

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1641 Session of
2001

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BARD, BARRAR, BEBKO-JONES, BELARDI, BELFANTI, BROWNE, BUNT,
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SCHRODER, SCHULER, SEMMEL, SHANER, B. SMITH, SOLOBAY,
STEELMAN, SURRA, TANGRETTI, J. TAYLOR, THOMAS, WALKO,
WANSACZ, C. WILLIAMS, WOJNAROSKI, YOUNGBLOOD AND YUDICHAK,
MAY 22, 2001

REFERRED TO COMMITTEE ON PROFESSIONAL LICENSURE, MAY 22, 2001

AN ACT

1 Establishing the Nursing Loan Forgiveness Program to provide
2 assistance to students who engage in nursing within this
3 Commonwealth; and imposing additional powers and duties on
4 the Department of State and the Pennsylvania Higher Education
5 Assistance Agency.

6 The General Assembly of the Commonwealth of Pennsylvania
7 hereby enacts as follows:

8 Section 1. Short title.

9 This act shall be known and may be cited as the Commonwealth
10 Nursing Loan Forgiveness Act.

11 Section 2. Legislative findings.

12 The General Assembly finds and declares as follows:

13 (1) Pennsylvania, along with the rest of the country, is

1 in the midst of a nursing shortage that could fundamentally
2 change our health care delivery system.

3 (2) As opportunities for women outside of nursing have
4 expanded and the population's average age has increased, the
5 number of young women entering the registered nursing work
6 force has declined by as much as 35%.

7 (3) A study by the Journal of the American Medical
8 Association and the American Nurses Association has shown
9 that the average age of registered nurses increased from 37.4
10 years of age in 1983 to 43.3 years of age in 2001 and is
11 likely to increase by another 3.5 years within the next
12 decade.

13 Section 3. Definitions.

14 The following words and phrases when used in this act shall
15 have the meanings given to them in this section unless the
16 context clearly indicates otherwise:

17 "Advanced practice registered nurse." An individual who has
18 met the requirements to practice as an advanced practice
19 registered nurse as set forth in regulations promulgated by the
20 State Board of Nursing and practices in one or more of the
21 categories of certified registered nurse practitioner, certified
22 registered nurse anesthetist or certified clinical nurse
23 specialist in accordance with the scope of practice and
24 standards of care that are defined by national organizations of
25 each specialty area of practice.

26 "Agency." The Pennsylvania Higher Education Assistance
27 Agency.

28 "Approved." This term means approved by the State Board of
29 Nursing, State Board of Medicine and the Department of State of
30 the Commonwealth.

1 "Associate degree student." A student enrolled in a program
2 of study leading to an associate bachelor of science degree in
3 nursing.

4 "Bachelor's degree student." A student enrolled in a program
5 of study leading to a bachelor of science degree in nursing.

6 "Board." The State Board of Nursing.

7 "Department." The Department of Health of the Commonwealth.

8 "Diploma student." A student enrolled in a program of study
9 leading to a diploma from a school of nursing.

10 "Master's degree student." A student enrolled in a program
11 of study leading to a master of science or master of arts
12 degree.

13 "Practice of professional nursing." The practice of
14 diagnosing and treating human responses to actual or potential
15 health problems across the life span by a professional nurse.
16 This practice involves the performance of acts requiring
17 substantial knowledge, judgment and skill based upon the
18 principles of the biological, physical, behavioral and social
19 sciences. The professional nurse develops and initiates a plan
20 of care to accomplish defined goals and evaluate responses to
21 care and treatment. This term includes, but is not limited to,
22 initiation and maintenance of therapeutic health care regimens
23 and comfort measures, promoting and supporting human functions
24 and responses, establishing and managing an environment
25 conducive to well-being, providing health counseling and
26 teaching, case finding and case management and executing
27 therapeutic patient care orders of a licensed professional
28 health care provider, including, but not limited to, advanced
29 practice registered nurses, physicians and dentists.

