

LC00705

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2003

A N A C T

**RELATING TO HEALTH AND SAFETY -- THE NURSING EDUCATION LOAN
REPAYMENT PROGRAM**

Introduced By: Senators Polisen, Damiani, Roberts, McCaffrey, and Ruggerio

Date Introduced: January 28, 2003

Referred To: Senate Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Title 23 of the General Laws entitled "Health and Safety" is hereby
2 amended by adding thereto the following chapter:

3 CHAPTER 14.2

4 NURSING EDUCATION LOAN REPAYMENT PROGRAM

5 **23-14.2-1. Legislative findings.** -- The general assembly finds and hereby declares that:
6 (1) there is a growing shortage of qualified nurses available to meet the needs of patients in health
7 care facilities in Rhode Island; (2) health care facilities serving the citizens of the state are
8 experiencing increasing difficulty in attracting and retaining nurses to administer to their patients;
9 (3) quality health care depends, in part, on the availability of nurses; (4) it is in the public interest
10 and essential to the welfare and well-being of the inhabitants of the state that there be a sufficient
11 number of nurses in the state to serve the health care needs of patients; and (5) it is vital to the
12 welfare of the state's citizenry that an incentive be provided to attract and retain nurses to provide
13 service in health care facilities throughout the state. Therefore, it is the general assembly's intent
14 to provide an incentive, in the form of loan repayment, to nurses who desire to serve the health
15 care needs of patients receiving care in health care facilities in Rhode Island.

16 **23-14.2-2. Definitions.** -- For the purpose of this chapter, the following words and terms
17 shall have the following meanings unless the context clearly requires otherwise:

18 (1) "Authority" means the higher education assistance authority.

1 (2) "Board" means the nursing education loan repayment board.

2 (3) "Health care facility" means a health care facility licensed pursuant to chapter 17 or
3 17.4 of title 23.

4 (4) "Director" means the director of the Rhode Island higher education assistance
5 authority.

6 (5) "Nurse" means a professional (registered) or practical nurse licensed pursuant to
7 chapter 34 of title 5 who has entered into a contract with the board to work in a health care
8 facility.

9 (6) "Loan repayment" means an amount of money to be repaid to satisfy loan obligations
10 to any governmental or private agency, organization, or institution incurred to obtain a degree or
11 certification as a nurse as defined in subdivision (5). The entities that may make loans and the
12 types of loans that are eligible for loan repayment may be further defined and/or restricted by
13 regulation of the authority.

14 (7) "Eligible employment" shall mean employment as a professional (registered) or
15 practical nurse responsible for providing patient care at a health care facility.

16 (8) "Nursing education" means: (i) an educational program, approved pursuant to chapter
17 34 of title 5, of basic professional nursing or practical nursing; or (ii) an accredited educational
18 program resulting in a master's or doctoral degree in nursing.

19 **23-14.2-3. Nursing education loan repayment program established.** -- There is hereby
20 established within the higher education assistance authority, to be administered by the director or
21 his/her designee, the nursing education loan repayment program whose purpose shall be to
22 provide loan repayment to eligible nursing students to defray the cost of their nursing education.

23 **23-14.2-4. Nursing education loan repayment board.** -- (a) There is hereby created the
24 nursing education loan repayment board, which shall consist of eleven (11) members and be
25 constituted as follows: one (1) health care consumer and two (2) nonadministrative clinical nurses
26 currently employed by a health care facility, one (1) of whom is a member of a collective
27 bargaining agent, each to be appointed by the governor; one (1) member of the Rhode Island state
28 nurses' association appointed by its president; one (1) member of the house of representatives
29 appointed by the speaker; one (1) member of the senate appointed by the president; two (2)
30 members of Rhode Island colleagues in caring groups appointed by its co-chairs; the president of
31 the hospital association of Rhode Island or his/her designee; the executive director of the Rhode
32 Island higher education assistance authority, or his/her designee; and the chair of the state board
33 of nurse registration and nursing education, or his/her designee. All members shall serve at the
34 pleasure of the appointing authority and shall receive no compensation for their services.

