

State of Arkansas
95th General Assembly
Regular Session, 2025

A Bill

SENATE BILL 554

By: Senator C. Tucker
By: Representative Wooldridge

For An Act To Be Entitled

AN ACT TO CREATE THE BEHAVIORAL HEALTH LOAN
FORGIVENESS PROGRAM; AND FOR OTHER PURPOSES.

Subtitle

TO CREATE THE BEHAVIORAL HEALTH LOAN
FORGIVENESS PROGRAM.

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

SECTION 1. Arkansas Code Title 6, Chapter 81, is amended to add an additional subchapter to read as follows:

Subchapter 21 – Behavioral Health Loan Forgiveness Program

6-81-2101. Definitions.

As used in this subchapter:

(1) “Behaviorally underserved community” means a given geographical area in this state that the Secretary of the Department of Human Services determines has unmet needs for behavioral health services caused by factors, including without limitation:

(A) The ratio of mental health professionals to the population in the given geographical area;

(B) The ratio of licensed alcoholism and substance abuse counselors to the population in the given geographical area;

(C) The percentage of the population with incomes below the federal poverty level in the given geographical area;

(D) Accessibility within the given geographical area to



mental health professionals and alcoholism and substance use counselors; and

(E) Other relevant criteria the secretary may deem necessary for a determination of unmet needs for behavioral health services in the given geographical area;

(2) "Eligible loan" means the student loan debt incurred by a participant to become a mental health professional or a licensed alcoholism and drug abuse counselor;

(3) "Licensed alcoholism and drug abuse counselor" means the same as defined in § 17-27-401;

(4) "Mental health professional" means a psychiatrist, psychologist, advanced practice registered nurse, therapist, counselor, or social worker licensed in this state and certified by the Division of Aging, Adult, and Behavioral Health Services of the Department of Human Services; and

(5) "Participant" means a mental health professional or a licensed alcoholism and substance abuse counselor who has been selected by the secretary to participate in the Behavioral Health Loan Forgiveness Program.

6-81-2102. Creation.

(a) There is created the Behavioral Health Loan Forgiveness Program to be administered by the Department of Human Services in accordance with the provisions of this subchapter.

(b) The program shall promote mental health professionals serving in behaviorally underserved communities in this state by providing participants with payments toward eligible loans in accordance with this subchapter.

6-81-2103. Secretary of Department of Human Services powers and duties.

The Secretary of the Department of Human Services shall:

(1) Determine the behaviorally underserved communities in this state;

(2) Prescribe forms for and regulate the submission of applications for possible participants in the Behavioral Health Loan Forgiveness Program;

(3) Determine eligibility of applicants;

(4) Select applicants each year for participation in the program within the limits of available funding;

(5) Select applicants for the program based on their suitability for best addressing the unmet needs of behaviorally underserved communities as indicated by experience or training;

(6) Give preference to applicants for the program closest to completing their training or having completed their training;

(7) Otherwise administer the program; and

(8) Promulgate reasonable rules necessary to implement this subchapter, including rules addressing the requirements and in conformance with the requirements of the Arkansas Administrative Procedure Act, § 25-15-201 et seq., and other appropriate state laws in promulgating and placing rules into effect to establish the program.

6-81-2104. Eligibility.

(a) To be eligible to be a participant, an individual shall:

(1) Either:

(A) Be a mental health professional or a licensed alcoholism and substance abuse counselor; or

(B) Be enrolled in a training or education program to become a mental health professional or a licensed alcoholism and substance abuse counselor; and

(2) Submit an application for the Behavioral Health Loan Forgiveness Program.

(b) An applicant selected to be a participant shall sign a contract to agree to serve a minimum three-year full-time service obligation as a mental health professional or a licensed alcoholism and substance abuse counselor in behaviorally underserved communities.

