
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1018 Session of
2007

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THOMAS, TRUE, WALKO, WANSACZ, WHEATLEY AND WOJNAROSKI,
APRIL 3, 2007

REFERRED TO COMMITTEE ON EDUCATION, APRIL 3, 2007

AN ACT

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

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

18 CHAPTER 1
19 PRELIMINARY PROVISIONS

20 Section 101. Short title.

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

23 Section 102. Purpose.

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

28 Section 103. Definitions.

29 The following words and phrases when used in this act shall
30 have the meanings given to them in this section unless the

1 context clearly indicates otherwise:

2 "Agency." The Pennsylvania Higher Education Assistance
3 Agency.

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

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

15 "Board." The State Board of Nursing.

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

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

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

27 "Work requirement." Postgraduate, full-time employment as a
28 nursing educator in an approved educational institution located
29 in this Commonwealth. The term does not include a paid student
30 internship, a paid fellowship, volunteer service or employment

1 before graduation.

2 CHAPTER 3

3 PENNSYLVANIA NURSING EDUCATOR LOAN FORGIVENESS PROGRAM

4 Section 301. Establishment.

5 There is hereby established in this Commonwealth the
6 Pennsylvania Nursing Educator Loan Forgiveness Program. The
7 Pennsylvania Nursing Educator Loan Forgiveness Program shall be
8 for repayment of student loans for nursing educators and shall
9 be administered by the agency.

10 Section 302. Repayment assistance.

11 The agency may provide assistance for the repayment of an
12 agency-administered student loan for education at an institution
13 of higher learning received by a nursing educator. Repayment
14 assistance may not be made for a loan that is in default at the
15 time of the application or for an agency-administered loan being
16 repaid through any other loan repayment assistance program.
17 Repayment shall be made by the agency to the lending institution
18 on behalf of the loan recipient.

19 Section 303. Eligibility.

20 Consideration for loan repayment assistance shall be as
21 follows:

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

23 (i) has completed an approved course of study;

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

26 (iii) is employed full time as a nursing educator in
27 an approved educational institution; and

28 (iv) is a resident of this Commonwealth.

29 (2) An applicant who is qualified under paragraph (1)

30 must agree to teach in an approved educational institution as

1 a nursing educator for not less than three years.

2 Section 304. Amount of loan forgiveness.

3 A nursing educator who is eligible under section 303 shall be
4 eligible to receive up to \$30,000 in loan repayments based on
5 the following repayments schedule:

6 (1) Year one, 25%.

7 (2) Year two, 25%.

8 (3) Year three, 25%.

9 (4) Year four, 25%.

10 Section 305. Administration.

11 (a) Contracts.--A recipient of loan repayment assistance
12 shall enter into a contract with the agency which shall be
13 considered a contract with the Commonwealth. The contract shall
14 include, but not be limited to, the following terms and
15 conditions:

16 (1) The applicant shall agree to teach not less than
17 three full years in an approved educational institution at a
18 repayment assistance schedule as provided in section 304.

19 (2) The applicant shall agree to teach on a full-time
20 basis.

21 (3) The nursing educator shall permit the agency to
22 monitor compliance with the work requirement.

23 (4) The agency shall certify compliance with the terms
24 of the contract for purposes of receipt by the nursing
25 educator of loan repayment awards for years subsequent to the
26 initial year of the loan.

27 (5) The contract shall be renewable on an annual basis
28 upon certification by the agency that the nursing educator
29 has complied with the terms of the contract.

30 (6) Upon the recipient's death or total or permanent

1 disability, the agency shall nullify the work requirement of
2 the recipient.

3 (7) If the board has determined that the recipient has
4 committed an act of gross negligence or has suspended or
5 revoked the license to practice, the agency shall have the
6 authority to terminate the recipient's service in the program
7 and demand repayment of the assistance rendered to date.

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

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

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

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

30 (e) Verification.--The agency shall monitor and verify a

1 student's fulfillment of all requirements under this chapter.

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

6 CHAPTER 5

7 SCHOLARSHIP PROGRAM

8 Section 501. Pennsylvania Nursing Education Scholarship
9 Program.

10 (a) Establishment.--There is hereby established the
11 Pennsylvania Nursing Education Scholarship Program within the
12 agency, to consist of the Nursing Education Postbaccalaureate
13 Degree Scholarship and the Nursing Education Baccalaureate
14 Degree Scholarship.

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

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

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

28 (1) Graduation from a high school in this Commonwealth,
29 or earned general educational development (GED) diploma or
30 the equivalent thereof.

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

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

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

7 (5) Entrance into a written agreement with the agency
8 to:

9 (i) Complete an approved course of study.

10 (ii) Commence employment in an approved educational
11 institution in this Commonwealth within one year after
12 completion of an approved course of study for a period of
13 one year for each academic year the student received a
14 scholarship grant under this chapter unless the agency
15 determines that there are extenuating circumstances.

