

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 83rd General Assembly
3 Regular Session, 2001
4

As Engrossed: H2/14/01 S3/7/01

A Bill

HOUSE BILL 1645

5 By: Representatives Bond, Borhauer, *Bledsoe, Cleveland, Cook, Dees, Green, Milum, Salmon*
6 By: Senators Gullett, Baker
7
8

For An Act To Be Entitled

9
10 AN ACT TO CREATE THE GRADUATE NURSING STUDENT
11 LOAN AND SCHOLARSHIP PROGRAM; TO CREATE THE
12 GRADUATE NURSING STUDENT LOAN AND SCHOLARSHIP
13 BOARD; AND FOR OTHER PURPOSES.
14

Subtitle

15
16 AN ACT TO CREATE THE GRADUATE NURSING
17 STUDENT LOAN AND SCHOLARSHIP PROGRAM; TO
18 CREATE THE GRADUATE NURSING STUDENT LOAN
19 AND SCHOLARSHIP BOARD.
20
21

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

24 SECTION 1. Arkansas Code 6-81-1201 is amended to read as follows:
25 6-81-1201. Definitions.

26 As used in this subchapter:

27 (1) "Arkansas Department of Public Health" means any of Arkansas'
28 public health units;

29 ~~(1)(2)~~ "Arkansas school of nursing" means any school or school's
30 department of nursing located in ~~Arkansas' universities or colleges~~ Arkansas;

31 ~~(2)(3)~~ "Board" means the ~~Arkansas Primary Care Nursing Practice and~~
32 ~~Nurse Educator Student Loan and Scholarship Board~~ Graduate Nursing Student
33 Loan and Scholarship Board;

34 (4) "Master's or doctoral nursing education program" means Arkansas
35 nursing education programs located in an Arkansas public or private
36 institution of higher education that has a master's nursing program

1 accredited by a recognized national nursing accreditation organization or a
2 Doctor of Philosophy in nursing program accredited by North Central
3 Association of Colleges and Secondary Schools.

4 ~~(3)~~(5) "Nurse educator" means a student enrolled in an Arkansas
5 master's nursing education program or doctoral nursing education program who
6 will prepare to teach nursing in ~~one of Arkansas' nursing schools or~~
7 ~~departments of nursing in higher education~~ an Arkansas school of nursing;

8 ~~(4)~~(6)(A) "Primary care nursing" means advanced nursing care provided
9 in one (1) of the following areas of practice:

- 10 ~~(A)~~(i) Family practice nursing;
- 11 ~~(B)~~(ii) Pediatric nursing;
- 12 ~~(C)~~(iii) Women's health nursing;
- 13 ~~(D)~~(iv) Nurse midwifery;
- 14 ~~(E)~~(v) Gerontology nursing; ~~and~~
- 15 ~~(F)~~(vi) Adult nursing; and

16 (B) Primary care nursing occurs in the context of the community
17 and is characterized by long-term, close relationships between the
18 practitioner and patient, in which the primary care provider treats common
19 and episodic illness, but refers more complex problems to specialists;

20 ~~(5)~~(7) "Rural community" means a community within a health professions
21 shortage area, as determined by the board, or a community having a population
22 of no more than fifteen thousand (15,000) persons according to the most
23 recent federal census taken prior to the execution of the loan contract or
24 the most recent federal census taken prior to the time the recipient of the
25 loan or loans shall be required to practice full time in such a rural
26 community as provided in §§ 6-81-1204 and 6-81-1206.

27
28 SECTION 2. Arkansas Code 6-81-1202 is amended to read as follows:

29 6-81-1202. ~~Arkansas Primary Care Nursing Practice and Nurse Educator~~
30 ~~Student Loan and Scholarship Board~~ Graduate Nurse Educator Loan and
31 Scholarship Board.

