

107TH CONGRESS  
1ST SESSION

# H. R. 3020

To amend the Public Health Service Act to establish a Nurse Corps and recruitment and retention strategies to address the nursing shortage, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

OCTOBER 4, 2001

Mrs. KELLY introduced the following bill; which was referred to the  
Committee on Energy and Commerce

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## A BILL

To amend the Public Health Service Act to establish a Nurse Corps and recruitment and retention strategies to address the nursing shortage, and for other purposes.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. SHORT TITLE.**

4       This Act may be cited as the “Nursing Employment  
5       and Education Development Act” or the “NEED Act”.

1 **SEC. 2. AMENDMENTS TO THE PUBLIC HEALTH SERVICE**  
2 **ACT.**

3 (a) NURSE CORPS LOAN REPAYMENT PROGRAM.—  
4 Section 846 of the Public Health Service Act (42 U.S.C.  
5 297n) is amended by—

6 (1) in subsection (a)(3), by inserting “in a  
7 skilled nursing facility, in a home health agency, in  
8 a public health department, in a nurse-managed  
9 health center,” after “in a public hospital,”; and

10 (2) in subsection (g), by striking “\$5,000,000”  
11 and all that follows to the period and inserting  
12 “\$10,000,000 for fiscal year 2002 and \$15,000,000  
13 in 2003 and 2004.”

14 (b) GRANT PROGRAMS.—Title VIII of the Public  
15 Health Service Act (42 U.S.C. 296 et seq.) is amended  
16 by adding at the end the following:

17 **“PART H—NURSE CORPS SCHOLARSHIP**  
18 **PROGRAM**

19 **“SEC. 851. NURSE CORPS SCHOLARSHIP PROGRAM.**

20 “(a) PROGRAM AUTHORIZED.—The Secretary shall  
21 establish a Nurse Corps Scholarship program (referred to  
22 in this section as the ‘program’) to provide scholarships  
23 to individuals seeking nursing education in exchange for  
24 service from such individuals in a critical nursing shortage  
25 area upon completion of such education.

1       “(b) PURPOSE.—The purpose of the program is to  
2 assure that—

3           “(1) an adequate supply of nurses, at all prepa-  
4 ration levels up to the doctoral level, are available to  
5 meet the nursing needs in critical nursing shortage  
6 areas;

7           “(2) an adequate supply of nurse educators are  
8 available to meet the nursing education needs of the  
9 Nation; and

10          “(3) preference will be given to the preparation  
11 of minority nurses and individuals who demonstrate  
12 greatest financial need for nursing and nurse faculty  
13 scholarships.

14       “(c) CRITICAL NURSING SHORTAGE AREA.—

15           “(1) IN GENERAL.—The term ‘critical nursing  
16 shortage area’ means—

17           “(A) an urban or rural area that the Sec-  
18 retary determines is experiencing a nursing  
19 shortage;

20           “(B) a population that the Secretary deter-  
21 mines has such a shortage; or

22           “(C) a medical facility or other public or  
23 private facility that the Secretary determines  
24 has a shortage.

1           “(2) FACTORS TO CONSIDER.—In making a de-  
2           termination regarding a critical nursing shortage  
3           area, the Secretary shall use the criteria in section  
4           846 for not more than 12 months, and after such  
5           period, the following:

6                   “(A) The ratio of available nurses to the  
7                   number of individuals in the area or population  
8                   group.

9                   “(B) The demonstrated need of a medical  
10                  facility or other public health facility in the  
11                  area.

12                  “(C) The presence of innovative retention  
13                  strategies utilized by eligible facilities.

14           “(d) ELIGIBILITY.—To be eligible for the program an  
15           individual shall—

16                   “(1) be accepted for enrollment, or be enrolled,  
17                   as a full- or part-time student in an accredited nurs-  
18                   ing program; and

19                   “(2) submit an application for the program;  
20                   and

21                   “(3) submit a written contract, at the time of  
22                   submitting the application, accepting payment of a  
23                   scholarship in exchange for providing the required  
24                   service in a critical nursing shortage area.

1       “(e) PREFERENCE.—In selecting individuals to par-  
2 ticipate in the program, the Secretary shall give priority  
3 to any application submitted by an individual—

4           “(1) who has characteristics that increase the  
5 probability that the individual will continue to serve  
6 in a critical nursing shortage area after the period  
7 of obligated service is complete;

8           “(2) who has an interest in a practice area of  
9 nursing, including teaching nursing, that has unmet  
10 needs; and

11          “(3) who is from a disadvantaged background  
12 or demonstrates the greatest financial need.

