



# Nursing Scholarship Program

## Fiscal Year 2011

### Application and Program Guidance

April 2011

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES  
Health Resources and Services Administration  
Bureau of Clinician Recruitment and Service  
5600 Fishers Lane  
Rockville, Maryland 20857

**For Questions**, please call 1-800-221-9393 (TTY: 1-877-897-9910), or email [CallCenter@hrsa.gov](mailto:CallCenter@hrsa.gov), Monday through Friday (except Federal holidays) 9:00am to 5:30 pm EST.

Frequently Asked Questions are available online at <http://answers.hrsa.gov/>

*Authority: Section 846(d) of the Public Health Service Act (42 United States Code 297n (d)), as amended. Future changes in the governing statute, implementing regulations and Program Guidances may also be applicable to your participation in the Nursing Scholarship Program.*

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## **PRIVACY ACT NOTIFICATION STATEMENT**

### **General**

This information is provided pursuant to the Privacy Act of 1974 (Public Law 93-579), as amended, for individuals supplying information for inclusion in a system of records.

### **Statutory Authority**

Section 846(d) of the Public Health Service Act (42 United States Code 297n (d)), as amended.

### **Purposes and Uses**

The purpose of the Nursing Scholarship Program (NSP) is to provide scholarships to nursing students in exchange for a minimum 2 year full-time service commitment (or part-time equivalent), at an eligible health care facility with a critical shortage of nurses. The information an applicant provides will be used to evaluate eligibility for participating in the NSP. In addition, information from other sources will be considered (e.g., credit bureau reports).

A participant's contract, application, required supplemental forms, supporting documentation, correspondences and related data are maintained in a system of records to be used within the U.S. Department of Health and Human Services to monitor NSP-related activities. The information may also be disclosed outside the Department, as permitted by the Privacy Act and Freedom of Information Act, to the Congress, the National Archives, the Government Accountability Office, and pursuant to court order and various routine uses (see <http://www.hrsa.gov/privacyact/sorn/09150037.htm>).

### **Effects of Nondisclosure**

Disclosure of the information sought is voluntary; however, if not submitted, except for the replies to questions related to Race/Ethnicity of the online application, an application will be considered incomplete and therefore will not be considered for an award under this announcement.

### **Paperwork Reduction Act Public Burden Statement**

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a current OMB control number. The current OMB control number for information collected through this application process is 0915-0301 and expires 9/30/2012. The public reporting burden for this collection is estimated to average 5 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to HRSA Reports Clearance Office, 5600 Fishers Lane, Room 10-33, Rockville, Maryland 20857.

## **PROGRAM OVERVIEW**

### **INTRODUCTION**

#### **What is the Nursing Scholarship Program?**

The purpose of the Nursing Scholarship Program (NSP) is to provide scholarships to nursing students in exchange for a minimum 2-year full-time service commitment (or part-time equivalent), at an eligible health care facility with a critical shortage of nurses. Scholarships are awarded competitively and consist of payment for tuition, fees, other reasonable costs, and a monthly support stipend.

Recipients of the NSP award are required to fulfill their NSP service commitments within the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Territory of Guam, the Commonwealth of the Northern Marianas, the U.S. Virgin Islands, the Territory of American Samoa, the Republic of Palau, the Republic of the Marshall Islands, or the Federated States of Micronesia.

#### **What are the benefits of the NSP?**

- (1) Service: NSP provides nurses with an opportunity to increase access to care by delivering nursing services in eligible health care facilities with a critical shortage of nurses.
- (2) Scholarship: NSP provides -
  - a. Funds to support nursing school tuition and fees;
  - b. An annual payment for other reasonable costs to cover expenses for books, clinical supplies, and instruments; and
  - c. Monthly stipends to cover living expenses.

### **ELIGIBILITY REQUIREMENTS**

#### **Am I eligible?**

To be eligible for a scholarship, an NSP applicant must:

- (1) Be a U.S. citizen (either U.S. born or naturalized), U.S. national, or a Lawful Permanent Resident.
- (2) Be enrolled or accepted for enrollment as a full or part-time student in an accredited nursing degree program at one of the following:
  - a. **AN ASSOCIATE DEGREE SCHOOL OF NURSING:** A department, division, or other administrative unit in a junior college, community college, college, or university which provides primarily or exclusively a two-year program of education in professional nursing and allied subjects leading to an associate degree in nursing or to an equivalent degree and is an accredited program;

- b. **A COLLEGIATE SCHOOL OF NURSING:** A department, division, or the administrative unit in a college or university which provides primarily or exclusively a program of education in professional nursing and related subjects leading to a degree of bachelor of arts, bachelor of science, bachelor of nursing, graduate degree in nursing, or to an equivalent degree, and including advanced training related to such program of education provided by such school and is an accredited program; OR
- c. **A DIPLOMA SCHOOL OF NURSING:** A school affiliated with a hospital or university, or an independent school, which provides primarily or exclusively a program of education in professional nursing and allied subjects leading to a diploma or to an equivalent evidence of completion and is an accredited program.

