§ 2807-aa. Nurse loan repayment program. 1.(a) Monies shall be made available, subject to appropriations, for purposes of loan repayment awards in accordance with the provisions of this section for registered professional nurses licensed to practice under section sixty-nine hundred five of the education law and licensed practical nurses licensed under section sixty-nine hundred six of the education law. Notwithstanding sections one hundred twelve and one hundred sixty-three of the state finance law and sections one hundred forty-two and one hundred forty-three of the economic development law, or any other contrary provision of law, such funding shall be allocated regionally with one-third of available funds going to New York city and two-thirds of available funds going to the rest of the state and shall be distributed in a manner to be determined by the commissioner without a competitive bid or request for proposals.

(i) Loan repayment awards made under this section shall be awarded to repay student loans of nurses who work in areas determined to be underserved areas in New York state and who agree to work in such areas for a period of three consecutive years. A nurse may be deemed to be practicing in an underserved area if they practice in a facility, physician's office, nurse practitioner's office, or physician assistant's office that primarily serves an underserved population, without regard to whether the population or the facility or office is located in an underserved area. For purposes of this section, "underserved areas" shall be located in New York state and shall include, but not be limited to, areas designated by the federal government as a health professional shortage area, a medically underserved area, or medically underserved population, non-profit diagnostic and treatment centers which primarily serve Medicaid eligible or uninsured patients, and other areas and populations as determined by the commissioner.

(ii) Loan repayment awards made under this section shall not exceed the total qualifying outstanding debt of the nurse from student loans to cover tuition and other related educational expenses, made by or guaranteed by the federal or state government, or made by a lending or educational institution approved under title IV of the federal higher education act. Loan repayment awards shall be used solely to repay such outstanding debt.

(iii) Nurses shall be eligible for a loan repayment award to be determined by the commissioner over a three-year period distributed as follows: thirty percent of total award for the first year; thirty percent of total award for the second year; and any unpaid balance of the total award not to exceed the maximum award amount for the third year.

(iv) In the event that a three-year commitment under this section is not fulfilled, the recipient shall be responsible for repayment of amounts paid which shall be calculated in accordance with the formula set forth in subdivision (b) of section two hundred fifty-four-o of title forty-two of the United States Code, as amended, or any regulations made thereunder.

(b) The commissioner may postpone, change or waive the service obligation and repayment amounts set forth in subparagraphs (i) and (iv) of paragraph (a) of this subdivision in individual circumstances where there is compelling need or hardship.

2. To develop a streamlined application process for the nurse loan repayment program set forth under this section, the department shall appoint a stakeholder work group from recommendations made by associations representing nurses, general hospitals and other health care facilities. Such recommendations shall be made by September thirtieth, two thousand twenty-two.

3. In the event there are undistributed funds within amounts made available for distributions under this section, such funds shall be reallocated and distributed in current or subsequent distribution periods in a manner determined by the commissioner for the purpose set forth in this section.