

2010 -- H 7270

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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2010

A N A C T

RELATING TO EDUCATION -- NURSING LOAN REPAYMENT PROGRAM

Introduced By: Representatives M Rice, Naughton, Walsh, A Rice, and Pollard

Date Introduced: January 28, 2010

Referred To: House Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Sections 16-62.1-1, 16-62.1-2, 16-62.1-3, 16-62.1-4, 16-62.1-6, 16-62.1-7,
2 16-62.1-8 and 16-62.1-10 of the General Laws in Chapter 16-62.1 entitled "Nursing Loan
3 Repayment Program" are hereby amended to read as follows:

4 **16-62.1-1. Legislative findings.** -- The purpose of this chapter is to provide an incentive,
5 in the form of interest reduction on certain types of education loans, to students who desire to
6 serve the health care needs of individuals in Rhode Island by enrolling in a registered nurse
7 training program [or post-graduate education program to prepare them for nursing faculty](#)
8 [positions](#). The general assembly has found and hereby declares that it is in the public interest and
9 essential to the welfare and well being of the inhabitants of the state that a sufficient number of
10 registered nurses be attracted to Rhode Island to serve the health care needs of our population.
11 The general assembly further finds that there is a growing shortage of qualified registered nurses
12 to meet the needs of the state's population. The general assembly determines that it is vital to the
13 welfare of the state's citizenry that an incentive be provided to attract and retain registered nurses
14 in the state to meet their needs.

15 **16-62.1-2. Definitions.** -- For the purpose of this chapter, the following terms shall have
16 the following meanings unless the context clearly requires otherwise:

17 (1) "Authority" means the governmental agency and public instrumentality authorized,
18 created and established pursuant to section 16-62-4.

19 (2) "Eligible registered nurse" means an individual who holds a valid Rhode Island

1 license to practice as a professional registered nurse and who works as a registered nurse or is
2 employed in a certified nurse education training program, in this state and can document that they
3 work at least half time (average of twenty (20) hours per week).

4 (3) "Loan" means a federal Stafford (FFELP) loan made by the authority or one of its
5 participating lenders, issued after July 1, 2000 and not in default.

6 (4) "Eligible employment" shall mean employment as a registered nurse or nurse
7 educator in the state ~~responsible for patient care at any Rhode Island licensed health care facility,~~
8 including, but not limited to, employment by hospitals, nursing homes, ~~and~~ home nursing care
9 providers. assisted living residences, adult day services, health care and human service providers
10 and nurse education programs.

11 **16-62.1-3. Interest forgiveness on loans.---** **Interest and loan forgiveness.** -- Subject
12 to funds made available by the authority and matching funds annually appropriated by the general
13 assembly. ~~An~~ an eligible registered nurse shall be eligible to have the interest on his or her loan,
14 or a portion of the loan, forgiven for each year he or she has eligible employment in the state up
15 to a maximum of four (4) years and prior to the termination of this program.

16 **16-62.1-4. Application for loan interest forgiveness.---** **Application for loan and/or**
17 **interest forgiveness.** -- Any individual seeking interest forgiveness or loan forgiveness pursuant
18 to the provisions of this chapter shall apply to the authority on forms prescribed by the authority
19 containing any information that the authority deems advisable to fulfill the provisions of this
20 program. The authority's executive director, or his or her designee, shall determine the eligibility
21 of each applicant.

22 **16-62.1-6. Penalty for failure to maintain eligibility.** -- In the event the authority
23 determines that an individual is no longer eligible for the interest or loan forgiveness on his or her
24 loan as provided in this chapter, that individual shall be required to pay the holder of his or her
25 loan forthwith all accrued interest and principal and any late payment penalties which have
26 accrued during the period of the ineligibility.

27 **16-62.1-7. Regulations.** -- The authority may promulgate any regulations that it deems
28 necessary to implement the provisions of this interest and loan forgiveness program.

29 **16-62.1-8. No adverse effect on authority's bond issues or rating.** -- Notwithstanding
30 any provision of this chapter to the contrary, to the extent, if any, that this interest and loan
31 forgiveness program shall have any material adverse effect on the authority's ability to issue
32 negotiable bonds and notes, the authority shall be empowered to suspend this program on a
33 prospective basis, provided that any individual who has previously been determined to be eligible
34 for the program's benefits shall retain their eligibility up to the maximum period prescribed in this

1 chapter.

2 ~~16-62.1-10. Termination of interest forgiveness on December 31, 2010.~~
3 ~~Termination of interest and loan forgiveness on December 31, 2010.~~ **Termination of**
4 **interest and loan forgiveness on December 31, 2013.** -- The interest [and loan forgiveness](#)
5 benefits granted under this program shall cease after December 31, ~~2010~~ [2013 unless extended by](#)
6 [an act of the general assembly.](#)

7 SECTION 2. Chapter 16-62.1 of the General Laws entitled "Nursing Loan Repayment
8 Program" is hereby amended by adding thereto the following section:

9 **16-62.1-11. Annual appropriation.** – [Beginning in fiscal year 2010 the general](#)
10 [assembly shall annually appropriate the sum of two hundred and fifty thousand dollars \(\\$250,000\)](#)
11 [for the purpose of providing matching funds to the authority to carry out the provisions of this](#)
12 [chapter.](#)

13 SECTION 3. This act shall take effect upon passage.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
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RELATING TO EDUCATION -- NURSING LOAN REPAYMENT PROGRAM

1 This act would address loan forgiveness under the nursing loan repayment program and
2 annually appropriate \$250,000 for matching funds.

3 This act would take effect upon passage.

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