

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 87th General Assembly
3 Regular Session, 2009

A Bill

HOUSE BILL 1022

4
5 By: Representatives Pennartz, Shelby, Adcock, J. Roebuck, Hall, Hawkins, Gaskill, Cooper, Ragland,
6 Wells
7 By: Senators Steele, Trusty, Lavery, Baker, Horn

For An Act To Be Entitled

11 AN ACT TO AUTHORIZE ADDITIONAL FUNDING FOR THE
12 NURSING STUDENT LOAN PROGRAM; TO PROMOTE TEACHING
13 IN NURSING EDUCATION PROGRAMS; AND FOR OTHER
14 PURPOSES.

Subtitle

17 AN ACT TO AUTHORIZE ADDITIONAL FUNDING
18 FOR THE NURSING STUDENT LOAN PROGRAM AND
19 TO PROMOTE TEACHING IN NURSING EDUCATION
20 PROGRAMS.

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

25 SECTION 1. Arkansas Code § 6-81-1401 is amended to read as follows:

26 6-81-1401. Nursing Student Loan ~~Revolving Fund~~ Program Funding.

27 ~~(a) There is established on the books of the Treasurer of State, the~~
28 ~~Auditor of State, and the Chief Fiscal Officer of the State a fund to be~~
29 ~~known as the Nursing Student Loan Revolving Fund. This fund shall consist of~~
30 ~~funds appropriated for the Nursing Student Loan Program, federal funds,~~
31 ~~gifts, grants, bequests, devises, donations, and general revenues, there to~~
32 ~~be used by the Arkansas State Board of Nursing for making loans for nursing~~
33 ~~scholarships. Cash funds for the Nursing Student Loan Program shall consist~~
34 of:

35 (1) Funds appropriated for the Nursing Student Loan Program;

36 (2) Federal funds;



- 1 (3) Gifts;
- 2 (4) Grants;
- 3 (5) Bequests;
- 4 (6) Devises;
- 5 (7) Donations;
- 6 (8) Moneys received to repay a loan under this subchapter;
- 7 (9) Interest and other income accruing to or earned by the
- 8 funds; and
- 9 (10) All moneys provided by law.

10 (b) The Arkansas State Board of Nursing:

- 11 (1) May invest the principal, interest, and income of the funds;
- 12 (2) Shall use the funds for making loans for nursing
- 13 scholarships; and
- 14 (3) Shall deposit all loan repayments as a refund to expenditure
- 15 to be used to make additional loans under this subchapter.

16
17 SECTION 2. Arkansas Code § 6-81-1403(b), concerning the powers and
18 duties of the Arkansas State Board of Nursing with respect to the Nursing
19 Student Loan Program, is amended to read as follows:

20 (b) The board ~~is authorized to~~ may:

- 21 (1) ~~accept~~ Accept gifts, grants, bequests, devises, donations,
- 22 and any federal funds available for this purpose and to deposit any funds so
- 23 received in the Nursing Student Loan Revolving Fund ~~the program,~~ to be used
- 24 together with funds appropriated for the program for making loans under ~~the~~
- 25 provisions of this subchapter; and
- 26 (2) Hire a qualified person or entity to administer any aspect
- 27 of the program.

28
29 SECTION 3. Arkansas Code § 6-81-1404 is amended to read as follows:
30 6-81-1404. Eligibility and requirements for loans.

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

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

10 (3) ~~Expresses an intention to~~ Has signed a written agreement to:
 11 (A) Upon graduation and licensure and for the period of
 12 time specified by rule promulgated by the board:

13 (i) Teach in a nursing education program in the
 14 State of Arkansas; or

15 (ii) ~~engage~~ Engage in practice as a registered nurse
 16 or licensed practical nurse in the State of Arkansas ~~upon graduation and~~
 17 ~~licensure; and~~ and

18 (B) Repay each loan with interest at the maximum legal
 19 rate if the applicant fails to fulfill the requirements of the board under
 20 this subchapter; and

21 (4) Is a ~~citizen~~ lawful resident of the State of Arkansas.
 22

23 SECTION 4. Arkansas Code § 6-81-1405 is amended to read as follows:
 24 6-81-1405. Amount of loans – Maximum.

25 (a) The Arkansas State Board of Nursing may make a loan to any
 26 applicant in an amount calculated to pay the applicant’s tuition,
 27 maintenance, and other education expenses while he or she is enrolled in a
 28 program of nursing education as described in this subchapter.