13       “(f) APPLICATION.—The Secretary shall create an  
14 application form for any individual desiring to participate  
15 in the program, and include in such form—

16          “(1) a summary of the rights and liabilities of  
17 an individual whose application is approved (and  
18 whose contract is accepted) by the Secretary;

19          “(2) information respecting meeting a service  
20 obligation through private practice under an agree-  
21 ment; and

22          “(3) any other information that the individual  
23 needs to understand the program, including a state-  
24 ment of all factors considered in approving applica-  
25 tions for the program.

1 “(g) CONTRACT.—

2 “(1) IN GENERAL.—The Secretary shall pre-  
3 pare a written contract for the program that shall  
4 be provided to any individual desiring to participate  
5 in the program at the time that an application is  
6 provided to such individual.

7 “(2) CONTENT.—The contract described in  
8 paragraph (1) shall be an agreement between the  
9 Secretary and individual that states that, subject to  
10 paragraph (3)—

11 “(A) the Secretary agrees to—

12 “(i) provide the individual with a  
13 scholarship in each such school year or  
14 years for a period of years (not to exceed  
15 4 school years) determined by the indi-  
16 vidual, during which period the individual  
17 is pursuing a course of study; and

18 “(ii) accept the individual into the  
19 Corps (or for equivalent service as other-  
20 wise provided in this section); and

21 “(B) the individual agrees to—

22 “(i) accept provision of such a schol-  
23 arship to the individual;

1 “(ii) maintain enrollment in a course  
2 of study until the individual completes the  
3 course of study;

4 “(iii) while enrolled in such course of  
5 study, maintain an acceptable level of aca-  
6 demic standing (as determined under regu-  
7 lations of the Secretary by the educational  
8 institution offering such course of study);  
9 and

10 “(iv) serve for required period of serv-  
11 ice equal to—

12 “(I) 1 year for each school year  
13 for which the individual was provided  
14 a scholarship under the program, or

15 “(II) 2 years,  
16 whichever is greater, as a provider of nurs-  
17 ing services in a critical nursing shortage  
18 area to which he or she is assigned by the  
19 Secretary as a member of the program, or  
20 as otherwise provided in this section.

21 “(3) LIMITATION.—The contract described in  
22 paragraph (1) shall contain a provision that any fi-  
23 nancial obligation of the United States arising out of  
24 a contract entered into under this section and any  
25 obligation of the individual which is conditioned

1 thereon, is contingent upon funds being appropriated  
2 for scholarships under this section.

3 “(h) PAYMENT.—

4 “(1) IN GENERAL.—A scholarship provided to a  
5 student for a school year under a written contract  
6 under the program shall consist of—

7 “(A) payment to, or (in accordance with  
8 paragraph (2)) on behalf of, the student of the  
9 amount of—

10 “(i) the tuition of the student in such  
11 school year; and

12 “(ii) all other reasonable educational  
13 expenses, including fees, books, and labora-  
14 tory expenses, incurred by the student in  
15 such school year; and

16 “(B) payment to the student of a stipend  
17 of \$400 per month (adjusted in accordance with  
18 paragraph (3)) for each month the student is  
19 enrolled.

20 “(2) CONTRACT.—The Secretary may contract  
21 with an educational institution, in which a partici-  
22 pant in the program is enrolled, for the payment to  
23 the educational institution of the amounts of tuition  
24 and other reasonable educational expenses described  
25 in paragraph (1)(A).



1           “(3) MONTHLY STIPEND.—The amount of the  
2           monthly stipend, specified in paragraph (1)(B) and  
3           as previously adjusted (if at all) in accordance with  
4           this paragraph, shall be increased by the Secretary  
5           as the Secretary determines to be reasonable.

6           “(i) BREACH OF AGREEMENT.—

7           “(1) IN GENERAL.—Subject to paragraph (2),  
8           if an individual participates in the program under  
9           this section and agrees to provide health services for  
10          a period of time in consideration for receipt of an  
11          award of Federal funds for education as a nurse, the  
12          following applies:

13               “(A) FAILURE REGARDING EDUCATION.—

14               The individual is liable to the Federal Govern-  
15               ment for the amount of such award (including  
16               amounts provided for expenses related to such  
17               attendance), and for interest on such amount at  
18               the maximum legal prevailing rate, if the  
19               individual—

20               “(i) fails to maintain an acceptable  
21               level of academic standing in the nursing  
22               program (as indicated by the program in  
23               accordance with requirements established  
24               by the Secretary);

1                   “(ii) is dismissed from the nursing  
2                   program for disciplinary reasons; or

3                   “(iii) voluntarily terminates the nurs-  
4                   ing program.

5                   “(B) FAILURE REGARDING SERVICE.—The  
6                   individual is liable to the Federal Government  
7                   for the amount of such award (including  
8                   amounts provided for expenses related to such  
9                   attendance), and for interest on such amount at  
10                  the maximum legal prevailing rate, if the indi-  
11                  vidual fails to provide health services in accord-  
12                  ance with the program for the required time pe-  
13                  riod.

