

November 14, 2005

Representative Jerry Lewis
Chairman
Committee on Appropriations
U.S. House of Representatives
Washington, DC 20515

Representative David Obey
Ranking Member
Committee on Appropriations
U.S. House of Representatives
Washington, DC 20515

Dear Chairman Lewis and Ranking Member Obey:

Thank you for your continued support of Nursing Workforce Development Programs (Title VIII, Public Health Service Act or PHSA) administered by the Health Resources and Services Administration (HRSA); these vital programs provide the primary financial support for nursing education, recruitment, and retention. **We are gravely concerned that two Title VIII programs are included in the President's rescission package for Katrina relief.** Specifically, the proposal calls for the rescission of Federal monies from the Nursing Student Loan Program or NSL (Section 835, PHSA) and the Nursing Education Loan Repayment Program or NELRP (Section 846, PHSA).

The NSL was established in 1964 to address nursing workforce shortages. It utilizes revolving funds to furnish long term loans at a low interest rate to undergraduate and graduate nursing students demonstrating financial need. Schools of nursing participating in the NSL select loan recipients and determine the level of assistance provided, up to a maximum of \$13,000 over four years. Despite not receiving any additional appropriations since 1983, the NSL continues to be an important and effective program for nursing students. In Fiscal Year 2004, 17,452 nursing students received over \$34 million in NSL loans.

The proposed rescission requires participating schools to repay "the Federal portion of all the liquid assets of such fund" by September 30, 2006. It is our understanding that this action would significantly curtail the ability of the NSL to achieve its mission. Participating schools would be forced to surrender a large majority of their NSL funds on hand as of June 30, 2006, which is sure to cause the loss of key, targeted support for many financially-disadvantaged nursing students. Furthermore, the NSL was already subject to a rescission in FY 2005. Section 222, Division F of the Consolidated Appropriations Act (P.L.108-447) rescinded the unobligated balance of the NSL, over \$6.1 million.

The NELRP addresses the recruitment and retention of registered nurses who demonstrate financial need and care for underserved populations. It repays up to 85% of nursing student loans for registered nurses practicing for at least three years in critical shortage facilities, such as disproportionate share hospitals, nursing homes, federally designated health centers and migrant health centers, public health departments, and rural health clinics. Even with over \$17.6 million in obligated funds for Fiscal Year 2004, HRSA was forced to turn away 82% of NELRP applicants and made only 858 awards. The proposed rescission would cancel \$430,000 in "estimated unobligated balances" for the NELRP, which will then have less funding with which to pursue its critical mission.

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We strongly believe that it is not in the best interests of our nation's patients, families, and health care workforce to rescind funding for the NSL and the NELRP. **We urge you to protect your hard-fought investments in Title VIII Nursing Workforce Development Programs by opposing rescissions that impact vital nursing education programs as part of any appropriations bills this year.** Thank you for your leadership to ensure that our country has an adequate supply of registered nurses to meet our future health care needs.

Sincerely,

American Association of Colleges of Nursing

American Health Care Association

American Hospital Association

American Nurses Association

American Organization of Nurse Executives

Catholic Health Association of the United States

Premier

VHA Inc.

Visiting Nurse Associations of America