
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2024 Session of 2005

INTRODUCED BY GOODMAN, BARRAR, BEBKO-JONES, BELARDI, BELFANTI, BENNINGHOFF, CALTAGIRONE, CAWLEY, COHEN, CORNELL, CORRIGAN, CREIGHTON, CURRY, DeLUCA, DeWEESE, FABRIZIO, FRANKEL, FREEMAN, GEIST, GINGRICH, GRUCELA, JAMES, JOSEPHS, M. KELLER, KOTIK, LEACH, LEDERER, LEVDANSKY, MANN, MARKOSEK, McGEEHAN, McILHATTAN, MUNDY, PETRARCA, PISTELLA, REICHLEY, SAINATO, SANTONI, SATHER, SIPTROTH, SHANER, SHAPIRO, SOLOBAY, STABACK, STURLA, TIGUE, TRUE, WALKO, WANSACZ, YUDICHAK AND HARPER, OCTOBER 17, 2005

REFERRED TO COMMITTEE ON PROFESSIONAL LICENSURE,
OCTOBER 17, 2005

AN ACT

1 Establishing a nursing and nursing educator loan forgiveness and
2 scholarship program.

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15 The General Assembly of the Commonwealth of Pennsylvania
16 hereby enacts as follows:

17 CHAPTER 1

18 PRELIMINARY PROVISIONS

19 Section 101. Short title.

20 This act shall be known and may be cited as the Nursing and
21 Nursing Educator Loan Forgiveness and Scholarship Act.

22 Section 102. Purpose.

23 The purpose of this act is to provide an incentive to
24 Pennsylvania students to pursue higher education and training in
25 nursing and nursing education which are essential to the
26 delivery of quality health care services in this Commonwealth.

27 Section 103. Definitions.

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

"Agency." The Pennsylvania Higher Education Assistance Agency.

"Approved course of study." A program or curriculum offered by an approved educational institution that provides instruction in nursing and has been approved by the State Board of Nursing.

"Approved educational institution." A postsecondary educational institution located in this Commonwealth that is authorized to provide approved courses of study and diplomas or certificates approved by the Pennsylvania Higher Education Assistance Agency as an institution in which students may enroll to participate in the Pennsylvania Nurse and Nursing Education Scholarship Program.

"Board." The State Board of Nursing.

"Licensed health care facility." A health care facility that is enrolled in the Commonwealth's medical assistance program and is licensed pursuant to the act of July 19, 1979 (P.L.130, No.48), known as the Health Care Facilities Act, or Article X of the act of June 13, 1967 (P.L.31, No.21), known as the Public Welfare Code.

"Licensed practical nurse." An individual licensed under the laws of this Commonwealth to practice practical nursing.

"Nurse." A licensed practical or registered nurse.

"Nursing educator." An individual eligible under the laws of this Commonwealth to serve as a nurse faculty member.

"Registered nurse." An individual licensed under the laws of this Commonwealth to practice professional nursing.

"Student." An individual domiciled in this Commonwealth who attends or is about to attend a postsecondary educational institution located in this Commonwealth.

"Work requirement." Postgraduate, full-time employment in

1 this Commonwealth either in direct patient care with a licensed
2 health care facility in an occupation related to an approved
3 course of study under this act or as a nursing educator in an
4 approved educational institution. The term does not include a
5 paid student internship, a paid fellowship, volunteer service or
6 employment before graduation.

7 CHAPTER 3

8 PENNSYLVANIA NURSE AND NURSING EDUCATOR

9 LOAN FORGIVENESS PROGRAM

10 Section 301. Establishment.

11 There is hereby established in this Commonwealth the
12 Pennsylvania Nurse and Nursing Educator Loan Forgiveness
13 Program. The Pennsylvania Nurse and Nursing Educator Loan
14 Forgiveness Program shall be for repayment of student loans for
15 nurses providing direct patient care in licensed health care
16 facilities and nursing educators and shall be administered by
17 the agency.

18 Section 302. Repayment assistance.

19 The agency may provide assistance for the repayment of an
20 agency-administered student loan for education at an institution
21 of higher learning received by a nurse or nursing educator.
22 Repayment assistance may not be made for a loan that is in
23 default at the time of the application or for an agency-
24 administered loan being repaid through any other loan repayment
25 assistance program. Repayment shall be made by the agency to the
26 lending institution on behalf of the loan recipient.

