

Stricken language would be deleted from and underlined language would be added to present law.

State of Arkansas  
92nd General Assembly  
Regular Session, 2019

As Engrossed: H2/25/19  
**A Bill**

HOUSE BILL 1355

By: Representative A. Davis  
By: Senator J. Sturch

### **For An Act To Be Entitled**

AN ACT TO REPEAL THE FINANCING OF CERTAIN  
POSTSECONDARY OUT-OF-STATE MEDICAL EDUCATION  
PROGRAMS; TO CREATE THE MEDICAL STUDENT LOAN  
REPAYMENT AND TUITION REIMBURSEMENT PROGRAM ACT; AND  
FOR OTHER PURPOSES.

### **Subtitle**

TO REPEAL THE FINANCING OF CERTAIN  
POSTSECONDARY OUT-OF-STATE MEDICAL  
EDUCATION PROGRAMS; AND TO CREATE THE  
MEDICAL STUDENT LOAN REPAYMENT AND  
TUITION REIMBURSEMENT PROGRAM ACT.

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

SECTION 1. Arkansas Code Title 6, Chapter 81, Subchapter 11, is repealed.

~~6-81-1101. Tuition assistance for certain professional schools—  
Definitions.~~

~~(a) The Department of Higher Education shall institute a program of making grants for the benefit of Arkansas residents to assist in paying tuition for attending certain accredited schools of dentistry, optometry, veterinary medicine, podiatry, or chiropractic located outside the State of Arkansas but within the United States.~~

~~(b) In addition to the Southern Regional Education Compact program for which the Arkansas Higher Education Coordinating Board serves as agent for~~



~~the state and for which the department serves as disbursing agent pursuant to §§ 6-4-104—6-4-107, the Arkansas Higher Education Coordinating Board is authorized to enter into direct contracts with selected accredited schools of dentistry, optometry, veterinary medicine, podiatry, chiropractic, or osteopathy which do not participate in the program if the Arkansas Higher Education Coordinating Board determines that the needs of the state are not being met by institutions participating in the program.~~

~~(c) For purposes of this section:~~

~~(1) “Grant” means a payment of tuition money made in accordance with this section to assist a qualified grantee in attending participating accredited schools of dentistry, optometry, veterinary medicine, podiatry, chiropractic, or osteopathy located outside the State of Arkansas;~~

~~(2) “Participating institution” or “participating school” means a professional or graduate school that:~~

~~(A) Is located outside the State of Arkansas but within the United States;~~

~~(B) Offers a full-time course of instruction in dentistry, optometry, veterinary medicine, podiatry, chiropractic, or osteopathy;~~

~~(C) Is accredited by an accrediting entity acceptable to the applicable licensing board of the profession;~~

~~(D) After completion of such course of instruction, grants a degree acceptable to the applicable licensing board as the sole requirement or as one (1) requirement for the applicable licensing board’s granting of a professional license; and~~

~~(E) Is a party to a currently effective written agreement between the participating institution and the department or the Board of Control for Southern Regional Education; and~~

~~(3) “Qualified grantee” means a student who:~~

~~(A) Is a resident of the State of Arkansas;~~

~~(B) Has been accepted for enrollment at or is attending a participating accredited school of dentistry, optometry, veterinary medicine, podiatry, osteopathy, or chiropractic located outside the State of Arkansas; and~~

~~(C) Has been certified under § 6-4-106 by the department as qualified to participate in the grant program authorized by this section and consistent with § 6-4-106.~~

~~(d)(1) For participating schools that charge different annual tuition amounts for in-state students and out-of-state students, the amount of the grant will be the difference between the in-state tuition and the out-of-state tuition. However, should the differential exceed the contract price approved for similar programs by the Board of Control for Southern Regional Education in accordance with § 6-4-105(e), the lower amount will be paid.~~

~~(2) For participating schools which charge the same amount of annual tuition for in-state and out-of-state students and such annual tuition is extraordinary as determined by the department, the amount shall not be less than five thousand dollars (\$5,000) per student.~~

~~(e)(1) The program shall be administered by the department.~~

~~(2) The grants shall be made upon such terms and conditions as are prescribed by the department.~~

~~(3) The department shall promulgate such rules and regulations as are necessary to implement the provisions of this section.~~

~~(f)(1) The department will allocate, based upon funds appropriated, the number of eligible grant recipients to receive funds at each participating institution for each applicable academic period.~~

~~(2) Each participating institution will select eligible grant recipients for each applicable academic period. In the event that the number of eligible students accepted for enrollment at such participating institution exceeds the number of eligible grant recipients for whom funds have been allocated by the department from funds appropriated, such participating institution shall have sole discretion in selecting the eligible students to designate as eligible grant recipients.~~

~~(3) The department shall make grants according to the allocations made by the department and selections made by the participating institutions. The department shall have no obligation to make any grants except to the extent that funds have been appropriated and funded for the program.~~

6-81-1102. [Repealed.]