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

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

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

28 (g) Termination.--If a student terminates enrollment in the
29 approved educational institution during the academic year or
30 prior to completion of the approved course of study, the

1 approved education institution shall notify the agency in
2 writing and shall return all unused portions of the scholarship
3 grant. Returned amounts shall be used to fund other scholarship
4 grants under this chapter.

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

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

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

16 (k) Ineligibility.--The agency may deny a scholarship grant
17 to 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 (l) Fraud.--Any person who knowingly or intentionally
21 procures, obtains or aids another to procure or obtain a grant
22 under this chapter through fraudulent means shall be
23 disqualified from participation in the Pennsylvania Nursing
24 Education Scholarship Program and shall be liable to the agency
25 for an amount equal to three times the amount obtained.

26 Section 502. Nursing Education Postbaccalaureate Degree
27 Scholarship.

28 (a) Amount of grants.--The agency shall award a Nursing
29 Education Postbaccalaureate Degree Scholarship in the amount of
30 \$6,000 per academic year or a lesser amount following

1 application of Federal and State grants under section 501(c) to
2 a student enrolled full time in an approved educational
3 institution pursuing a master's degree in nursing education. The
4 student shall take at least 12 semester hours or their
5 equivalent in an approved course of study.

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

8 Section 503. Nursing Education Baccalaureate Degree
9 Scholarship.

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

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

20 Section 504. Administration.

21 (a) Verification.--The agency shall monitor and verify a
22 student's fulfillment of all work requirements under this
23 chapter.

24 (b) Enforcement.--The agency shall enforce repayment of all
25 scholarship grants for a student who does not comply with the
26 provisions of this chapter, to include use of all lawful
27 collection procedures and the use of private collection
28 agencies.

29 (c) Tax.--Scholarship grants received by a student under
30 this chapter shall not be considered taxable income for purposes

1 of Article III of the act of March 4, 1971 (P.L.6, No.2), known
2 as the Tax Reform Code of 1971.

3 (d) Financial assistance.--Scholarship grants received by a
4 student under this chapter shall not be considered financial
5 assistance or appropriations to the approved educational
6 institution.

7 (e) Customized job training.--No funds under this chapter
8 shall be granted to a person enrolled in a customized job
9 training partnership program or continuing education course from
10 a postsecondary educational institution for which an employer is
11 providing over 50% of the financial support, directly or
12 indirectly, and for which the student is not being charged
13 tuition or fees.

14 CHAPTER 49

15 MISCELLANEOUS PROVISIONS

16 Section 4901. Annual report.

17 (a) Development of report.--The agency shall publish a
18 report by September 1, 2008, and every year thereafter for the
19 immediately preceding fiscal year. The report shall include
20 information regarding the operation of the programs established
21 under this act, including:

22 (1) The number of applications received for the Nursing
23 Education Postbaccalaureate Degree Scholarship, the Nursing
24 Education Baccalaureate Degree Scholarship and the
25 Pennsylvania Nursing Educator Loan Forgiveness Program.

26 (2) The number, type and amount of Nursing Education
27 Postbaccalaureate Degree Scholarships and Nursing Education
28 Baccalaureate Degree Scholarships awarded.

29 (3) The number and amount of nursing educator loan
30 forgiveness contracts executed and contracts renewed for

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 nursing educators participating in the loan forgiveness program, reported by type of institution attended, including four-year educational institutions, community colleges, independent two-year colleges, private licensed schools, hospital-based courses of study and certificate programs.

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

(b) Submission.--The annual report shall be submitted to the Governor, the chairman and minority chairman of the Appropriations Committee of the Senate, the chairman and minority chairman of the Appropriations Committee of the House of Representatives, the chairman and minority chairman of the Education Committee of the Senate, the chairman and minority chairman of the Public Health and Welfare Committee of the Senate and the chairman and minority chairman of the Health and Human Services Committee of the House of Representatives.

Section 4902. Minimum nursing data set.

(a) Duty of State Board of Nursing.--It shall be the duty of

1 the State Board of Nursing to collect, store and make available
2 nursing work force information regarding nursing educators.

3 (b) Information.--The information to be collected as part of
4 the routine licensure renewal process on nursing educators shall
5 include, but not be limited to:

6 (1) Demographics, including:

7 (i) Year of birth.

8 (ii) Ethnicity: Hispanic/Latino; Native Americans;
9 Alaska Native; Asian; Pacific Islander; African American,
10 not of Hispanic origin; White, not of Hispanic origin.

11 (iii) Zip code of residence.

12 (2) Basic education, including:

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

15 (ii) Year graduated.

16 (iii) State in which basic program is located.

17 (3) Highest education attained, including:

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

20 (ii) Year graduated.

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

24 (4) Employment, including:

25 (i) Current employment.

26 (ii) Number of hours worked in typical week.

27 (iii) Zip code of primary employer.

28 (iv) Currently unemployed in nursing education:
29 student; seeking nursing education employment; seeking
30 employment in other health-related field; seeking

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

(v) 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 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.