

SB57 ENROLLED



1 W1PS9E-3
2 By Senator Weaver
3 RFD: Finance and Taxation Education
4 First Read: 07-Mar-23
5 2023 Regular Session



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1 Enrolled, An Act,

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3 Relating to the Board of Nursing; to add a new Article
4 8 to Title 34, Chapter 21, Code of Alabama 1975, to create the
5 Alabama Loan Repayment Program for Nursing Education; to
6 establish and describe the program; to provide for program
7 funding from the Education Trust Fund; to provide definitions;
8 to outline the procedure for the board to award loans to
9 applicants who contract with the board to work as an
10 instructor in a prelicense nursing education program; and to
11 provide further for the powers of the board under the program.

12 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

13 Section 1. A heading for Article 8, commencing with
14 Section 34-21-150, Chapter 21, Title 34, is added to the Code
15 of Alabama 1975, to read as follows:

16 "Article 8. Loan Repayment Program for Nursing
17 Education."

18 Section 2. Article 8, commencing with Section
19 34-21-150, is added to Chapter 21, Title 34 of the Code of
20 Alabama 1975, to read as follows:

21 §34-21-150

22 The Alabama Loan Repayment Program for Nursing
23 Education is created. The program shall be administered by the
24 board and funded by direct appropriation from the Education
25 Trust Fund.

26 §34-21-151

27 As used in this article, the following terms shall have
28 the following meanings:



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29 (1) PARTICIPANT. Any individual who applies for and is
30 awarded a loan pursuant to this article.

31 (2) PROGRAM. The Alabama Loan Repayment Program for
32 Nursing Education.

33 (3) QUALIFIED NURSING EDUCATION PROGRAM. An accredited
34 prelicensure nursing education program conducted by a public
35 two-year or four-year institution of higher education in this
36 state.

37 §34-21-152

38 (a) (1) The board shall establish and award loans to any
39 of the following qualified individuals:

40 a. An applicant for admission to a qualified nursing
41 education program approved by the board, who has signed a
42 contract as provided in subsection (b).

43 b. A student attending a qualified nursing education
44 program approved by the board who is pursuing, or has
45 completed within the five years immediately preceding the
46 current loan term, a graduate degree to become a nurse
47 educator in a qualified nursing education program, who has
48 signed a contract as provided in subsection (b).

49 (2) An application for a nursing education loan under
50 the program may be submitted to the board for any scholastic
51 year, including previously completed scholastic years.

52 (3) A loan may be granted by the board to an individual
53 who is pursuing or holding an eligible master's degree for up
54 to three years and to an individual pursuing or holding an
55 eligible doctorate degree for up to four years.

56 (4) For the first year of operation of the program, the



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57 maximum annual loan amount shall not exceed fifteen thousand
58 dollars (\$15,000). For subsequent years, the board may
59 increase the maximum annual loan amount by no more than five
60 percent annually.

61 (5) The board shall conduct a careful and thorough
62 investigation of the ability, character, and qualifications of
63 each loan applicant and shall award loans pursuant to the
64 requirements of the program.

65 (6) An individual who has signed a contract with the
66 board may postpone his or her choice of qualified nursing
67 education programs to work with until a time set by the board.

68 (b) A loan may only be awarded under the program to
69 those individuals who have signed a contract with the board to
70 repay all amounts received under the program by working
71 following graduation as a full-time nursing instructor in a
72 qualified nursing education program, for a period of 24 months
73 for each annual loan received under the program.

74 §34-21-153

75 (a) If, for any reason, a participant defaults on or
76 otherwise fails to honor a loan repayment contract with the
77 board, the individual shall be liable for immediate repayment
78 of the total principal loan amount, plus interest, at the rate
79 of eight percent, or the prime lending rate, whichever is
80 greater, accruing from the date of default or other failure to
81 honor the contract.

82 (b) If, for any reason, after graduation with a
83 graduate degree to become a nurse educator and prior to
84 completion of the repayment obligation set forth in Section



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85 34-21-152, a participant defaults on or otherwise fails to
86 honor a loan repayment contract with the board, the
87 participant shall pay an additional penalty equal to 20
88 percent of the total principal amount of all loans received by
89 the participant.

90 (c) Failure of a participant to honor his or her
91 contract with the board or to pay the amount he or she is
92 liable for under this article shall constitute grounds for the
93 revocation of his or her license to practice nursing.

94 (d) The board may excuse repayment of a loan, in whole
95 or in part, upon the death of a participant, or upon the
96 participant becoming disabled to the extent that he or she is
97 no longer able to engage in the practice of nursing, or upon
98 some other extreme hardship not the fault of the participant.

99 §34-21-154

100 (a) The board shall annually report on the condition
101 and accomplishments of the program to the Governor, Lieutenant
102 Governor, Speaker of the House of Representatives, President
103 Pro Tempore of the Senate, and the Chairs of the House and
104 Senate Health Committees.

105 (b) The board shall consult with the Alabama Commission
106 on the Evaluation of Services to develop performance metrics
107 and other measures of success to include in the annual report
108 required pursuant to subsection (a). During the 2028 fiscal
109 year, the program shall undergo an evaluation by the Alabama
110 Commission on the Evaluation of Services to determine whether
111 the program is impacting the determined measures of success.

112 (c) The board shall adopt reasonable rules to implement



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113 and administer the program.

114 (d) The board shall use any monies it receives from or
115 for the operation of the program, including repayments,
116 interest, and penalties paid because of default or other
117 failure to honor a contract, to fund loans.

118 §34-21-155

119 This article shall be repealed on September 30, 2029,
120 unless extended by act of the Legislature.

121 Section 3. This act shall become effective on the first
122 day of the third month following its passage and approval by
123 the Governor, or its otherwise becoming law.



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President and Presiding Officer of the Senate

Speaker of the House of Representatives

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Senate 02-May-23

I hereby certify that the within Act originated in and passed
the Senate, as amended.

Patrick Harris,
Secretary.

House of Representatives

Passed: 01-Jun-23

By: Senator Weaver