
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 890 Session of
2009

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BRENNAN, BRIGGS, CALTAGIRONE, CAUSER, DONATUCCI, FAIRCHILD,
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VULAKOVICH, J. TAYLOR, CREIGHTON, RAPP AND MELIO,
MARCH 12, 2009

REFERRED TO COMMITTEE ON EDUCATION, MARCH 12, 2009

AN ACT

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

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

16 CHAPTER 1
17 PRELIMINARY PROVISIONS

18 Section 101. Short title.

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

21 Section 102. Purpose.

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

26 Section 103. Definitions.

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

30 "Agency." The Pennsylvania Higher Education Assistance

1 Agency.

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

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

12 "Board." The State Board of Nursing.

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

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

21 "Nurse." A licensed practical or registered nurse.

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

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

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

29 "Work requirement." Postgraduate, full-time employment in
30 this Commonwealth either in direct patient care with a licensed

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

6 CHAPTER 3

7 PENNSYLVANIA NURSE AND NURSING EDUCATOR

8 LOAN FORGIVENESS PROGRAM

9 Section 301. Establishment.

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

17 Section 302. Repayment assistance.

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

26 Section 303. Eligibility.

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

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

30 (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) Year one, 25%.

1 (2) Year two, 25%.

2 (3) Year three, 25%.

3 (4) Year four, 25%.

4 Section 305. Administration.

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

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

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

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

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

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

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

28 (7) If the board has determined that the recipient has
29 committed an act of gross negligence or has suspended or
30 revoked the license to practice, the agency shall have the

1 authority to terminate the recipient's service in the program
2 and demand repayment of the assistance rendered to date.

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

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

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

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

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

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

1 CHAPTER 5

2 SCHOLARSHIP PROGRAM

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

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

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

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

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

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

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

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

30 (4) Maintenance of satisfactory progress as established

1 by the approved educational institution's written policies.

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

4 (i) Complete an approved course of study.

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

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

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

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

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

1 grants under this chapter.

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

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

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

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

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

23 Section 502. Nursing Postbaccalaureate Degree Scholarship.

24 (a) Amount of grants.--The agency shall award a Nursing
25 Postbaccalaureate Degree Scholarship in the amount of \$6,000 per
26 academic year or a lesser amount following application of
27 Federal and State grants under section 501(c) to a student
28 enrolled full time in an approved educational institution
29 pursuing a master's degree in nursing education. The student
30 shall take at least 12 semester hours, or its equivalent, in an

1 approved course of study.

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

4 Section 503. Nursing Baccalaureate Degree Scholarship.

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

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

15 Section 504. Nursing Program Scholarship.

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

25 (b) Term of grant.--The grant shall be for a maximum of two
26 academic years or for up to three academic years if the student
27 is enrolled in an approved course of study that, according to
28 the board, requires three academic years to complete. In order
29 to qualify for a grant in a third academic year, the student
30 must be in compliance with section 501(d) and the institution

1 must determine that the student is making satisfactory progress
2 toward completing an associate's degree or the requirements of
3 the diploma or certificate program.

4 Section 505. Administration.

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

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

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

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

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

28 CHAPTER 49

29 MISCELLANEOUS PROVISIONS

30 Section 4901. Annual report.

(a) Development of report.--The agency shall publish a report on the date exactly one year following the effective date of this act, and every year thereafter for the immediately preceding fiscal year. The report shall include information regarding the operation of the programs established under this act, including:

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

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

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

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

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

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

(7) The number of nurses and nursing educators 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:

- 1 (i) Program type: LPN, hospital-based, ADN, BSN and
2 MS.
- 3 (ii) Year graduated.
- 4 (iii) State in which basic program is located.
- 5 (3) Highest education attained, including:
- 6 (i) Program type: LPH, hospital-based, AA/AND,
7 BS/BSN, MS/MSN and PhD/EdD.
- 8 (ii) Year graduated.
- 9 (iii) Preparation as advanced nurse practitioner,
10 nurse practitioner, nurse-midwife, clinical nurse
11 specialist and nurse anesthetist.
- 12 (4) Employment, including:
- 13 (i) Current employment.
- 14 (ii) Number of hours worked in typical week.
- 15 (iii) Setting of primary employer: hospital, long-
16 term care, ambulatory care, physician office, public
17 health, home health care, approved educational
18 institution or other.
- 19 (iv) Setting of secondary employer: hospital, long-
20 term care, ambulatory care, physician office, public
21 health care, home health care, approved educational
22 institution or other.
- 23 (v) Type of position: staff nurse, educator,
24 management, utilization/case management, advanced
25 practice or other.
- 26 (vi) Zip code of primary employer.
- 27 (vii) Whether currently unemployed in nursing or
28 nursing education; a full-time or part-time student;
29 seeking nursing or nursing education employment; seeking
30 employment in another health-related field; seeking

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

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

8 (5) Licensure, including:

9 (i) State issuing first license.

10 (ii) Year first license issued.

11 (iii) States where current licensure is held.

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

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

22 Section 4903. Appeals.

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

25 Section 4904. Regulations.

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

28 Section 4905. Funding.

29 Loan forgiveness repayments and scholarship awards shall be
30 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.