32 (a) There is established the ~~Arkansas Primary Care Nursing Practice~~
33 ~~and Nurse Educator Student Loan and Scholarship Board~~ Graduate Nurse Educator
34 Loan and Scholarship Board composed of:

- 35 (1) The dean, chair, or director of each of the accredited
- 36 graduate nursing programs in the state that offers a nurse practitioner

1 specialty in primary care or preparation for nurse educators at the master's
2 or doctoral levels;

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 designee; 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 addressing:

13 (A) The requirements for a health professions shortage
14 area;

15 (B) The requirements for an Arkansas school of nursing ~~in~~
16 ~~higher education;~~

17 (C) The requirements ~~to become a qualified rural community~~
18 ~~eligible to participate in the Advanced Nursing Practice Community Match Loan~~
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)~~ (E) The establishment of a minimum scholastic standing
23 which a ~~high school graduate~~ baccalaureate 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 ~~(E)(F)~~ (F) 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 nursing; and

33 ~~(F)(G)~~ (G) 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
36 obligation of the recipient of financial aid to engage in the nursing

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;

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 members of the board may receive expense reimbursement in
18 accordance with § 25-16-901 et seq.

19
20 SECTION 3. Arkansas Code 6-81-1203 is amended to read as follows:

21 6-81-1203. Graduate nursing students - Eligibility for rural advanced
22 nursing practice and nurse educator loans.

23 (a) The board may make rural advanced nursing practice or nurse
24 educator loans to an applicant, each rural advanced nursing practice or nurse
25 educator loan being expressly made subject to the provisions of § 6-81-1204
26 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 or master's nurse~~ educator, master's nurse practitioner, or
31 Doctor of Philosophy in nursing program in the state leading to a graduate
32 degree in nursing;

33 (3) The applicant is or will be a full-time graduate nursing
34 student or a part-time student who is employed full-time in an Arkansas
35 school of nursing;

36 (4) The applicant needs financial assistance to complete his or

1 her nursing studies;

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

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

7 (b)(1) Subject to the availability of funds, an initial rural advanced
8 nursing practice or nurse educator loan for one (1) academic year shall be
9 renewable annually for the number of years required to complete studies
10 leading to a ~~graduate~~ master's in nursing, or Doctor of Philosophy in nursing
11 degree ~~in nursing, or additional amounts~~ not to exceed the maximum amount
12 specified in § 6-81-1204.

13 (2) All subsequent rural advanced nursing practice or nurse
14 educator loans shall be granted only upon application by the recipient and a
15 finding by the board that:

16 (A) The applicant has completed successfully the advanced
17 nursing studies of the preceding academic year and remains in good standing
18 as an enrolled ~~full-time~~ student in an accredited ~~graduate primary care nurse~~
19 ~~practitioner or~~ master's nurse educator program or a Doctor of Philosophy in
20 Nursing Program in the state;

21 (B) The applicant continues to be a resident of Arkansas;
22 and

23 (C) The applicant's financial situation continues to
24 warrant financial assistance made under the conditions of this section.

25

26 SECTION 4. Arkansas Code 6-81-1204 is amended to read as follows:

27 6-81-1204. ~~Advanced~~ Graduate nursing students - Rural practice or
28 nurse educator loan contracts - Obligations and conditions.

29 (a)(1)(A) The maximum amount of each master's rural *advanced* nursing
30 practice or nurse educator loan for full-time applicants shall not exceed
31 eight thousand dollars (\$8,000) per academic year.

32 (B) The maximum amount of each Doctor of Philosophy in
33 nursing loan for full-time applicants shall not exceed twenty thousand
34 dollars (\$20,000) per academic year.

35 (C) Loans for part-time applicant shall be pro-rated as
36 determined by the board.

1 (2)(A) The maximum number of years a master's recipient may
2 receive funding shall not exceed two (2) years or four (4) regular academic
3 semesters of full-time enrollment or four (4) years or eight (8) regular
4 academic semesters of part-time enrollment.

5 (B) The maximum number of years a doctoral recipient may receive
6 funding shall not exceed four (4) years, or eight (8) regular academic
7 semesters of full-time enrollment, or six (6) years or twelve (12) regular
8 academic semesters of part-time enrollment.

9 (b)(1) The board shall enter a loan contract with the applicant to
10 whom a rural advanced nursing practice or nurse educator loan is made.