27 Section 303. Eligibility.

28 Consideration for loan repayment assistance shall be as
29 follows:

30 (1) The applicant must be an individual who:

(i) has completed an approved course of study;

(ii) has been licensed by the board as a licensed practical nurse or a registered nurse;

(iii) is employed full time as a nurse in the provision of direct patient care in a licensed health care facility or nursing educator in an approved educational institution; and

(iv) is a resident of this Commonwealth.

(2) An applicant who is qualified under paragraph (1) must agree to practice in a licensed health care facility as a nurse or in an approved educational institution as a nursing educator for not less than three years.

Section 304. Amount of loan forgiveness.

(a) Licensed practical nurse.--A licensed practical nurse who is eligible under section 303 shall be eligible to receive up to \$3,000 in loan repayments based on the following repayment schedule:

(1) Year one, 30%.

(2) Year two, 35%.

(3) Year three, 35%.

(b) Registered nurse.--A registered nurse who is eligible under section 303 shall be eligible to receive up to \$20,000 in loan repayments based on the following repayment schedule:

(1) Year one, 25%.

(2) Year two, 25%.

(3) Year three, 25%.

(4) Year four, 25%.

(c) Nursing educator.--A nursing educator who is eligible under section 303 shall be eligible to receive up to \$30,000 in loan repayments based on the following repayment schedule:

1 (1) Year one, 25%.

2 (2) Year two, 25%.

3 (3) Year three, 25%.

4 (4) Year four, 25%.

5 Section 305. Administration.

6 (a) Contracts.--A recipient of loan repayment assistance
7 shall enter into a contract with the agency which shall be
8 considered a contract with the Commonwealth. The contract shall
9 include, but not be limited to, the following terms and
10 conditions:

11 (1) The applicant shall agree to practice not less than
12 three full years in a licensed health care facility or
13 approved educational institution at a repayment assistance
14 schedule as provided in section 304.

15 (2) The applicant shall agree to practice on a full-time
16 basis.

17 (3) The nurse or nursing educator shall permit the
18 agency to monitor compliance with the work requirement.

19 (4) The agency shall certify compliance with the terms
20 of the contract for purposes of receipt by the nurse or
21 nursing educator of loan repayment awards for years
22 subsequent to the initial year of the loan.

23 (5) The contract shall be renewable on an annual basis
24 upon certification by the agency that the nurse or nursing
25 educator has complied with the terms of the contract.

26 (6) Upon the recipient's death or total or permanent
27 disability, the agency shall nullify the work requirement of
28 the recipient.

29 (7) If the board has determined that the recipient has
30 committed an act of gross negligence or has suspended or

1 revoked the license to practice, the agency shall have the
2 authority to terminate the recipient's service in the program
3 and demand repayment of the assistance rendered to date.

4 (8) Loan recipients who fail to begin or complete the
5 obligations contracted for shall reimburse to the
6 Commonwealth all amounts received under this chapter and
7 interest thereon as determined by the agency. Falsification
8 or misrepresentation on an application or in verification of
9 service shall be construed to be a default. Determination as
10 to the time of breach of contract shall be made by the
11 agency. Both the recipient and the agency shall make every
12 effort to resolve conflicts in order to prevent a breach of
13 contract.

14 (b) Contract enforcement.--The agency shall have the
15 authority to seek garnishment of wages for the collection of
16 damages provided for in subsection (a)(8).

17 (c) Ineligibility.--The agency may deny loan forgiveness to
18 a student who is convicted under section 8.2 of the act of
19 January 25, 1966 (1965 P.L.1546, No.541), referred to as the
20 Higher Education Scholarship Law.

21 (d) Fraud.--Any person who knowingly or intentionally
22 procures, obtains or aids another to procure or obtain loan
23 forgiveness under this chapter through fraudulent means shall be
24 disqualified from participation and shall be liable to the
25 agency for an amount equal to three times the amount obtained.

26 (e) Verification.--The agency shall monitor and verify a
27 student's fulfillment of all requirements under this chapter.

