

THE GENERAL ASSEMBLY OF PENNSYLVANIA

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# HOUSE BILL

## No. 2718 Session of 2004

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INTRODUCED BY LaGROTTA, DeWEESE, BELARDI, COY, LESCOVITZ,  
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CREIGHTON, B. SMITH, THOMAS, KIRKLAND, SURRA, WASHINGTON,  
JOSEPHS, GRUCELA, LEACH, YOUNGBLOOD, PALLONE, CIVERA AND  
HORSEY, JUNE 16, 2004

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REFERRED TO COMMITTEE ON HEALTH AND HUMAN SERVICES,  
JUNE 16, 2004

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AN ACT

1 Establishing a nursing loan forgiveness and scholarship program.

2 TABLE OF CONTENTS

3 Chapter 1. Preliminary Provisions

4 Section 101. Short title.

5 Section 102. Purpose.

6 Section 103. Definitions.

7 Chapter 3. Pennsylvania Nurse Loan Forgiveness Program

8 Section 301. Establishment.

9 Section 302. Repayment assistance.

10 Section 303. Eligibility.

11 Section 304. Amount of loan forgiveness.

12 Section 305. Administration.

1 Chapter 5. Scholarship Program  
2 Section 501. Pennsylvania Nurse Scholarship Program.  
3 Section 502. Nursing Baccalaureate Degree Scholarship.  
4 Section 503. Nursing Program Scholarship.  
5 Section 504. Administration.  
6 Chapter 49. Miscellaneous Provisions  
7 Section 4901. Annual report.  
8 Section 4902. Minimum nursing data set.  
9 Section 4903. Appeals.  
10 Section 4904. Regulations.  
11 Section 4905. Funding.  
12 Section 4906. Effective date.

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

15 CHAPTER 1  
16 PRELIMINARY PROVISIONS

17 Section 101. Short title.

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

20 Section 102. Purpose.

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

25 Section 103. Definitions.

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

29 "Agency." The Pennsylvania Higher Education Assistance  
30 Agency.

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

11 "Board." The State Board of Nursing.

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

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

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

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

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

26 "Work requirement." Postgraduate, full-time employment in  
27 direct patient care with a licensed health care facility located  
28 in this Commonwealth in an occupation related to an approved  
29 course of study under this act. The term does not include a paid  
30 student internship, a paid fellowship, volunteer service or

1 employment before graduation.

2 CHAPTER 3

3 PENNSYLVANIA NURSE LOAN FORGIVENESS PROGRAM

4 Section 301. Establishment.

5 There is hereby established in this Commonwealth the  
6 Pennsylvania Nurse Loan Forgiveness Program. The Pennsylvania  
7 Nurse Loan Forgiveness Program shall be for repayment of student  
8 loans for nurses providing direct patient care in licensed  
9 health care facilities and shall 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 nurse. Repayment assistance may  
14 not be made for a loan that is in default at the time of the  
15 application or for an agency-administered loan being repaid  
16 through any other loan repayment assistance program. Repayment  
17 shall be made by the agency to the lending institution on behalf  
18 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 nurse in the  
27 provision of direct patient care in a licensed health  
28 care facility; and
- 29 (iv) is a resident of this Commonwealth.
- 30 (2) An applicant who is qualified under paragraph (1)

1 must agree to practice in a licensed health care facility as  
2 a nurse for not less than three years.

3 Section 304. Amount of loan forgiveness.

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

8 (1) Year one, 30%.

9 (2) Year two, 35%.

10 (3) Year three, 35%.

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

14 (1) Year one, 25%.

15 (2) Year two, 25%.

16 (3) Year three, 25%.

17 (4) Year four, 25%.

18 Section 305. Administration.

19 (a) Contracts.--A recipient of loan repayment assistance  
20 shall enter into a contract with the agency which shall be  
21 considered a contract with the Commonwealth. The contract shall  
22 include, but not be limited to, the following terms and  
23 conditions:

24 (1) The applicant shall agree to practice not less than  
25 three full years in a licensed health care facility at a  
26 repayment assistance schedule as provided in section 304.

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

29 (3) The nurse shall permit the agency to monitor  
30 compliance with the work requirement.

1           (4) The agency shall certify compliance with the terms  
2 of the contract for purposes of receipt by the nurse of loan  
3 repayment awards for years subsequent to the initial year of  
4 the loan.

5           (5) The contract shall be renewable on an annual basis  
6 upon certification by the agency that the nurse has complied  
7 with the terms of the contract.

8           (6) Upon the recipient's death or total or permanent  
9 disability, the agency shall nullify the work requirement of  
10 the recipient.

