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Folder Title: 08/01/2002 [H.R. 3487] [771357]

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Collection Code: **SECLOG**

Staff Name:

Document Date:

Correspondent: **TIM SAUNDERS**

Subject/Description: **OVERSIZE ATTACHMENT # 9467 NARA # 9358 BOX 3
FOLDER 1 BILL FILES RECEIVED FROM THE OFFICE OF
THE EXECUTIVE CLERK - AUG 01 02 ENROLLED BILL
H.R. 3487 - NURSE REINVESTMENT ACT**



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

July 31, 2002

THE DIRECTOR

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Enrolled Bill H.R. 3487 - Nurse Reinvestment Act
Sponsors - Rep. Bilirakis (R) FL and 35 cosponsors

Last Day for Action

August 10, 2002 - Saturday

8/1/02
THE PRESIDENT HAS SEEN

Purpose

Establishes, amends, and authorizes appropriations for various nurse training, recruitment, and retention programs within the Department of Health and Human Services (HHS).

Agency Recommendations

Office of Management and Budget

Approval

Department of Health and Human Services

Approval

Department of Veterans Affairs (VA)

Approval

Department of Education

Defers to HHS (Informally)

Department of Justice

No objection (Informally)

Department of Labor

No objection (Informally)

Department of the Treasury

No objection (Informally)

Department of Defense

No comment (Informally)

Discussion

H.R. 3487, which is the product of more than a year of negotiations among the Administration, Congress, and the nursing industry, is intended to improve the training, recruitment, and retention of nurses in the United States. According to HHS, the enrolled bill "is an important step to address the national nursing shortage."

Appropriations Authorizations. The enrolled bill would authorize appropriations of "such sums as may be necessary" for each of FYs 2003-2007 for a number of new and existing nurse training, recruitment, and retention programs, including nursing scholarships and loan repayment for students who agree to serve in areas deemed to have a nursing shortage; assistance to facilities for the education, practice, and retention of practicing nurses; a geriatric education program; a nurse faculty loan program; and public service announcements urging students to become nurses.

Your FY 2003 Budget contains \$83.5 million for nurse training activities, and the Senate-reported appropriations bill for HHS contains \$88 million. (The House Appropriations Committee has not yet acted on your request.) Your Budget and the Senate appropriations bill only include funding for the existing nurse loan repayment and basic education and practice grants programs; they do not include funding for the new programs authorized by H.R. 3487. We will work with HHS to address priorities for funding.

Nurse Scholarship Program. H.R. 3487 would establish a new scholarship program for nursing school students. Scholarship recipients would have to agree to serve as a nurse for at least two years at "a health care facility with a critical shortage of nurses," which could include either a public or for-profit or nonprofit private facility. The Secretary of HHS would be required to make awards under the new program in FYs 2003-2004, but would have discretion as to whether to continue the program after FY 2004. The Secretary would be permitted to reallocate funds appropriated to the scholarship program and the existing loan repayment program (described below) between the two programs. H.R. 3487 would require the Secretary to prepare and submit to Congress a report on the nurse scholarships and loan repayment programs within 18 months after the bill's enactment.

Loan Repayment Program. H.R. 3487 would reauthorize and amend HHS' existing nurse loan repayment program. The current program would be expanded to permit eligible individuals who received certain educational loans for nurse training costs to fulfill their service obligation at any health care facility with a critical shortage of nurses, including for-profit private health care facilities. The for-profit private health care facility service option would terminate after FY 2007.

Nurse Education, Practice, and Retention Grants. H.R. 3487 would rename the current "basic nurse education and practice grants" as the "nurse education, practice, and retention grants." The enrolled bill would expand the current program to authorize HHS to award grants to or enter into contracts with eligible entities, including schools of nursing and health care facilities to, among other things: (1) develop and implement nurse internship and residency programs to encourage mentoring and the development of specialties; (2) provide career counseling and mentoring to assist individuals in obtaining education and training and for career advancement; and (3) promote nurse involvement in the organizational and clinical decisionmaking of a health care facility. H.R. 3487 states that any funds appropriated in FYs 2003-2005 for nurse education, practice, and retention grants that exceed the FY 2002 level for such grants must be targeted for internship and residency programs and nurse retention activities. The bill also would require an annual report from HHS to Congress on the grants and contracts awarded.

Geriatric Education. H.R. 3487 would establish a new comprehensive geriatric education program for nurses. The enrolled bill would require the Secretary of HHS to award grants to eligible entities to develop and implement programs and initiatives to train and educate individuals in providing geriatric care for the elderly. Eligible entities would include nursing schools, health care facilities, and programs leading to certification as a certified nurse assistant.

The new geriatric education program, which would be coordinated with HHS' health professions training programs, would support the development of curricula relating to the health care of the elderly, faculty training, continuing education, and training of health professionals who will provide care for the elderly.

Nurse Faculty Loan Program. The enrolled bill would authorize HHS to establish a new nurse faculty loan program. Under the program, the Secretary, through the Administrator of the Health Resources and Services Administration, would enter into agreements with nursing schools to establish and operate a student loan fund designed to increase the number of qualified nursing faculty. Schools of nursing would be required to contribute to the loan fund an amount equal to at least one-ninth of the Federal contribution. Loans from the fund would be for students pursuing masters or doctoral level degrees and could not exceed \$30,000 plus inflation per student per academic year. Loans could be used to pay for tuition, fees, books, lab expenses, and other reasonable education expenses. Up to 85 percent of a loan's principal and interest would be cancelled in return for four years of full-time employment as a faculty member in a school of nursing. Loans would accrue three percent interest unless the student fails to complete the course of study or does not serve as a faculty member, in which case, the prevailing market interest rate would accrue on the unpaid balance. The Secretary would be required to pay the nursing school its proportionate share of the loan or interest that is forgiven under the program.

Public Service Announcements. The enrolled bill would require HHS to develop and issue national public service announcements to advertise and promote the nursing profession. H.R. 3487 also would authorize the Secretary of HHS to award grants to support State and local advertising campaigns to promote nursing, highlight the advantages and rewards of nursing, and encourage individuals from disadvantaged backgrounds to enter the nursing profession.

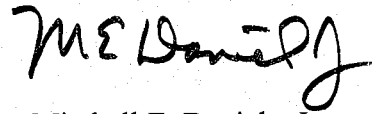
Reports. H.R. 3487 would require the General Accounting Office to report to Congress within four years after the bill's enactment on: (1) national variations in the nursing shortage at hospitals, nursing homes, and other health care providers; (2) any differences in nurse hiring practices between for-profit and nonprofit private entities; and (3) the effectiveness of the bill's new nurse scholarship program.

Conclusion and Recommendations

HHS recommends approval of H.R. 3487 because it "reflects key elements of what we believe is needed to supplement the existing core of nursing programs In supporting America's nurses, this legislation supports the Administration's priority of ensuring the quality of health care in this country."

VA also recommends approval of the enrolled bill because it "should enhance the nursing profession generally, thereby benefitting VA's nursing recruitment and retention programs."

We join HHS and VA in recommending approval of H.R. 3487, which passed the House by voice vote and the Senate by unanimous consent.

A handwritten signature in black ink, appearing to read "ME Daniels, Jr.", with a stylized flourish at the end.

Mitchell E. Daniels, Jr.
Director

Enclosures

One Hundred Seventh Congress of the United States of America

AT THE SECOND SESSION

*Begun and held at the City of Washington on Wednesday,
the twenty-third day of January, two thousand and two*

An Act

To amend the Public Health Service Act with respect to health professions programs regarding the field of nursing.

*Be it enacted by the Senate and House of Representatives of
the United States of America in Congress assembled,*

SECTION 1. SHORT TITLE.

This Act may be cited as the "Nurse Reinvestment Act".

SEC. 2. TABLE OF CONTENTS.

The table of contents for this Act is as follows:

- Sec. 1. Short title.
- Sec. 2. Table of contents.

TITLE I—NURSE RECRUITMENT

- Sec. 101. Definitions.
- Sec. 102. Public service announcements regarding the nursing profession.
- Sec. 103. National Nurse Service Corps.

TITLE II—NURSE RETENTION

- Sec. 201. Building career ladders and retaining quality nurses.
- Sec. 202. Comprehensive geriatric education.
- Sec. 203. Nurse faculty loan program.
- Sec. 204. Reports by General Accounting Office.

TITLE I—NURSE RECRUITMENT

SEC. 101. DEFINITIONS.

Section 801 of the Public Health Service Act (42 U.S.C. 296) is amended by adding at the end the following:

"(9) AMBULATORY SURGICAL CENTER.—The term 'ambulatory surgical center' has the meaning applicable to such term under title XVIII of the Social Security Act.

"(10) FEDERALLY QUALIFIED HEALTH CENTER.—The term 'Federally qualified health center' has the meaning given such term under section 1861(aa)(4) of the Social Security Act.

"(11) HEALTH CARE FACILITY.—The term 'health care facility' means an Indian Health Service health center, a Native Hawaiian health center, a hospital, a Federally qualified health center, a rural health clinic, a nursing home, a home health agency, a hospice program, a public health clinic, a State or local department of public health, a skilled nursing facility, an ambulatory surgical center, or any other facility designated by the Secretary.

"(12) HOME HEALTH AGENCY.—The term 'home health agency' has the meaning given such term in section 1861(o) of the Social Security Act.

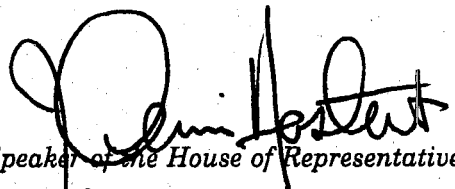
Congress this report describing the findings relating to ownership status and associated remedies.

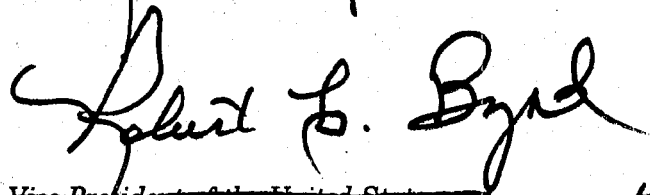
(b) **HIRING DIFFERENCES AMONG CERTAIN PRIVATE ENTITIES.**—The Comptroller General of the United States shall conduct a study to determine differences in the hiring of nurses by nonprofit private entities as compared to the hiring of nurses by private entities that are not nonprofit. In carrying out the study, the Comptroller General shall determine the effect of the inclusion of private entities that are not nonprofit in the program under section 846 of the Public Health Service Act. Not later than 4 years after the date of the enactment of this Act, the Comptroller General shall submit to the Congress a report describing the findings of the study.

(c) **NURSING SCHOLARSHIPS.**—The Comptroller General of the United States shall conduct an evaluation of whether the program carried out under section 846(d) of the Public Health Service Act has demonstrably increased the number of applicants to schools of nursing and, not later than 4 years after the date of the enactment of this Act, submit a report to the Congress on the results of such evaluation.

APPROVED

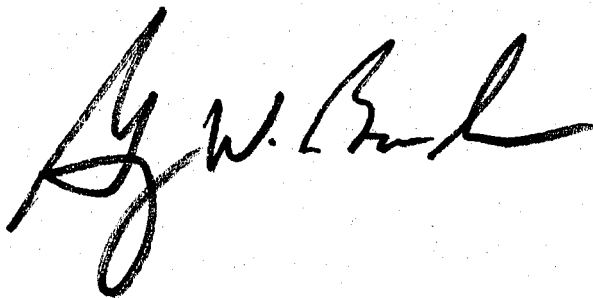
AUG - 1 2002


Speaker of the House of Representatives.

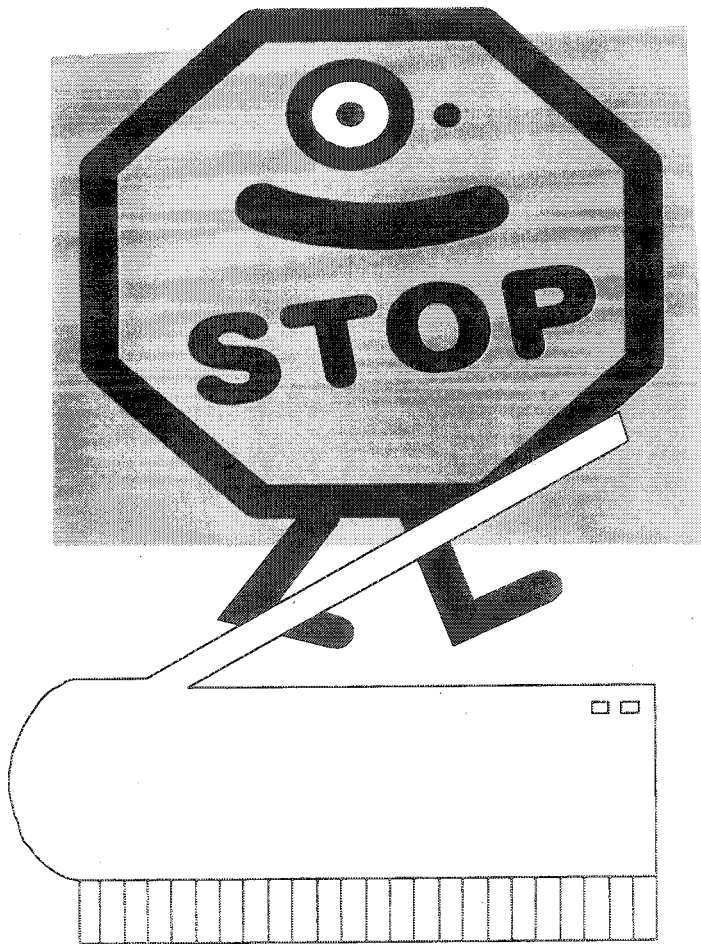

~~Vice President of the United States and~~
President of the Senate *pro tempore*.

APPROVED

AUG - 1 2002



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THE SECRETARY OF HEALTH AND HUMAN SERVICES
WASHINGTON, D.C. 20201

July 31, 2002

The Honorable Mitchell E. Daniels, Jr.
Director, Office of Management
and Budget
Washington, D.C. 20503

Dear Mr. Daniels:

This responds to your request for the views of the Department of Health and Human Services on H.R. 3487, an enrolled bill entitled the "Nurse Reinvestment Act". A summary of the bill is enclosed.

We recommend that the President approve the enrolled bill. This legislation, in authorizing new scholarship and recruitment programs, is an important step in our efforts to address the national nursing shortage. H.R. 3487 alone will not reverse this shortage, the result of various social and economic forces. However, the bill provides us with an outline of action to move forward on this critical health care issue, including incentives for people to become involved in nursing, resources for expanded nursing training, and assistance to nurses in advancing their careers.

The bill reflects key elements of what we believe is needed to supplement the existing core of nursing programs in the Public Health Service Act: a new service-obligated scholarship program for individuals to attend nursing school; a loan program to encourage individuals to seek advanced nursing training and become nursing faculty; grants for nursing internships to ease the transition to the workplace; and career ladder grants for the advancement of individuals in nursing, improved retention, and improved nursing-related patient care.

Nurse Recruitment and Training

H.R. 3487 provides programs and authorities intended to address the declining enrollment in entry-level nursing programs. Under the new scholarship program, nursing students will receive financial assistance for educational costs in return for at least two years of service at any health care facility with a critical shortage of nurses. The bill changes the criteria for health care facilities at which an individual may fulfill an educational loan repayment service obligation. As revised, the loan repayment provision requires service obligations to be fulfilled at health care facilities with a critical nursing shortage, including public and non-profit private entities, and, for FYs 2003 through 2007, for-profit private entities. The bill also provides for a federal program of public service announcements promoting the nursing profession, as well as grants to support State and local campaigns promoting nursing.

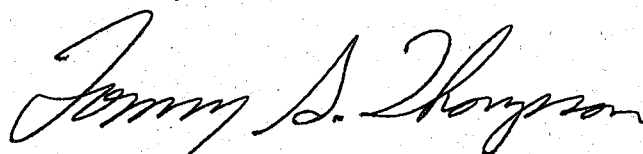
Nurse Retention

Three programs in H.R. 3487 focus on efforts to encourage nurses to continue in the profession, another significant element in addressing the nursing shortage. The enrolled bill authorizes grants for nursing internship and residency programs to ease the transition from the classroom to the workplace. It also provides for a broad-based geriatric education program for nurses, enhancing training to address the rapidly growing need for elderly care. Finally, the bill authorizes a loan program through which nursing schools award educational loans to individuals seeking advanced training to become nursing faculty.

The "Nurse Reinvestment Act" proposes to help ease the critical shortage of nurses through new programs and strengthening of current activities. In supporting America's nurses, this legislation supports the Administration's priority of ensuring the quality of health care in this country.

We therefore recommend that the President approve the enrolled bill.

Sincerely,

A handwritten signature in cursive script, reading "Tommy G. Thompson".

Tommy G. Thompson

Enclosure

Enrolled bill—H.R. 3487, the "Nurse Reinvestment Act"

Section-by-Section Summary

TITLE I—NURSE RECRUITMENT

SEC. 101. DEFINITIONS.

Section 101 amends section 801 of the Public Health Service (PHS) Act to provide definitions of various terms.

SEC. 102. PUBLIC SERVICE ANNOUNCEMENTS REGARDING THE NURSING PROFESSION.

Section 102 adds to the PHS Act sections 851 and 852, authorizing the Secretary to issue public service announcements promoting the nursing profession, and to award grants to support State and local advertising campaigns promoting the nursing profession.