(c) A participant shall:

(1) Secure his or her own qualified educational loans;

(2) Verify to the Secretary of the Department of Human Services with documentation the amount of the participant's eligible loans; and

(3) Designate to the secretary a particular eligible loan toward which the participant will use any loan repayment disbursement from the Arkansas Behavioral Health Professional Student Loan Repayment Fund.

6-81-2105. Disbursement.

(a)(1) The Secretary of the Department of Human Services shall distribute available funds from the Arkansas Behavioral Health Professional Student Loan Repayment Fund to participants proportionally among the eligible professions according to the vacancy rate for mental health professionals and licensed alcoholism and substance abuse counselors.

(2) If the secretary does not receive enough qualified applicants each year to use the entire allocation of funds for one (1) eligible profession, the remaining funds may be allocated proportionally among the other eligible professions according to the vacancy rate for each profession, as determined by the secretary.

(b) Upon the completion of each year that a participant meets the service obligation required under § 6-81-2104(b), up to a maximum of three (3) years, the secretary shall make annual disbursements from the fund directly to the participant in an amount equivalent to fifteen percent (15%) of the average educational debt for indebted graduates in the participant's profession in the year closest to the participant's selection for the Behavioral Health Loan Forgiveness Program for which information is available, not to exceed the balance of the participant's qualifying educational loans.

(c)(1) Before receiving loan repayment disbursements from the fund and as requested by the secretary, a participant shall complete and return to the secretary a confirmation of practice form provided by the secretary verifying that the participant is practicing as required under § 6-81-2104(b).

(2) A participant who moves their practice to a new location remains eligible for loan repayment in the program as long as he or she practices as required under § 6-81-2104(b).

(3) The participant shall verify to the secretary with documentation that the full amount of loan repayment disbursement from the fund received by the participant as part of the program has been applied toward the designated eligible loan.

(4) The secretary shall not make an additional loan repayment disbursement to a participant from the fund until the verification required by subdivision (c)(3) of this section has been received by the secretary.

(d)(1) If a participant does not fulfill the contract of service required under § 6-81-2104(b), the secretary shall:

(A) Collect from the participant the total amount paid to the participant under the program plus interest at a rate of five percent (5%) per annum; and

(B) Deposit the money collected under this subchapter into the fund.

(2) The secretary shall allow waivers of all or part of the money owed to the secretary as a result of the nonfulfillment penalty under subdivision (d)(1) of this section if, subject to the secretary's discretion, exigent circumstances prevented the participant's fulfillment of the terms of the contract required by § 6-81-2104(b).

SECTION 2. Arkansas Code Title 19, Chapter 5, Subchapter 12, is amended to add an additional section to read as follows:

19-5-1288. Arkansas Behavioral Health Professional Student Loan Repayment Fund.

(a) There is created on the books of the Treasurer of State, the Auditor of State, and the Chief Fiscal Officer of the State a miscellaneous fund to be known as the "Arkansas Behavioral Health Professional Student Loan Repayment Fund".

(b) The fund shall consist of:

(1) Moneys obtained from private or public grants, gifts, or donations that are designated to be credited to the fund; and

(2) Any other funds authorized, appropriated, or provided by law.

(c) The fund shall be used by the Department of Human Services to create and maintain the Behavioral Health Loan Forgiveness Program under § 6-81-2101 et seq.

(d) Moneys remaining in the fund at the end of each fiscal year shall carry forward and be made available for the purposes stated in this section in the next fiscal year.

(e) The Secretary of the Department of Human Services shall:

(1) Administer and disburse the fund;

(2) Manage, operate, and control all funds and property appropriated or otherwise contributed to the fund for the program;

(3) Accept gifts, grants, bequests, or devises and apply them to the fund as a part of the program;

(4) Accept moneys from federal programs that may be used for furtherance of the program; and

(5) Promulgate reasonable rules necessary to implement this section, including rules addressing the requirements and in conformance with the requirements of the Arkansas Administrative Procedure Act, § 25-15-201 et seq., and other appropriate state laws in promulgating and placing rules into effect to establish the fund.

APPROVED: 4/22/25