30 "Program." The Commonwealth Nursing Loan Forgiveness Program

1 established in section 4.

2 "Qualified applicant." A person who meets all of the
3 following criteria:

4 (1) Has successfully completed a diploma program,
5 associate's program, bachelor's program, master's program or
6 doctoral program at an accredited college or university with
7 a grade point average of at least 3.00 or better on a 4.0
8 scale.

9 (2) Has received one of the following degrees and
10 received employment as a result of the degree:

11 (i) Diploma in nursing.

12 (ii) Associate of arts or sciences degree in
13 nursing.

14 (iii) Bachelor of arts or sciences degree in
15 nursing.

16 (iv) Master of arts or sciences degree in nursing.

17 (v) Ph.D. in nursing.

18 (3) Has been hired as a full-time staff member by a
19 health care facility or nursing service agency within this
20 Commonwealth.

21 (4) Has borrowed through the agency or other qualified
22 entity which administers Stafford Loan Program assistance.

23 (5) Commits to residing and working in the nursing
24 profession in this Commonwealth for a period of at least
25 three years.

26 (6) Is not in default in any loan agreement.

27 (7) Is in the first year of full-time employment as a
28 staff member or has been previously enrolled in the program.

29 (8) Is licensed by the State Board of Nursing.

30 "Staff member." A registered nurse, licensed practical

1 nurse, nursing administrator or director of nursing.

2 Section 4. Commonwealth Nursing Loan Forgiveness Program.

3 (a) Establishment.--There is hereby established the
4 Commonwealth Nursing Loan Forgiveness Program to provide
5 payments on behalf of qualified nurses to approved lenders to
6 reduce the outstanding loans incurred to obtain the education
7 necessary to become a nurse.

8 (b) Amount of assistance.--The payments under the program
9 shall be as follows:

10 (1) For a qualified nurse who holds a diploma, an amount
11 not to exceed \$10,000 in the aggregate shall be executable
12 over the following two-year period as follows:

13 (i) Forty percent of the outstanding loan balance in
14 the first year.

15 (ii) Sixty percent of the outstanding loan balance
16 in the second year.

17 (2) For a qualified nurse who holds an associate's
18 degree, an amount not to exceed \$15,000 in the aggregate
19 shall be executable over the following three-year period as
20 follows:

21 (i) Twenty percent of the outstanding loan balances
22 in the first year.

23 (ii) Thirty-five percent of the outstanding loan
24 balances in the second year.

25 (iii) Forty-five percent of the outstanding loan
26 balances in the third year.

27 (3) For a qualified nurse who holds a bachelor's degree,
28 an amount not to exceed \$40,000 in the aggregate shall be
29 executable over the following three-year period as follows:

30 (i) Twenty percent of the outstanding loan balances

1 in the first year.

2 (ii) Thirty-five percent of the outstanding loan
3 balances in the second year.

4 (iii) Forty-five percent of the outstanding loan
5 balances in the third year.

6 (4) For a qualified nurse who holds a master's degree,
7 an amount not to exceed \$50,000 in the aggregate shall be
8 executable over the following three-year period as follows:

9 (i) Twenty percent of the outstanding loan balances
10 in the first year.

11 (ii) Thirty-five percent of the outstanding loan
12 balances in the second year.

13 (iii) Forty-five percent of the outstanding loan
14 balances in the third year.

15 (5) For a qualified nurse who holds a Ph.D. degree, an
16 amount not to exceed \$80,000 in the aggregate shall be
17 executable over the following three-year period:

18 (i) Twenty percent of the outstanding loan balances
19 in the first year.

20 (ii) Thirty-five percent of the outstanding loan
21 balances in the second year.

22 (iii) Forty-five percent of the outstanding loan
23 balances in the third year.