SEC. 103. NATIONAL NURSE SERVICE CORPS.

Section 103 amends section 846 of the PHS Act: (1) to authorize a program of educational scholarships for nursing students in exchange for at least two years' service, upon graduation, at a health care facility with a critical shortage of nurses; (2) to require that loan repayment and scholarship programs give preference to applicants with the greatest financial need; and (3) to change the criteria for health care facilities at which an individual may fulfill an educational loan repayment service obligation. As revised, the provision requires service obligations to be fulfilled at health care facilities with a critical nursing shortage, including public and non-profit private entities, and, for FYs 2003 through 2007, for-profit private entities.

Various provisions of the PHS Act governing the National Health Service Corps Scholarship Program apply to the new nursing scholarship program.

TITLE II—NURSE RETENTION

SEC. 201. BUILDING CAREER LADDERS AND RETAINING QUALITY NURSES.

Section 201 amends section 831 of the PHS Act (which authorizes basic nurse education and practice grants) (1) to add, as a new priority area, nursing internship and residency programs to encourage mentoring and development of specialties; and (2) to authorize grants or contracts to promote the advancement of individuals in nursing and assist prospective nurses, and to improve the retention of nurses and enhance patient care.

SEC. 202. COMPREHENSIVE GERIATRIC EDUCATION.

Section 202 amends section 855 of the PHS Act to provide for a new program on geriatric care education, including grants for nurse training, curricula development, faculty training, and continuing education.

SEC. 203. NURSE FACULTY LOAN PROGRAM.

Section 203 adds to the PHS Act a new section 846A, authorizing a new faculty loan program to increase the number of qualified faculty at nursing schools. Loans, of up to \$30,000 per year to an individual, would be cancelled (up to 85%) over a four-year period of employment as a faculty member of a nursing school.

The bill's amendments authorize appropriations of such sums for each of FYs 2003 through 2007.



THE SECRETARY OF VETERANS AFFAIRS

WASHINGTON

July 30, 2002

The Honorable Mitchell E. Daniels, Jr.
Director, Office of Management
and Budget
Attention: Assistant Director
for Legislative Reference
Washington, D.C. 20503

Dear Mr. Daniels:

I am pleased to respond to the request of the Assistant Director for Legislative Reference for the views of the Department of Veterans Affairs (VA) on the enrolled enactment of H.R. 3487, the "Nurse Reinvestment Act." VA believes this bill merits the President's approval.

The bill amends the Public Health Service Act ("PHSA"), 42 U.S.C. § 296 et seq., to broaden the powers of the Secretary of Health, and Human Services (the "Secretary") to promote nurse recruitment and retention. Title I of the bill includes several provisions designed to promote nurse recruitment by enhancing public awareness of and interest in nursing. Sections 101 through 103 authorize the Secretary to develop and issue public service announcements that advertise and promote the nursing profession, and to award grants to eligible entities to broadcast such announcements on state and local levels. Section 103 enhances PHSA's National Nurse Service Corps (the "Corps") program by expanding nurses' access to the Corps' existing loan repayment program; broadening the categories of nursing service that qualify as Corps service; and offering nursing school scholarships to nurses who agree to serve at least two years in the Corps.

We believe that VA medical facilities will benefit greatly from the more expansive reach of the National Nurse Service Corps provided by the bill's Section 103. The amendments to 42 U.S.C. § 297n set forth in subsections 103(a)(1) and 103(b)(4) of the bill authorize loan repayments and scholarships for individuals who agree to perform nursing service "at a health care facility with a critical shortage of nurses." This is a far broader definition of Corps-qualifying service than is contained in the current version of the Public Health Service Act, and one that creates a valuable new recruitment opportunity for VA medical facilities. VA is experiencing a critical nursing shortage at many of its facilities nationwide, a shortage that has been the subject of both public and Congressional attention. Allowing nursing students who agree to serve two-year terms at VA facilities to receive the loan repayment and scholarship incentives

2.

The Honorable Mitchell E. Daniels, Jr.

Nurse Service Corps will provide a significant addition to VA's ongoing nurse outreach and recruitment efforts.

Title II of the bill includes provisions aimed at nurse retention. Section 201 authorizes the Secretary to award grants to or enter into contracts with eligible entities to (a) enhance specialized nursing education; (b) encourage nursing practice in identified priority areas; and (c) promote career advancement and nurse involvement in organizational and clinical decision-making processes. Section 202 directs the Secretary to award grants to eligible entities to train and educate nurses and others in providing geriatric care to elderly patients. Section 203 authorizes the Secretary to enter into agreements with nursing schools to establish and operate student loan funds so as to increase the number of qualified nursing faculty. Section 204 directs the Comptroller General to conduct surveys and issue reports on the nursing shortage at hospitals, nursing homes, and other health care providers nationwide; on nurse hiring differences as among private entities that are non-profit versus those that are not non-profit; and on the impact that the nursing scholarships established by Title I of the bill may have on nursing school applications. All of these provisions should enhance the nursing profession generally, thereby benefiting VA's nursing recruitment and retention programs.

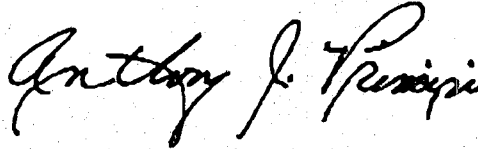
The bill's provisions are generally consistent with recommendations made by the Veterans Health Administration's Future Nursing Workforce Planning Group in *A Call to Action: VA's Response to the National Nursing Shortage*, a November 2001 report on nursing recruitment and retention issues. While focusing primarily on recruitment and retention of nurses within VA, that report called generally for increased outreach efforts to "present the profession of nursing . . . as a viable career option for youth, individuals making initial career decisions and adults considering second careers." H.R. 3487's public service announcement program, National Nurse Service Corps loan repayment and scholarship programs, nursing faculty inducements, and nursing career enhancement incentives should all operate to promote awareness of and interest in the nursing profession as a desirable career option, thereby facilitating nurse recruitment and retention for all health care providers, including VA. In addition, allowing service at VA facilities to qualify individuals for the incentives offered by the National Nurse Service Corps will directly enhance VA's nurse recruitment efforts.

3.

The Honorable Mitchell E. Daniels, Jr.

Based on the foregoing, we are pleased to recommend H.R. 3487 for the President's approval.

Sincerely yours,

A handwritten signature in black ink, reading "Anthony J. Principi". The signature is written in a cursive, flowing style with a large initial 'A' and 'P'.

Anthony J. Principi

WHITE HOUSE STAFFING MEMORANDUM

Date: 07-31-02 9:00 PM ACTION / CONCURRENCE / COMMENT DUE BY: 08-01-02 10:00 AM

Subject: ENROLLED BILL H.R. 3487 -- NURSE REINVESTMENT ACT

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	☒	☐	HUBBARD	☒	☐
CARD	☒	☐	IRASTORZA	☐	☐
BARTLETT	☒	☐	JOHNSON	☐	☐
BLAKEMAN	☐	☐	LINDSEY	☒	☐
BOLTEN	☒	☐	MARBURGER	☐	☐
BRIDGELAND	☐	☐	MIERS	☐	☐
CALIO 	☒	☐	RICE	☐	☐
CONNAUGHTON	☐	☐	RIDGE	☐	☐
DANIELS	☐	☒	ROVE	☒	☐
FLEISCHER	☒	☐	SPELLINGS	☒	☐
GERSON	☐	☐	CLERK	☐	☐
GONZALES	☒	☐	_____	☐	☐
HAGIN	☐	☐	_____	☐	☐
HAWKINS	☒	☐	_____	☐	☐

REMARKS:

PLEASE FORWARD COMMENTS TO JIM JUKES, X53458, OR FAX 56148, BY 10:00 A.M., TOMORROW, THURSDAY, AUGUST 1, 2002, WITH A COPY TO THE STAFF SECRETARY'S OFFICE. THANK YOU.

RESPONSE:

Legislation Affair (blownd) - ok

Harriet E. Miers
Assistant to the President
and Staff Secretary
Ext. 62702



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

July 31, 2002

THE DIRECTOR

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Enrolled Bill H.R. 3487 - Nurse Reinvestment Act
Sponsors - Rep. Bilirakis (R) FL and 35 cosponsors

Last Day for Action

August 10, 2002 - Saturday

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Agency Recommendations

Office of Management and Budget	Approval
Department of Health and Human Services	Approval
Department of Veterans Affairs (VA)	Approval
Department of Education	Defers to HHS (Informally)
Department of Justice	No objection (Informally)
Department of Labor	No objection (Informally)
Department of the Treasury	No objection (Informally)
Department of Defense	No comment (Informally)

Discussion

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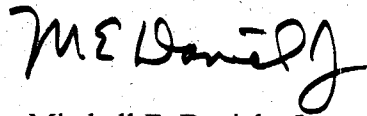
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VA also recommends approval of the enrolled bill because it "should enhance the nursing profession generally, thereby benefitting VA's nursing recruitment and retention programs."

We join HHS and VA in recommending approval of H.R. 3487, which passed the House by voice vote and the Senate by unanimous consent.

A handwritten signature in black ink, appearing to read "ME Daniels, Jr.", written in a cursive style.

Mitchell E. Daniels, Jr.
Director

Enclosures



THE SECRETARY OF HEALTH AND HUMAN SERVICES
WASHINGTON, D.C. 20201

July 31, 2002

The Honorable Mitchell E. Daniels, Jr.
Director, Office of Management
and Budget
Washington, D.C. 20503

Dear Mr. Daniels:

This responds to your request for the views of the Department of Health and Human Services on H.R. 3487, an enrolled bill entitled the "Nurse Reinvestment Act". A summary of the bill is enclosed.

We recommend that the President approve the enrolled bill. This legislation, in authorizing new scholarship and recruitment programs, is an important step in our efforts to address the national nursing shortage. H.R. 3487 alone will not reverse this shortage, the result of various social and economic forces. However, the bill provides us with an outline of action to move forward on this critical health care issue, including incentives for people to become involved in nursing, resources for expanded nursing training, and assistance to nurses in advancing their careers.

The bill reflects key elements of what we believe is needed to supplement the existing core of nursing programs in the Public Health Service Act: a new service-obligated scholarship program for individuals to attend nursing school; a loan program to encourage individuals to seek advanced nursing training and become nursing faculty; grants for nursing internships to ease the transition to the workplace; and career ladder grants for the advancement of individuals in nursing, improved retention, and improved nursing-related patient care.

Nurse Recruitment and Training

H.R. 3487 provides programs and authorities intended to address the declining enrollment in entry-level nursing programs. Under the new scholarship program, nursing students will receive financial assistance for educational costs in return for at least two years of service at any health care facility with a critical shortage of nurses. The bill changes the criteria for health care facilities at which an individual may fulfill an educational loan repayment service obligation. As revised, the loan repayment provision requires service obligations to be fulfilled at health care facilities with a critical nursing shortage, including public and non-profit private entities, and, for FYs 2003 through 2007, for-profit private entities. The bill also provides for a federal program of public service announcements promoting the nursing profession, as well as grants to support State and local campaigns promoting nursing.

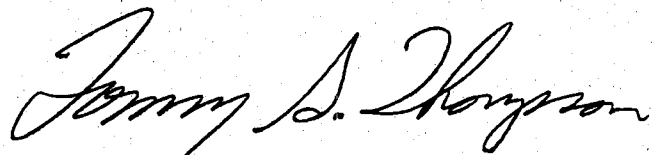
Nurse Retention

Three programs in H.R. 3487 focus on efforts to encourage nurses to continue in the profession, another significant element in addressing the nursing shortage. The enrolled bill authorizes grants for nursing internship and residency programs to ease the transition from the classroom to the workplace. It also provides for a broad-based geriatric education program for nurses, enhancing training to address the rapidly growing need for elderly care. Finally, the bill authorizes a loan program through which nursing schools award educational loans to individuals seeking advanced training to become nursing faculty.

The "Nurse Reinvestment Act" proposes to help ease the critical shortage of nurses through new programs and strengthening of current activities. In supporting America's nurses, this legislation supports the Administration's priority of ensuring the quality of health care in this country.

We therefore recommend that the President approve the enrolled bill.

Sincerely,

A handwritten signature in cursive script, reading "Tommy G. Thompson".

Tommy G. Thompson

Enclosure

Enrolled bill—H.R. 3487, the "Nurse Reinvestment Act"

Section-by-Section Summary

TITLE I—NURSE RECRUITMENT

SEC. 101. DEFINITIONS.

Section 101 amends section 801 of the Public Health Service (PHS) Act to provide definitions of various terms.

SEC. 102. PUBLIC SERVICE ANNOUNCEMENTS REGARDING THE NURSING PROFESSION.

Section 102 adds to the PHS Act sections 851 and 852, authorizing the Secretary to issue public service announcements promoting the nursing profession, and to award grants to support State and local advertising campaigns promoting the nursing profession.

SEC. 103. NATIONAL NURSE SERVICE CORPS.

Section 103 amends section 846 of the PHS Act: (1) to authorize a program of educational scholarships for nursing students in exchange for at least two years' service, upon graduation, at a health care facility with a critical shortage of nurses; (2) to require that loan repayment and scholarship programs give preference to applicants with the greatest financial need; and (3) to change the criteria for health care facilities at which an individual may fulfill an educational loan repayment service obligation. As revised, the provision requires service obligations to be fulfilled at health care facilities with a critical nursing shortage, including public and non-profit private entities, and, for FYs 2003 through 2007, for-profit private entities.

Various provisions of the PHS Act governing the National Health Service Corps Scholarship Program apply to the new nursing scholarship program.

TITLE II—NURSE RETENTION

SEC. 201. BUILDING CAREER LADDERS AND RETAINING QUALITY NURSES.

Section 201 amends section 831 of the PHS Act (which authorizes basic nurse education and practice grants) (1) to add, as a new priority area, nursing internship and residency programs to encourage mentoring and development of specialties; and (2) to authorize grants or contracts to promote the advancement of individuals in nursing and assist prospective nurses, and to improve the retention of nurses and enhance patient care.

SEC. 202. COMPREHENSIVE GERIATRIC EDUCATION.

Section 202 amends section 855 of the PHS Act to provide for a new program on geriatric care education, including grants for nurse training, curricula development, faculty training, and continuing education.

SEC. 203. NURSE FACULTY LOAN PROGRAM.

Section 203 adds to the PHS Act a new section 846A, authorizing a new faculty loan program to increase the number of qualified faculty at nursing schools. Loans, of up to \$30,000 per year to an individual, would be cancelled (up to 85%) over a four-year period of employment as a faculty member of a nursing school.

The bill's amendments authorize appropriations of such sums for each of FYs 2003 through 2007.

**THE SECRETARY OF VETERANS AFFAIRS****WASHINGTON****July 30, 2002**

The Honorable Mitchell E. Daniels, Jr.
Director, Office of Management
and Budget
Attention: Assistant Director
for Legislative Reference
Washington, D.C. 20503

Dear Mr. Daniels:

I am pleased to respond to the request of the Assistant Director for Legislative Reference for the views of the Department of Veterans Affairs (VA) on the enrolled enactment of H.R. 3487, the "Nurse Reinvestment Act." VA believes this bill merits the President's approval.

The bill amends the Public Health Service Act ("PHSA"), 42 U.S.C. § 296 et seq., to broaden the powers of the Secretary of Health, and Human Services (the "Secretary") to promote nurse recruitment and retention. Title I of the bill includes several provisions designed to promote nurse recruitment by enhancing public awareness of and interest in nursing. Sections 101 through 103 authorize the Secretary to develop and issue public service announcements that advertise and promote the nursing profession, and to award grants to eligible entities to broadcast such announcements on state and local levels. Section 103 enhances PHSA's National Nurse Service Corps (the "Corps") program by expanding nurses' access to the Corps' existing loan repayment program; broadening the categories of nursing service that qualify as Corps service; and offering nursing school scholarships to nurses who agree to serve at least two years in the Corps.

We believe that VA medical facilities will benefit greatly from the more expansive reach of the National Nurse Service Corps provided by the bill's Section 103. The amendments to 42 U.S.C. § 297n set forth in subsections 103(a)(1) and 103(b)(4) of the bill authorize loan repayments and scholarships for individuals who agree to perform nursing service "at a health care facility with a critical shortage of nurses." This is a far broader definition of Corps-qualifying service than is contained in the current version of the Public Health Service Act, and one that creates a valuable new recruitment opportunity for VA medical facilities. VA is experiencing a critical nursing shortage at many of its facilities nationwide, a shortage that has been the subject of both public and Congressional attention. Allowing nursing students who agree to serve two-year terms at VA facilities to receive the loan repayment and scholarship incentives

2.

The Honorable Mitchell E. Daniels, Jr.

Nurse Service Corps will provide a significant addition to VA's ongoing nurse outreach and recruitment efforts.

Title II of the bill includes provisions aimed at nurse retention. Section 201 authorizes the Secretary to award grants to or enter into contracts with eligible entities to (a) enhance specialized nursing education; (b) encourage nursing practice in identified priority areas; and (c) promote career advancement and nurse involvement in organizational and clinical decision-making processes. Section 202 directs the Secretary to award grants to eligible entities to train and educate nurses and others in providing geriatric care to elderly patients. Section 203 authorizes the Secretary to enter into agreements with nursing schools to establish and operate student loan funds so as to increase the number of qualified nursing faculty. Section 204 directs the Comptroller General to conduct surveys and issue reports on the nursing shortage at hospitals, nursing homes, and other health care providers nationwide; on nurse hiring differences as among private entities that are non-profit versus those that are not non-profit; and on the impact that the nursing scholarships established by Title I of the bill may have on nursing school applications. All of these provisions should enhance the nursing profession generally, thereby benefiting VA's nursing recruitment and retention programs.