~~6-81-1103. Repayment of out-of-state tuition paid by the State of Arkansas.~~

~~(a) The Department of Higher Education may provide loans from the~~

~~Budget Stabilization Trust Fund in excess of the Board of Control for Southern Regional Education grant funds to dental students enrolled in professional programs outside the state for whom any part of the out-of-state tuition is paid by the State of Arkansas if the tuition paid to the out-of-state institution exceeds the board contracted rate.~~

~~(b) The amount of the loans in excess of the board grant funds may be the amount of the out-of-state tuition paid by the student, but the amount of the loan may not exceed the amount by which the tuition exceeds the rate established by the board.~~

~~(c) The loans shall be made on an annual basis not to exceed the combined total of four (4) years.~~

~~(d) The loans may be forgiven at the rate of one (1) year's loan for one (1) year's practice in Arkansas.~~

~~(e) Repayment of the loan may be deferred but for no longer than five (5) years, for the following reasons:~~

~~(1) Military service;~~

~~(2) Specialty training; or~~

~~(3) Extraordinary circumstances as determined by the department.~~

~~(f) The loans shall be made at a rate of interest determined by the department but not to exceed four percent (4%).~~

#### ~~6-81-1104. Applicability.~~

~~The provisions of § 6-81-1103 shall not apply to Board of Control for Southern Regional Education grant funds.~~

#### ~~6-81-1105. Veterinary medicine loans.~~

~~(a) As used in this section:~~

~~(1) "Food animal" means bovine, porcine, ovine, camelid, cervid, poultry, and any other species determined by the State Veterinarian;~~

~~(2) "Food supply veterinary medicine" means all aspects of veterinary medicine's involvement in food supply systems, from traditional agricultural production to consumption;~~

~~(3) "Loan repayment" means a payment made to a recipient upon completion of yearly requirements;~~

~~(4) "Participating institution" means the Mississippi State University College of Veterinary Medicine;~~

~~(5) "Practice of food supply veterinary medicine" means a corporate or private veterinary practice with a minimum of thirty percent (30%) of the practice devoted to food animal medicine or mixed animal medicine located in rural areas; and~~

~~(6) "Qualified recipient" means a student who:~~

~~(A) Is a resident of the State of Arkansas;~~

~~(B) Has completed a veterinarian medicine degree program at a participating institution;~~

~~(C) Is licensed to practice veterinary medicine in Arkansas; and~~

~~(D) Has been certified under § 6-4-106 by the Department of Higher Education as qualified to participate in the loan repayment program authorized by this section and consistent with § 6-4-106.~~

~~(b) The department shall institute a loan repayment program to:~~

~~(1) Benefit Arkansas residents; and~~

~~(2) Assist with the repayment of federal student loans for students that attended a participating institution and completed the requirements for loan repayment.~~

~~(c)(1) The department shall administer the program.~~

~~(2)(A) The department shall adopt rules to implement this section and address the terms and conditions of loan repayments made under this section.~~

~~(B) The terms of the loan repayment shall include without limitation:~~

~~(i) A requirement to practice food supply veterinary medicine for five (5) consecutive years; and~~

~~(ii) Conditions for loan repayment under § 6-81-1106.~~

~~(C) The loan repayment amount shall not exceed the amount of tuition assistance provided under the Southern Regional Education Compact program.~~

~~(d) The department shall:~~

~~(1) Allocate the number of qualified recipients to receive loan repayment based on the amount of funds appropriated;~~

~~(2) Determine the necessary procedures for awarding the loan repayments if the number of eligible applicants and recipients exceeds the~~

~~funding available; and~~

~~(3)(A) Distribute loan repayments according to the allocations made by the department.~~

~~(B) The department shall not be obligated to make a loan repayment unless funds are appropriated.~~

~~6-81-1106. Student loan repayment.~~

~~(a) As used in this section:~~

~~(1) "Food animal" means bovine, porcine, ovine, camelid, cervid, poultry, and any other species determined by the State Veterinarian;~~

~~(2) "Food supply veterinary medicine" means all aspects of veterinary medicine's involvement in food supply systems, from traditional agricultural production to consumption; and~~

~~(3) "Practice of food supply veterinary medicine" means a corporate or private veterinary practice with a minimum of thirty percent (30%) of the practice devoted to food animal medicine or mixed animal medicine located in rural areas.~~

~~(b) The Department of Higher Education shall repay federal student loans yearly for a maximum of five (5) consecutive years if the recipient:~~

~~(1) Practices food supply veterinary medicine in Arkansas within ninety (90) days after completion of:~~

~~(A) The professional degree program for which the loan was made;~~

~~(B) An internship program; or~~

~~(C) The professional degree program for which the loan was made and an internship program; and~~

