c) The members of the board may receive expense reimbursement in accordance with § 25-16-901 et seq.

20 SECTION 3. Arkansas Code 6-81-1203 is amended to read as follows:

- 6-81-1203. Graduate nursing students Eligibility for rural advanced nursing practice and nurse educator loans.
- (a) The board may make rural advanced nursing practice or nurse educator loans to an applicant, each rural advanced nursing practice or nurse educator loan being expressly made subject to the provisions of § 6-81-1204 if it finds that:
  - (1) The applicant is a bona fide resident of Arkansas;
- (2) The applicant has been accepted for admission to, or is enrolled in good standing in, an accredited graduate primary care nurse practitioner or master's nurse educator, master's nurse practitioner, or Doctor of Philosophy in nursing program in the state leading to a graduate degree in nursing;
- (3) The applicant is or will be a full-time graduate nursing student or a part-time student who is employed full-time in an Arkansas school of nursing;
- 36 (4) The applicant needs financial assistance to complete his or

1 her nursing studies;

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- 2 (5) The applicant desires to practice primary care nursing in a 3 rural community or teach nursing in an Arkansas school of nursing; and
  - (6) The applicant is a person of good moral character and one who has the talent and capacity to profit by advanced graduate nursing studies.
  - (b)(1) Subject to the availability of funds, an initial rural advanced nursing practice or nurse educator loan for one (1) academic year shall be renewable annually for the number of years required to complete studies leading to a graduate master's in nursing, or Doctor of Philosophy in nursing degree *in nursing*, or additional amounts not to exceed the maximum amount specified in § 6-81-1204.
  - (2) All subsequent rural advanced nursing practice <u>or nurse</u>
    <u>educator</u> I oans shall be granted only upon application by the recipient and a finding by the board that:
  - (A) The applicant has completed successfully the advanced nursing studies of the preceding academic year and remains in good standing as an enrolled full-time student in an accredited graduate primary care nurse practitioner or master's nurse educator program or a Doctor of Philosophy in Nursing Program in the state;
- 21 (B) The applicant continues to be a resident of Arkansas; 22 and
  - (C) The applicant's financial situation continues to warrant financial assistance made under the conditions of this section.
- SECTION 4. Arkansas Code 6-81-1204 is amended to read as follows:
  6-81-1204. Advanced Graduate nursing students Rural practice or
  nurse educator Loan contracts Obligations and conditions.
  - (a) (1) (A) The maximum amount of each <u>master's</u> rural <u>advanced</u> nursing practice or nurse educator loan <u>for full-time applicants</u> shall not exceed eight thousand dollars (\$8,000) per academic year.
  - (B) The maximum amount of each Doctor of Philosophy in nursing loan for full-time applicants shall not exceed twenty thousand dollars (\$20,000) per academic year.
- 35 <u>(C) Loans for part-time applicant shall be pro-rated as</u> 36 determined by the board.

- (2) (A) The maximum number of years a master's recipient may
  receive funding shall not exceed two (2) years or four (4) regular academic
  semesters of full-time enrollment or four (4) years or eight (8) regular
  academic semesters of part-time enrollment.
  - (B) The maximum number of years a doctoral recipient may receive funding shall not exceed four (4) years, or eight (8) regular academic semesters of full-time enrollment, or six (6) years or twelve (12) regular academic semesters of part-time enrollment.
  - (b)(1) The board shall enter a loan contract with the applicant to whom a rural advanced nursing practice or nurse educator loan is made.
  - (2) The rural advanced nursing practice or nurse educator Ioan contract shall be approved by the Attorney General and shall be signed by the chairman of the board, the vice chairman of the board, and the applicant.
  - (c) Each applicant to whom a rural advanced nursing practice or nurse educator Ioan or Ioans are granted by the board shall execute a written Ioan contract which shall incorporate the following obligations and conditions:
  - (1)(A) The recipient of a rural advanced nursing practice or nurse educator loan or loans shall bindingly contract that, upon completion of his or her graduate degree in nursing and upon national certification as a nurse practitioner in the case of recipients of a rural advanced nursing practice loan, he or she shall practice advanced primary care nursing as an advanced practitioner full time in a an Arkansas rural community or the Department of Health. In the case of the nurse educator recipient, he or she shall teach full time during the academic year in an Arkansas school of nursing.
  - (B) For each continuous whole calendar year of advanced primary care nursing practice or academic calendar year for teaching in accordance with subdivision (c)(1)(A) of this section, the board shall cancel, by converting to a scholarship grant, the full amount of one (1) year's loan, plus accrued interest; and
  - (2)(A) In the event that any rural advanced nursing practice or nurse educator Ioan recipient under this subchapter does not engage in the practice of advanced primary care practice nursing, or teach in an Arkansas school of nursing, in accordance with the terms of this section and of his or her Ioan contract in order to have the Ioan contract recognized as a school arship, the recipient shall remain obligated to repay the Ioan or Ioans