14                  “(2) WAIVER OR SUSPENSION OF LIABILITY.—  
15                  The Secretary shall waive liability under paragraph  
16                  (1) if compliance by the individual with the agree-  
17                  ment involved is impossible, or would involve ex-  
18                  treme hardship to the individual, and if enforcement  
19                  of the agreements with respect to the individual or  
20                  facility would be unconscionable.

21                  “(j) INFORMATION OF THE PROGRAM.—The Sec-  
22                  retary shall distribute material regarding the program to  
23                  junior and senior high schools, community colleges, uni-  
24                  versities, and schools of nursing. The Secretary shall en-

1 courage such schools to disseminate such material to the  
2 students of such schools.

3 “(k) SERVICE INFORMATION.—The Secretary shall  
4 provide to an individual who has participated in the pro-  
5 gram and is nearing the conclusion of his or her service  
6 obligation, information regarding other opportunities for  
7 nursing in critical nursing shortage areas.

8 “(l) REPORT.—Not later than 18 months after the  
9 first loan cycle, and annually thereafter, the Secretary  
10 shall prepare and submit to Congress a report describing  
11 the program, including statements regarding—

12 “(1) the number of enrollees, scholarship, and  
13 grant recipients by year of study;

14 “(2) the number of graduates;

15 “(3) the amount of scholarship payments made  
16 for each of tuition, stipends, and other expenses;

17 “(4) which educational institutions the scholar  
18 attended;

19 “(5) the number and placement location of the  
20 scholars;

21 “(6) the default rate and actions required;

22 “(7) the amount of outstanding default funds;

23 “(8) to the extent that can be determined, the  
24 reason for the default;

1 “(9) the demographics of the individuals par-  
2 ticipating in the scholarship program; and

3 “(10) recommendations for future modifications  
4 of the scholarship program.

5 “(m) AUTHORIZATION OF APPROPRIATIONS.—There  
6 is authorized to be appropriated to carry out this section,  
7 \$10,000,000 for fiscal year 2002 and \$15,000,000 for fis-  
8 cal years 2003 and 2004.

9 **“PART I—NURSE RECRUITMENT**

10 **“SEC. 855. PUBLIC AWARENESS AND EDUCATION CAM-**  
11 **PAIGN.**

12 “(a) NATIONAL CAMPAIGN.—

13 “(1) IN GENERAL.—The Secretary shall develop  
14 and administer a comprehensive national multi-  
15 media public education campaign to enhance the  
16 image of the nursing profession, promote diversity in  
17 the workforce, encourage individuals to enter the  
18 nursing profession, and encourage career develop-  
19 ment for individuals in the nursing profession.

20 “(2) AUTHORIZATION OF APPROPRIATIONS.—  
21 There is authorized to be appropriated to carry out  
22 this subsection, \$5,0000,000 for fiscal year 2002,  
23 and such sums as may be necessary for fiscal years  
24 2003 and 2004.

25 “(b) STATE CAMPAIGNS.—

1           “(1) IN GENERAL.—The Secretary shall award  
2           grants to eligible entities to establish the multi-  
3           media campaigns described in subsection (a) at a  
4           State level.

5           “(2) DEFINITIONS.—

6                   “(A) ELIGIBLE ENTITY.—The term ‘eligi-  
7                   ble entity’ means a professional State nursing  
8                   association, State health care provider associa-  
9                   tion, school of nursing, and any other entity  
10                  that provides similar services or serves a like  
11                  function.

12                   “(B) STATE HEALTH CARE PROVIDER AS-  
13                  SOCIATION.—The term ‘State health care pro-  
14                  vider association’ means a professional associa-  
15                  tion of hospitals, nursing homes, home health  
16                  care agencies, hospices, consortia of said asso-  
17                  ciations, or other such entities deemed eligible  
18                  by the Secretary.

19           “(3) LIMITATION.—An eligible entity that re-  
20           ceives a grant under this subsection shall not use  
21           funds received through such grant to advertise par-  
22           ticular employment opportunities or recruit members  
23           or affiliates of such entity.

24           “(4) APPLICATION.—Each eligible entity that  
25           desires a grant under this subsection shall submit an

1 application to the Secretary at such time, in such  
2 manner, and containing such information as the Sec-  
3 retary may reasonably require.

4 “(5) **EQUITABLE BROADCASTING.**—The cam-  
5 paigns described in paragraph (1) shall be broadcast  
6 in such a manner as to inform diverse populations  
7 throughout the State of nursing opportunities, in-  
8 cluding rural populations.

9 “(c) **AUTHORIZATION OF APPROPRIATIONS.**—There  
10 is authorized to be appropriated to carry out this section,  
11 \$5,000,000 for fiscal year 2002, and such sums as may  
12 be necessary for fiscal years 2003 and 2004.