28 (f) Tax.--Loan forgiveness repayments received by a student
29 shall not be considered taxable income for purposes of Article
30 III of the act of March 4, 1971 (P.L.6, No.2), known as the Tax

1 Reform Code of 1971.

2 CHAPTER 5

3 SCHOLARSHIP PROGRAM

4 Section 501. Pennsylvania Nurse and Nursing Education
5 Scholarship Program.

6 (a) Establishment.--There is hereby established the
7 Pennsylvania Nurse and Nursing Education Scholarship Program
8 within the agency, to consist of the Nursing Postbaccalaureate
9 Degree Scholarship, the Nursing Baccalaureate Degree Scholarship
10 and the Nursing Program Scholarship.

11 (b) Issuance of grants.--The agency may provide scholarship
12 grants to an eligible student who is a resident of this
13 Commonwealth upon confirmation from an approved educational
14 institution that the student is enrolled in an approved course
15 of study. Scholarship grants shall only be for the amount set
16 forth in sections 502(a), 503(a) and 504(a) and shall only be
17 used for educational costs as determined by the agency.

18 (c) Other funding.--Prior to making a grant under this act,
19 the agency shall first apply Federal Pell Grant and State grants
20 available for educational costs related to an approved program
21 prior to determining the amount of the scholarship grant.

22 (d) Eligibility.--To receive a scholarship grant under this
23 chapter, a student shall meet all of the following requirements:

24 (1) Graduation from a high school in this Commonwealth,
25 or earned general educational development (GED) diploma or
26 the equivalent thereof.

27 (2) Maintenance of domicile in Pennsylvania during the
28 term of the scholarship grants.

29 (3) Compliance with any conditions placed on the
30 scholarship grant by the agency.

1 (4) Maintenance of satisfactory progress as established
2 by the approved educational institution's written policies.

3 (5) Entrance into a written agreement with the agency
4 to:

5 (i) Complete an approved course of study.

6 (ii) Commence employment involving direct patient
7 care with a licensed health care facility or in an
8 approved educational institution in this Commonwealth
9 within one year after completion of an approved course of
10 study for a period of one year for each academic year the
11 student received a scholarship grant under this chapter
12 unless the agency determines that there are extenuating
13 circumstances.

14 (iii) Reimburse the Commonwealth all amounts
15 received under this chapter and interest thereon, as
16 determined by the agency, if the student fails to comply
17 with subparagraphs (i) and (ii).

18 (e) Application.--A student shall apply to the agency for a
19 scholarship grant as prescribed by the agency, to include the
20 provision of all information and documentation required by the
21 agency. The application of a student under 18 years of age shall
22 include the signature of a parent or guardian.

23 (f) Work requirement.--The work requirement under subsection
24 (d)(5)(ii) shall begin after completion of the approved course
25 of study.

26 (g) Termination.--If a student terminates enrollment in the
27 approved educational institution during the academic year or
28 prior to completion of the approved course of study, the
29 approved educational institution shall notify the agency in
30 writing and shall return all unused portions of the scholarship

1 grant. Returned amounts shall be used to fund other scholarship
2 grants under this chapter.

3 (h) Transfer.--A scholarship under this chapter is only
4 transferrable to another educational institution if approved by
5 the agency.

6 (i) Limitation.--Grants awarded under the Pennsylvania Nurse
7 and Nursing Education Scholarship Program shall be limited to
8 funds appropriated for that purpose. First priority for awarding
9 grants shall be given to renewal applicants. Thereafter, grants
10 shall be awarded on a first-come, first-served basis.

11 (j) Minors.--A person under 18 years of age who otherwise
12 qualifies for scholarship grants under this section shall not be
13 disqualified based upon age.

14 (k) Ineligibility.--The agency may deny a scholarship grant
15 to a student who is convicted under section 8.2 of the act of
16 January 25, 1966 (1965 P.L.1546, No.541), referred to as the
17 Higher Education Scholarship Law.

18 (l) Fraud.--Any person who knowingly or intentionally
19 procures, obtains or aids another to procure or obtain a grant
20 under this chapter through fraudulent means shall be
21 disqualified from participation in the Pennsylvania Nurse and
22 Nursing Education Scholarship Program and shall be liable to the
23 agency for an amount equal to three times the amount obtained.
24 Section 502. Nursing Postbaccalaureate Degree Scholarship.

