

# MAINE STATE LEGISLATURE

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SECOND REGULAR SESSION

ONE HUNDRED AND THIRTEENTH LEGISLATURE

Legislative Document

No. 2125

S.P. 811

In Senate, January 22, 1988

Approved for Introduction by a Majority of the Legislative Council pursuant to Joint Rule 26.

Reference to the Committee on Appropriations and Financial Affairs suggested and ordered printed.

JOY J. O'BRIEN, Secretary of the Senate

Presented by Senator GAUVREAU of Androscoggin.

Cosponsored by Representative HANDY of Lewiston, Senator RANDALL of Washington, Representative DELLERT of Gardiner.

STATE OF MAINE

IN THE YEAR OF OUR LORD  
NINETEEN HUNDRED AND EIGHTY-EIGHT

AN ACT to Encourage Certain Health  
Professionals to Practice in Maine.

1  
2  
3

4 Be it enacted by the People of the State of Maine as  
5 follows:

6 Sec. 1. 20-A MRSA c. 424 is enacted to read:

7

CHAPTER 424

1                                    LOANS FOR CANDIDATES FOR

2                                    PRACTICE OF NURSING

3    §12101. Establishment of State Nurse Loan Fund Program

4        The State Nurse Loan Fund Program is established  
5 to encourage and provide support for persons who  
6 desire to practice nursing in this State. The program  
7 shall be administered by the commissioner.

8    §12102. Nonlapsing revolving fund

9        1. Nonlapsing revolving fund created. A  
10 nonlapsing, interest-earning, revolving fund, known as  
11 the State Nurse Loan Fund, is created to implement  
12 this chapter. Money in the fund not needed currently  
13 to meet the obligations under this chapter shall be  
14 carried over for continued use in the program.  
15 Unexpended balances and funds returned through loan  
16 repayments shall be invested by the Treasurer of  
17 State, as provided by law, with the earned income to  
18 be added to the fund. The revolving fund may receive,  
19 invest and expend money from gifts, grants, bequests  
20 and donations in addition to the money appropriated by  
21 the State.

22        2. Minimum appropriation requirement. Sufficient  
23 funds shall be appropriated each year to fund the loan  
24 program so that a minimum balance of \$75,000 shall be  
25 in the fund at the beginning of each fiscal year.

26    §12103. Eligibility for loans

27        An applicant shall be eligible for a loan under  
28 this chapter when the commissioner finds that the  
29 applicant:

30        1. Residency. Is a resident of this State at the  
31 time of application;

32        2. Qualifications. Is enrolled in or has been  
33 accepted in an associate or baccalaureate degree

1 program in nursing at a vocational technical institute  
2 or a school, college or university accredited by the  
3 State Board of Nursing or the National League for  
4 Nursing;

5 3. Financial resources. In the absence of a  
6 loan, would be deterred by financial considerations  
7 from beginning or completing a course of study leading  
8 to an associate or baccalaureate degree in nursing;  
9 and

10 4. Practice in this State. Shows a genuine  
11 interest in practicing nursing in this State.

12 §12104. Agreement for nursing loan students

13 1. Agreement. Any nursing loan student  
14 commencing professional education on or after the  
15 effective date of this chapter, as a condition  
16 precedent to receiving the loan, must enter into an  
17 agreement with the Commissioner of Educational and  
18 Cultural Services stating that, following completion  
19 of professional education, the student shall pay the  
20 State an amount of money equal to the loan received,  
21 plus interest.

22 2. Repayment. This amount shall be payable at 9%  
23 simple interest in not more than 10 annual  
24 installments. These installment payments shall  
25 commence at such time as the student concludes or  
26 interrupts professional education under rules  
27 promulgated by the commissioner.

28 3. Deferment. Any student who has received a  
29 loan under this section may seek a deferment of the  
30 annual principal and interest payments for a period  
31 not to exceed 3 years. A request for deferment must  
32 be made to the commissioner who shall make a  
33 determination on a case-by-case basis. The decision  
34 of the commissioner shall be final.

35 4. Cancellation. The Commissioner of Educational  
36 and Cultural Services may cancel the total amount of  
37 the loan of any student who has received a loan under  
38 this section if that student completes 4 years of  
39 service in this State as a nurse in a designated,

1 underserved area, as determined by the Commissioner of  
2 Human Services and as defined in section 11802,  
3 subsection 6. The Commissioner of Educational and  
4 Cultural Services may also cancel the loan on a  
5 proportional basis, reducing the total amount of the  
6 loan by 25% for each year of service in the  
7 designated, underserved area.

8 §12105. Rules.

9 The Commissioner of Educational and Cultural  
10 Services shall establish rules necessary to carry out  
11 the purposes of this chapter, except that the  
12 Commissioner of Human Services shall develop rules for  
13 determining underserved areas for the practice of  
14 nursing.

15 §12106. Report to Legislature

16 The Commissioner of Educational and Cultural  
17 Services shall report annually to the legislative  
18 committees having jurisdiction over educational and  
19 cultural services and over human resources, on the  
20 implementation, operation and utilization of the  
21 program, including a report on its success in  
22 decreasing the nursing shortage in underserved areas.

23 §12107. Sunset

24 Unless continued or modified by law, this chapter  
25 is repealed on October 1, 1991.

26 Sec. 2. Appropriation. The following funds are  
27 appropriated from the General Fund to carry out the  
28 purposes of this Act.

29 1988-89

30 DEPARTMENT OF EDUCATION  
31 AND CULTURAL SERVICES

32 State Nurse Loan Program

33 All Other

\$ 75,000

1 Provides funds to meet  
2 the minimum starting  
3 balance in the State  
4 Nurse Loan Fund  
5 Program.

6 STATEMENT OF FACT

7 Maine is currently experiencing a critical  
8 shortage of nursing personnel in the health care  
9 industry. This bill establishes a loan program for  
10 nursing education and a provision to waive repayment  
11 of that loan for a specified period of service as a  
12 nurse in those areas of Maine which have been  
13 designated as being underserved.

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