~~(2) Maintains the practice of food supply veterinary medicine in Arkansas for a minimum of one (1) year for each year of loan repayment up to five (5) years with all five (5) years consecutive.~~

~~(c) A recipient who fails to satisfy the obligation to engage in the practice of food supply veterinary medicine for one (1) year in a five-consecutive year period shall not receive the loan repayment amount.~~

~~(d) The obligation to engage in the practice of food supply veterinary medicine for a five-consecutive year period shall be postponed during any:~~

~~(1) Period of temporary medical disability if the recipient is unable to practice veterinary medicine;~~

- ~~(2) Period of military service under § 6-61-112; or~~
- ~~(3) Other period of postponement agreed to by the department.~~
- ~~(e) The department shall adopt rules to administer this section.~~

SECTION 2. Arkansas Code Title 6, Chapter 81, is amended to add an additional subchapter to read as follows:

Subchapter 18 – Medical Student Loan Repayment and Tuition Reimbursement  
Program Act

6-81-1801. Title.

This subchapter shall be known and may be cited as the "Medical Student Loan Repayment and Tuition Reimbursement Program Act".

6-81-1802. Creation – Purpose.

(a) There is created the Medical Student Loan Repayment and Tuition Reimbursement Program Act.

(b) The purpose of the Medical Student Loan Repayment and Tuition Reimbursement Program is to:

- (1) Benefit Arkansas residents; and
- (2) Assist with the repayment of federal student loans or with tuition reimbursement, or both, for students who complete the requirements for medical student loan repayment or tuition reimbursement, or both.

6-81-1803. Eligibility.

(a) A person is eligible to receive assistance under the Medical Student Loan Repayment and Tuition Reimbursement Program if the recipient:

(1) Is licensed to practice one (1) of the following in Arkansas:

- (A) Veterinary medicine;
- (B) Dental medicine;
- (C) Optometric medicine;
- (D) Podiatric medicine; or
- (E) Chiropractic medicine;

(2) Has been certified under § 6-4-106 by the Department of Higher Education to participate in the Medical Student Loan Repayment and Tuition Reimbursement Program authorized by this subchapter and consistent

with § 6-4-106;

(3)(A)(i) Is residing in Arkansas, or practicing a profession listed in subdivision (a)(1) of this section in Arkansas, during the calendar year in which the person is applying for medical student loan repayment funds under this subchapter.

(ii) A person who meets the requirement under subdivision (a)(3)(A)(i) of this section may receive medical student loan repayment funds for up to four (4) years so long as each year of residence or practice is consecutive.

(B) Except as provided in subsection (b) of this section, a recipient who fails to satisfy the obligation stated in subdivision (a)(3)(A) of this section shall not receive the medical student loan repayment amount; and

(4) Enrolled in a program in a school outside the State of Arkansas for a profession listed in subdivision (a)(1) of this section after January 1, 2017, and before the effective date of this act and did not receive a placement in that program.

(b) The obligation stated in subdivision (a)(3)(A) of this section to practice a profession listed in subdivision (a)(1) of this section shall be postponed during any:

(1) Period of temporary medical disability that hinders the recipient's ability to practice;

(2) Period of military service under § 6-61-112; or

(3) Other period of postponement agreed to by the department.

6-81-1804. Department procedures.

(a) The Department of Higher Education shall:

(1) Allocate the number of qualified recipients to receive medical student loan repayment and tuition reimbursement based on the amount of funds appropriated;

(2) Determine the necessary procedures for awarding the medical student loan repayments and tuition reimbursements if the number of eligible applicants and recipients exceeds the available funding;

(3) Distribute medical student loan repayments and tuition reimbursements according to the allocations made by the department; and

(4) Determine the medical student loan repayment and tuition

reimbursement amounts per area of medical practice as listed under § 6-81-1803(a)(1).

(b) The department is not obligated to make a medical student loan repayment or tuition reimbursement unless funds are appropriated.

6-81-1805. Rules.

The Department of Higher Education shall adopt rules:

(1) To implement the Medical Student Loan Repayment and Tuition Reimbursement Program under this subchapter; and

(2) To address the terms and conditions of medical student loan repayments and tuition reimbursements made under this subchapter.

SECTION 3. DO NOT CODIFY. Rules.

(a) When adopting the initial rules required under this act, the Department of Higher Education shall file the final rules with the Secretary of State for adoption under § 25-15-204(f):

(1) On or before January 1, 2020; or

(2) If approval under § 10-3-309 has not occurred by January 1, 2020, as soon as practicable after approval under § 10-3-309.

(b) The department shall file the proposed rules with the Legislative Council under § 10-3-309(c) sufficiently in advance of January 1, 2020, so that the Legislative Council may consider the rules for approval before January 1, 2020.

*/s/A. Davis*