13 **“SEC. 856. AREA HEALTH EDUCATION CENTERS PROGRAM.**

14 “(a) **PROGRAM AUTHORIZED.**—The Secretary shall  
15 award grants to schools of nursing to expand the operation  
16 of area health education centers under section 751 to work  
17 in communities to develop models of excellence for school  
18 nurses, public health nurses, perinatal outreach nurses,  
19 and other community-based nurses, or to expand any jun-  
20 ior and senior high school mentoring programs to include  
21 a nurse mentoring program.

22 “(b) **AUTHORIZATION OF APPROPRIATIONS.**—There  
23 is authorized to be appropriated to carry out this section,  
24 \$5,000,000 for fiscal year 2002, and such sums as may  
25 be necessary for fiscal years 2003 and 2004.

1   **“SEC. 857. COMMUNITY NURSE OUTREACH GRANTS.**

2           “(a) PROGRAM AUTHORIZED.—The Secretary, acting  
3 through the Director of the Office of Rural Health Policy  
4 (of the Health Resources and Services Administration)  
5 shall award grants to community-based partnerships to es-  
6 tablish programs to recruit and retain nurses.

7           “(b) COMMUNITY-BASED PARTNERSHIPS.—The term  
8 ‘community-based partnerships’ means a health care pro-  
9 vider and a community partner, such as a school, nursing  
10 program, faith-based organization, university, community  
11 college, public health department, State health care pro-  
12 vider association, professional State nursing association,  
13 hospice care program or other entity deemed eligible by  
14 the Secretary, that forms a partnership with not less than  
15 2 other entities in the community to develop a network  
16 to recruit and retain nurses in the community.

17           “(c) PRIORITY.—In awarding grants under sub-  
18 section (a), the Secretary shall give priority to—

19                   “(1) community-based partnerships seeking to  
20           recruit and retain nurses in rural communities and  
21           medically underserved urban communities, and other  
22           communities experiencing a nursing shortage; and

23                   “(2) community-based partnerships seeking to  
24           address such needs as dependent care, transpor-  
25           tation, or others as deemed appropriate by the Sec-  
26           retary.

1       “(d) APPLICATION.—A community-based partnership  
2 seeking a grant under this section shall submit an applica-  
3 tion to the Secretary at such time, in such manner, and  
4 containing such information as the Secretary may reason-  
5 ably require.

6       “(e) AUTHORIZATION OF APPROPRIATIONS.—There  
7 is authorized to be appropriated to carry out this section,  
8 \$10,000,000 for fiscal year 2002, and such sums as may  
9 be necessary for fiscal years 2003 and 2004.

10   **“SEC. 858. EDUCATIONAL ASSISTANCE IN NURSING RE-**  
11                   **GARDING INDIVIDUALS FROM DIVERSE OR**  
12                   **DISADVANTAGED BACKGROUNDS.**

13       “(a) PROGRAM AUTHORIZED.—The Secretary shall  
14 award grants to eligible entities to assist individuals from  
15 disadvantaged backgrounds to pursue nursing education  
16 opportunities and nursing career positions.

17       “(b) ELIGIBLE ENTITY.—In this section, the term  
18 ‘eligible entity’ has the same meaning given such term in  
19 section 801(1).

20       “(c) USE OF FUNDS.—An eligible entity that receives  
21 a grant under subsection (a) shall use funds received  
22 under such grant to increase nursing education opportuni-  
23 ties for individuals from disadvantaged backgrounds, in-  
24 cluding by providing student scholarships, stipends, pre-  
25 entry preparation, and retention activities.



1       “(d) AUTHORIZATION OF APPROPRIATIONS.—There  
 2 is authorized to be appropriated to carry out this section,  
 3 \$10,000,000 for fiscal year 2002, and such sums as may  
 4 be necessary for fiscal years 2003 and 2004.

5           **“PART J—STRENGTHENING THE NURSE**  
 6                           **WORKFORCE**

7   **“SEC. 861. GRANTS FOR CAREER LADDER PROGRAMS.**

8       “(a) PROGRAM AUTHORIZED.—The Secretary shall  
 9 award grants to eligible entities to develop programs that  
 10 aid and encourage individuals in nursing programs to pur-  
 11 sue additional nursing education and training.

12       “(b) DEFINITIONS.—

13           “(1) ELIGIBLE ENTITY.—The term ‘eligible en-  
 14 tity’ means a school of nursing or a health care fa-  
 15 cility, or a partnership of such school and facility.

16           “(2) HEALTH CARE FACILITY.—The term  
 17 ‘health care facility’ means a hospital, nursing home,  
 18 home health care agency, hospice, federally qualified  
 19 health center, federally qualified community health  
 20 center, rural health clinic, or public health clinic.