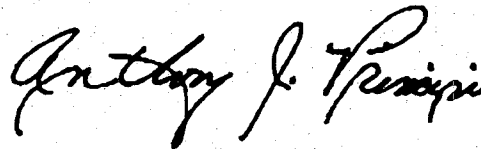
The bill's provisions are generally consistent with recommendations made by the Veterans Health Administration's Future Nursing Workforce Planning Group in *A Call to Action: VA's Response to the National Nursing Shortage*, a November 2001 report on nursing recruitment and retention issues. While focusing primarily on recruitment and retention of nurses within VA, that report called generally for increased outreach efforts to "present the profession of nursing . . . as a viable career option for youth, individuals making initial career decisions and adults considering second careers." H.R. 3487's public service announcement program, National Nurse Service Corps loan repayment and scholarship programs, nursing faculty inducements, and nursing career enhancement incentives should all operate to promote awareness of and interest in the nursing profession as a desirable career option, thereby facilitating nurse recruitment and retention for all health care providers, including VA. In addition, allowing service at VA facilities to qualify individuals for the incentives offered by the National Nurse Service Corps will directly enhance VA's nurse recruitment efforts.

3.

The Honorable Mitchell E. Daniels, Jr.

Based on the foregoing, we are pleased to recommend H.R. 3487 for the President's approval.

Sincerely yours,

A handwritten signature in cursive script, reading "Anthony J. Principi". The signature is written in dark ink and is positioned above the printed name.

Anthony J. Principi

From The
President's
In-box

9/1/02
THE PRESIDENT HAS SEEN

Sen. MAX
Baucus
Sen. ^{church} Grassley |
Sec. Evans
Amb. Zoellick
Sen. ^{Trent} Lott

USDA Disaster Authorities and Activities

8/1/02
THE PRESIDENT HAS SEEN

- USDA offers a wide range of disaster programs to assist farmers and ranchers affected by natural disasters, including:
 - **Federal Crop Insurance.** Federal crop insurance provides indemnities for production and revenue losses. Program participation has increased sharply as a result of program improvements enacted in 2000, with over 80 percent of the nation's eligible acreage enrolled in 2001 and a similar level expected this year.
 - **Noninsured Crop Disaster Assistance Program.** For crops not covered by insurance, USDA operates the Noninsured Crop Disaster Assistance Program. Previously, this program provided assistance only for area-wide losses. The program was amended in 2001 to eliminate the area loss requirement and now provides assistance for individual producer losses. The program also covers loss of forage produced for animal consumption. To date, indemnities of \$135 million have been paid for 2001 crop losses. 2002 crop enrollment in the 21 drought-affected states has increased 41% above last year.
 - **The Emergency Conservation Program.** The Emergency Conservation Program is available to assist producers in emergency water conservation, providing water to livestock and in rehabilitating farmland damaged by natural disaster.
 - **The Emergency Loan Program.** The Emergency Loan Program makes low-interest loans available to producers with production and physical losses in areas designated by the President or the Secretary as disaster areas.
 - **Farm Bill Income Support Payments.** In addition, the recently enacted Farm Security and Rural Investment Act of 2002 makes available direct and countercyclical payments to program crop producers regardless of their level of production.
- Nine entire States: Arizona; Colorado; Maine; Montana; New Mexico; South Carolina; Utah; Vermont; and Wyoming have been designated a disaster by Secretary Veneman in 2002. Portions of 26 other states have received disaster designations. In total 1,112 counties of the 3,141 counties (roughly 1/3) in the United States have been declared a disaster in 2002.

- This includes both primarily and contiguous counties. When a county has been declared a disaster, eligible producers can apply for emergency loan assistance. This assistance provides low interest loans to help producers recover from a natural disaster.

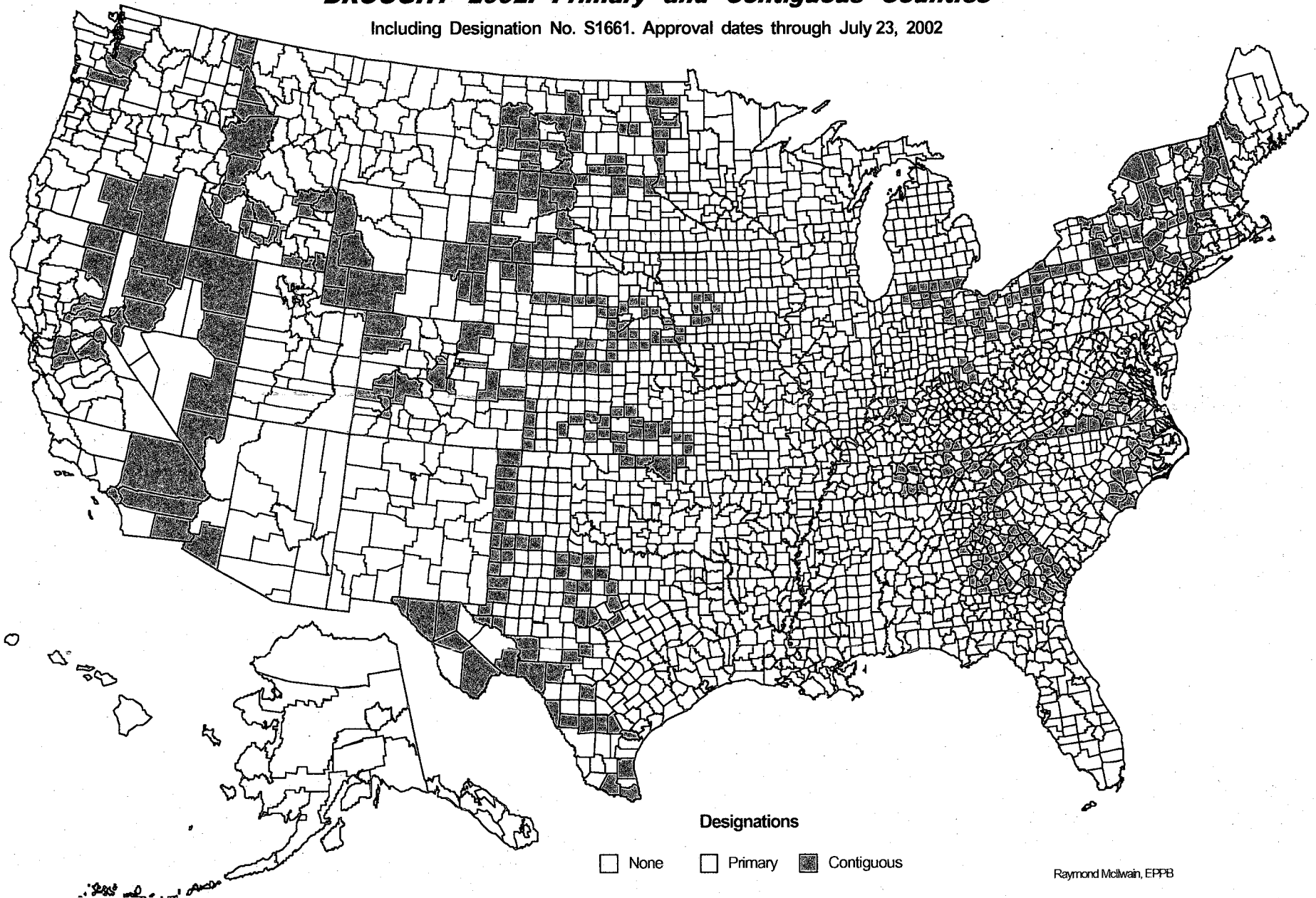
USDA is considering 65 additional requests for disaster designation totaling 550 counties.

- As of July 11, 2002, eighteen states (Arizona, Colorado, Georgia, Idaho, Kansas, Minnesota, Montana, Nebraska, New Mexico, North Carolina, North Dakota, Oklahoma, South Carolina, South Dakota, Texas, Utah, Virginia and Wyoming) have been designated eligible for emergency haying and grazing assistance. This program allows eligible producers on a limited basis to harvest hay and graze livestock on acres enrolled in the Conservation Reserve Program. USDA has also designated the entire nation eligible for emergency haying and grazing assistance and requests will be reviewed on a county-by-county basis.

SECRETARIAL DISASTER DESIGNATIONS

DROUGHT 2002: Primary and Contiguous Counties

Including Designation No. S1661. Approval dates through July 23, 2002





EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

005
APPROVED

AUG - 1 2002

July 31, 2002

THE DIRECTOR

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Enrolled Bill H.R. 3487 - Nurse Reinvestment Act
Sponsors - Rep. Bilirakis (R) FL and 35 cosponsors

Last Day for Action

August 10, 2002 - Saturday

Purpose

Establishes, amends, and authorizes appropriations for various nurse training, recruitment, and retention programs within the Department of Health and Human Services (HHS).

Agency Recommendations

Office of Management and Budget	Approval
Department of Health and Human Services	Approval
Department of Veterans Affairs (VA)	Approval
Department of Education	Defers to HHS (Informally)
Department of Justice	No objection (Informally)
Department of Labor	No objection (Informally)
Department of the Treasury	No objection (Informally)
Department of Defense	No comment (Informally)

Discussion

H.R. 3487, which is the product of more than a year of negotiations among the Administration, Congress, and the nursing industry, is intended to improve the training, recruitment, and retention of nurses in the United States. According to HHS, the enrolled bill "is an important step to address the national nursing shortage."

Appropriations Authorizations. The enrolled bill would authorize appropriations of "such sums as may be necessary" for each of FYs 2003-2007 for a number of new and existing nurse training, recruitment, and retention programs, including nursing scholarships and loan repayment for students who agree to serve in areas deemed to have a nursing shortage; assistance to facilities for the education, practice, and retention of practicing nurses; a geriatric education program; a nurse faculty loan program; and public service announcements urging students to become nurses.

Your FY 2003 Budget contains \$83.5 million for nurse training activities, and the Senate-reported appropriations bill for HHS contains \$88 million. (The House Appropriations Committee has not yet acted on your request.) Your Budget and the Senate appropriations bill only include funding for the existing nurse loan repayment and basic education and practice grants programs; they do not include funding for the new programs authorized by H.R. 3487. We will work with HHS to address priorities for funding.

Nurse Scholarship Program. H.R. 3487 would establish a new scholarship program for nursing school students. Scholarship recipients would have to agree to serve as a nurse for at least two years at "a health care facility with a critical shortage of nurses," which could include either a public or for-profit or nonprofit private facility. The Secretary of HHS would be required to make awards under the new program in FYs 2003-2004, but would have discretion as to whether to continue the program after FY 2004. The Secretary would be permitted to reallocate funds appropriated to the scholarship program and the existing loan repayment program (described below) between the two programs. H.R. 3487 would require the Secretary to prepare and submit to Congress a report on the nurse scholarships and loan repayment programs within 18 months after the bill's enactment.

Loan Repayment Program. H.R. 3487 would reauthorize and amend HHS' existing nurse loan repayment program. The current program would be expanded to permit eligible individuals who received certain educational loans for nurse training costs to fulfill their service obligation at any health care facility with a critical shortage of nurses, including for-profit private health care facilities. The for-profit private health care facility service option would terminate after FY 2007.

Nurse Education, Practice, and Retention Grants. H.R. 3487 would rename the current "basic nurse education and practice grants" as the "nurse education, practice, and retention grants." The enrolled bill would expand the current program to authorize HHS to award grants to or enter into contracts with eligible entities, including schools of nursing and health care facilities to, among other things: (1) develop and implement nurse internship and residency programs to encourage mentoring and the development of specialties; (2) provide career counseling and mentoring to assist individuals in obtaining education and training and for career advancement; and (3) promote nurse involvement in the organizational and clinical decisionmaking of a health care facility. H.R. 3487 states that any funds appropriated in FYs 2003-2005 for nurse education, practice, and retention grants that exceed the FY 2002 level for such grants must be targeted for internship and residency programs and nurse retention activities. The bill also would require an annual report from HHS to Congress on the grants and contracts awarded.

Geriatric Education. H.R. 3487 would establish a new comprehensive geriatric education program for nurses. The enrolled bill would require the Secretary of HHS to award grants to eligible entities to develop and implement programs and initiatives to train and educate individuals in providing geriatric care for the elderly. Eligible entities would include nursing schools, health care facilities, and programs leading to certification as a certified nurse assistant.

The new geriatric education program, which would be coordinated with HHS' health professions training programs, would support the development of curricula relating to the health care of the elderly, faculty training, continuing education, and training of health professionals who will provide care for the elderly.

Nurse Faculty Loan Program. The enrolled bill would authorize HHS to establish a new nurse faculty loan program. Under the program, the Secretary, through the Administrator of the Health Resources and Services Administration, would enter into agreements with nursing schools to establish and operate a student loan fund designed to increase the number of qualified nursing faculty. Schools of nursing would be required to contribute to the loan fund an amount equal to at least one-ninth of the Federal contribution. Loans from the fund would be for students pursuing masters or doctoral level degrees and could not exceed \$30,000 plus inflation per student per academic year. Loans could be used to pay for tuition, fees, books, lab expenses, and other reasonable education expenses. Up to 85 percent of a loan's principal and interest would be cancelled in return for four years of full-time employment as a faculty member in a school of nursing. Loans would accrue three percent interest unless the student fails to complete the course of study or does not serve as a faculty member, in which case, the prevailing market interest rate would accrue on the unpaid balance. The Secretary would be required to pay the nursing school its proportionate share of the loan or interest that is forgiven under the program.

Public Service Announcements. The enrolled bill would require HHS to develop and issue national public service announcements to advertise and promote the nursing profession. H.R. 3487 also would authorize the Secretary of HHS to award grants to support State and local advertising campaigns to promote nursing, highlight the advantages and rewards of nursing, and encourage individuals from disadvantaged backgrounds to enter the nursing profession.

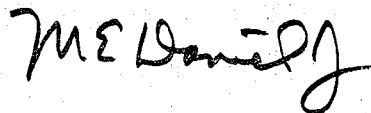
Reports. H.R. 3487 would require the General Accounting Office to report to Congress within four years after the bill's enactment on: (1) national variations in the nursing shortage at hospitals, nursing homes, and other health care providers; (2) any differences in nurse hiring practices between for-profit and nonprofit private entities; and (3) the effectiveness of the bill's new nurse scholarship program.

Conclusion and Recommendations

HHS recommends approval of H.R. 3487 because it "reflects key elements of what we believe is needed to supplement the existing core of nursing programs In supporting America's nurses, this legislation supports the Administration's priority of ensuring the quality of health care in this country."

VA also recommends approval of the enrolled bill because it "should enhance the nursing profession generally, thereby benefitting VA's nursing recruitment and retention programs."

We join HHS and VA in recommending approval of H.R. 3487, which passed the House by voice vote and the Senate by unanimous consent.

A handwritten signature in black ink, appearing to read "ME Daniels, Jr.", with a stylized flourish at the end.

Mitchell E. Daniels, Jr.
Director

Enclosures

One Hundred Seventh Congress
of the
United States of America

AT THE SECOND SESSION

*Begun and held at the City of Washington on Wednesday,
the twenty-third day of January, two thousand and two*

An Act

To amend the Public Health Service Act with respect to health professions programs regarding the field of nursing.

*Be it enacted by the Senate and House of Representatives of
the United States of America in Congress assembled,*

SECTION 1. SHORT TITLE.

This Act may be cited as the "Nurse Reinvestment Act".

SEC. 2. TABLE OF CONTENTS.

The table of contents for this Act is as follows:

- Sec. 1. Short title.
Sec. 2. Table of contents.

TITLE I—NURSE RECRUITMENT

- Sec. 101. Definitions.
Sec. 102. Public service announcements regarding the nursing profession.
Sec. 103. National Nurse Service Corps.

TITLE II—NURSE RETENTION

- Sec. 201. Building career ladders and retaining quality nurses.
Sec. 202. Comprehensive geriatric education.
Sec. 203. Nurse faculty loan program.
Sec. 204. Reports by General Accounting Office.

TITLE I—NURSE RECRUITMENT

SEC. 101. DEFINITIONS.

Section 801 of the Public Health Service Act (42 U.S.C. 296) is amended by adding at the end the following:

"(9) AMBULATORY SURGICAL CENTER.—The term 'ambulatory surgical center' has the meaning applicable to such term under title XVIII of the Social Security Act.

"(10) FEDERALLY QUALIFIED HEALTH CENTER.—The term 'Federally qualified health center' has the meaning given such term under section 1861(aa)(4) of the Social Security Act.

"(11) HEALTH CARE FACILITY.—The term 'health care facility' means an Indian Health Service health center, a Native Hawaiian health center, a hospital, a Federally qualified health center, a rural health clinic, a nursing home, a home health agency, a hospice program, a public health clinic, a State or local department of public health, a skilled nursing facility, an ambulatory surgical center, or any other facility designated by the Secretary.

"(12) HOME HEALTH AGENCY.—The term 'home health agency' has the meaning given such term in section 1861(o) of the Social Security Act.

“(13) HOSPICE PROGRAM.—The term ‘hospice program’ has the meaning given such term in section 1861(dd)(2) of the Social Security Act.