11 (2) The rural advanced nursing practice or nurse educator loan
12 contract shall be approved by the Attorney General and shall be signed by the
13 chairman of the board, ~~the vice chairman of the board,~~ and the applicant.

14 (c) Each applicant to whom a rural advanced nursing practice or nurse
15 educator loan or loans are granted by the board shall execute a written loan
16 contract which shall incorporate the following obligations and conditions:

17 (1)(A) The recipient of a rural advanced nursing practice or
18 nurse educator loan or loans shall bindingly contract that, upon completion
19 of his or her graduate degree in nursing and upon national certification as a
20 nurse practitioner in the case of recipients of a rural advanced nursing
21 practice loan, he or she shall practice ~~advanced primary care nursing~~ as an
22 advanced practitioner full time in ~~a~~ an Arkansas rural community or the
23 Department of Health. In the case of the nurse educator recipient, he or she
24 shall teach full time during the academic year in an Arkansas school of
25 nursing.

26 (B) For each continuous whole calendar year of advanced
27 primary care nursing practice or academic calendar year for teaching in
28 accordance with subdivision (c)(1)(A) of this section, the board shall
29 cancel, by converting to a scholarship grant, the full amount of one (1)
30 year's loan, plus accrued interest; and

31 (2)(A) In the event that any rural advanced nursing practice or
32 nurse educator loan recipient under this subchapter does not engage in the
33 practice of advanced ~~primary care~~ practice nursing, or teach in an Arkansas
34 school of nursing, in accordance with the terms of this section and of his or
35 her loan contract in order to have the loan contract recognized as a
36 scholarship, the recipient shall remain obligated to repay the loan or loans

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
 4 funds was received by the recipient.

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
 34 SECTION 5. Arkansas Code 6-81-1205 through 6-81-1208 is repealed.

35 ~~6-81-1205. Advanced nursing students—Community match contract—~~
 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 ~~practitioner program in the state; and~~

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 academic year.~~

7 ~~(2)(A) The board shall provide one half (1/2) of the community~~
8 ~~match loan, and the qualified rural community shall provide the other one-~~
9 ~~half (1/2) of the loan;~~

10 ~~(B) Provided, however, that in the event the board does~~
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~~
17 ~~be approved by the Attorney General and shall be signed by the chairman of~~
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.~~

28 ~~(B) For each continuous whole calendar year of primary~~
29 ~~care nursing practice in accordance with subdivision (c)(1)(A) of this~~
30 ~~section, the board and the qualified rural community shall cancel, by~~
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~~
34 ~~Advanced Nursing Practice Community Match Loan and Scholarship Program while~~
35 ~~enrolled as a graduate nursing student at an accredited graduate primary care~~
36 ~~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 ~~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 this subdivision (c)(2) shall be due and payable in full at~~
 7 ~~the earliest to occur of the following events:-~~

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

10 ~~(ii) Failure to remain in full-time enrollment~~
 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~~
 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 this subdivision (c)(3) shall be due and payable in full at the~~
 24 ~~earliest to 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 case-~~
 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~~
 34 ~~practitioner program or within six (6) months after receiving national~~
 35 ~~certification, whichever is later, unless otherwise deferred by approval of~~
 36 ~~the board.~~

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~~
3 ~~the difficulty in ascertaining or determining damages arising out of a breach~~
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~~
10 ~~involuntarily serves on active duty in the United States armed forces; and~~

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
17 ~~6-81-1207. Funding of loans.~~

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~~
20 ~~the purposes of this subchapter.~~

21 ~~(b) These funds, consisting of state appropriations so designated,~~
22 ~~including the Nursing Student Scholarship Fund, revolving amounts received~~
23 ~~from repayment of loans and interest, and all funds and property, and income~~
24 ~~therefrom, received by the board under its authority to accept and apply~~
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.~~

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

35 ~~(2) However, in no event shall the amount of any scholarship~~
36 ~~award or financial assistance to any single applicant exceed two thousand~~

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 ~~scholarship assistance.~~

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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