

SPONSOR STATEMENT – SS SB 154

Alaska Nurse Recruitment Loan Repayment Program

Alaska is suffering from a severe shortage of nurses, and Alaskans' health care is suffering because of that shortage. SB 154, which establishes the Alaska Nurse Recruitment Loan Repayment Program, could help to change that. Offering financial incentives to nurses working in Alaska will help attract new nurses to the state and encourage Alaskans to pursue their nursing vocations here at home.

In 2002, the Alaska Colleagues in Caring, in collaboration with the Alaska Hospital and Nursing Home Association, surveyed facilities in Alaska regarding nursing workforce needs. Results showed that vacancy rates for RNs had increased from 5.7% in 2000 to 11.5% in 2002, with increasing vacancy rates projected into the future. Facilities in western and northern Alaska reported a vacancy rate of over 20% and, according to information from other sources, the vacancy rate in some remote areas of Alaska is as high as 35 percent.

The Alaska Nurse Recruitment Loan Repayment Program will provide repayment of up to \$10,000, over five years, of educational loans an individual has accumulated while training to become a nurse. To qualify for loan reimbursement, an individual must be hired as a nurse in Alaska on or after July 1, 2003, be licensed to practice as a nurse in Alaska, work as a nurse in the state throughout the loan repayment period, and have outstanding educational loans from a recognized lending institution.

Additional eligibility criteria and guidelines for the loan program will be set in regulations adopted by the Board of Nursing, in consultation with the Alaska Commission on Postsecondary Education. These may include guidelines on establishing priorities for participation in the loan repayment program if funding for the program is not adequate to meet need. The guidelines may include determinations based on areas of the state and nursing specialties affected by shortages,

Funding for the program may be appropriated from the Student Loan Corporation dividend (the return of contributed capital authorized in AS 14.42.295(a)) or alternate state, federal, or other sources. The executive director of the Alaska Commission on Postsecondary Education will administer the program.