“(14) RURAL HEALTH CLINIC.—The term ‘rural health clinic’ has the meaning given such term in section 1861(aa)(2) of the Social Security Act.

“(15) SKILLED NURSING FACILITY.—The term ‘skilled nursing facility’ has the meaning given such term in section 1819(a) of the Social Security Act.”.

SEC. 102. PUBLIC SERVICE ANNOUNCEMENTS REGARDING THE NURSING PROFESSION.

Title VIII of the Public Health Service Act (42 U.S.C. 296 et seq.) is amended by adding at the end the following:

“PART H—PUBLIC SERVICE ANNOUNCEMENTS

“SEC. 851. PUBLIC SERVICE ANNOUNCEMENTS.

“(a) IN GENERAL.—The Secretary shall develop and issue public service announcements that advertise and promote the nursing profession, highlight the advantages and rewards of nursing, and encourage individuals to enter the nursing profession.

“(b) METHOD.—The public service announcements described in subsection (a) shall be broadcast through appropriate media outlets, including television or radio, in a manner intended to reach as wide and diverse an audience as possible.

“(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section such sums as may be necessary for each of fiscal years 2003 through 2007.

“SEC. 852. STATE AND LOCAL PUBLIC SERVICE ANNOUNCEMENTS.

“(a) IN GENERAL.—The Secretary may award grants to eligible entities to support State and local advertising campaigns through appropriate media outlets to promote the nursing profession, highlight the advantages and rewards of nursing, and encourage individuals from disadvantaged backgrounds to enter the nursing profession.

“(b) USE OF FUNDS.—An eligible entity that receives a grant under subsection (a) shall use funds received through such grant to acquire local television and radio time, place advertisements in local newspapers, or post information on billboards or on the Internet in a manner intended to reach as wide and diverse an audience as possible, in order to—

“(1) advertise and promote the nursing profession;

“(2) promote nursing education programs;

“(3) inform the public of financial assistance regarding such education programs;

“(4) highlight individuals in the community who are practicing nursing in order to recruit new nurses; or

“(5) provide any other information to recruit individuals for the nursing profession.

“(c) LIMITATION.—An eligible entity that receives a grant under subsection (a) shall not use funds received through such grant to advertise particular employment opportunities.

“(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section such sums as may be necessary for each of fiscal years 2003 through 2007.”.

SEC. 103. NATIONAL NURSE SERVICE CORPS.

(a) **LOAN REPAYMENT PROGRAM.**—Section 846(a) of the Public Health Service Act (42 U.S.C. 297n(a)) is amended—

(1) in paragraph (3), by striking “in an Indian Health Service health center” and all that follows to the semicolon and inserting “at a health care facility with a critical shortage of nurses”; and

(2) by adding at the end the following: “After fiscal year 2007, the Secretary may not, pursuant to any agreement entered into under this subsection, assign a nurse to any private entity unless that entity is nonprofit.”

(b) **ESTABLISHMENT OF SCHOLARSHIP PROGRAM.**—Section 846 of the Public Health Service Act (42 U.S.C. 297n) is amended—

(1) in the heading for the section, by striking “LOAN REPAYMENT PROGRAM” and inserting “LOAN REPAYMENT AND SCHOLARSHIP PROGRAMS”;

(2) by redesignating subsections (d), (f), (g), and (h) as subsections (f), (h), (i), and (g), respectively;

(3) by transferring subsections (f) and (g) (as so redesignated) from their current placements, by inserting subsection (f) after subsection (e), and by inserting subsection (g) after subsection (f) (as so inserted); and

(4) by inserting after subsection (c) the following subsection: “(d) **SCHOLARSHIP PROGRAM.**—

“(1) **IN GENERAL.**—The Secretary shall (for fiscal years 2003 and 2004) and may (for fiscal years thereafter) carry out a program of entering into contracts with eligible individuals under which such individuals agree to serve as nurses for a period of not less than 2 years at a health care facility with a critical shortage of nurses, in consideration of the Federal Government agreeing to provide to the individuals scholarships for attendance at schools of nursing.

“(2) **ELIGIBLE INDIVIDUALS.**—In this subsection, the term ‘eligible individual’ means an individual who is enrolled or accepted for enrollment as a full-time or part-time student in a school of nursing.

“(3) **SERVICE REQUIREMENT.**—

“(A) **IN GENERAL.**—The Secretary may not enter into a contract with an eligible individual under this subsection unless the individual agrees to serve as a nurse at a health care facility with a critical shortage of nurses for a period of full-time service of not less than 2 years, or for a period of part-time service in accordance with subparagraph (B).

“(B) **PART-TIME SERVICE.**—An individual may complete the period of service described in subparagraph (A) on a part-time basis if the individual has a written agreement that—

“(i) is entered into by the facility and the individual and is approved by the Secretary; and

“(ii) provides that the period of obligated service will be extended so that the aggregate amount of service performed will equal the amount of service that would be performed through a period of full-time service of not less than 2 years.

“(4) **APPLICABILITY OF CERTAIN PROVISIONS.**—The provisions of subpart III of part D of title III shall, except as inconsistent

with this section, apply to the program established in paragraph (1) in the same manner and to the same extent as such provisions apply to the National Health Service Corps Scholarship Program established in such subpart.”.

(c) PREFERENCE.—Section 846(e) of the Public Health Service Act (42 U.S.C. 297n(e)) is amended by striking “under subsection (a)” and all that follows through the period and inserting “under subsection (a) or (d), the Secretary shall give preference to qualified applicants with the greatest financial need.”.

(d) REPORTS.—Subsection (h) of section 846 of the Public Health Service Act (42 U.S.C. 297n) (as redesignated by subsection (b)(2)) is amended to read as follows:

“(h) REPORTS.—Not later than 18 months after the date of enactment of the Nurse Reinvestment Act, and annually thereafter, the Secretary shall prepare and submit to the Congress a report describing the programs carried out under this section, including statements regarding—

“(1) the number of enrollees, scholarships, loan repayments, and grant recipients;

“(2) the number of graduates;

“(3) the amount of scholarship payments and loan repayments made;

“(4) which educational institution the recipients attended;

“(5) the number and placement location of the scholarship and loan repayment recipients at health care facilities with a critical shortage of nurses;

“(6) the default rate and actions required;

“(7) the amount of outstanding default funds of both the scholarship and loan repayment programs;

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

“(9) the demographics of the individuals participating in the scholarship and loan repayment programs;

“(10) justification for the allocation of funds between the scholarship and loan repayment programs; and

“(11) an evaluation of the overall costs and benefits of the programs.”.

(e) FUNDING.—Subsection (i) of section 846 of the Public Health Service Act (42 U.S.C. 297n) (as redesignated by subsection (b)(2)) is amended to read as follows:

“(i) FUNDING.—

“(1) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of payments under agreements entered into under subsection (a) or (d), there are authorized to be appropriated such sums as may be necessary for each of fiscal years 2003 through 2007.

“(2) ALLOCATIONS.—Of the amounts appropriated under paragraph (1), the Secretary may, as determined appropriate by the Secretary, allocate amounts between the program under subsection (a) and the program under subsection (d).”.

TITLE II—NURSE RETENTION

SEC. 201. BUILDING CAREER LADDERS AND RETAINING QUALITY NURSES.

Section 831 of the Public Health Service Act (42 U.S.C. 296p) is amended to read as follows:

“SEC. 831. NURSE EDUCATION, PRACTICE, AND RETENTION GRANTS.

“(a) EDUCATION PRIORITY AREAS.—The Secretary may award grants to or enter into contracts with eligible entities for—

“(1) expanding the enrollment in baccalaureate nursing programs;

“(2) developing and implementing internship and residency programs to encourage mentoring and the development of specialties; or

“(3) providing education in new technologies, including distance learning methodologies.

“(b) PRACTICE PRIORITY AREAS.—The Secretary may award grants to or enter into contracts with eligible entities for—

“(1) establishing or expanding nursing practice arrangements in noninstitutional settings to demonstrate methods to improve access to primary health care in medically underserved communities;

“(2) providing care for underserved populations and other high-risk groups such as the elderly, individuals with HIV/AIDS, substance abusers, the homeless, and victims of domestic violence;

“(3) providing managed care, quality improvement, and other skills needed to practice in existing and emerging organized health care systems; or

“(4) developing cultural competencies among nurses.

“(c) RETENTION PRIORITY AREAS.—The Secretary may award grants to and enter into contracts with eligible entities to enhance the nursing workforce by initiating and maintaining nurse retention programs pursuant to paragraph (1) or (2).

“(1) GRANTS FOR CAREER LADDER PROGRAMS.—The Secretary may award grants to and enter into contracts with eligible entities for programs—

“(A) to promote career advancement for nursing personnel in a variety of training settings, cross training or specialty training among diverse population groups, and the advancement of individuals including to become professional nurses, advanced education nurses, licensed practical nurses, certified nurse assistants, and home health aides; and

“(B) to assist individuals in obtaining education and training required to enter the nursing profession and advance within such profession, such as by providing career counseling and mentoring.

“(2) ENHANCING PATIENT CARE DELIVERY SYSTEMS.—

“(A) GRANTS.—The Secretary may award grants to eligible entities to improve the retention of nurses and enhance patient care that is directly related to nursing activities by enhancing collaboration and communication among nurses and other health care professionals, and

by promoting nurse involvement in the organizational and clinical decisionmaking processes of a health care facility.

“(B) PREFERENCE.—In making awards of grants under this paragraph, the Secretary shall give a preference to applicants that have not previously received an award under this paragraph.

“(C) CONTINUATION OF AN AWARD.—The Secretary shall make continuation of any award under this paragraph beyond the second year of such award contingent on the recipient of such award having demonstrated to the Secretary measurable and substantive improvement in nurse retention or patient care.

“(d) OTHER PRIORITY AREAS.—The Secretary may award grants to or enter into contracts with eligible entities to address other areas that are of high priority to nurse education, practice, and retention, as determined by the Secretary.

“(e) PREFERENCE.—For purposes of any amount of funds appropriated to carry out this section for fiscal year 2003, 2004, or 2005 that is in excess of the amount of funds appropriated to carry out this section for fiscal year 2002, the Secretary shall give preference to awarding grants or entering into contracts under subsections (a)(2) and (c).

“(f) REPORT.—The Secretary shall submit to the Congress before the end of each fiscal year a report on the grants awarded and the contracts entered into under this section. Each such report shall identify the overall number of such grants and contracts and provide an explanation of why each such grant or contract will meet the priority need of the nursing workforce.

“(g) ELIGIBLE ENTITY.—For purposes of this section, the term ‘eligible entity’ includes a school of nursing, a health care facility, or a partnership of such a school and facility.

“(h) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section such sums as may be necessary for each of fiscal years 2003 through 2007.”

SEC. 202. COMPREHENSIVE GERIATRIC EDUCATION.

(a) COMPREHENSIVE GERIATRIC EDUCATION.—Title VIII of the Public Health Service Act (42 U.S.C. 296 et seq.) (as amended by section 102) is amended by adding at the end the following:

“PART I—COMPREHENSIVE GERIATRIC EDUCATION

“SEC. 855. COMPREHENSIVE GERIATRIC EDUCATION.

“(a) PROGRAM AUTHORIZED.—The Secretary shall award grants to eligible entities to develop and implement, in coordination with programs under section 753, programs and initiatives to train and educate individuals in providing geriatric care for the elderly.

“(b) USE OF FUNDS.—An eligible entity that receives a grant under subsection (a) shall use funds under such grant to—

“(1) provide training to individuals who will provide geriatric care for the elderly;

“(2) develop and disseminate curricula relating to the treatment of the health problems of elderly individuals;

“(3) train faculty members in geriatrics; or

“(4) provide continuing education to individuals who provide geriatric care.

“(c) APPLICATION.—An eligible entity desiring a grant under subsection (a) shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may reasonably require.

“(d) ELIGIBLE ENTITY.—For purposes of this section, the term ‘eligible entity’ includes a school of nursing, a health care facility, a program leading to certification as a certified nurse assistant, a partnership of such a school and facility, or a partnership of such a program and facility.

“(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section such sums as may be necessary for each of fiscal years 2003 through 2007.”

(b) TECHNICAL AMENDMENT.—Section 753(a)(1) of the Public Health Service Act (42 U.S.C. 294c) is amended by striking “, and section 853(2),” and inserting “, and section 801(2),”.

SEC. 203. NURSE FACULTY LOAN PROGRAM.

Part E of title VIII of the Public Health Service Act (42 U.S.C. 297a et seq.) is amended by inserting after section 846 the following:

“NURSE FACULTY LOAN PROGRAM

“SEC. 846A. (a) ESTABLISHMENT.—The Secretary, acting through the Administrator of the Health Resources and Services Administration, may enter into an agreement with any school of nursing for the establishment and operation of a student loan fund in accordance with this section, to increase the number of qualified nursing faculty.

“(b) AGREEMENTS.—Each agreement entered into under subsection (a) shall—

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

“(2) provide for deposit in the fund of—

“(A) the Federal capital contributions to the fund;

“(B) an amount equal to not less than one-ninth of such Federal capital contributions, contributed by such school;

“(C) collections of principal and interest on loans made from the fund; and

“(D) any other earnings of the fund;

“(3) provide that the fund will be used only for loans to students of the school in accordance with subsection (c) and for costs of collection of such loans and interest thereon;

“(4) provide that loans may be made from such fund only to students pursuing a full-time course of study or, at the discretion of the Secretary, a part-time course of study in an advanced degree program described in section 811(b); and

“(5) contain such other provisions as are necessary to protect the financial interests of the United States.

“(c) LOAN PROVISIONS.—Loans from any student loan fund established by a school pursuant to an agreement under subsection (a) shall be made to an individual on such terms and conditions as the school may determine, except that—

“(1) such terms and conditions are subject to any conditions, limitations, and requirements prescribed by the Secretary;

“(2) in the case of any individual, the total of the loans for any academic year made by schools of nursing from loan funds established pursuant to agreements under subsection

(a) may not exceed \$30,000, plus any amount determined by the Secretary on an annual basis to reflect inflation;

"(3) an amount up to 85 percent of any such loan (plus interest thereon) shall be canceled by the school as follows:

"(A) upon completion by the individual of each of the first, second, and third year of full-time employment, required by the loan agreement entered into under this subsection, as a faculty member in a school of nursing, the school shall cancel 20 percent of the principle of, and the interest on, the amount of such loan unpaid on the first day of such employment; and

"(B) upon completion by the individual of the fourth year of full-time employment, required by the loan agreement entered into under this subsection, as a faculty member in a school of nursing, the school shall cancel 25 percent of the principle of, and the interest on, the amount of such loan unpaid on the first day of such employment;

"(4) such a loan may be used to pay the cost of tuition, fees, books, laboratory expenses, and other reasonable education expenses;

"(5) such a loan shall be repayable in equal or graduated periodic installments (with the right of the borrower to accelerate repayment) over the 10-year period that begins 9 months after the individual ceases to pursue a course of study at a school of nursing; and

"(6) such a loan shall—

"(A) beginning on the date that is 3 months after the individual ceases to pursue a course of study at a school of nursing, bear interest on the unpaid balance of the loan at the rate of 3 percent per annum; or

"(B) subject to subsection (e), if the school of nursing determines that the individual will not complete such course of study or serve as a faculty member as required under the loan agreement under this subsection, bear interest on the unpaid balance of the loan at the prevailing market rate.

"(d) PAYMENT OF PROPORTIONATE SHARE.—Where all or any part of a loan, or interest, is canceled under this section, the Secretary shall pay to the school an amount equal to the school's proportionate share of the canceled portion, as determined by the Secretary.

"(e) REVIEW BY SECRETARY.—At the request of the individual involved, the Secretary may review any determination by a school of nursing under subsection (c)(6)(B).

"(f) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section such sums as may be necessary for each of fiscal years 2003 through 2007."

SEC. 204. REPORTS BY GENERAL ACCOUNTING OFFICE.

(a) NATIONAL VARIATIONS.—Not later than 4 years after the date of the enactment of this Act, the Comptroller General of the United States shall conduct a survey to determine national variations in the nursing shortage at hospitals, nursing homes, and other health care providers, and submit a report, including recommendations, to the Congress on Federal remedies to ease nursing shortages. The Comptroller General shall submit to the

Congress this report describing the findings relating to ownership status and associated remedies.

(b) **HIRING DIFFERENCES AMONG CERTAIN PRIVATE ENTITIES.**—The Comptroller General of the United States shall conduct a study to determine differences in the hiring of nurses by nonprofit private entities as compared to the hiring of nurses by private entities that are not nonprofit. In carrying out the study, the Comptroller General shall determine the effect of the inclusion of private entities that are not nonprofit in the program under section 846 of the Public Health Service Act. Not later than 4 years after the date of the enactment of this Act, the Comptroller General shall submit to the Congress a report describing the findings of the study.

(c) **NURSING SCHOLARSHIPS.**—The Comptroller General of the United States shall conduct an evaluation of whether the program carried out under section 846(d) of the Public Health Service Act has demonstrably increased the number of applicants to schools of nursing and, not later than 4 years after the date of the enactment of this Act, submit a report to the Congress on the results of such evaluation.

Speaker of the House of Representatives.