24 (c) Application.--Nurses who are residents of this
25 Commonwealth or who will become residents of this Commonwealth
26 may make application for assistance to the agency on a form
27 prescribed by the agency. Applicants who commit to employment in
28 rural and medically underserved areas shall be given priority in
29 the application process.

30 (d) Contract.--Prior to receiving any assistance under this

1 act, each qualified applicant must enter into a contract with
2 the agency and the department that contains the following
3 minimum requirements:

4 (1) Within six months of graduation, the qualified
5 applicant shall begin nursing at a medical or clinical
6 institution within this Commonwealth. The department shall
7 provide successful applicants with a list of available
8 positions throughout this Commonwealth, including those in
9 rural and medically underserved areas.

10 (2) The qualified applicant shall engage in the practice
11 of professional nursing and reside within this Commonwealth
12 for a period of three years.

13 (3) The occurrence of any of the following conditions
14 constitutes default and an express breach of the contract:

15 (i) Failure to begin or complete the requirements of
16 the contract.

17 (ii) Falsification or misrepresentation on an
18 application or in verification of services.

19 (iii) Conviction or a plea of guilty or nolo
20 contendere to felony or misdemeanor.

21 (iv) Commission of an act of gross negligence in the
22 performance of research or services as determined by the
23 academic institution or private employer.

24 (4) Any default as determined solely by the agency shall
25 require the applicant to repay the agency twice the amount of
26 any loan forgiveness received plus interest at the lawful
27 rate.

28 (5) In the event that the qualified applicant is
29 terminated from employment in the practice of professional
30 nursing through no fault of the qualified applicant, no

1 default will occur and no penalty will be imposed on the
2 qualified applicant.

3 (6) The contract shall be renewable on an annual basis
4 upon certification by the board and agency that the qualified
5 applicant has complied with the terms of the contract.

6 Section 5. Funding.

7 Loan forgiveness awards may be made to the extent that funds
8 are appropriated by the General Assembly and are sufficient to
9 cover the administration of the program. In the event that
10 funding is insufficient to fully fund administration and all
11 eligible applicants, the agency shall utilize a random lottery
12 system for determining which applicants receive loan forgiveness
13 payments under this act.

14 Section 6. Administration.

15 (a) Agency responsibilities.--The agency, in cooperation
16 with the department, shall administer the program with the
17 agency being responsible for making payments, determining
18 eligibility and enforcing the provisions of this act. The agency
19 shall promulgate regulations to administer this act.

20 (b) Board responsibilities.--The board shall be responsible
21 for certifying the qualified applicants upon completion of their
22 education and determining where nurses are needed the most in
23 this Commonwealth.

24 Section 7. Outreach plan.

25 The agency in cooperation with the State Board of Nursing,
26 State Board of Medicine and Department of Education shall
27 design, implement and administer a plan to notify potential
28 nurses of the availability of the program. The plan shall
29 include provisions for reaching the academic institutions of
30 higher education in this Commonwealth and the medical community

1 and for assuring that special efforts are coordinated within the
2 overall outreach activities throughout this Commonwealth.

3 Section 8. Annual report.

4 (a) Development of report.--An annual report shall be
5 prepared by September 1, 2002, and annually thereafter, by the
6 agency, the State Board of Nursing, the State Board of Medicine
7 and the academic institutions of higher education on the
8 effectiveness of the program. The report shall include, but not
9 be limited to:

- 10 (1) The number of people in the program.
- 11 (2) Location of employment.
- 12 (3) Type of nurse.
- 13 (4) Participant debt load compared with amount of loan
14 forgiveness.
- 15 (5) Effectiveness in combating the nurse shortage across
16 this Commonwealth.

17 (b) Submission.--The annual report shall be submitted to the
18 Governor, the State Board of Nursing, to the chair and minority
19 chair of the Appropriations Committee of the House of
20 Representatives, the Public Health and Welfare Committee of the
21 Senate, and the Health and Human Services Committee of the House
22 of Representatives.

23 Section 9. Effective date.

24 This act shall take effect in 90 days.