21       “(c) USE OF FUNDS.—An eligible entity that receives  
 22 a grant under subsection (a) shall use such funds received  
 23 through such grant to—

24           “(1) provide career counseling to individuals  
 25 seeking to advance within the nursing profession;

1           “(2) promote career mobility for nursing per-  
2           sonnel by providing training in a variety of settings  
3           and specialty training; and

4           “(3) develop programs to facilitate educational  
5           advancement for individuals with existing degrees or  
6           health care training.

7           “(d) APPLICATION.—An eligible entity seeking a  
8           grant under subsection (a) shall submit an application to  
9           the Secretary at such time, in such a manner, and con-  
10          taining such information as the Secretary may reasonably  
11          require.

12          “(e) AUTHORIZATION OF APPROPRIATIONS.—There  
13          is authorized to be appropriated to carry out this section,  
14          \$10,000,000 for fiscal year 2002, and such sums as may  
15          be necessary for fiscal years 2003 and 2004.

16       **“SEC. 862. GRANTS FOR NURSE TRAINING.**

17          “(a) PROGRAM AUTHORIZED.—The Secretary shall  
18          award grants to eligible entities to encourage individuals  
19          to enter the nursing profession with a focus on providing  
20          long-term care.

21          “(b) DEFINITIONS.—

22               “(1) ELIGIBLE ENTITY.—The term ‘eligible en-  
23               tity’ means a school of nursing or a health care fa-  
24               cility, or a partnership of such school and facility.

1           “(2) HEALTH CARE FACILITY.—The term  
2       ‘health care facility’ means a hospital, nursing home,  
3       home health care agency, hospice, federally qualified  
4       health center, federally qualified community health  
5       center, rural health clinic, or public health clinic.

6           “(c) USE OF FUNDS.—An eligible entity that receives  
7       a grant under subsection (a) shall use such funds received  
8       through such grant to—

9           “(1) provide education and training to individ-  
10      uals who will provide long-term care; and

11          “(2) expand the enrollment in nursing pro-  
12      grams, especially programs that focus on training in-  
13      dividuals in the provision of long-term care.

14          “(d) APPLICATION.—An eligible entity seeking a  
15      grant under subsection (a) shall submit an application to  
16      the Secretary at such time, in such a manner, and con-  
17      taining such information as the Secretary may reasonably  
18      require.

19          “(e) AUTHORIZATION OF APPROPRIATIONS.—There  
20      is authorized to be appropriated to carry out this section,  
21      \$10,000,000 for fiscal year 2002, and such sums as may  
22      be necessary for fiscal years 2003 and 2004.

1 **“SEC. 863. GRANTS FOR INTERNSHIP AND RESIDENCY PRO-**  
2 **GRAMS.**

3 “(a) PROGRAM AUTHORIZED.—The Secretary shall  
4 award grants to an eligible entity to develop internship  
5 and residency programs that encourage mentoring and the  
6 development of specialties.

7 “(b) DEFINITIONS.—

8 “(1) ELIGIBLE ENTITY.—The term ‘eligible en-  
9 tity’ means a health care facility, or a partnership  
10 of a school of nursing and health care facility.

11 “(2) HEALTH CARE FACILITY.—The term  
12 ‘health care facility’ means a hospital, nursing home,  
13 home health care agency, hospice, federally qualified  
14 health center, federally qualified community health  
15 center, rural health clinic, or public health clinic.

16 “(c) USE OF FUNDS.—An eligible entity that receives  
17 a grant under subsection (a) shall use such funds received  
18 through such grant to—

19 “(1) develop internship and residency programs  
20 and curriculum and training programs for graduates  
21 of a nursing program;

22 “(2) provide funding for faculty and mentors;  
23 and

24 “(3) provide funding for nurses participating in  
25 internship and residency programs on both a full-  
26 time and part-time basis.

1       “(d) APPLICATION.—An eligible entity seeking a  
 2 grant under subsection (a) shall submit an application to  
 3 the Secretary at such time, in such a manner, and con-  
 4 taining such information as the Secretary may reasonably  
 5 require.

6       “(e) AUTHORIZATION OF APPROPRIATIONS.—There  
 7 is authorized to be appropriated to carry out this section,  
 8 \$10,000,000 for fiscal year 2002, and such sums as may  
 9 be necessary for fiscal years 2003 and 2004.

10   **“SEC. 864. GRANTS FOR EDUCATION OF REGISTERED**  
 11                   **NURSES ON CURRENT TRENDS IN NURSING.**

12       “(a) PROGRAM AUTHORIZED.—The Secretary shall  
 13 award grants to eligible entities to develop curricula and  
 14 sponsor courses to educate registered nurses (including  
 15 those whose licenses have lapsed) on current trends in  
 16 nursing.