*Vice President of the United States and
President of the Senate.*



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

July 31, 2002

THE DIRECTOR

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Enrolled Bill H.R. 3487 - Nurse Reinvestment Act
Sponsors - Rep. Bilirakis (R) FL and 35 cosponsors

Last Day for Action

August 10, 2002 - Saturday

Purpose

Establishes, amends, and authorizes appropriations for various nurse training, recruitment, and retention programs within the Department of Health and Human Services (HHS).

Agency Recommendations

Office of Management and Budget	Approval
Department of Health and Human Services	Approval
Department of Veterans Affairs (VA)	Approval
Department of Education	Defers to HHS (Informally)
Department of Justice	No objection (Informally)
Department of Labor	No objection (Informally)
Department of the Treasury	No objection (Informally)
Department of Defense	No comment (Informally)

Discussion

H.R. 3487, which is the product of more than a year of negotiations among the Administration, Congress, and the nursing industry, is intended to improve the training, recruitment, and retention of nurses in the United States. According to HHS, the enrolled bill "is an important step to address the national nursing shortage."

Appropriations Authorizations. The enrolled bill would authorize appropriations of "such sums as may be necessary" for each of FYs 2003-2007 for a number of new and existing nurse training, recruitment, and retention programs, including nursing scholarships and loan repayment for students who agree to serve in areas deemed to have a nursing shortage; assistance to facilities for the education, practice, and retention of practicing nurses; a geriatric education program; a nurse faculty loan program; and public service announcements urging students to become nurses.

Your FY 2003 Budget contains \$83.5 million for nurse training activities, and the Senate-reported appropriations bill for HHS contains \$88 million. (The House Appropriations Committee has not yet acted on your request.) Your Budget and the Senate appropriations bill only include funding for the existing nurse loan repayment and basic education and practice grants programs; they do not include funding for the new programs authorized by H.R. 3487. We will work with HHS to address priorities for funding.

Nurse Scholarship Program. H.R. 3487 would establish a new scholarship program for nursing school students. Scholarship recipients would have to agree to serve as a nurse for at least two years at "a health care facility with a critical shortage of nurses," which could include either a public or for-profit or nonprofit private facility. The Secretary of HHS would be required to make awards under the new program in FYs 2003-2004, but would have discretion as to whether to continue the program after FY 2004. The Secretary would be permitted to reallocate funds appropriated to the scholarship program and the existing loan repayment program (described below) between the two programs. H.R. 3487 would require the Secretary to prepare and submit to Congress a report on the nurse scholarships and loan repayment programs within 18 months after the bill's enactment.

Loan Repayment Program. H.R. 3487 would reauthorize and amend HHS' existing nurse loan repayment program. The current program would be expanded to permit eligible individuals who received certain educational loans for nurse training costs to fulfill their service obligation at any health care facility with a critical shortage of nurses, including for-profit private health care facilities. The for-profit private health care facility service option would terminate after FY 2007.

Nurse Education, Practice, and Retention Grants. H.R. 3487 would rename the current "basic nurse education and practice grants" as the "nurse education, practice, and retention grants." The enrolled bill would expand the current program to authorize HHS to award grants to or enter into contracts with eligible entities, including schools of nursing and health care facilities to, among other things: (1) develop and implement nurse internship and residency programs to encourage mentoring and the development of specialties; (2) provide career counseling and mentoring to assist individuals in obtaining education and training and for career advancement; and (3) promote nurse involvement in the organizational and clinical decisionmaking of a health care facility. H.R. 3487 states that any funds appropriated in FYs 2003-2005 for nurse education, practice, and retention grants that exceed the FY 2002 level for such grants must be targeted for internship and residency programs and nurse retention activities. The bill also would require an annual report from HHS to Congress on the grants and contracts awarded.

Geriatric Education. H.R. 3487 would establish a new comprehensive geriatric education program for nurses. The enrolled bill would require the Secretary of HHS to award grants to eligible entities to develop and implement programs and initiatives to train and educate individuals in providing geriatric care for the elderly. Eligible entities would include nursing schools, health care facilities, and programs leading to certification as a certified nurse assistant.

The new geriatric education program, which would be coordinated with HHS' health professions training programs, would support the development of curricula relating to the health care of the elderly, faculty training, continuing education, and training of health professionals who will provide care for the elderly.

Nurse Faculty Loan Program. The enrolled bill would authorize HHS to establish a new nurse faculty loan program. Under the program, the Secretary, through the Administrator of the Health Resources and Services Administration, would enter into agreements with nursing schools to establish and operate a student loan fund designed to increase the number of qualified nursing faculty. Schools of nursing would be required to contribute to the loan fund an amount equal to at least one-ninth of the Federal contribution. Loans from the fund would be for students pursuing masters or doctoral level degrees and could not exceed \$30,000 plus inflation per student per academic year. Loans could be used to pay for tuition, fees, books, lab expenses, and other reasonable education expenses. Up to 85 percent of a loan's principal and interest would be cancelled in return for four years of full-time employment as a faculty member in a school of nursing. Loans would accrue three percent interest unless the student fails to complete the course of study or does not serve as a faculty member, in which case, the prevailing market interest rate would accrue on the unpaid balance. The Secretary would be required to pay the nursing school its proportionate share of the loan or interest that is forgiven under the program.

Public Service Announcements. The enrolled bill would require HHS to develop and issue national public service announcements to advertise and promote the nursing profession. H.R. 3487 also would authorize the Secretary of HHS to award grants to support State and local advertising campaigns to promote nursing, highlight the advantages and rewards of nursing, and encourage individuals from disadvantaged backgrounds to enter the nursing profession.

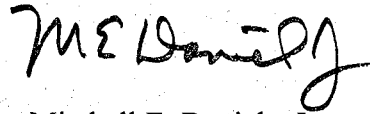
Reports. H.R. 3487 would require the General Accounting Office to report to Congress within four years after the bill's enactment on: (1) national variations in the nursing shortage at hospitals, nursing homes, and other health care providers; (2) any differences in nurse hiring practices between for-profit and nonprofit private entities; and (3) the effectiveness of the bill's new nurse scholarship program.

Conclusion and Recommendations

HHS recommends approval of H.R. 3487 because it "reflects key elements of what we believe is needed to supplement the existing core of nursing programs In supporting America's nurses, this legislation supports the Administration's priority of ensuring the quality of health care in this country."

VA also recommends approval of the enrolled bill because it "should enhance the nursing profession generally, thereby benefitting VA's nursing recruitment and retention programs."

We join HHS and VA in recommending approval of H.R. 3487, which passed the House by voice vote and the Senate by unanimous consent.

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Mitchell E. Daniels, Jr.
Director

Enclosures



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OFFICE OF MANAGEMENT AND BUDGET
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July 31, 2002

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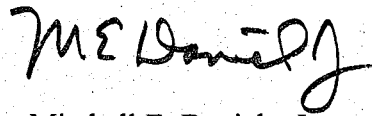
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Mitchell E. Daniels, Jr.
Director

Enclosures

WHITE HOUSE STAFFING MEMORANDUM

Date: 07-31-02 9:00 PM ACTION / CONCURRENCE / COMMENT DUE BY: 08-01-02 10:00 AMSubject: ENROLLED BILL H.R. 3487 -- NURSE REINVESTMENT ACT

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	☒	☐	HUBBARD →	☒	☐
CARD	☒	☐	IRASTORZA	☐	☐
BARTLETT	☒	☐	JOHNSON	☐	☐
BLAKEMAN	☐	☐	LINDSEY	☒	☐
BOLTEN	☒	☐	MARBURGER	☐	☐
BRIDGELAND	☐	☐	MIERS	☐	☐
CALIO	☒	☐	RICE	☐	☐
CONNAUGHTON	☐	☐	RIDGE	☐	☐
DANIELS	☐	☒	ROVE	☒	☐
FLEISCHER	☒	☐	SPELLINGS	☒	☐
GERSON	☐	☐	CLERK	☐	☐
GONZALES	☒	☐	_____	☐	☐
HAGIN	☐	☐	_____	☐	☐
HAWKINS	☒	☐	_____	☐	☐

REMARKS:

PLEASE FORWARD COMMENTS TO JIM JUKES, X53458, OR FAX 56148, BY 10:00 A.M., TOMORROW, THURSDAY, AUGUST 1, 2002, WITH A COPY TO THE STAFF SECRETARY'S OFFICE. THANK YOU.

RESPONSE:

Harriet E. Miers
Assistant to the President
and Staff Secretary
Ext. 62702



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

July 31, 2002

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Nurse Faculty Loan Program. The enrolled bill would authorize HHS to establish a new nurse faculty loan program. Under the program, the Secretary, through the Administrator of the Health Resources and Services Administration, would enter into agreements with nursing schools to establish and operate a student loan fund designed to increase the number of qualified nursing faculty. Schools of nursing would be required to contribute to the loan fund an amount equal to at least one-ninth of the Federal contribution. Loans from the fund would be for students pursuing masters or doctoral level degrees and could not exceed \$30,000 plus inflation per student per academic year. Loans could be used to pay for tuition, fees, books, lab expenses, and other reasonable education expenses. Up to 85 percent of a loan's principal and interest would be cancelled in return for four years of full-time employment as a faculty member in a school of nursing. Loans would accrue three percent interest unless the student fails to complete the course of study or does not serve as a faculty member, in which case, the prevailing market interest rate would accrue on the unpaid balance. The Secretary would be required to pay the nursing school its proportionate share of the loan or interest that is forgiven under the program.

Public Service Announcements. The enrolled bill would require HHS to develop and issue national public service announcements to advertise and promote the nursing profession. H.R. 3487 also would authorize the Secretary of HHS to award grants to support State and local advertising campaigns to promote nursing, highlight the advantages and rewards of nursing, and encourage individuals from disadvantaged backgrounds to enter the nursing profession.

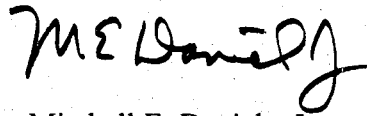
Reports. H.R. 3487 would require the General Accounting Office to report to Congress within four years after the bill's enactment on: (1) national variations in the nursing shortage at hospitals, nursing homes, and other health care providers; (2) any differences in nurse hiring practices between for-profit and nonprofit private entities; and (3) the effectiveness of the bill's new nurse scholarship program.

Conclusion and Recommendations

HHS recommends approval of H.R. 3487 because it "reflects key elements of what we believe is needed to supplement the existing core of nursing programs In supporting America's nurses, this legislation supports the Administration's priority of ensuring the quality of health care in this country."

VA also recommends approval of the enrolled bill because it "should enhance the nursing profession generally, thereby benefitting VA's nursing recruitment and retention programs."

We join HHS and VA in recommending approval of H.R. 3487, which passed the House by voice vote and the Senate by unanimous consent.

A handwritten signature in black ink, appearing to read "M E Daniels Jr", with a stylized flourish at the end.

Mitchell E. Daniels, Jr.
Director

Enclosures



THE SECRETARY OF HEALTH AND HUMAN SERVICES
WASHINGTON, D.C. 20201

July 31, 2002

The Honorable Mitchell E. Daniels, Jr.
Director, Office of Management
and Budget
Washington, D.C. 20503

Dear Mr. Daniels:

This responds to your request for the views of the Department of Health and Human Services on H.R. 3487, an enrolled bill entitled the "Nurse Reinvestment Act". A summary of the bill is enclosed.

We recommend that the President approve the enrolled bill. This legislation, in authorizing new scholarship and recruitment programs, is an important step in our efforts to address the national nursing shortage. H.R. 3487 alone will not reverse this shortage, the result of various social and economic forces. However, the bill provides us with an outline of action to move forward on this critical health care issue, including incentives for people to become involved in nursing, resources for expanded nursing training, and assistance to nurses in advancing their careers.

The bill reflects key elements of what we believe is needed to supplement the existing core of nursing programs in the Public Health Service Act: a new service-obligated scholarship program for individuals to attend nursing school; a loan program to encourage individuals to seek advanced nursing training and become nursing faculty; grants for nursing internships to ease the transition to the workplace; and career ladder grants for the advancement of individuals in nursing, improved retention, and improved nursing-related patient care.

Nurse Recruitment and Training

H.R. 3487 provides programs and authorities intended to address the declining enrollment in entry-level nursing programs. Under the new scholarship program, nursing students will receive financial assistance for educational costs in return for at least two years of service at any health care facility with a critical shortage of nurses. The bill changes the criteria for health care facilities at which an individual may fulfill an educational loan repayment service obligation. As revised, the loan repayment provision requires service obligations to be fulfilled at health care facilities with a critical nursing shortage, including public and non-profit private entities, and, for FYs 2003 through 2007, for-profit private entities. The bill also provides for a federal program of public service announcements promoting the nursing profession, as well as grants to support State and local campaigns promoting nursing.

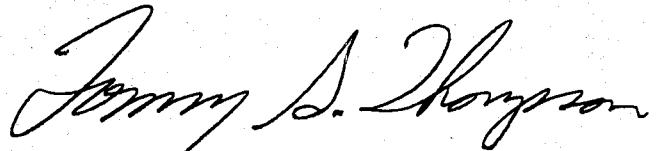
Nurse Retention

Three programs in H.R. 3487 focus on efforts to encourage nurses to continue in the profession, another significant element in addressing the nursing shortage. The enrolled bill authorizes grants for nursing internship and residency programs to ease the transition from the classroom to the workplace. It also provides for a broad-based geriatric education program for nurses, enhancing training to address the rapidly growing need for elderly care. Finally, the bill authorizes a loan program through which nursing schools award educational loans to individuals seeking advanced training to become nursing faculty.

The "Nurse Reinvestment Act" proposes to help ease the critical shortage of nurses through new programs and strengthening of current activities. In supporting America's nurses, this legislation supports the Administration's priority of ensuring the quality of health care in this country.

We therefore recommend that the President approve the enrolled bill.

Sincerely,

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Tommy G. Thompson

Enclosure

Enrolled bill—H.R. 3487, the "Nurse Reinvestment Act"

Section-by-Section Summary

TITLE I—NURSE RECRUITMENT

SEC. 101. DEFINITIONS.

Section 101 amends section 801 of the Public Health Service (PHS) Act to provide definitions of various terms.

SEC. 102. PUBLIC SERVICE ANNOUNCEMENTS REGARDING THE NURSING PROFESSION.

Section 102 adds to the PHS Act sections 851 and 852, authorizing the Secretary to issue public service announcements promoting the nursing profession, and to award grants to support State and local advertising campaigns promoting the nursing profession.

SEC. 103. NATIONAL NURSE SERVICE CORPS.

Section 103 amends section 846 of the PHS Act: (1) to authorize a program of educational scholarships for nursing students in exchange for at least two years' service, upon graduation, at a health care facility with a critical shortage of nurses; (2) to require that loan repayment and scholarship programs give preference to applicants with the greatest financial need; and (3) to change the criteria for health care facilities at which an individual may fulfill an educational loan repayment service obligation. As revised, the provision requires service obligations to be fulfilled at health care facilities with a critical nursing shortage, including public and non-profit private entities, and, for FYs 2003 through 2007, for-profit private entities.

Various provisions of the PHS Act governing the National Health Service Corps Scholarship Program apply to the new nursing scholarship program.

TITLE II—NURSE RETENTION

SEC. 201. BUILDING CAREER LADDERS AND RETAINING QUALITY NURSES.

Section 201 amends section 831 of the PHS Act (which authorizes basic nurse education and practice grants) (1) to add, as a new priority area, nursing internship and residency programs to encourage mentoring and development of specialties; and (2) to authorize grants or contracts to promote the advancement of individuals in nursing and assist prospective nurses, and to improve the retention of nurses and enhance patient care.

SEC. 202. COMPREHENSIVE GERIATRIC EDUCATION.

Section 202 amends section 855 of the PHS Act to provide for a new program on geriatric care education, including grants for nurse training, curricula development, faculty training, and continuing education.

SEC. 203. NURSE FACULTY LOAN PROGRAM.

Section 203 adds to the PHS Act a new section 846A, authorizing a new faculty loan program to increase the number of qualified faculty at nursing schools. Loans, of up to \$30,000 per year to an individual, would be cancelled (up to 85%) over a four-year period of employment as a faculty member of a nursing school.

The bill's amendments authorize appropriations of such sums for each of FYs 2003 through 2007.



THE SECRETARY OF VETERANS AFFAIRS

WASHINGTON

July 30, 2002

The Honorable Mitchell E. Daniels, Jr.
Director, Office of Management
and Budget
Attention: Assistant Director
for Legislative Reference
Washington, D.C. 20503

Dear Mr. Daniels:

I am pleased to respond to the request of the Assistant Director for Legislative Reference for the views of the Department of Veterans Affairs (VA) on the enrolled enactment of H.R. 3487, the "Nurse Reinvestment Act." VA believes this bill merits the President's approval.

The bill amends the Public Health Service Act ("PHSA"), 42 U.S.C. § 296 et seq., to broaden the powers of the Secretary of Health, and Human Services (the "Secretary") to promote nurse recruitment and retention. Title I of the bill includes several provisions designed to promote nurse recruitment by enhancing public awareness of and interest in nursing. Sections 101 through 103 authorize the Secretary to develop and issue public service announcements that advertise and promote the nursing profession, and to award grants to eligible entities to broadcast such announcements on state and local levels. Section 103 enhances PHSA's National Nurse Service Corps (the "Corps") program by expanding nurses' access to the Corps' existing loan repayment program; broadening the categories of nursing service that qualify as Corps service; and offering nursing school scholarships to nurses who agree to serve at least two years in the Corps.

