

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.

IN THE HOUSE OF REPRESENTATIVES

OCTOBER 4, 2001

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

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—

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:

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 prepara-
4 tion 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 ‘eli-
7 gible 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.”.