1 **(b) The director shall serve as chairperson. All meetings shall be called by the**
2 **chairperson.**

3 **23-14.2-5. Duties of the board. -- The board, or a duly authorized committee thereof,**
4 **shall:**

5 **(1) receive and consider all applications for loan repayment made by eligible nurses;**

6 **(2) conduct a careful and full investigation of the academic record, clinical ability,**
7 **character, financial needs, and other qualifications of each applicant;**

8 **(3) consider the applicant's work history and experience, both paid and unpaid, in the**
9 **health care field;**

10 **(4) consider the intent of the applicant to practice in a licensed health care facility and to**
11 **adhere to all the requirements for participation in the loan repayment program;**

12 **(5) submit to the director a list of those individuals eligible for loan repayment and**
13 **amount of loan repayment to be granted;**

14 **(6) promulgate rules and regulations to ensure the effective implementation and**
15 **administration of the program.**

16 **23-14.2-6. Duties of the director. -- The director shall:**

17 **(1) grant loan repayments to successful applicants as determined by the board;**

18 **(2) enter into contracts, on behalf of the higher education assistance authority with each**
19 **successful applicant, reflecting the purpose and intent of this chapter.**

20 **23-14.2-7. Conditions of loan repayment. -- (a) Loan repayments under the provisions**
21 **of this chapter shall be based on condition that the recipient: (1) apply for a license as a nurse**
22 **pursuant to chapter 34 of title 5 at the earliest practicable opportunity but no later than six (6)**
23 **months after completing the educational program for which the loan repayment was granted; and**
24 **(2) can document that he/she works in eligible employment at least half-time (average of twenty**
25 **(20) hours per week) for a minimum of two (2) years after licensure.**

26 **23-14.2-8. Contracts required. -- Prior to being granted loan repayment each eligible**
27 **nurse shall enter into a contract with the authority agreeing to the terms and conditions on which**
28 **the loan repayment is granted. The contract shall include such provisions as are required to fulfill**
29 **the purposes of this chapter and those deemed advisable by the director.**

30 **23-14.2-9. Penalty for failure to complete contract. -- (a) If a recipient of a loan**
31 **repayment fails, without justifiable cause, to complete the period of obligated service in**
32 **accordance with the terms and conditions of his/her contract with the authority, he/she shall be**
33 **liable to the state of Rhode Island for an amount equal to the total paid on behalf of the recipient**
34 **plus interest at the rate set pursuant to section 44-1-7, as amended.**

1 (b) Any amount owed shall be paid to the state of Rhode Island within one (1) year of the
2 date that the recipient is in breach of contract; provided, however, that the director, for justifiable
3 cause shown by the recipient and subject to the approval of the board, may extend, up to an
4 additional four (4) years, the deadline for the payment of amounts owed.

5 (c) Where the director, subject to the approval of the board, determines that there exists
6 justifiable cause for the failure of a recipient to serve pursuant to the terms and conditions of the
7 contract, he/she may relieve the recipient of the obligation to fulfill any or all of the terms of the
8 contract.

9 **23-14.2-10. Severability.** -- The provisions of this chapter are severable. If any of its
10 provisions shall be held unconstitutional by any court of competent jurisdiction, the decision of
11 the court shall not affect or impair any of the remaining provisions.

12 **23-14.2-11. Appropriation.** -- The general assembly shall annually appropriate two
13 hundred fifty thousand dollars (\$250,000) for the purpose of repayment of nursing education
14 loans as outlined herein. Funds in this account shall be used only for the purpose of repayment of
15 nursing education loans as outlined in this chapter. The state controller is hereby authorized and
16 directed to draw his/her orders on the general treasurer for the payment of such sum, or so much
17 thereof, as may be required from time to time, on the receipt by him/her of duly authenticated
18 vouchers. Implementation of this program is contingent on the appropriation of the required
19 resources.

20 **23-14.2-12. Authorization to accept and receive funds.** -- The higher education
21 assistance authority is authorized to accept and receive funds from the United States of America,
22 the cities and towns of the state, and from individuals, organizations, corporations, and other
23 funding sources that may desire to contribute to the nursing education loan repayment program.
24 Any funds received shall be deposited in the account established pursuant to section 23-14.2-11
25 and shall be used only for the purpose of repayment of nursing education loans as outlined in this
26 chapter.

27 SECTION 2. This act shall take effect upon passage.

=====
LC00705
=====

EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

A N A C T
RELATING TO HEALTH AND SAFETY -- THE NURSING EDUCATION LOAN
REPAYMENT PROGRAM

1 This act would help address the shortage of nurses in health care facilities by establishing
2 a nursing education repayment program to provide loan repayment for nurses who agree to serve
3 in health care facilities for designated periods of time.

4 This act would take effect upon passage.

=====
LC00705
=====