We believe that VA medical facilities will benefit greatly from the more expansive reach of the National Nurse Service Corps provided by the bill's Section 103. The amendments to 42 U.S.C. § 297n set forth in subsections 103(a)(1) and 103(b)(4) of the bill authorize loan repayments and scholarships for individuals who agree to perform nursing service "at a health care facility with a critical shortage of nurses." This is a far broader definition of Corps-qualifying service than is contained in the current version of the Public Health Service Act, and one that creates a valuable new recruitment opportunity for VA medical facilities. VA is experiencing a critical nursing shortage at many of its facilities nationwide, a shortage that has been the subject of both public and Congressional attention. Allowing nursing students who agree to serve two-year terms at VA facilities to receive the loan repayment and scholarship incentives

2.

The Honorable Mitchell E. Daniels, Jr.

Nurse Service Corps will provide a significant addition to VA's ongoing nurse outreach and recruitment efforts.

Title II of the bill includes provisions aimed at nurse retention. Section 201 authorizes the Secretary to award grants to or enter into contracts with eligible entities to (a) enhance specialized nursing education; (b) encourage nursing practice in identified priority areas; and (c) promote career advancement and nurse involvement in organizational and clinical decision-making processes. Section 202 directs the Secretary to award grants to eligible entities to train and educate nurses and others in providing geriatric care to elderly patients. Section 203 authorizes the Secretary to enter into agreements with nursing schools to establish and operate student loan funds so as to increase the number of qualified nursing faculty. Section 204 directs the Comptroller General to conduct surveys and issue reports on the nursing shortage at hospitals, nursing homes, and other health care providers nationwide; on nurse hiring differences as among private entities that are non-profit versus those that are not non-profit; and on the impact that the nursing scholarships established by Title I of the bill may have on nursing school applications. All of these provisions should enhance the nursing profession generally, thereby benefiting VA's nursing recruitment and retention programs.

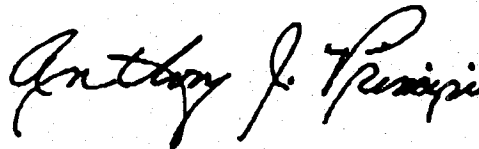
The bill's provisions are generally consistent with recommendations made by the Veterans Health Administration's Future Nursing Workforce Planning Group in *A Call to Action: VA's Response to the National Nursing Shortage*, a November 2001 report on nursing recruitment and retention issues. While focusing primarily on recruitment and retention of nurses within VA, that report called generally for increased outreach efforts to "present the profession of nursing . . . as a viable career option for youth, individuals making initial career decisions and adults considering second careers." H.R. 3487's public service announcement program, National Nurse Service Corps loan repayment and scholarship programs, nursing faculty inducements, and nursing career enhancement incentives should all operate to promote awareness of and interest in the nursing profession as a desirable career option, thereby facilitating nurse recruitment and retention for all health care providers, including VA. In addition, allowing service at VA facilities to qualify individuals for the incentives offered by the National Nurse Service Corps will directly enhance VA's nurse recruitment efforts.

3.

The Honorable Mitchell E. Daniels, Jr.

Based on the foregoing, we are pleased to recommend H.R. 3487 for the President's approval.

Sincerely yours,

A handwritten signature in cursive script, reading "Anthony J. Principi". The signature is written in dark ink and is positioned above the printed name.

Anthony J. Principi

 *** TX REPORT ***

TRANSMISSION OK

TX/RX NO	0358	
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CONNECTION ID		
ST. TIME	07/31 21:40	
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PGS. SENT	12	
RESULT	OK	

SS/ RM NO. 518650

WHITE HOUSE STAFFING MEMORANDUM

Date: 07-31-02 9:00 PM ACTION / CONCURRENCE / COMMENT DUE BY: 08-01-02 10:00 AM

Subject: ENROLLED BILL H.R. 3487 -- NURSE REINVESTMENT ACT

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	☒	☐	HUBBARD →	☒	☐
CARD	☒	☐	IRASTORZA	☐	☐
BARTLETT	☒	☐	JOHNSON	☐	☐
BLAKEMAN	☐	☐	LINDSEY	☒	☐
BOLTEN	☒	☐	MARBURGER	☐	☐
BRIDGELAND	☐	☐	MIERS	☐	☐
CALIO	☒	☐	RICE	☐	☐
CONNAUGHTON	☐	☐	RIDGE	☐	☐
DANIELS	☐	☒	ROVE	☒	☐
FLEISCHER	☒	☐	SPELLINGS	☒	☐
GERSON	☐	☐	CLERK	☐	☐
GONZALES	☒	☐	_____	☐	☐
HAGIN	☐	☐	_____	☐	☐
HAWKINS	☒	☐	_____	☐	☐

REMARKS:

PLEASE FORWARD COMMENTS TO JIM JUKES, X53458, OR FAX 56148, BY 10:00 A.M.,
 TOMORROW. THURSDAY. AUGUST 1, 2002. WITH A COPY TO THE STAFF SECRETARY.

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RESPONSE:

Handwritten: OK AWC 8/1 630 PM

Harriet E. Miers
Assistant to the President
and Staff Secretary
Ext. 62702



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

July 31, 2002

THE DIRECTOR

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Enrolled Bill H.R. 3487 - Nurse Reinvestment Act
Sponsors - Rep. Bilirakis (R) FL and 35 cosponsors

Last Day for Action

August 10, 2002 - Saturday

Purpose

Establishes, amends, and authorizes appropriations for various nurse training, recruitment, and retention programs within the Department of Health and Human Services (HHS).

Agency Recommendations

Office of Management and Budget	Approval
Department of Health and Human Services	Approval
Department of Veterans Affairs (VA)	Approval
Department of Education	Defers to HHS (Informally)
Department of Justice	No objection (Informally)
Department of Labor	No objection (Informally)
Department of the Treasury	No objection (Informally)
Department of Defense	No comment (Informally)

Discussion

H.R. 3487, which is the product of more than a year of negotiations among the Administration, Congress, and the nursing industry, is intended to improve the training, recruitment, and retention of nurses in the United States. According to HHS, the enrolled bill "is an important step to address the national nursing shortage."

Appropriations Authorizations. The enrolled bill would authorize appropriations of "such sums as may be necessary" for each of FYs 2003-2007 for a number of new and existing nurse training, recruitment, and retention programs, including nursing scholarships and loan repayment for students who agree to serve in areas deemed to have a nursing shortage; assistance to facilities for the education, practice, and retention of practicing nurses; a geriatric education program; a nurse faculty loan program; and public service announcements urging students to become nurses.

Your FY 2003 Budget contains \$83.5 million for nurse training activities, and the Senate-reported appropriations bill for HHS contains \$88 million. (The House Appropriations Committee has not yet acted on your request.) Your Budget and the Senate appropriations bill only include funding for the existing nurse loan repayment and basic education and practice grants programs; they do not include funding for the new programs authorized by H.R. 3487. We will work with HHS to address priorities for funding.

Nurse Scholarship Program. H.R. 3487 would establish a new scholarship program for nursing school students. Scholarship recipients would have to agree to serve as a nurse for at least two years at "a health care facility with a critical shortage of nurses," which could include either a public or for-profit or nonprofit private facility. The Secretary of HHS would be required to make awards under the new program in FYs 2003-2004, but would have discretion as to whether to continue the program after FY 2004. The Secretary would be permitted to reallocate funds appropriated to the scholarship program and the existing loan repayment program (described below) between the two programs. H.R. 3487 would require the Secretary to prepare and submit to Congress a report on the nurse scholarships and loan repayment programs within 18 months after the bill's enactment.

Loan Repayment Program. H.R. 3487 would reauthorize and amend HHS' existing nurse loan repayment program. The current program would be expanded to permit eligible individuals who received certain educational loans for nurse training costs to fulfill their service obligation at any health care facility with a critical shortage of nurses, including for-profit private health care facilities. The for-profit private health care facility service option would terminate after FY 2007.

Nurse Education, Practice, and Retention Grants. H.R. 3487 would rename the current "basic nurse education and practice grants" as the "nurse education, practice, and retention grants." The enrolled bill would expand the current program to authorize HHS to award grants to or enter into contracts with eligible entities, including schools of nursing and health care facilities to, among other things: (1) develop and implement nurse internship and residency programs to encourage mentoring and the development of specialties; (2) provide career counseling and mentoring to assist individuals in obtaining education and training and for career advancement; and (3) promote nurse involvement in the organizational and clinical decisionmaking of a health care facility. H.R. 3487 states that any funds appropriated in FYs 2003-2005 for nurse education, practice, and retention grants that exceed the FY 2002 level for such grants must be targeted for internship and residency programs and nurse retention activities. The bill also would require an annual report from HHS to Congress on the grants and contracts awarded.

Geriatric Education. H.R. 3487 would establish a new comprehensive geriatric education program for nurses. The enrolled bill would require the Secretary of HHS to award grants to eligible entities to develop and implement programs and initiatives to train and educate individuals in providing geriatric care for the elderly. Eligible entities would include nursing schools, health care facilities, and programs leading to certification as a certified nurse assistant.

The new geriatric education program, which would be coordinated with HHS' health professions training programs, would support the development of curricula relating to the health care of the elderly, faculty training, continuing education, and training of health professionals who will provide care for the elderly.

Nurse Faculty Loan Program. The enrolled bill would authorize HHS to establish a new nurse faculty loan program. Under the program, the Secretary, through the Administrator of the Health Resources and Services Administration, would enter into agreements with nursing schools to establish and operate a student loan fund designed to increase the number of qualified nursing faculty. Schools of nursing would be required to contribute to the loan fund an amount equal to at least one-ninth of the Federal contribution. Loans from the fund would be for students pursuing masters or doctoral level degrees and could not exceed \$30,000 plus inflation per student per academic year. Loans could be used to pay for tuition, fees, books, lab expenses, and other reasonable education expenses. Up to 85 percent of a loan's principal and interest would be cancelled in return for four years of full-time employment as a faculty member in a school of nursing. Loans would accrue three percent interest unless the student fails to complete the course of study or does not serve as a faculty member, in which case, the prevailing market interest rate would accrue on the unpaid balance. The Secretary would be required to pay the nursing school its proportionate share of the loan or interest that is forgiven under the program.

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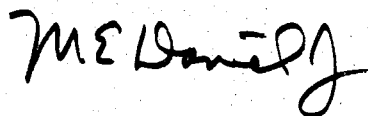
Reports. H.R. 3487 would require the General Accounting Office to report to Congress within four years after the bill's enactment on: (1) national variations in the nursing shortage at hospitals, nursing homes, and other health care providers; (2) any differences in nurse hiring practices between for-profit and nonprofit private entities; and (3) the effectiveness of the bill's new nurse scholarship program.

Conclusion and Recommendations

HHS recommends approval of H.R. 3487 because it "reflects key elements of what we believe is needed to supplement the existing core of nursing programs In supporting America's nurses, this legislation supports the Administration's priority of ensuring the quality of health care in this country."

VA also recommends approval of the enrolled bill because it "should enhance the nursing profession generally, thereby benefitting VA's nursing recruitment and retention programs."

We join HHS and VA in recommending approval of H.R. 3487, which passed the House by voice vote and the Senate by unanimous consent.

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Mitchell E. Daniels, Jr.
Director

Enclosures



THE SECRETARY OF HEALTH AND HUMAN SERVICES
WASHINGTON, D.C. 20201

July 31, 2002

The Honorable Mitchell E. Daniels, Jr.
Director, Office of Management
and Budget
Washington, D.C. 20503

Dear Mr. Daniels:

This responds to your request for the views of the Department of Health and Human Services on H.R. 3487, an enrolled bill entitled the "Nurse Reinvestment Act". A summary of the bill is enclosed.

We recommend that the President approve the enrolled bill. This legislation, in authorizing new scholarship and recruitment programs, is an important step in our efforts to address the national nursing shortage. H.R. 3487 alone will not reverse this shortage, the result of various social and economic forces. However, the bill provides us with an outline of action to move forward on this critical health care issue, including incentives for people to become involved in nursing, resources for expanded nursing training, and assistance to nurses in advancing their careers.

The bill reflects key elements of what we believe is needed to supplement the existing core of nursing programs in the Public Health Service Act: a new service-obligated scholarship program for individuals to attend nursing school; a loan program to encourage individuals to seek advanced nursing training and become nursing faculty; grants for nursing internships to ease the transition to the workplace; and career ladder grants for the advancement of individuals in nursing, improved retention, and improved nursing-related patient care.

Nurse Recruitment and Training

H.R. 3487 provides programs and authorities intended to address the declining enrollment in entry-level nursing programs. Under the new scholarship program, nursing students will receive financial assistance for educational costs in return for at least two years of service at any health care facility with a critical shortage of nurses. The bill changes the criteria for health care facilities at which an individual may fulfill an educational loan repayment service obligation. As revised, the loan repayment provision requires service obligations to be fulfilled at health care facilities with a critical nursing shortage, including public and non-profit private entities, and, for FYs 2003 through 2007, for-profit private entities. The bill also provides for a federal program of public service announcements promoting the nursing profession, as well as grants to support State and local campaigns promoting nursing.

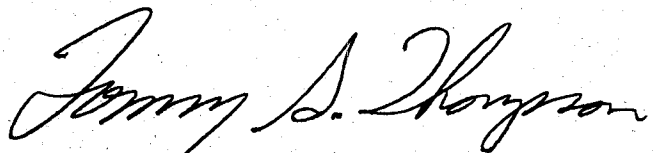
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The "Nurse Reinvestment Act" proposes to help ease the critical shortage of nurses through new programs and strengthening of current activities. In supporting America's nurses, this legislation supports the Administration's priority of ensuring the quality of health care in this country.

We therefore recommend that the President approve the enrolled bill.

Sincerely,

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Tommy G. Thompson

Enclosure

Enrolled bill—H.R. 3487, the "Nurse Reinvestment Act"

Section-by-Section Summary

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Section 102 adds to the PHS Act sections 851 and 852, authorizing the Secretary to issue public service announcements promoting the nursing profession, and to award grants to support State and local advertising campaigns promoting the nursing profession.

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Section 103 amends section 846 of the PHS Act: (1) to authorize a program of educational scholarships for nursing students in exchange for at least two years' service, upon graduation, at a health care facility with a critical shortage of nurses; (2) to require that loan repayment and scholarship programs give preference to applicants with the greatest financial need; and (3) to change the criteria for health care facilities at which an individual may fulfill an educational loan repayment service obligation. As revised, the provision requires service obligations to be fulfilled at health care facilities with a critical nursing shortage, including public and non-profit private entities, and, for FYs 2003 through 2007, for-profit private entities.

Various provisions of the PHS Act governing the National Health Service Corps Scholarship Program apply to the new nursing scholarship program.

TITLE II—NURSE RETENTION

SEC. 201. BUILDING CAREER LADDERS AND RETAINING QUALITY NURSES.

Section 201 amends section 831 of the PHS Act (which authorizes basic nurse education and practice grants) (1) to add, as a new priority area, nursing internship and residency programs to encourage mentoring and development of specialties; and (2) to authorize grants or contracts to promote the advancement of individuals in nursing and assist prospective nurses, and to improve the retention of nurses and enhance patient care.

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Section 202 amends section 855 of the PHS Act to provide for a new program on geriatric care education, including grants for nurse training, curricula development, faculty training, and continuing education.

SEC. 203. NURSE FACULTY LOAN PROGRAM.

Section 203 adds to the PHS Act a new section 846A, authorizing a new faculty loan program to increase the number of qualified faculty at nursing schools. Loans, of up to \$30,000 per year to an individual, would be cancelled (up to 85%) over a four-year period of employment as a faculty member of a nursing school.

The bill's amendments authorize appropriations of such sums for each of FYs 2003 through 2007.



THE SECRETARY OF VETERANS AFFAIRS

WASHINGTON

July 30, 2002

The Honorable Mitchell E. Daniels, Jr.
Director, Office of Management
and Budget
Attention: Assistant Director
for Legislative Reference
Washington, D.C. 20503

Dear Mr. Daniels:

I am pleased to respond to the request of the Assistant Director for Legislative Reference for the views of the Department of Veterans Affairs (VA) on the enrolled enactment of H.R. 3487, the "Nurse Reinvestment Act." VA believes this bill merits the President's approval.

The bill amends the Public Health Service Act ("PHSA"), 42 U.S.C. § 296 et seq., to broaden the powers of the Secretary of Health, and Human Services (the "Secretary") to promote nurse recruitment and retention. Title I of the bill includes several provisions designed to promote nurse recruitment by enhancing public awareness of and interest in nursing. Sections 101 through 103 authorize the Secretary to develop and issue public service announcements that advertise and promote the nursing profession, and to award grants to eligible entities to broadcast such announcements on state and local levels. Section 103 enhances PHSA's National Nurse Service Corps (the "Corps") program by expanding nurses' access to the Corps' existing loan repayment program; broadening the categories of nursing service that qualify as Corps service; and offering nursing school scholarships to nurses who agree to serve at least two years in the Corps.

We believe that VA medical facilities will benefit greatly from the more expansive reach of the National Nurse Service Corps provided by the bill's Section 103. The amendments to 42 U.S.C. § 297n set forth in subsections 103(a)(1) and 103(b)(4) of the bill authorize loan repayments and scholarships for individuals who agree to perform nursing service "at a health care facility with a critical shortage of nurses." This is a far broader definition of Corps-qualifying service than is contained in the current version of the Public Health Service Act, and one that creates a valuable new recruitment opportunity for VA medical facilities. VA is experiencing a critical nursing shortage at many of its facilities nationwide, a shortage that has been the subject of both public and Congressional attention. Allowing nursing students who agree to serve two-year terms at VA facilities to receive the loan repayment and scholarship incentives

2.