**Accredited Program.** The NSP considers a nursing program to be accredited if it is accredited by a national nurse education accrediting agency or state approval agency recognized by the Secretary of the U.S. Department of Education. Currently, these agencies include the Commission on Collegiate Nursing Education; the National League for Nursing Accrediting Commission; Kansas Board of Nursing; Maryland Board of Nursing; Missouri Board of Nursing; North Dakota Board of Nursing; and New York State Board of Regents, State Education Department, Office of the Professions (Nursing Education).

Please note: Students enrolled in LPN programs, self-paced study programs (on-line), bridge programs, and dual degree programs are not eligible for a scholarship award.

- (3) Be enrolled in or accepted for enrollment in a school of nursing (as outlined above) located in a state, the District of Columbia, or a U.S. Territory.

**Located in a State, the District of Columbia, or a U.S. Territory.** The schools and educational programs for which scholarship support is requested must be in one of the 50 States, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Marianas, the U.S. Virgin Islands, the Territory of Guam, the Territory of American Samoa, the Republic of Palau, the Republic of the Marshall Islands, or the Federated States of Micronesia. A student attending a school outside of these areas is not eligible for the Nursing Scholarship Program, even though the student may be a citizen/national/lawful permanent resident of the United States.

(4) Begin the nursing degree program on or before September 30, 2011.

(5) Submit a complete application and signed contract.

An applicant will be deemed ineligible if the applicant:

- (1) Has any judgment liens against his or her property arising from a debt owed to the United States;
- (2) Has a breach of a prior service obligation;
- (3) Is excluded, debarred, suspended, or disqualified by a Federal Agency; OR
- (4) **Has an existing service obligation.** An applicant who is already obligated to a Federal, State, or other entity for professional practice or service after academic training is not eligible for an NSP award. An exception may be made if the entity to which the obligation is owed provides documentation that there is no potential conflict in fulfilling the service commitment to the NSP and that the NSP service commitment will be served first. An NSP scholarship participant who subsequently enters into another service commitment and is not immediately available after completion of the participant's degree to fulfill his/her NSP service commitment will be subject to the breach-of-contract provisions described on page 21. (See below for an exception for an individual of a Reserve component of the Armed Forces including the National Guard.)

EXCEPTION: Individuals in a Reserve component of the Armed Forces including the National Guard are **eligible** to participate in the NSP. Reservists should understand the following:

- Military training or service performed by reservists will not satisfy the NSP service commitment. If a participant's military training and/or service, in combination with the participant's other absences from the service site, will exceed 7 weeks per service year, the participant should request a suspension. The NSP service obligation end date will be extended to compensate for the break in NSP service.
- If the critical shortage facility where the reservist is serving at the time of his/her deployment is unable to reemploy that reservist, the reservist will be expected to complete his/her NSP service obligation at another eligible critical shortage facility. The reservist must contact NSP to request a transfer and receive approval, in accordance with the transfer policy (see page 18).

Please be advised that a credit and excluded parties list system check will be performed as part of the application approval process.

## FUNDING AWARDS

### **How does the NSP determine which applicants will receive scholarships?**

Among eligible applicants, the NSP determines scholarship awardees utilizing various funding preferences and selection factors.

#### *Funding Preferences*

There is a funding preference for applicants of greatest financial need. An applicant's financial need is determined based on the applicant's Expected Family Contribution (EFC), which is provided on the Student Aid Report (SAR).

Among those applicants of greatest financial need (i.e., applicants with an EFC of zero), the following funding preferences will be used to make NSP awards:

- (1) First Funding Preference will be given to qualified applicants who have a zero EFC and are enrolled or accepted for enrollment in an accredited undergraduate nursing program as full-time students.
- (2) Second Funding Preference will be given to qualified applicants who have a zero EFC and are enrolled or accepted for enrollment in an accredited graduate nursing program as full-time students.
- (3) Third Funding Preference will be given to qualified applicants who have a zero EFC and are enrolled or accepted for enrollment in an accredited undergraduate or graduate nursing program as part-time students.