17       “(b) DEFINITIONS.—

18           “(1) ELIGIBLE ENTITY.—The term ‘eligible en-  
 19 tity’ means a school of nursing or a health care fa-  
 20 cility, or a partnership of such school and facility.

21           “(2) HEALTH CARE FACILITY.—The term  
 22 ‘health care facility’ means a hospital, nursing home,  
 23 home health care agency, hospice, federally qualified  
 24 health center, federally qualified community health  
 25 center, rural health clinic, or public health clinic.

1       “(c) APPLICATION.—An eligible entity seeking a  
 2 grant under subsection (a) shall submit an application to  
 3 the Secretary at such time, in such a manner, and con-  
 4 taining such information as the Secretary may reasonably  
 5 require.

6       “(d) AUTHORIZATION OF APPROPRIATIONS.—There  
 7 is authorized to be appropriated to carry out this section,  
 8 \$10,000,000 for fiscal year 2002, and such sums as may  
 9 be necessary for fiscal years 2003 and 2004.

10       **“PART K—NURSE FACULTY DEVELOPMENT**

11       **“SEC. 865. FAST-TRACK NURSING FACULTY LOAN PRO-**  
 12               **GRAM.**

13       “(a) PROGRAM AUTHORIZED.—

14               “(1) IN GENERAL.—The Secretary is authorized  
 15 to enter into an agreement for the establishment and  
 16 operation of a student loan fund with any public or  
 17 nonprofit private school of nursing to aid masters or  
 18 doctoral level students.

19               “(2) LIMITATION.—Assistance provided under  
 20 paragraph (1) for a part-time masters degree pro-  
 21 gram shall be provided for not more than 6 years  
 22 and for a part-time doctoral degree program for not  
 23 more than 7 years.

24       “(b) AGREEMENT.—Each agreement entered into  
 25 under this section shall—

1           “(1) provide for the establishment of a student  
2       loan fund by the school;

3           “(2) provide for the deposit in the fund of Fed-  
4       eral contributions, additional amounts received from  
5       other sources, collections of principal and interest on  
6       loans made from the fund, and any other earnings  
7       of the fund;

8           “(3) provide that the fund shall only be used  
9       for loans to students of the school in accordance  
10      with the agreement and for costs of collection of  
11      such loans and interest thereon; and

12          “(4) provide that the loan shall only be used to  
13      meet the costs of projects that help individuals seek  
14      a masters degree or a doctoral degree.

15          “(c) LIMITATIONS.—The total of the loans for any  
16      academic year made by schools of nursing from loan funds  
17      established pursuant to agreements under this section may  
18      not exceed \$35,000 in the case of any student. In the  
19      granting of such loans, a school shall give preference to  
20      persons with exceptional financial need.

21          “(d) TERMS AND CONDITIONS OF LOANS.—Loans  
22      from any student loan fund by any school shall be made  
23      on such terms and conditions as the school may determine,  
24      subject to limitations the Secretary may prescribe (by reg-  
25      ulation or in the agreement with the school) to prevent

1 the impairment of the capital of such fund while enabling  
2 the student to complete his course of study, except that—

3 “(1) such a loan may be made only to a student  
4 who—

5 “(A) is in financial need of the amount of  
6 the loan to pursue a full- or part-time course of  
7 study at the school to obtain a masters degree  
8 with a concentration in education or a doctoral  
9 degree; and

10 “(B) is capable, in the opinion of the  
11 school, of maintaining good standing in such  
12 course of study;

13 “(2) such a loan shall be repayable in equal or  
14 graduated periodic installments (with the right of  
15 the borrower to accelerate repayment) over the 10-  
16 year period which begins 9 months after the student  
17 ceases to pursue a full- or part-time course of study  
18 at a school of nursing, excluding from such 10-year  
19 period all—

20 “(A) periods (up to 3 years) of—

21 “(i) active duty performed by the bor-  
22 rower as a member of a uniformed service;  
23 or

24 “(ii) service as a volunteer under the  
25 Peace Corps Act; and



1           “(B) periods (up to 10 years) during which  
2           the borrower is pursuing a full-time or half-time  
3           course of study in advanced nursing education  
4           at a school of nursing;

5           “(3) the liability to repay the unpaid balance of  
6           such loan and accrued interest thereon shall be can-  
7           celed upon the death of the borrower, or if the Sec-  
8           retary determines that the borrower has become per-  
9           manently and totally disabled;

10          “(4) such a loan shall bear interest on the un-  
11          paid balance of the loan, computed only for periods  
12          during which the loan is repayable, at the rate of 5  
13          percent per annum;