The Honorable Mitchell E. Daniels, Jr.

Nurse Service Corps will provide a significant addition to VA's ongoing nurse outreach and recruitment efforts.

Title II of the bill includes provisions aimed at nurse retention. Section 201 authorizes the Secretary to award grants to or enter into contracts with eligible entities to (a) enhance specialized nursing education; (b) encourage nursing practice in identified priority areas; and (c) promote career advancement and nurse involvement in organizational and clinical decision-making processes. Section 202 directs the Secretary to award grants to eligible entities to train and educate nurses and others in providing geriatric care to elderly patients. Section 203 authorizes the Secretary to enter into agreements with nursing schools to establish and operate student loan funds so as to increase the number of qualified nursing faculty. Section 204 directs the Comptroller General to conduct surveys and issue reports on the nursing shortage at hospitals, nursing homes, and other health care providers nationwide; on nurse hiring differences as among private entities that are non-profit versus those that are not non-profit; and on the impact that the nursing scholarships established by Title I of the bill may have on nursing school applications. All of these provisions should enhance the nursing profession generally, thereby benefiting VA's nursing recruitment and retention programs.

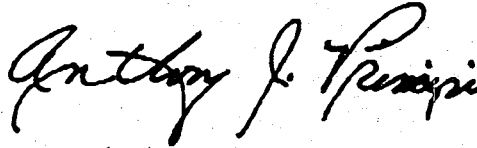
The bill's provisions are generally consistent with recommendations made by the Veterans Health Administration's Future Nursing Workforce Planning Group in *A Call to Action: VA's Response to the National Nursing Shortage*, a November 2001 report on nursing recruitment and retention issues. While focusing primarily on recruitment and retention of nurses within VA, that report called generally for increased outreach efforts to "present the profession of nursing . . . as a viable career option for youth, individuals making initial career decisions and adults considering second careers." H.R. 3487's public service announcement program, National Nurse Service Corps loan repayment and scholarship programs, nursing faculty inducements, and nursing career enhancement incentives should all operate to promote awareness of and interest in the nursing profession as a desirable career option, thereby facilitating nurse recruitment and retention for all health care providers, including VA. In addition, allowing service at VA facilities to qualify individuals for the incentives offered by the National Nurse Service Corps will directly enhance VA's nurse recruitment efforts.

3.

The Honorable Mitchell E. Daniels, Jr.

Based on the foregoing, we are pleased to recommend H.R. 3487 for the President's approval.

Sincerely yours,

A handwritten signature in cursive script, reading "Anthony J. Principi". The signature is written in dark ink and is positioned above the printed name.

Anthony J. Principi

H.R.3487

An Act to amend the ~~OMB~~ Health Service Act with respect
to health professions programs in the field of nursing.

~~BILL MEMO~~
IS HERE

518 650

Bills Received at the White House

Date received and
notification to OMB: 7/30/2002

Last day for action: 8/10/2002

Official Title

Health Service Act

Prepared: July 30, 2002

'Bill Sheets'

\\SAWHO08\REPORTS\BIL1.rpt

Page 1 of 1

WHITE HOUSE STAFFING MEMORANDUM

Date: 07-31-02 9:00 PM ACTION / CONCURRENCE / COMMENT DUE BY: 08-01-02 10:00 AMSubject: ENROLLED BILL H.R. 3487 -- NURSE REINVESTMENT ACT

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	☒	☐	HUBBARD	☒	☐
CARD	☒	☐	IRASTORZA	☐	☐
BARTLETT	☒	☐	JOHNSON	☐	☐
BLAKEMAN	☐	☐	LINDSEY	☒	☐
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BRIDGELAND	☐	☐	MIERS	☐	☐
CALIO	☒	☐	RICE	☐	☐
CONNAUGHTON	☐	☐	RIDGE	☐	☐
DANIELS	☐	☒	ROVE	☒	☐
FLEISCHER	☒	☐	SPELLINGS	☒	☐
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HAGIN	☐	☐	_____	☐	☐
HAWKINS	☒	☐	_____	☐	☐

REMARKS:

PLEASE FORWARD COMMENTS TO JIM JUKES, X53458, OR FAX 56148, BY 10:00 A.M., TOMORROW, THURSDAY, AUGUST 1, 2002, WITH A COPY TO THE STAFF SECRETARY'S OFFICE. THANK YOU.

RESPONSE:

Harriet E. Miers
 Assistant to the President
 and Staff Secretary
 Ext. 62702

WHITE HOUSE STAFFING MEMORANDUM

Date: 07-31-02 9:00 PM ACTION / CONCURRENCE / COMMENT DUE BY: 08-01-02 10:00 AM

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HAGIN	☐	☐	_____	☐	☐
HAWKINS	☒	☐	_____	☐	☐

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RESPONSE:

Harriet E. Miers
 Assistant to the President
 and Staff Secretary
 Ext. 62702



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

July 31, 2002

THE DIRECTOR

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Enrolled Bill H.R. 3487 - Nurse Reinvestment Act
Sponsors - Rep. Bilirakis (R) FL and 35 cosponsors

Last Day for Action

August 10, 2002 - Saturday

Purpose

Establishes, amends, and authorizes appropriations for various nurse training, recruitment, and retention programs within the Department of Health and Human Services (HHS).

Agency Recommendations

Office of Management and Budget	Approval
Department of Health and Human Services	Approval
Department of Veterans Affairs (VA)	Approval
Department of Education	Defers to HHS (Informally)
Department of Justice	No objection (Informally)
Department of Labor	No objection (Informally)
Department of the Treasury	No objection (Informally)
Department of Defense	No comment (Informally)

Discussion

H.R. 3487, which is the product of more than a year of negotiations among the Administration, Congress, and the nursing industry, is intended to improve the training, recruitment, and retention of nurses in the United States. According to HHS, the enrolled bill "is an important step to address the national nursing shortage."

Appropriations Authorizations. The enrolled bill would authorize appropriations of "such sums as may be necessary" for each of FYs 2003-2007 for a number of new and existing nurse training, recruitment, and retention programs, including nursing scholarships and loan repayment for students who agree to serve in areas deemed to have a nursing shortage; assistance to facilities for the education, practice, and retention of practicing nurses; a geriatric education program; a nurse faculty loan program; and public service announcements urging students to become nurses.

Your FY 2003 Budget contains \$83.5 million for nurse training activities, and the Senate-reported appropriations bill for HHS contains \$88 million. (The House Appropriations Committee has not yet acted on your request.) Your Budget and the Senate appropriations bill only include funding for the existing nurse loan repayment and basic education and practice grants programs; they do not include funding for the new programs authorized by H.R. 3487. We will work with HHS to address priorities for funding.

Nurse Scholarship Program. H.R. 3487 would establish a new scholarship program for nursing school students. Scholarship recipients would have to agree to serve as a nurse for at least two years at "a health care facility with a critical shortage of nurses," which could include either a public or for-profit or nonprofit private facility. The Secretary of HHS would be required to make awards under the new program in FYs 2003-2004, but would have discretion as to whether to continue the program after FY 2004. The Secretary would be permitted to reallocate funds appropriated to the scholarship program and the existing loan repayment program (described below) between the two programs. H.R. 3487 would require the Secretary to prepare and submit to Congress a report on the nurse scholarships and loan repayment programs within 18 months after the bill's enactment.

Loan Repayment Program. H.R. 3487 would reauthorize and amend HHS' existing nurse loan repayment program. The current program would be expanded to permit eligible individuals who received certain educational loans for nurse training costs to fulfill their service obligation at any health care facility with a critical shortage of nurses, including for-profit private health care facilities. The for-profit private health care facility service option would terminate after FY 2007.

Nurse Education, Practice, and Retention Grants. H.R. 3487 would rename the current "basic nurse education and practice grants" as the "nurse education, practice, and retention grants." The enrolled bill would expand the current program to authorize HHS to award grants to or enter into contracts with eligible entities, including schools of nursing and health care facilities to, among other things: (1) develop and implement nurse internship and residency programs to encourage mentoring and the development of specialties; (2) provide career counseling and mentoring to assist individuals in obtaining education and training and for career advancement; and (3) promote nurse involvement in the organizational and clinical decisionmaking of a health care facility. H.R. 3487 states that any funds appropriated in FYs 2003-2005 for nurse education, practice, and retention grants that exceed the FY 2002 level for such grants must be targeted for internship and residency programs and nurse retention activities. The bill also would require an annual report from HHS to Congress on the grants and contracts awarded.

Geriatric Education. H.R. 3487 would establish a new comprehensive geriatric education program for nurses. The enrolled bill would require the Secretary of HHS to award grants to eligible entities to develop and implement programs and initiatives to train and educate individuals in providing geriatric care for the elderly. Eligible entities would include nursing schools, health care facilities, and programs leading to certification as a certified nurse assistant.

The new geriatric education program, which would be coordinated with HHS' health professions training programs, would support the development of curricula relating to the health care of the elderly, faculty training, continuing education, and training of health professionals who will provide care for the elderly.

Nurse Faculty Loan Program. The enrolled bill would authorize HHS to establish a new nurse faculty loan program. Under the program, the Secretary, through the Administrator of the Health Resources and Services Administration, would enter into agreements with nursing schools to establish and operate a student loan fund designed to increase the number of qualified nursing faculty. Schools of nursing would be required to contribute to the loan fund an amount equal to at least one-ninth of the Federal contribution. Loans from the fund would be for students pursuing masters or doctoral level degrees and could not exceed \$30,000 plus inflation per student per academic year. Loans could be used to pay for tuition, fees, books, lab expenses, and other reasonable education expenses. Up to 85 percent of a loan's principal and interest would be cancelled in return for four years of full-time employment as a faculty member in a school of nursing. Loans would accrue three percent interest unless the student fails to complete the course of study or does not serve as a faculty member, in which case, the prevailing market interest rate would accrue on the unpaid balance. The Secretary would be required to pay the nursing school its proportionate share of the loan or interest that is forgiven under the program.

Public Service Announcements. The enrolled bill would require HHS to develop and issue national public service announcements to advertise and promote the nursing profession. H.R. 3487 also would authorize the Secretary of HHS to award grants to support State and local advertising campaigns to promote nursing, highlight the advantages and rewards of nursing, and encourage individuals from disadvantaged backgrounds to enter the nursing profession.

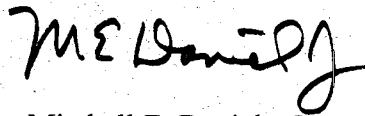
Reports. H.R. 3487 would require the General Accounting Office to report to Congress within four years after the bill's enactment on: (1) national variations in the nursing shortage at hospitals, nursing homes, and other health care providers; (2) any differences in nurse hiring practices between for-profit and nonprofit private entities; and (3) the effectiveness of the bill's new nurse scholarship program.

Conclusion and Recommendations

HHS recommends approval of H.R. 3487 because it "reflects key elements of what we believe is needed to supplement the existing core of nursing programs In supporting America's nurses, this legislation supports the Administration's priority of ensuring the quality of health care in this country."

VA also recommends approval of the enrolled bill because it "should enhance the nursing profession generally, thereby benefitting VA's nursing recruitment and retention programs."

We join HHS and VA in recommending approval of H.R. 3487, which passed the House by voice vote and the Senate by unanimous consent.

A handwritten signature in black ink, appearing to read "ME Daniels, Jr.", with a stylized flourish at the end.

Mitchell E. Daniels, Jr.
Director

Enclosures



THE SECRETARY OF HEALTH AND HUMAN SERVICES
WASHINGTON, D.C. 20201

July 31, 2002

The Honorable Mitchell E. Daniels, Jr.
Director, Office of Management
and Budget
Washington, D.C. 20503

Dear Mr. Daniels:

This responds to your request for the views of the Department of Health and Human Services on H.R. 3487, an enrolled bill entitled the "Nurse Reinvestment Act". A summary of the bill is enclosed.

We recommend that the President approve the enrolled bill. This legislation, in authorizing new scholarship and recruitment programs, is an important step in our efforts to address the national nursing shortage. H.R. 3487 alone will not reverse this shortage, the result of various social and economic forces. However, the bill provides us with an outline of action to move forward on this critical health care issue, including incentives for people to become involved in nursing, resources for expanded nursing training, and assistance to nurses in advancing their careers.

The bill reflects key elements of what we believe is needed to supplement the existing core of nursing programs in the Public Health Service Act: a new service-obligated scholarship program for individuals to attend nursing school; a loan program to encourage individuals to seek advanced nursing training and become nursing faculty; grants for nursing internships to ease the transition to the workplace; and career ladder grants for the advancement of individuals in nursing, improved retention, and improved nursing-related patient care.

Nurse Recruitment and Training

H.R. 3487 provides programs and authorities intended to address the declining enrollment in entry-level nursing programs. Under the new scholarship program, nursing students will receive financial assistance for educational costs in return for at least two years of service at any health care facility with a critical shortage of nurses. The bill changes the criteria for health care facilities at which an individual may fulfill an educational loan repayment service obligation. As revised, the loan repayment provision requires service obligations to be fulfilled at health care facilities with a critical nursing shortage, including public and non-profit private entities, and, for FYs 2003 through 2007, for-profit private entities. The bill also provides for a federal program of public service announcements promoting the nursing profession, as well as grants to support State and local campaigns promoting nursing.

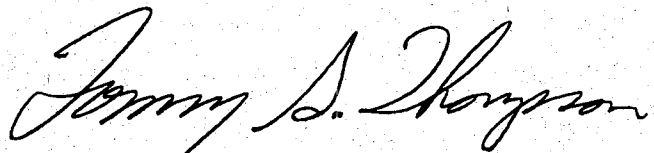
Nurse Retention

Three programs in H.R. 3487 focus on efforts to encourage nurses to continue in the profession, another significant element in addressing the nursing shortage. The enrolled bill authorizes grants for nursing internship and residency programs to ease the transition from the classroom to the workplace. It also provides for a broad-based geriatric education program for nurses, enhancing training to address the rapidly growing need for elderly care. Finally, the bill authorizes a loan program through which nursing schools award educational loans to individuals seeking advanced training to become nursing faculty.

The "Nurse Reinvestment Act" proposes to help ease the critical shortage of nurses through new programs and strengthening of current activities. In supporting America's nurses, this legislation supports the Administration's priority of ensuring the quality of health care in this country.

We therefore recommend that the President approve the enrolled bill.

Sincerely,

A handwritten signature in cursive script, reading "Tommy G. Thompson". The signature is written in dark ink and is positioned above the printed name.

Tommy G. Thompson

Enclosure

Enrolled bill—H.R. 3487, the "Nurse Reinvestment Act"

Section-by-Section Summary

TITLE I—NURSE RECRUITMENT

SEC. 101. DEFINITIONS.

Section 101 amends section 801 of the Public Health Service (PHS) Act to provide definitions of various terms.

SEC. 102. PUBLIC SERVICE ANNOUNCEMENTS REGARDING THE NURSING PROFESSION.

Section 102 adds to the PHS Act sections 851 and 852, authorizing the Secretary to issue public service announcements promoting the nursing profession, and to award grants to support State and local advertising campaigns promoting the nursing profession.

SEC. 103. NATIONAL NURSE SERVICE CORPS.

Section 103 amends section 846 of the PHS Act: (1) to authorize a program of educational scholarships for nursing students in exchange for at least two years' service, upon graduation, at a health care facility with a critical shortage of nurses; (2) to require that loan repayment and scholarship programs give preference to applicants with the greatest financial need; and (3) to change the criteria for health care facilities at which an individual may fulfill an educational loan repayment service obligation. As revised, the provision requires service obligations to be fulfilled at health care facilities with a critical nursing shortage, including public and non-profit private entities, and, for FYs 2003 through 2007, for-profit private entities.

Various provisions of the PHS Act governing the National Health Service Corps Scholarship Program apply to the new nursing scholarship program.

TITLE II—NURSE RETENTION

SEC. 201. BUILDING CAREER LADDERS AND RETAINING QUALITY NURSES.

Section 201 amends section 831 of the PHS Act (which authorizes basic nurse education and practice grants) (1) to add, as a new priority area, nursing internship and residency programs to encourage mentoring and development of specialties; and (2) to authorize grants or contracts to promote the advancement of individuals in nursing and assist prospective nurses, and to improve the retention of nurses and enhance patient care.

SEC. 202. COMPREHENSIVE GERIATRIC EDUCATION.

Section 202 amends section 855 of the PHS Act to provide for a new program on geriatric care education, including grants for nurse training, curricula development, faculty training, and continuing education.

SEC. 203. NURSE FACULTY LOAN PROGRAM.

Section 203 adds to the PHS Act a new section 846A, authorizing a new faculty loan program to increase the number of qualified faculty at nursing schools. Loans, of up to \$30,000 per year to an individual, would be cancelled (up to 85%) over a four-year period of employment as a faculty member of a nursing school.

The bill's amendments authorize appropriations of such sums for each of FYs 2003 through 2007.