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

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

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

29          (c) Ineligibility.--The agency may deny loan forgiveness to  
30 a student who is convicted under section 8.2 of the act of

1 January 25, 1966 (1965 P.L.1546, No.541), referred to as the  
2 Higher Education Scholarship Law.

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

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

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

## 14 CHAPTER 5

### 15 SCHOLARSHIP PROGRAM

16 Section 501. Pennsylvania Nurse Scholarship Program.

17 (a) Establishment.--There is hereby established the  
18 Pennsylvania Nurse Scholarship Program within the agency, to  
19 consist of the Nursing Baccalaureate Degree Scholarship and the  
20 Nursing Program Scholarship.

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

28 (c) Other funding.--Prior to making a grant under this act,  
29 the agency shall first apply Federal Pell Grant and State grants  
30 available for educational costs related to an undergraduate

1 program prior to determining the amount of the scholarship  
2 grant.

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

5 (1) Graduation from a high school in this Commonwealth,  
6 or earned general educational development (GED) diploma or  
7 the equivalent thereof.

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

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

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

14 (5) Entrance into a written agreement with the agency  
15 to:

16 (i) Complete an approved course of study.

17 (ii) Commence employment involving direct patient  
18 care with a licensed health care facility in this  
19 Commonwealth within one year after completion of an  
20 approved course of study for a period of one year for  
21 each academic year the student received a scholarship  
22 grant under this chapter unless the agency determines  
23 that there are extenuating circumstances.

24 (iii) Reimburse the Commonwealth all amounts  
25 received under this chapter and interest thereon, as  
26 determined by the agency, if the student fails to comply  
27 with subparagraphs (i) and (ii).

28 (e) Application.--A student shall apply to the agency for a  
29 scholarship grant as prescribed by the agency, to include the  
30 provision of all information and documentation required by the



1 agency. The application of a student under 18 years of age shall  
2 include the signature of a parent or guardian.

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

6 (g) Termination.--If a student terminates enrollment in the  
7 approved educational institution during the academic year or  
8 prior to completion of the approved course of study, the  
9 approved education institution shall notify the agency in  
10 writing and shall return all unused portions of the scholarship  
11 grant. Returned amounts shall be used to fund other scholarship  
12 grants under this chapter.

13 (h) Transfer.--A scholarship under this chapter is only  
14 transferrable to another educational institution if approved by  
15 the agency.

16 (i) Limitation.--Grants awarded under the Pennsylvania Nurse  
17 Scholarship Program shall be limited to funds appropriated for  
18 that purpose. First priority for awarding grants shall be given  
19 to renewal applicants. Thereafter, grants shall be awarded on a  
20 first-come, first-served basis.

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

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

28 (l) Fraud.--Any person who knowingly or intentionally  
29 procures, obtains or aids another to procure or obtain a grant  
30 under this chapter through fraudulent means shall be

1 disqualified from participation in the Pennsylvania Nurse  
2 Scholarship Program and shall be liable to the agency for an  
3 amount equal to three times the amount obtained.

4 Section 502. 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. The student shall take  
11 at least 12 semester hours, or its equivalent, in an approved  
12 course of study.

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

15 Section 503. 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 504. 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.

1 (a) Development of report.--The agency shall publish a  
2 report by September 1, 2005, and every year thereafter for the  
3 immediately preceding fiscal year. The report shall include  
4 information regarding the operation of the programs established  
5 under this act, including:

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

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

12 (3) The number and amount of nursing loan forgiveness  
13 contracts executed and contracts renewed for licensed  
14 practical nurses and registered nurses.

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

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

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

25 (7) The number of nurses participating in the loan  
26 forgiveness program, reported by type of institution  
27 attended, including four-year educational institutions,  
28 community colleges, independent two-year colleges, private  
29 licensed schools, hospital-based courses of study and  
30 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 the State Board of Nursing to collect, store and make available nursing work force information regarding all of the categories of nurses.

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

(1) Demographics, including:

(i) Year of birth.

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

(iii) Zip code of residence.

(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: LPH, 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 or other.

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

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

(vi) Zip code of primary employer.

(vii) Currently unemployed in nursing: student; seeking nursing employment; seeking employment in other health-related field; seeking employment in other field; employed in other health-related field; employed in other field; not seeking nursing 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:

1 (i) State issuing first license.

2 (ii) Year first license issued.

3 (iii) States where current licensure is held.

4 (iv) Name under which license issued or number of

5 license for each state in which nurse is licensed.

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

13 Section 4903. Appeals.

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

16 Section 4904. Regulations.

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

19 Section 4905. Funding.

20 Loan forgiveness repayments and scholarship awards shall be  
21 made to the extent that funds are appropriated by the General  
22 Assembly for this act.

23 Section 4906. Effective date.

24 This act shall take effect in 90 days.