14          “(5) such a loan shall be made without security  
15          or endorsement, except that if the borrower is a  
16          minor and the note or other evidence of obligation  
17          executed by the borrower would not, under the appli-  
18          cable law, create a binding obligation, either security  
19          or endorsement may be required;

20          “(6) no note or other evidence of any such loan  
21          may be transferred or assigned by the school making  
22          the loan except that, if the borrower transfers to an-  
23          other school participating in the program, such note  
24          or other evidence of a loan may be transferred to  
25          such other school;

1           “(7) any student receiving a loan shall agree to  
2       teach at an accredited school of nursing for each  
3       year of assistance after the masters or doctoral de-  
4       gree has been obtained; and

5           “(8) pursuant to uniform criteria established by  
6       the Secretary, the repayment period established  
7       under paragraph (2) for any student borrower who  
8       during the repayment period failed to make consecu-  
9       tive payments and who, during the last 12 months  
10      of the repayment period, has made at least 12 con-  
11      secutive payments may be extended for a period not  
12      to exceed 10 years.

13       “(e) CANCELED LOAN.—Where all or any part of a  
14      loan, or interest, is canceled under this section, the Sec-  
15      retary shall pay to the school an amount equal to the  
16      school’s proportionate share of the canceled portion, as de-  
17      termined by the Secretary.

18       “(f) PAYMENTS.—Any loan for any year by a school  
19      from a student loan fund established pursuant to an  
20      agreement under this section shall be made in such install-  
21      ments as the Secretary determines, and, upon notice to  
22      the Secretary by the school that any recipient of a loan  
23      is failing to maintain satisfactory standing, any or all fur-  
24      ther installments of the loans shall be withheld, as may  
25      be appropriate.

1       “(g) CHARGES.—Subject to regulations of the Sec-  
2 retary and in accordance with this section, a school shall  
3 assess a charge with respect to a loan from the loan fund  
4 established pursuant to an agreement under this section  
5 for failure of the borrower to pay all or any part of an  
6 installment when it is due and, in the case of a borrower  
7 who is entitled to deferment of the loan under subsection  
8 (d)(2), for any failure to file timely and satisfactory evi-  
9 dence of such entitlement. No such charge may be made  
10 if the payment of such installment or the filing of such  
11 evidence is made within 60 days after the date on which  
12 such installment or filing is due. The amount of any such  
13 charge may not exceed an amount equal to 6 percent of  
14 the amount of such installment. The school may elect to  
15 add the amount of any such charge to the principal  
16 amount of the loan as of the first day after the day on  
17 which such installment or evidence was due, or to make  
18 the amount of the charge payable to the school not later  
19 than the due date of the next installment after receipt by  
20 the borrower of notice of the assessment of the charge.

21       “(h) REPAYMENT.—Upon application by a person  
22 who received and is under an obligation to repay, any loan  
23 made under this section, the Secretary may repay (without  
24 liability to the applicant) all or a part of such loan, and  
25 any interest or portion outstanding, if the applicant—

1           “(1) failed to complete the nursing studies with  
2       respect to which such loan was made;

3           “(2) is in exceptionally needy circumstances;  
4       and

5           “(3) has not resumed, or cannot reasonably be  
6       expected to resume, such nursing studies within 2  
7       years following the date upon which the applicant  
8       terminated the studies with respect to which such  
9       loan was made.

10       “(i) APPLICATIONS.—The Secretary shall from time  
11   to time set dates by which schools of nursing must file  
12   applications for Federal capital contributions.

13       “(j) AUTHORIZATION OF APPROPRIATIONS.—There  
14   is authorized to be appropriated to carry out this section,  
15   \$10,000,000 for fiscal year 2002 and \$15,000,000 for fis-  
16   cal years 2003 and 2004.

17   **“SEC. 866. STIPEND AND SCHOLARSHIP PROGRAM.**

18       “(a) PROGRAM AUTHORIZED.—

19           “(1) IN GENERAL.—The Secretary shall estab-  
20       lish a scholarship and stipend program to encourage  
21       individuals to seek a masters degree or a doctoral  
22       degree at a school of nursing.

23           “(2) LIMITATION.—Assistance provided under  
24       paragraph (1) for a part-time masters degree pro-  
25       gram shall be provided for not more than 6 years

1 and for a part-time doctoral degree program not  
2 more than 7 years.

3 “(b) ELIGIBILITY.—To be eligible to receive a schol-  
4 arship or stipend under this section, an individual shall—

5 “(1) submit an application to the Secretary at  
6 such time, in such manner, and containing such in-  
7 formation as the Secretary may reasonably require;

8 “(2) enter into an agreement with the Secretary  
9 to accept the scholarship in consideration for re-  
10 maining enrolled in a nursing school and teaching at  
11 an accredited school of nursing for 1 year for each  
12 year of assistance with a course load determined by  
13 the school of nursing where the teaching will take  
14 place.