25 (a) Amount of grants.--The agency shall award a Nursing
26 Postbaccalaureate Degree Scholarship in the amount of \$6,000 per
27 academic year or a lesser amount following application of
28 Federal and State grants under section 501(c) to a student
29 enrolled full time in an approved educational institution
30 pursuing a master's degree in nursing education. The student

1 shall take at least 12 semester hours, or its equivalent, in an
2 approved course of study.

3 (b) Term of grant.--The grant shall be for a maximum of two
4 academic years.

5 Section 503. Nursing Baccalaureate Degree Scholarship.

6 (a) Amount of grants.--The agency shall award a Nursing
7 Baccalaureate Degree Scholarship in the amount of \$3,000 per
8 academic year, or a lesser amount following application of
9 Federal and State grants under section 501(c) to a student
10 enrolled full time in an approved educational institution
11 pursuing a bachelor's degree in nursing or nursing education.
12 The student shall take at least 12 semester hours, or its
13 equivalent, in an approved course of study.

14 (b) Term of grant.--The grant shall be for a maximum of four
15 academic years.

16 Section 504. Nursing Program Scholarship.

17 (a) Amount of grants.--The agency shall award a Nursing
18 Program Scholarship in the amount of \$1,500 per academic year or
19 a lesser amount following application of Federal or State grants
20 under section 501(c) to a student enrolled full time in an
21 approved educational institution pursuing an associate's degree,
22 diploma or certificate. A student who is enrolled part time and
23 is pursuing an associate's degree, diploma or certificate is
24 eligible for a grant of 50% of educational costs as determined
25 by the agency.

26 (b) Term of grant.--The grant shall be for a maximum of two
27 academic years or for up to three academic years if the student
28 is enrolled in an approved course of study that, according to
29 the board, requires three academic years to complete. In order
30 to qualify for a grant in a third academic year, the student

1 must be in compliance with section 501(d) and the institution
2 must determine that the student is making satisfactory progress
3 toward completing an associate's degree or the requirements of
4 the diploma or certificate program.

5 Section 505. Administration.

6 (a) Verification.--The agency shall monitor and verify a
7 student's fulfillment of all work requirements under this
8 chapter.

9 (b) Enforcement.--The agency shall enforce repayment of all
10 scholarship grants for a student who does not comply with the
11 provisions of this chapter, to include use of all lawful
12 collection procedures and the use of private collection
13 agencies.

14 (c) Tax.--Scholarship grants received by a student under
15 this chapter shall not be considered taxable income for purposes
16 of Article III of the act of March 4, 1971 (P.L.6, No.2), known
17 as the Tax Reform Code of 1971.

18 (d) Financial assistance.--Scholarship grants received by a
19 student under this chapter shall not be considered financial
20 assistance or appropriations to the approved educational
21 institution.

22 (e) Customized job training.--No funds under this chapter
23 shall be granted to a person enrolled in a customized job
24 training partnership program or continuing education course from
25 a postsecondary educational institution for which an employer is
26 providing over 50% of the financial support, directly or
27 indirectly, and for which the student is not being charged
28 tuition or fees.

29 CHAPTER 49

30 MISCELLANEOUS PROVISIONS

1 Section 4901. Annual report.

2 (a) Development of report.--The agency shall publish a
3 report by September 1, 2007, and every year thereafter for the
4 immediately preceding fiscal year. The report shall include
5 information regarding the operation of the programs established
6 under this act, including:

7 (1) The number of applications received for the Nursing
8 Postbaccalaureate Degree Scholarship, the Nursing
9 Baccalaureate Degree Scholarship, the Nursing Program
10 Scholarship and the Pennsylvania Nurse and Nursing Educator
11 Loan Forgiveness Program.

12 (2) The number, type and amount of Nursing
13 Postbaccalaureate Degree Scholarships, Nursing Baccalaureate
14 Degree Scholarships and Nursing Program Scholarships awarded.

15 (3) The number and amount of nursing and nursing
16 educator loan forgiveness contracts executed and contracts
17 renewed for licensed practical nurses, registered nurses and
18 nursing educators.