29 (b) The total of the loans made to any one (1) student under this
 30 subchapter shall not exceed ~~six thousand dollars (\$6,000)~~ twenty thousand
 31 dollars (\$20,000).
 32

33 SECTION 5. Arkansas Code § 6-81-1407 is amended to read as follows:
 34 6-81-1407. Renewal.

35 (a) Subject to the availability of funds, each loan made to an
 36 applicant under this subchapter shall be renewable annually for the number of

1 years required to complete studies leading to qualification as a registered
 2 nurse, ~~or~~ licensed practical nurse, or nursing educator.

3 (b) Any loan made to an applicant subsequent to an initial loan shall
 4 be made only upon application of the recipient and upon finding by the
 5 Arkansas State Board of Nursing that the applicant:

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

9 (2) ~~The financial situation of the applicant warrants the making~~
 10 ~~of a loan under the provisions of this subchapter~~ Warrants financial
 11 assistance to complete his or her nursing studies;

12 (3) ~~The applicant shall agree to practice nursing in Arkansas~~
 13 ~~for the period specified in the loan contract~~ Has signed a written agreement
 14 to:

15 (A) Upon graduation and licensure and for the period of
 16 time specified by rule promulgated by the board:

17 (i) Teach in a nursing education program in the State
 18 of Arkansas; or

19 (ii) Engage in practice as a registered nurse or
 20 licensed practical nurse in the State of Arkansas; and

21 (B) Repay each loan with interest at the maximum legal rate
 22 if the applicant fails to fulfill the requirements of the board under this
 23 subchapter; and

24 (4) ~~The applicant continues~~ Continues to be a lawful resident of
 25 the State of Arkansas.

26
 27 SECTION 6. Arkansas Code § 6-81-1409 is amended to read as follows:

28 6-81-1409. Cancellation of principal and interest.

29 Each loan contract shall include a provision that if the recipient
 30 completes his or her nursing education and qualification as a registered
 31 nurse, ~~or~~ licensed practical nurse, or nursing educator, the Arkansas State
 32 Board of Nursing shall, ~~for each year that the recipient practices in this~~
 33 ~~state,~~ cancel the full amount of one (1) year's loan, plus accrued interest,
 34 under ~~the provisions of this subchapter~~ for each year that the recipient
 35 practices or teaches in this state.

1 SECTION 7. Arkansas Code § 6-81-1410 is amended to read as follows:
 2 6-81-1410. Borrower's loss of good standing – Acceleration of due
 3 date.

4 If the recipient of ~~the~~ a loan under this subchapter ceases to be
 5 enrolled in good standing in a recognized school of nursing ~~prior to~~
 6 ~~completion of~~ before completing the education requirements to qualify as a
 7 registered nurse, ~~or~~ licensed practical nurse, or nursing educator, the
 8 principal and interest of all loans made under this subchapter to the ~~person~~
 9 ~~and the interest thereon~~ recipient shall become due and payable immediately
 10 or as may be ~~otherwise provided in the contract for the loans~~ provided in the
 11 loan agreement.

12
 13 SECTION 8. Arkansas Code § 6-81-1411 is amended to read as follows:
 14 6-81-1411. Repayment – Interest.