15 “(c) APPLICATION.—The Secretary shall disseminate  
16 application forms to individuals and in such forms,  
17 include—

18 “(1) a summary of the rights and liabilities of  
19 an individual whose application is approved by the  
20 Secretary; and

21 “(2) information respecting meeting the service  
22 obligation described in subsection (b)(2).

23 “(d) AUTHORIZATION OF APPROPRIATIONS.—There  
24 are authorized to be appropriated to carry out this section,

1 \$10,000,000 for fiscal year 2002 and \$15,000,000 for fis-  
2 cal years 2003 and 2004.

3 **“PART L—NATIONAL COMMISSION ON NURSING**  
4 **CRISIS**

5 **“SEC. 871. NATIONAL COMMISSION ON NURSING CRISIS.**

6 “(a) IN GENERAL.—There is established a commis-  
7 sion known as the National Commission on the Nursing  
8 Crisis (referred to in this section as the ‘Commission’).

9 “(b) DUTIES.—The Commission shall meet at least  
10 four times and shall study and make recommendations to  
11 the appropriate committees of Congress regarding—

12 “(1) agency initiatives and legislative actions  
13 that are necessary to address the nursing shortage  
14 in the short and long term;

15 “(2) nurse training, nurse recruitment, reten-  
16 tion of nurses, workplace issues for nurses, funding  
17 for nursing programs in this Act and the Social Se-  
18 curity Act, and infrastructure issues;

19 “(3) the facilitation of career advancement  
20 within the nursing profession;

21 “(4) attracting middle and high school students  
22 into nursing careers;

23 “(5) nurse education issues; and

1           “(6) the effectiveness of current nursing re-  
2           cruitment and retention programs, and what  
3           changes might be needed.

4           “(c) MEMBERSHIP.—Not later than 3 months after  
5           the date of enactment of this section, the Comptroller  
6           General shall appoint members of the Commission (taking  
7           into account rural and urban areas, geographic diversity,  
8           and the diversity of the patient population within such  
9           areas) which shall be composed of 19 members of whom—

10           “(1) at least  $\frac{2}{3}$  of such members shall be  
11           nurses and nursing assistants with different levels of  
12           education, and a significant portion of such shall be  
13           currently practicing as nurses; and

14           “(2) the other portion of such members shall  
15           be—

16                   “(A) representatives of schools of nursing;

17                   “(B) nursing students;

18                   “(C) representatives of primary and sec-  
19           ondary schools;

20                   “(D) representatives of the Departments of  
21           Health and Human Services and Education;

22                   “(E) representatives of public health de-  
23           partments;

1           “(F) representatives of employers and fa-  
2           cilities, such as hospitals, long term care facili-  
3           ties, and home health agencies;

4           “(G) patients and representatives of pa-  
5           tients;

6           “(H) representatives of professional nurs-  
7           ing associations;

8           “(I) representatives of health plans or  
9           health insurance issuers;

10          “(J) union representatives who are nurses;  
11          and

12          “(K) representatives of other health care  
13          provider groups.

14          “(d) CHAIRPERSON.—The Secretary shall serve as  
15          the chairperson of the Commission.

16          “(e) SUBCOMMITTEES.—The Chairperson shall have  
17          the authority to create subcommittees as the Chairperson  
18          determines is necessary.

19          “(f) STAFF.—The Secretary shall provide any staff  
20          that the Commission shall require.

21          “(g) QUORUM.—Nine members of the Commission  
22          shall constitute a quorum.

23          “(h) VACANCIES.—Any vacancy in the Commission  
24          shall not affect the powers of the Commission, but shall  
25          be filled in the same manner as the original appointment



1 and shall be made not later than 30 days after the date  
2 on which the Commission is given notice of such vacancy.

3 “(i) COMPENSATION.—Members of the Commission  
4 shall receive no additional compensation by reason of their  
5 service to the Commission. Each member shall be allowed  
6 travel expenses, including per diem in lieu of subsistence,  
7 at rates authorized for employees of agencies under sub-  
8 chapter I of chapter 57 of title 5, United States Code,  
9 while away from their homes or regular places of business  
10 in the performance of services for the Commission.

11 “(j) REPORT.—Not later than 15 months after the  
12 date of enactment of this section, the Commission shall  
13 prepare and submit to Congress and the Secretary, a re-  
14 port that makes the recommendations described in sub-  
15 section (b) and reports on any best practices that such  
16 Commission determines.

17 “(k) SUNSET.—This section shall be effective for 15  
18 months from the date of enactment of this section.

19 “(l) AUTHORIZATION OF APPROPRIATIONS.—There  
20 are authorized to be appropriated to carry out this section,  
21 \$500,000 for fiscal year 2002.”.

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