



American Association
of Colleges of Nursing

FY 2006 RECOMMENDATIONS: **INCREASE FUNDING FOR TITLE VIII NURSING WORKFORCE DEVELOPMENT**

TITLE VIII NURSING WORKFORCE DEVELOPMENT ASSISTS SCHOOLS IN EDUCATING THE FUTURE NURSING WORKFORCE

Nursing Workforce Development programs under Title VIII of the Public Health Service Act (PHSA) support the supply and distribution of qualified nurses to meet our nation's health care needs. Nursing Workforce Development programs provide financial support for both nursing education programs as well as individual students. In addition to bolstering nursing education at all levels from entry-level preparation through graduate study, these programs favor institutions that educate nurses for practice in rural and medically underserved communities. Most important, Title VIII Nursing Workforce Development programs provide **the largest source of federal funding for nursing education.**

First noted in 1999, the current long-term shortage of Registered Nurses (RNs) is nationwide in scope and in all health care settings. Although the 2.7 million RNs in the U.S. comprise the largest group of health care providers, the Bureau of Labor Statistics has projected the need for at least 1.1 million new and replacement nurses by 2012. To address this critical need, Congress enacted the *Nurse Reinvestment Act* (P.L. 107-205) in 2002. The law's new authorities expanded existing programs and created new ones in Title VIII to increase nursing education, retention, and recruitment. In FY 2004, Nursing Workforce Development programs **provided loan and scholarship support to over 28,000 student nurses.**

RECOMMENDATION: In FY 2006, the nursing community requests \$210 million for Nursing Workforce Development. However, AACN strongly supports the House Nursing Caucus request of \$175 million. In FY 2005, Congress provided Title VIII programs with \$150.67 million. The increased demand for nurses due to the aging of America's population and the growing need for more complex health care services will only continue to escalate over the next decade. The demand for Title VIII grants, loans, and scholarships clearly exists, however, federal funding cannot keep up with the growing need to expand the nursing workforce.

A CLOSER LOOK AT NURSING WORKFORCE DEVELOPMENT GRANT PROGRAMS

Advanced Education Nursing Grants support the majority of programs that prepare graduate-level nurses to be primary care providers and for faculty positions. These grants help schools of nursing, academic health centers, and other nonprofit entities improve the education and practice of nurse practitioners, nurse-midwives, nurse anesthetists, nurse educators, nurse administrators, public health nurses, and clinical nurse specialists. In FY 2004, 408 schools of nursing received traineeship grants, which in turn directly supported 8,925 individual student nurses. Out of the 149 applications received for this program in FY 2004, 82 new grants were awarded and 75 previous awarded grants were continued. **Advanced Education Nursing received \$58.17 million in FY 2005.**

Workforce Diversity Grants prepare disadvantaged students to become nurses. This program awards grants and contract opportunities to schools of nursing, nurse-managed health centers, academic health centers, state or local governments, and nonprofit entities looking to increase access to nursing education for disadvantaged students, including racial and ethnic minorities under-represented among RNs. The program provides scholarships or stipends, pre-entry preparation, and retention activities to enable students to complete their nursing education. In FY 2004, 144 applications were submitted, from those 27 new grants were awarded and 35 previously awarded grants were continued. **Workforce Diversity received \$16.27 million in FY 2005.**

Nurse Education, Practice and Retention Grants help schools of nursing, academic health centers, nurse-managed health centers, state and local governments, and health care facilities strengthen programs that provide nursing education. This program focuses on nursing education, nursing practice, and nursing workforce retention with the purposes stated below:

- **Education Grants**: a) expand enrollments in baccalaureate nursing programs; b) develop internship and residency programs to enhance mentoring and specialty training; and c) provide for new technology in education, including distance learning.
- **Practice Grants**: a) expand practice arrangements in non-institutional settings to improve primary health care in medically underserved communities; b) provide care for underserved populations such as the elderly, HIV/AIDS patients, substance abusers, the homeless, and domestic abuse victims; c) provide skills to practice in existing and emerging health systems; and d) develop cultural competencies.
- **Retention Grants**: a) maintain the Career Ladder program supporting nursing education efforts assisting individuals in obtaining the education necessary to either enter the profession or to advance within it; b) enhance Patient Care Delivery Systems through incorporation of best practices for both increased collaboration and improved communication among nurses and other health care professionals and additional nurse involvement in the organizational and clinical decision-making processes of a health care facility—these innovations have proven to double nurse retention rates and improve patient care quality.

In FY 2004, 336 applications were submitted, from those, 40 new grants and 85 continuation grants were awarded. **Nurse Education, Practice, and Retention received a total of \$36.48 million in FY 2005.**

Nurse Faculty Loan Program Grants increase the number of qualified nurse faculty by creating a student loan fund within individual schools of nursing. Qualifying students may pursue a master's or doctoral degree full-time in an advanced degree program for Advanced Education Nurses. Students must agree to teach at a school of nursing in exchange for cancellation of up to 85% of their educational loans, plus interest, over a four-year period at a rate of 20% per year for three years and 25% in the final year. Student loans may cover the costs of tuition, fees, books, laboratory expenses, and other reasonable education expenses. The maximum loan made by the school is \$30,000 per student in an academic year. In FY 2004, 61 grants were awarded to schools of nursing to support a projected 419 future nurse faculty. **The Nurse Faculty Loan Program received \$4.83 million in FY 2005.**

Comprehensive Geriatric Education Grants are awarded to individuals in geriatrics to better provide health care services for the elderly. It coordinates with the PHSA Title VII geriatric education program (Section 753) that funds similar training for physicians and dentists. These grants may be used to train RNs who will provide direct care to older Americans, develop and disseminate geriatric curriculum, train faculty members, and provide continuing education. These grants allow participating RNs to use their knowledge to strengthen the skills of other nursing care providers who care for seniors. No new grants were made in FY 2004, but 17 prior grants were continued. **The Comprehensive Geriatric Education Program received \$3.45 million in FY 2005.**

Nurse Loan Repayment and Scholarship Programs support current students and new graduates:

- **Loan repayment**: repays up to 85% of nursing student loans in return for at least three years of practice in a designated health care facility. For the first two years of practice, the program will pay 60% of up to \$30,000 in loans. With an additional year of service, another 25% of the loan will be repaid, up to \$7,500. In FY 2004, 4,620 nursing students applied, but only 858 or 19% were accepted due to the lack of funding.
- **Scholarships**: offers individuals who are enrolled or accepted for enrollment as full-time undergraduate nursing students the opportunity to apply for scholarship funds. Upon graduation, a nurse is required to work in a health care facility with a critical shortage of nurses for at least two years. Preference is given to students with the greatest financial need. In FY 2004, 8,806 applications were submitted and 126 or 1.4% of the students received scholarships.

The Loan Repayment and Scholarship Programs received a combined \$31.74 million in FY 2005.

Nursing Student Loan (NSL) Program was established in 1964 to address nursing workforce shortages. The revolving fund provides each accepted nursing student, undergraduate or graduate, a maximum of \$13,000 at 5% interest with a preference for those in financial need. The default rate for NSL loans is 2.87%. The repayment period is 10 years. The NSL program may provide \$2,500 in non-taxable loans to nursing students during each of their first two years of study and \$4,000 for their last two years. Funds are loaned out to new students as existing loans are repaid. In FY 2004, 17,452 awards were distributed. **This program has not received additional appropriations since 1983.**

For more information on Nursing Workforce Development, visit <http://www.hrsa.gov/> or call (301) 443-5688.

Updated March 31, 2005

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