THE SECRETARY OF VETERANS AFFAIRS

WASHINGTON

July 30, 2002

The Honorable Mitchell E. Daniels, Jr.
Director, Office of Management
and Budget
Attention: Assistant Director
for Legislative Reference
Washington, D.C. 20503

Dear Mr. Daniels:

I am pleased to respond to the request of the Assistant Director for Legislative Reference for the views of the Department of Veterans Affairs (VA) on the enrolled enactment of H.R. 3487, the "Nurse Reinvestment Act." VA believes this bill merits the President's approval.

The bill amends the Public Health Service Act ("PHSA"), 42 U.S.C. § 296 et seq., to broaden the powers of the Secretary of Health, and Human Services (the "Secretary") to promote nurse recruitment and retention. Title I of the bill includes several provisions designed to promote nurse recruitment by enhancing public awareness of and interest in nursing. Sections 101 through 103 authorize the Secretary to develop and issue public service announcements that advertise and promote the nursing profession, and to award grants to eligible entities to broadcast such announcements on state and local levels. Section 103 enhances PHSA's National Nurse Service Corps (the "Corps") program by expanding nurses' access to the Corps' existing loan repayment program; broadening the categories of nursing service that qualify as Corps service; and offering nursing school scholarships to nurses who agree to serve at least two years in the Corps.

We believe that VA medical facilities will benefit greatly from the more expansive reach of the National Nurse Service Corps provided by the bill's Section 103. The amendments to 42 U.S.C. § 297n set forth in subsections 103(a)(1) and 103(b)(4) of the bill authorize loan repayments and scholarships for individuals who agree to perform nursing service "at a health care facility with a critical shortage of nurses." This is a far broader definition of Corps-qualifying service than is contained in the current version of the Public Health Service Act, and one that creates a valuable new recruitment opportunity for VA medical facilities. VA is experiencing a critical nursing shortage at many of its facilities nationwide, a shortage that has been the subject of both public and Congressional attention. Allowing nursing students who agree to serve two-year terms at VA facilities to receive the loan repayment and scholarship incentives

2.

The Honorable Mitchell E. Daniels, Jr.

Nurse Service Corps will provide a significant addition to VA's ongoing nurse outreach and recruitment efforts.

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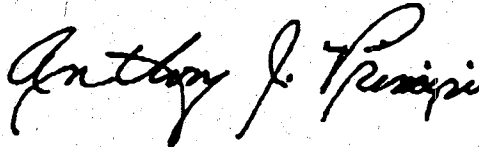
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3.

The Honorable Mitchell E. Daniels, Jr.

Based on the foregoing, we are pleased to recommend H.R. 3487 for the President's approval.

Sincerely yours,

A handwritten signature in cursive script, reading "Anthony J. Principi". The signature is written in dark ink and is positioned above the printed name.

Anthony J. Principi

WHITE HOUSE STAFFING MEMORANDUM

JENNIFER

Date: 07-31-02 9:00 PM ACTION / CONCURRENCE / COMMENT DUE BY: 08-01-02 10:00 AM

Subject: ENROLLED BILL H.R. 3487 -- NURSE REINVESTMENT ACT

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VICE PRESIDENT	☒	☐	HUBBARD	☒	☐
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HAGIN	☐	☐		☐	☐
HAWKINS	☒	☐		☐	☐

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RESPONSE:

No comments

Harriet E. Miers
Assistant to the President
and Staff Secretary
Ext. 62702

WHITE HOUSE STAFFING MEMORANDUM

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OK - No Comment

RESPONSE:

Harriet E. Miers
Assistant to the President
and Staff Secretary
Ext. 62702



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

July 31, 2002

THE DIRECTOR

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Enrolled Bill H.R. 3487 - Nurse Reinvestment Act
Sponsors - Rep. Bilirakis (R) FL and 35 cosponsors

Last Day for Action

August 10, 2002 - Saturday

Purpose

Establishes, amends, and authorizes appropriations for various nurse training, recruitment, and retention programs within the Department of Health and Human Services (HHS).

Agency Recommendations

Office of Management and Budget	Approval
Department of Health and Human Services	Approval
Department of Veterans Affairs (VA)	Approval
Department of Education	Defers to HHS (Informally)
Department of Justice	No objection (Informally)
Department of Labor	No objection (Informally)
Department of the Treasury	No objection (Informally)
Department of Defense	No comment (Informally)

Discussion

H.R. 3487, which is the product of more than a year of negotiations among the Administration, Congress, and the nursing industry, is intended to improve the training, recruitment, and retention of nurses in the United States. According to HHS, the enrolled bill "is an important step to address the national nursing shortage."

Appropriations Authorizations. The enrolled bill would authorize appropriations of "such sums as may be necessary" for each of FYs 2003-2007 for a number of new and existing nurse training, recruitment, and retention programs, including nursing scholarships and loan repayment for students who agree to serve in areas deemed to have a nursing shortage; assistance to facilities for the education, practice, and retention of practicing nurses; a geriatric education program; a nurse faculty loan program; and public service announcements urging students to become nurses.

The new geriatric education program, which would be coordinated with HHS' health professions training programs, would support the development of curricula relating to the health care of the elderly, faculty training, continuing education, and training of health professionals who will provide care for the elderly.

Nurse Faculty Loan Program. The enrolled bill would authorize HHS to establish a new nurse faculty loan program. Under the program, the Secretary, through the Administrator of the Health Resources and Services Administration, would enter into agreements with nursing schools to establish and operate a student loan fund designed to increase the number of qualified nursing faculty. Schools of nursing would be required to contribute to the loan fund an amount equal to at least one-ninth of the Federal contribution. Loans from the fund would be for students pursuing masters or doctoral level degrees and could not exceed \$30,000 plus inflation per student per academic year. Loans could be used to pay for tuition, fees, books, lab expenses, and other reasonable education expenses. Up to 85 percent of a loan's principal and interest would be cancelled in return for four years of full-time employment as a faculty member in a school of nursing. Loans would accrue three percent interest unless the student fails to complete the course of study or does not serve as a faculty member, in which case, the prevailing market interest rate would accrue on the unpaid balance. The Secretary would be required to pay the nursing school its proportionate share of the loan or interest that is forgiven under the program.

Public Service Announcements. The enrolled bill would require HHS to develop and issue national public service announcements to advertise and promote the nursing profession. H.R. 3487 also would authorize the Secretary of HHS to award grants to support State and local advertising campaigns to promote nursing, highlight the advantages and rewards of nursing, and encourage individuals from disadvantaged backgrounds to enter the nursing profession.

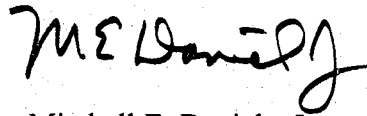
Reports. H.R. 3487 would require the General Accounting Office to report to Congress within four years after the bill's enactment on: (1) national variations in the nursing shortage at hospitals, nursing homes, and other health care providers; (2) any differences in nurse hiring practices between for-profit and nonprofit private entities; and (3) the effectiveness of the bill's new nurse scholarship program.

Conclusion and Recommendations

HHS recommends approval of H.R. 3487 because it "reflects key elements of what we believe is needed to supplement the existing core of nursing programs In supporting America's nurses, this legislation supports the Administration's priority of ensuring the quality of health care in this country."

VA also recommends approval of the enrolled bill because it "should enhance the nursing profession generally, thereby benefitting VA's nursing recruitment and retention programs."

We join HHS and VA in recommending approval of H.R. 3487, which passed the House by voice vote and the Senate by unanimous consent.

A handwritten signature in black ink, appearing to read "M. E. Daniels, Jr.", with a stylized flourish at the end.

Mitchell E. Daniels, Jr.
Director

Enclosures



THE SECRETARY OF HEALTH AND HUMAN SERVICES
WASHINGTON, D.C. 20201

July 31, 2002

The Honorable Mitchell E. Daniels, Jr.
Director, Office of Management
and Budget
Washington, D.C. 20503

Dear Mr. Daniels:

This responds to your request for the views of the Department of Health and Human Services on H.R. 3487, an enrolled bill entitled the "Nurse Reinvestment Act". A summary of the bill is enclosed.

We recommend that the President approve the enrolled bill. This legislation, in authorizing new scholarship and recruitment programs, is an important step in our efforts to address the national nursing shortage. H.R. 3487 alone will not reverse this shortage, the result of various social and economic forces. However, the bill provides us with an outline of action to move forward on this critical health care issue, including incentives for people to become involved in nursing, resources for expanded nursing training, and assistance to nurses in advancing their careers.

The bill reflects key elements of what we believe is needed to supplement the existing core of nursing programs in the Public Health Service Act: a new service-obligated scholarship program for individuals to attend nursing school; a loan program to encourage individuals to seek advanced nursing training and become nursing faculty; grants for nursing internships to ease the transition to the workplace; and career ladder grants for the advancement of individuals in nursing, improved retention, and improved nursing-related patient care.

Nurse Recruitment and Training

H.R. 3487 provides programs and authorities intended to address the declining enrollment in entry-level nursing programs. Under the new scholarship program, nursing students will receive financial assistance for educational costs in return for at least two years of service at any health care facility with a critical shortage of nurses. The bill changes the criteria for health care facilities at which an individual may fulfill an educational loan repayment service obligation. As revised, the loan repayment provision requires service obligations to be fulfilled at health care facilities with a critical nursing shortage, including public and non-profit private entities, and, for FYs 2003 through 2007, for-profit private entities. The bill also provides for a federal program of public service announcements promoting the nursing profession, as well as grants to support State and local campaigns promoting nursing.

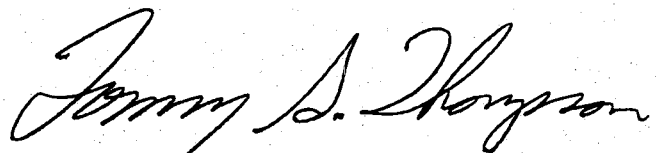
Nurse Retention

Three programs in H.R. 3487 focus on efforts to encourage nurses to continue in the profession, another significant element in addressing the nursing shortage. The enrolled bill authorizes grants for nursing internship and residency programs to ease the transition from the classroom to the workplace. It also provides for a broad-based geriatric education program for nurses, enhancing training to address the rapidly growing need for elderly care. Finally, the bill authorizes a loan program through which nursing schools award educational loans to individuals seeking advanced training to become nursing faculty.

The "Nurse Reinvestment Act" proposes to help ease the critical shortage of nurses through new programs and strengthening of current activities. In supporting America's nurses, this legislation supports the Administration's priority of ensuring the quality of health care in this country.

We therefore recommend that the President approve the enrolled bill.

Sincerely,

A handwritten signature in cursive script, reading "Tommy G. Thompson".

Tommy G. Thompson

Enclosure

Enrolled bill—H.R. 3487, the "Nurse Reinvestment Act"

Section-by-Section Summary

TITLE I—NURSE RECRUITMENT

SEC. 101. DEFINITIONS.

Section 101 amends section 801 of the Public Health Service (PHS) Act to provide definitions of various terms.

SEC. 102. PUBLIC SERVICE ANNOUNCEMENTS REGARDING THE NURSING PROFESSION.

Section 102 adds to the PHS Act sections 851 and 852, authorizing the Secretary to issue public service announcements promoting the nursing profession, and to award grants to support State and local advertising campaigns promoting the nursing profession.

SEC. 103. NATIONAL NURSE SERVICE CORPS.

Section 103 amends section 846 of the PHS Act: (1) to authorize a program of educational scholarships for nursing students in exchange for at least two years' service, upon graduation, at a health care facility with a critical shortage of nurses; (2) to require that loan repayment and scholarship programs give preference to applicants with the greatest financial need; and (3) to change the criteria for health care facilities at which an individual may fulfill an educational loan repayment service obligation. As revised, the provision requires service obligations to be fulfilled at health care facilities with a critical nursing shortage, including public and non-profit private entities, and, for FYs 2003 through 2007, for-profit private entities.

Various provisions of the PHS Act governing the National Health Service Corps Scholarship Program apply to the new nursing scholarship program.

TITLE II—NURSE RETENTION

SEC. 201. BUILDING CAREER LADDERS AND RETAINING QUALITY NURSES.

Section 201 amends section 831 of the PHS Act (which authorizes basic nurse education and practice grants) (1) to add, as a new priority area, nursing internship and residency programs to encourage mentoring and development of specialties; and (2) to authorize grants or contracts to promote the advancement of individuals in nursing and assist prospective nurses, and to improve the retention of nurses and enhance patient care.

SEC. 202. COMPREHENSIVE GERIATRIC EDUCATION.

Section 202 amends section 855 of the PHS Act to provide for a new program on geriatric care education, including grants for nurse training, curricula development, faculty training, and continuing education.

SEC. 203. NURSE FACULTY LOAN PROGRAM.

Section 203 adds to the PHS Act a new section 846A, authorizing a new faculty loan program to increase the number of qualified faculty at nursing schools. Loans, of up to \$30,000 per year to an individual, would be cancelled (up to 85%) over a four-year period of employment as a faculty member of a nursing school.

The bill's amendments authorize appropriations of such sums for each of FYs 2003 through 2007.

**THE SECRETARY OF VETERANS AFFAIRS****WASHINGTON****July 30, 2002**

The Honorable Mitchell E. Daniels, Jr.
Director, Office of Management
and Budget
Attention: Assistant Director
for Legislative Reference
Washington, D.C. 20503

Dear Mr. Daniels:

I am pleased to respond to the request of the Assistant Director for Legislative Reference for the views of the Department of Veterans Affairs (VA) on the enrolled enactment of H.R. 3487, the "Nurse Reinvestment Act." VA believes this bill merits the President's approval.

The bill amends the Public Health Service Act ("PHSA"), 42 U.S.C. § 296 et seq., to broaden the powers of the Secretary of Health, and Human Services (the "Secretary") to promote nurse recruitment and retention. Title I of the bill includes several provisions designed to promote nurse recruitment by enhancing public awareness of and interest in nursing. Sections 101 through 103 authorize the Secretary to develop and issue public service announcements that advertise and promote the nursing profession, and to award grants to eligible entities to broadcast such announcements on state and local levels. Section 103 enhances PHSA's National Nurse Service Corps (the "Corps") program by expanding nurses' access to the Corps' existing loan repayment program; broadening the categories of nursing service that qualify as Corps service; and offering nursing school scholarships to nurses who agree to serve at least two years in the Corps.

We believe that VA medical facilities will benefit greatly from the more expansive reach of the National Nurse Service Corps provided by the bill's Section 103. The amendments to 42 U.S.C. § 297n set forth in subsections 103(a)(1) and 103(b)(4) of the bill authorize loan repayments and scholarships for individuals who agree to perform nursing service "at a health care facility with a critical shortage of nurses." This is a far broader definition of Corps-qualifying service than is contained in the current version of the Public Health Service Act, and one that creates a valuable new recruitment opportunity for VA medical facilities. VA is experiencing a critical nursing shortage at many of its facilities nationwide, a shortage that has been the subject of both public and Congressional attention. Allowing nursing students who agree to serve two-year terms at VA facilities to receive the loan repayment and scholarship incentives

2.

The Honorable Mitchell E. Daniels, Jr.

Nurse Service Corps will provide a significant addition to VA's ongoing nurse outreach and recruitment efforts.

Title II of the bill includes provisions aimed at nurse retention. Section 201 authorizes the Secretary to award grants to or enter into contracts with eligible entities to (a) enhance specialized nursing education; (b) encourage nursing practice in identified priority areas; and (c) promote career advancement and nurse involvement in organizational and clinical decision-making processes. Section 202 directs the Secretary to award grants to eligible entities to train and educate nurses and others in providing geriatric care to elderly patients. Section 203 authorizes the Secretary to enter into agreements with nursing schools to establish and operate student loan funds so as to increase the number of qualified nursing faculty. Section 204 directs the Comptroller General to conduct surveys and issue reports on the nursing shortage at hospitals, nursing homes, and other health care providers nationwide; on nurse hiring differences as among private entities that are non-profit versus those that are not non-profit; and on the impact that the nursing scholarships established by Title I of the bill may have on nursing school applications. All of these provisions should enhance the nursing profession generally, thereby benefiting VA's nursing recruitment and retention programs.

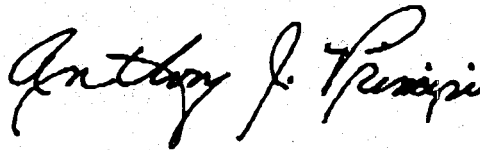
The bill's provisions are generally consistent with recommendations made by the Veterans Health Administration's Future Nursing Workforce Planning Group in *A Call to Action: VA's Response to the National Nursing Shortage*, a November 2001 report on nursing recruitment and retention issues. While focusing primarily on recruitment and retention of nurses within VA, that report called generally for increased outreach efforts to "present the profession of nursing . . . as a viable career option for youth, individuals making initial career decisions and adults considering second careers." H.R. 3487's public service announcement program, National Nurse Service Corps loan repayment and scholarship programs, nursing faculty inducements, and nursing career enhancement incentives should all operate to promote awareness of and interest in the nursing profession as a desirable career option, thereby facilitating nurse recruitment and retention for all health care providers, including VA. In addition, allowing service at VA facilities to qualify individuals for the incentives offered by the National Nurse Service Corps will directly enhance VA's nurse recruitment efforts.

3.

The Honorable Mitchell E. Daniels, Jr.

Based on the foregoing, we are pleased to recommend H.R. 3487 for the President's approval.

Sincerely yours,

A handwritten signature in black ink, reading "Anthony J. Principi". The signature is fluid and cursive, with the first name "Anthony" and last name "Principi" clearly legible.

Anthony J. Principi