To the extent that funds remain available, all other applicants will be considered in the order of decreasing need.

#### *Selection Factors*

The following selection factors will be considered when determining scholarship awardees:

- (1) **A history of not honoring a prior legal obligation.** An NSP applicant who has a history of not honoring a prior legal obligation, as evidenced by one or more of the following factors, may not be selected:
  - a. Default on a prior service obligation to the Federal government, a State or local government, or other entity, even if the applicant subsequently satisfied that obligation through service, monetary payment, or other means.

- b. Default on any Federal payment obligations (e.g., student loans, Federal income tax liabilities, mortgages, etc.) or non-Federal payment obligations (e.g., court-ordered child support payments); OR
  - c. Write off of any Federal or non-Federal debt as uncollectible.
- (2) **Academic performance.** Demonstrates the ability to excel and maintain good academic standing in school.
- (3) **Essay questions.** Demonstrates a thorough commitment to a career in nursing; interest/motivation in providing care to underserved communities; and relevant work experience and/or activities (i.e., community service, research, and internships) that have prepared the applicant to work with underserved populations.
- (4) **Recommendation letters.** Provides a detailed description of the applicant’s performance in school; education/work achievements; community/civic or other non-academic achievements; ability to work and communicate constructively with others from diverse backgrounds; and interest and motivation to serve underserved populations through work experience, course work, special projects, research, etc.

**What is the expected number of awards to be given?**

The NSP for the 2011-2012 school year is expected to be highly competitive. The Program anticipates more applicants for scholarship awards than there are funds available. It is expected that approximately 450 awards will be made for the 2011 – 2012 school year. In the past, NSP funds have only allowed for funding of individuals in the first funding preference. Below is a table with previous years’ award history.

Award History

Fiscal Year	# of Eligible Applications Received	# Initial Awards Made	# Continuations
FY 2010	3,812	458	18
FY 2009	425	189	15
FY 2008	340	173	5

**UNDERSTANDING THE CONTRACT AND LENGTH OF THE SERVICE COMMITMENT**

**How many years of school does the contract cover?**

The NSP award and contract is for the 2011-2012 school year (July 1, 2011 – June 30, 2012) and any additional school years (Optional Contracts) requested by the applicant and agreed to by the Secretary or his/her designee as indicated on the signed contracts. Support will be provided during the school years agreed to in the contracts (not to exceed 4 years), based on the cost of the initial school of record (i.e., the school attended at the time the initial contract is executed).



If an NSP participant signs a contract for only 1 year of support, the 2011-2012 school year, his/her scholarship support will end on June 30, 2012.

**Can I request additional scholarship support after I receive my award?**

To request additional scholarship support for the 2012-2013 school year or any subsequent school years, the NSP participant must submit a report verifying that he/she is still in good academic standing and a signed contract for that school year. The student may also request optional contracts for subsequent school years through graduation for a maximum of 4 school years of support. This submission must be received by the date outlined in the correspondence received by the NSP participant.

The granting of continuation awards depends upon the availability of funds for the NSP and is contingent upon the participant's:

- (1) Continued eligibility to participate in the NSP (good academic standing, not repeating coursework, etc.). Please be advised that a credit check will be conducted as part of the eligibility process;
- (2) Compliance with policies and procedures established by the NSP for requesting continued support; AND
- (3) Past compliance with program policies and requirements.

Participants requesting continued support must be able to financially support themselves until the scholarship benefit payment schedule can be reinstated. If a continuation award is granted, the first payment may not be received until mid-November but will include stipends retroactive to July 1 and the annual "Other Reasonable Costs" (ORC) payment.

**Can I terminate my contract?**

The Secretary of Health and Human Services or his/her designee may terminate an NSP contract for a school year if the participant, on or before June 1<sup>st</sup> of the school year (1) submits a written request to terminate his or her contract for that school year; and (2) repays all amounts paid to, or on behalf of, that participant for that school year. If a scholarship participant does not meet these requirements, he or she will incur a service commitment for the full or partial year of support received, as set forth in the "Program Requirements" Section of this Guidance.

**How long is my service commitment?**

All participants incur, at a minimum, a 2-year full-time service obligation (or part-time equivalent) and may have a longer service obligation, as set forth below.

Participants who sign "Full-Time Student" contracts incur an obligation to provide one year of full-time service for each full or partial school year of support received beyond two years as set

forth in the table below. For example, a student who receives a full year of support (12 months) the first school year, a partial year of support (6 months) the second school year, and a full year of support the third school year will owe the equivalent of 3 years of full-time clinical service. If a participant receives support for one year or less, there is still an obligation to serve two years.

