

1 State of Arkansas
2 95th General Assembly
3 Regular Session, 2025

A Bill

SENATE BILL 554

4
5 By: Senator C. Tucker
6 By: Representative Wooldridge

For An Act To Be Entitled

7
8
9 AN ACT TO CREATE THE BEHAVIORAL HEALTH LOAN
10 FORGIVENESS PROGRAM; AND FOR OTHER PURPOSES.

Subtitle

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12
13 TO CREATE THE BEHAVIORAL HEALTH LOAN
14 FORGIVENESS PROGRAM.

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

19
20 SECTION 1. Arkansas Code Title 6, Chapter 81, is amended to add an
21 additional subchapter to read as follows:

22 Subchapter 21 – Behavioral Health Loan Forgiveness Program

23
24 6-81-2101. Definitions.

25 As used in this subchapter:

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

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

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

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

36 (D) Accessibility within the given geographical area to



1 mental health professionals and alcoholism and substance use counselors; and
 2 (E) Other relevant criteria the secretary may deem
 3 necessary for a determination of unmet needs for behavioral health services
 4 in the given geographical area;

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

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

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

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

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 20 6-81-2102. Creation.

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

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

27
 28 6-81-2103. Secretary of Department of Human Services powers and
 29 duties.

30 The Secretary of the Department of Human Services shall:

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

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

36 (3) Determine eligibility of applicants;

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

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

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

8 (7) Otherwise administer the program; and

9 (8) Promulgate reasonable rules necessary to implement this
10 subchapter, including rules addressing the requirements and in conformance
11 with the requirements of the Arkansas Administrative Procedure Act, § 25-15-
12 201 et seq., and other appropriate state laws in promulgating and placing
13 rules into effect to establish the program.

14
15 6-81-2104. Eligibility.

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

17 (1) Either:

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

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

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

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

29 (c) A participant shall:

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

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

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

36

1 6-81-2105. Disbursement.

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

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

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

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

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

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

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

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

1 (A) Collect from the participant the total amount paid to
 2 the participant under the program plus interest at a rate of five percent
 3 (5%) per annum; and

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

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

11
 12 SECTION 2. Arkansas Code Title 19, Chapter 5, Subchapter 12, is
 13 amended to add an additional section to read as follows:

14 19-5-1288. Arkansas Behavioral Health Professional Student Loan
 15 Repayment Fund.

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

20 (b) The fund shall consist of:

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

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

25 (c) The fund shall be used by the Department of Human Services to
 26 create and maintain the Behavioral Health Loan Forgiveness Program under § 6-
 27 81-2101 et seq.

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

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

32 (1) Administer and disburse the fund;

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

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

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

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

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