15 ~~(a) Any recipient of a loan under this subchapter who upon completion~~
 16 ~~of his or her education does not engage in the practice of nursing in this~~
 17 ~~state or does not continue practice in accordance with the provisions of this~~
 18 ~~subchapter shall be obligated to repay the loans received under the~~
 19 ~~provisions of this subchapter in accordance with the provisions of the loan~~
 20 ~~contracts, together with interest at the maximum allowed by Arkansas law. The~~
 21 ~~interest shall accrue from the date each payment of funds was received by the~~
 22 ~~recipient.~~

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

26 ~~(c) In the event of the death of the recipient, all loans unpaid shall~~
 27 ~~be due and payable.~~

28 ~~(d) It shall be considered unprofessional conduct to fail to repay a~~
 29 ~~loan as specified in this section.~~

30 (a) A recipient of a loan under this subchapter shall repay each loan
 31 together with interest at the maximum rate allowed by Arkansas law if the
 32 recipient:

33 (1) Ceases to be enrolled in good standing in a recognized
 34 school of nursing before completing the education requirements to qualify as
 35 a registered nurse, licensed practical nurse, or nursing educator;

36 (2) For the period specified by rule of the Arkansas State Board

1 of Nursing upon completion of the education requirements to qualify as a
2 registered nurse, licensed practical nurse, or nursing educator does not:

3 (A) Teach in a nursing education program in the State of
4 Arkansas; or

5 (B) Engage in practice as a registered nurse or licensed
6 practical nurse in the State of Arkansas; or

7 (3) Fails to comply with any other requirement of this
8 subchapter.

9 (b) Interest shall accrue from the date each payment of funds was
10 received by the recipient.

11 (c) No interest shall accrue and no obligation to repay a loan exists
12 during any period of time that the recipient of the loan serves on active
13 duty in the United States armed forces.

14 (d) If repayment of a loan is required, upon the death of the
15 recipient of the loan all unpaid principal and interest is due and payable.

16 (e) The failure to repay a loan as specified in this section may be
17 considered unprofessional conduct for disciplinary purposes.

18
19 SECTION 9. Arkansas Code § 6-81-1412 is amended to read as follows:
20 6-81-1412. Rules ~~and regulations.~~

21 The Arkansas State Board of Nursing shall adopt ~~such~~ reasonable rules
22 ~~and regulations not inconsistent~~ consistent with this subchapter ~~as it deems~~
23 ~~necessary~~ to effectively and efficiently carry out the purposes of this
24 subchapter.

25
26 SECTION 10. Arkansas Code § 19-5-1222 is repealed.
27 ~~19-5-1222. Nursing Student Loan Revolving Fund.~~

28 ~~(a) There is established on the books of the Treasurer of State, the~~
29 ~~Auditor of State, and the Chief Fiscal Officer of the State a fund to be~~
30 ~~known as the "Nursing Student Loan Revolving Fund".~~

31 ~~(b) The fund shall consist of funds appropriated for the Nursing~~
32 ~~Student Loan Program, federal funds, gifts, grants, bequests, devises,~~
33 ~~donations, and general revenues, there to be used by the Arkansas State Board~~
34 ~~of Nursing for making loans for nursing scholarships.~~

35
36 SECTION 11. EMERGENCY CLAUSE. It is found and determined by the

1 General Assembly of the State of Arkansas that the state has a severe
2 shortage of nurses and nurse educators, that for financial and other reasons
3 the state often has difficulty retaining state-educated nurses and nurse
4 educators after graduation for the state's workforce, and that this act is
5 immediately necessary to provide financial incentives to increase the number
6 of nurses and nurse educators in the state for the protection of the public
7 health, safety, and welfare. Therefore, an emergency is declared to exist and
8 this act being immediately necessary for the preservation of the public
9 peace, health, and safety shall become effective on:

10 (1) The date of its approval by the Governor;

11 (2) If the bill is neither approved nor vetoed by the Governor,
12 the expiration of the period of time during which the Governor may veto the
13 bill; or

14 (3) If the bill is vetoed by the Governor and the veto is
15 overridden, the date the last house overrides the veto.

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