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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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**HOUSE BILL**

**No. 1019** Session of  
2007

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INTRODUCED BY GERGELY, BARRAR, BELFANTI, BENNINGHOFF, BIANCUCCI,  
CALTAGIRONE, CAPPELLI, COSTA, CREIGHTON, CURRY, CUTLER,  
DeLUCA, DePASQUALE, FABRIZIO, FREEMAN, GEIST, GEORGE,  
GIBBONS, GOODMAN, GRUCELA, HARHAI, HARPER, HARRIS, JAMES,  
JOSEPHS, M. KELLER, KING, KIRKLAND, KORTZ, KOTIK, MANN,  
MUNDY, MURT, PALLONE, PAYNE, PETRARCA, RAYMOND, READSHAW,  
SHAPIRO, McILVAINE SMITH, K. SMITH, SOLOBAY, SONNEY, SURRA,  
THOMAS, TRUE, WALKO, WANSACZ, WHEATLEY AND WOJNAROSKI,  
APRIL 3, 2007

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REFERRED TO COMMITTEE ON EDUCATION, APRIL 3, 2007

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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:

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

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

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

13 "Board." The State Board of Nursing.

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

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

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

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

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

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

30 "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:

- 1 (i) has completed an approved course of study;
- 2 (ii) has been licensed by the board as a licensed  
3 practical nurse or a registered nurse;
- 4 (iii) is employed full time as a nurse in the  
5 provision of direct patient care in a licensed health  
6 care facility or nursing educator in an approved  
7 educational institution; and
- 8 (iv) is a resident of this Commonwealth.

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

13 Section 304. Amount of loan forgiveness.

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

- 18 (1) Year one, 30%.
- 19 (2) Year two, 35%.
- 20 (3) Year three, 35%.

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

- 24 (1) Year one, 25%.
- 25 (2) Year two, 25%.
- 26 (3) Year three, 25%.
- 27 (4) Year four, 25%.

28 (c) Nursing educator.--A nursing educator who is eligible  
29 under section 303 shall be eligible to receive up to \$30,000 in  
30 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:

- 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.