1 received together with interest thereon at the maximum rate allowed by 2 Arkansas law or the federal discount rate plus five percent (5%) per annum, 3 whichever is the lesser, the interest to accrue from the date each payment of funds was received by the recipient. 4 5 (B) No interest shall accrue nor obligation to repay the 6 principal sums accrued during any one (1) period of time that the recipient 7 involuntarily serves on active duty in the United States armed forces. 8 (C) Repayment of principal with interest shall be due and 9 payable in full at the earliest to occur of the following events: 10 (i) Failure to remain in full-time enrollment status 11 enrolled continuously and in good academic standing to completion of a 12 graduate nursing degree for any reason other than temporary personal illness; 13 (ii) Failure to obtain national certification as a 14 nurse practitioner within twelve (12) months after graduation for those 15 receiving the rural advanced nursing practice loan; 16 (iii) (ii) Failure to practice primary care nursing 17 as an advanced nurse practitioner on a regularly sustained basis while 18 residing in a an Arkansas rural community in Arkansas or working in an 19 Arkansas Department of Health Unit, as defined in § 6-81-1201, or to serve as 20 a nursing faculty in an Arkansas school of nursing. Provided, however, that 21 the board may waive the residency requirement on a case-by-case basis; or 22 (iv)(iii) Failure to establish a primary care 23 nursing practice within six (6) months following graduation from an 24 accredited graduate nursing program or within six (6) months after receiving 25 national certification whichever is later or failure to assume a nurse 26 faculty position in an Arkansas school of nursing within six (6) months 27 following graduation, unless otherwise deferred by approval of the board. 28 (D) In the event of the death of the recipient, all loans 29 unpaid shall be due and payable. 30 (d) The board may amend agreements entered into with any student who 31 is currently enrolled as a graduate nursing student as approved by the board 32 pursuant to this section. 33 SECTION 5. Arkansas Code 6-81-1205 through 6-81-1208 is repealed. 34 6-81-1205. Advanced nursing students - Community match contract -35 36 Eligibility for initial and renewal loans.

1	(a)(1) The board shall administer the Advanced Nursing Practice	
2	Community Match Loan and Scholarship Program.	
3	(2)(A) Interested rural communities may apply to the board to	
4	participate in the Advanced Nursing Practice Community Match Loan and	
5	Scholarship Program as a qualified rural community.	
6	(B) The board shall approve a designated representative or	
7	representatives of the qualified rural community to assist the board in	
8	matters relating to any community match contracts entered into by the board	
9	and the qualified rural community.	
10	(b) The board, in conjunction with a qualified rural community, may	
11	make community match loans to applicants, each loan being expressly made	
12	subject to the provisions of § 6-81-1206, if it finds that:	
13	(1) The applicant is a bona fide resident of Arkansas;	
14	(2) The applicant has been accepted for admission to, or is	
15	enrolled in good standing in, an accredited graduate primary care nurse	
16	practitioner program in the state leading to a graduate degree in nursing;	
17	(3) The applicant is or will be a full-time graduate nursing	
18	student;	
19	(4) The applicant desires to practice primary care nursing in	
20	the qualified rural community;	
21	(5) The applicant is a person of good moral character and one	
22	who has the talent and capacity to profit by advanced nursing studies; and	
23	(6) The designated representative or representatives of the	
24	qualified rural community approve the applicant.	
25	(c)(1) Subject to the availability of funds, an initial advanced	
26	nursing practice community match loan for one (1) academic year shall be	
27	renewable annually for the number of years required to complete studies	
28	leading to a graduate degree in nursing or additional amounts, not to exceed	
29	the maximum amount specified in § 6-81-1206.	
30	(2) All subsequent loans shall be granted only upon application	
31	by the recipient and a finding by the board that:	
32	(A) The applicant has completed successfully the advanced	
33	nursing studies of the preceding academic year and remains in good standing	
34	as an enrolled full-time student in an accredited graduate primary care nurse	
35	<del>practitioner program in the state; and</del>	
36	(B) The applicant continues to be a resident of Arkansas.	

1 2 6-81-1206. Advanced nursing students Community match contract 3 Obligations and conditions. 4 (a)(1) The maximum amount of each advanced nursing practice community 5 match Loan shall not exceed twelve thousand five hundred dollars (\$12,500) 6 per academi c year. 7 (2)(A) The board shall provide one half (1/2) of the community match loan, and the qualified rural community shall provide the other one-8 9 half (1/2) of the Loan: (B) Provided, however, that in the event the board does 10 11 not have sufficient funds to match the community's portion of the loan, 12 nothing shall preclude a qualified rural community from providing the total 13 Loan amount. 14 (b)(1) The board and the qualified rural community shall enter a joint 15 loan contract with the applicant to whom a loan is made. 16 (2) The advanced nursing practice community match contract shall be approved by the Attorney General and shall be signed by the chairman of 17 18 the board, the vice chairman of the board, the designated representative or 19 representatives of the qualified rural community, and the applicant. 20 (c) Each applicant to whom an advanced nursing practice community 21 match loan or loans is granted by the board shall execute a written loan 22 contract 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. (B) For each continuous whole calendar year of primary 28 29 care nursing practice in accordance with subdivision (c)(1)(A) of this section, the board and the qualified rural community shall cancel, by 30 31 converting to a scholarship grant, the full amount of one (1) year's Loan, 32 plus accrued interest; 33 (2)(A) In the event that any loan recipient withdraws from the Advanced Nursing Practice Community Match Loan and Scholarship Program while 34