19 (4) The number of scholarship grantees who withdraw from
20 the scholarship programs, reported by cause.

21 (5) The number of defaulted loan forgiveness program
22 contracts, reported by cause.

23 (6) The number of full-time and part-time students
24 receiving scholarships, reported by type of institution
25 attending, including four-year educational institutions,
26 community colleges, independent two-year colleges, private
27 licensed schools, hospital-based courses of study and
28 certificate programs.

29 (7) The number of nurses and nursing educators
30 participating in the loan forgiveness program, reported by

1 type of institution attended, including four-year educational
2 institutions, community colleges, independent two-year
3 colleges, private licensed schools, hospital-based courses of
4 study and certificate programs.

5 (8) The number and type of enforcement actions taken by
6 the agency.

7 (b) Submission.--The annual report shall be submitted to the
8 Governor, the chairman and minority chairman of the
9 Appropriations Committee of the Senate, the chairman and
10 minority chairman of the Appropriations Committee of the House
11 of Representatives, the chairman and minority chairman of the
12 Education Committee of the Senate, the chairman and minority
13 chairman of the Public Health and Welfare Committee of the
14 Senate and the chairman and minority chairman of the Health and
15 Human Services Committee of the House of Representatives.
16 Section 4902. Minimum nursing data set.

17 (a) Duty of State Board of Nursing.--It shall be the duty of
18 the State Board of Nursing to collect, store and make available
19 nursing work force information regarding all of the categories
20 of nurses and nursing educators.

21 (b) Information.--The information to be collected as part of
22 the routine licensure renewal process on nurses and nursing
23 educators shall include, but not be limited to:

24 (1) Demographics, including:

25 (i) Year of birth.

26 (ii) Ethnicity: Hispanic/Latino; Native Americans;
27 Alaska Native; Asian; Pacific Islander; African American,
28 not of Hispanic origin; White, not of Hispanic origin.

29 (iii) Zip code of residence.

30 (2) Basic education, including:

(i) Program type: LPN, hospital-based, ADN, BSN and MS.

(ii) Year graduated.

(iii) State in which basic program is located.

(3) Highest education attained, including:

(i) Program type: LPN, hospital-based, AA/AND, BS/BSN, MS/MSN and PhD/EdD.

(ii) Year graduated.

(iii) Preparation as advanced nurse practitioner, nurse practitioner, nurse-midwife, clinical nurse specialist and nurse anesthetist.

(4) Employment, including:

(i) Current employment.

(ii) Number of hours worked in typical week.

(iii) Setting of primary employer: hospital, long-term care, ambulatory care, physician office, public health, home health care, approved educational institution or other.

(iv) Setting of secondary employer: hospital, long-term care, ambulatory care, physician office, public health care, home health care, approved educational institution or other.

(v) Type of position: staff nurse, educator, management, utilization/case management, advanced practice or other.

(vi) Zip code of primary employer.

(vii) Whether currently unemployed in nursing or nursing education; a full-time or part-time student; seeking nursing or nursing education employment; seeking employment in another health-related field; seeking

employment in another field; employed in another health-related field; employed in another field; not seeking nursing or nursing education employment; not seeking employment or retired.

(viii) Intention to remain employed in nursing, one to three years; three to five years; five to ten years; or greater than ten years.

(5) Licensure, including:

(i) State issuing first license.

(ii) Year first license issued.

(iii) States where current licensure is held.

(iv) Name under which license issued or number of license for each state in which nurse is licensed.

(c) Duty of Department of Labor and Industry.--It shall be the duty of the Department of Labor and Industry, through its Center for Workforce Information and Analysis, to regularly analyze and publish the information collected by the board in combination with information obtained from employers to better understand the supply and demand for nurses and nursing educators in this Commonwealth and to assist in work force planning and development.

Section 4903. Appeals.

The provisions of this act shall be subject to 22 Pa. Code Ch. 121 (relating to student financial aid).

Section 4904. Regulations.

The agency shall adopt regulations and procedures necessary to carry out the purposes of this act.

Section 4905. Funding.

Loan forgiveness repayments and scholarship awards shall be made to the extent that funds are appropriated by the General

- 1 Assembly for this act.
- 2 Section 4906. Effective date.
- 3 This act shall take effect in 90 days.