enrolled as a graduate nursing student at an accredited graduate primary care

nursing school in this state, the recipient shall be obligated to repay the

1 community match Loan or Loans received, together with interest thereon at the 2 maxi mum 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 this subdivision (c)(2) shall be due and payable in full at 7 the earliest to occur of the following events: (i) Withdrawal from the Advanced Nursing Practice 8 9 Community Match Loan and Scholarship Program; or (ii) Failure to remain in full-time enrollment 10 11 status continuously to completion of the graduate degree in nursing for any 12 reason 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 have the Loan contract recognized as a scholarship, the recipient shall be 17 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 five percent (5%) per annum, whichever is the lesser, the interest to accrue 20 21 from the date each payment of funds was received by the recipient. 22 (B) Repayment of principal, with interest and penalties, 23 under this subdivision (c)(3) shall be due and payable in full at the earliest to occur of the following events: 24 25 (i) Failure to obtain national certification within 26 twelve (12) months after graduation; 27 (ii) Failure to practice primary care nursing on a regularly sustained basis while residing in the contracting qualified rural 28 community in Arkansas. Provided, however, that the board, in conjunction with 29 the qualified rural community, may waive the residency requirement on a case-30 31 by-case basis; or 32 (iii) Failure to establish a primary care practice 33 within six (6) months following graduation from an accredited graduate nurse practitioner program or within six (6) months after receiving national 34 certification, whichever is later, unless otherwise deferred by approval of 35 36 the board.

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35 36 in this state.

- 1 (C) In addition, because of the hardship placed upon the 2 rural community as a result of a breach of contract by the loan recipient and the difficulty in ascertaining or determining damages arising out of a breach 3 4 of contract by the Loan recipient, the contract shall provide for Liquidated 5 damages in an amount equal to fifty percent (50%) of the principal of the 6 loan which shall not preclude the board and the qualified rural community 7 from asserting other legal rights as a result of the breach of contract; 8 (4) No interest shall accrue, nor obligation to repay the 9 principal sums accrued, during any one (1) period of time that the recipient involuntarily serves on active duty in the United States armed forces; and 10 11 (5) In the event of the death of the recipient, all loans unpaid 12 shall be due and payable. 13 (d) The board may amend agreements entered into with any student who 14 is currently enrolled as a graduate primary care nursing student as approved 15 by the board pursuant to this section. 16 6-81-1207. Funding of Loans. 17 18 (a) All payments for Loans under this subchapter shall be made on 19 requisitions signed by the chairman of the board drawn against funds held for the purposes of this subchapter. 20 21 (b) These funds, consisting of state appropriations so designated, including the Nursing Student Scholarship Fund, revolving amounts received 22 23 from repayment of Loans and interest, and all funds and property, and income therefrom, received by the board under its authority to accept and apply 24 25 gifts, bequests, and devises, shall be held in trust and disbursed by the 26 fiscal officers of the University of Arkansas for Medical Services, pursuant 27 to this subchapter. 28 29 6-81-1208. Nursing students - Terms and conditions of Loans. (a)(1) The board may make a scholarship award or grant of financial 30 31 assistance to any worthy high school graduate in this state in order to pay
  - $\hbox{$(2)$ However, in no event shall the amount of any scholarship} \\ \hbox{$award or financial assistance to any single applicant exceed two thousand}$

all or part of the reasonable and necessary expenses of the applicant while attending a recognized school of nursing at a publicly supported institution

1	dollars (\$2,000) per academic year.
2	(b)(1) No scholarship award or financial assistance shall be provided
3	to any applicant under the provisions of this section unless the applicant
4	enters into a written agreement with the board to engage in the practice of
5	nursing in a rural community for a period of one (1) year for each year of
6	schol arshi p assi stance.
7	(2) If any recipient of a scholarship award or financial
8	assistance under the provisions of this section fails or refuses to comply
9	with the agreement entered into with the board to engage in the practice of
10	nursing in a rural community, the recipient shall be obligated to immediately
11	repay the full amount of all scholarship awards or financial assistance
12	received, together with interest at the maximum rate allowed by law from the
13	date of receipt of the funds.
14	
15	SECTION 6. Arkansas Code Title 6, Chapter 81, Subchapter 12 is amended
16	to add an additional section to read as follows:
17	6-81-1209. Effect of subchapter.
18	Nothing in this subchapter shall be construed as establishing minimal
19	requirements for schools of nursing or otherwise affecting the powers and
20	duties of the Arkansas State Board of Nursing regarding schools of nursing.
21	/s/ Bond
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24	APPROVED: 3/14/2001
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