Years of Scholarship Support	Years of Service Obligation
1 Full-Time School Year (2011-2012)	2 Years Full-Time
2 Full- Time School Years (2011-2013)	2 Years Full-Time
3 Full- Time School Years (2011-2014)	3 Years Full-Time
4 Full- Time School Years (2011-2015)	4 Years Full-Time

Participants who sign “Part-Time Student” contracts will have their part-time enrollment aggregated to determine its full-time equivalent.

#### PROGRAM REQUIREMENTS

##### **What are the requirements while I am in school?**

- (1) **Maintain Enrollment.** The NSP participant must maintain enrollment in the nursing program until the program is complete.
- (2) **Maintain Good Academic Standing.** A scholarship participant must be in good academic standing, as defined by the institution’s academic policies, for the duration of the academic year.
- (3) **Notify NSP of Any Changes in Enrollment Status.** A participant is required to notify the NSP promptly by phone and in writing via email as soon as one of the following events is anticipated:
  - a. Repeat course work for which the NSP has already made payments;
  - b. A change in the applicant’s graduation date;
  - c. A leave of absence approved by the school;
  - d. Withdrawal or dismissal from school;
  - e. A change from full-time student status to a less than full-time student status for participants who sign “Full-Time Student” Contracts (a change from part-time student status to less than part-time student status for participants who sign “Part-Time Student” Contracts).
  - f. Voluntary withdrawal from courses during an academic term; OR
  - g. A transfer to another school or program.

These events could have an adverse impact on a participant's receipt of NSP payments.

### **What happens if I have a change in enrollment status?**

A change in enrollment status can result in a reduction or discontinuation of benefits (See "Changes in Scholarship Payment" on page 14). A participant is required to notify the NSP promptly by phone and in writing as soon as one of the events listed above is anticipated. If a change in enrollment status has already occurred, the participant must submit a letter from the school verifying that the change has occurred.

Please be advised that if the NSP has any questions concerning a participant's eligibility for continued support, the NSP may delay the payment of all benefits to that participant pending clarification of the participant's continuing eligibility and status.

### **TUITION, REQUIRED FEES, OTHER REASONABLE COSTS, AND STIPEND**

All NSP payments made to NSP participants, including those made to schools on their behalf, are taxable (see page 13 for more information). The first payment for new NSP awardees will be made no later than November 2011 and will include stipend payments retroactive to July 1<sup>st</sup> and the annual payment for other reasonable costs.

### **What costs does the NSP cover?**

#### **(1) Tuition and Required Fees**

- a. **Tuition and required fees will be paid directly to the nursing school.** The nursing school is required to submit an invoice to the NSP for payment of tuition and fees for each term. Any fees on the invoice that are included in the Other Reasonable Costs (discussed below) will not be approved for payment to the nursing school.
- b. **Summer sessions.** NSP will only pay tuition and fees for required courses in summer school sessions when (1) summer session is an academic term normally required by the school for all students in the same program and (2) the summer session is in progress during the participant's contract period.
- c. **Repeated coursework.** The NSP does not pay tuition and fees for repeated coursework for which the NSP has previously made a payment. If (1) the repeated course work does not delay the participant's graduation date or (2) cause the participant to drop below full-time student status (or below part-time student status if the participant signed a "Part-Time Student" contract) when the repeated coursework is deducted from the credit hours attempted, the scholarship payments will continue except for any additional costs relating to the repeated course work (e.g. overload fees).

- d. **Increases in tuition or required fees.** Payment for any increases in tuition or required fees that are reported by the school after the award has been made is not guaranteed and will be subject to the availability of funds.
- e. **Attending more than one school.** For participants enrolled in programs which require taking classes at more than one school/campus, please be advised that the NSP can only make payments to one school/campus, which will be the initial school of record on the application.
- f. **The NSP will pay for ONLY the courses that are required for graduation.** The NSP will not pay for additional courses beyond those required for graduation. Also, the NSP will not pay for tuition costs unrelated to the degree/program, such as membership dues for student societies/association, loan processing fees, penalty or late fees, and other similar expenses.
- g. **Transfers to other academic institutions are strongly discouraged.** Transfers in academic institutions are strongly discouraged once the applicant has been accepted into the NSP. Transfers must be approved by the NSP in advance to ensure continued eligibility for funding and will be considered only for exceptional circumstances. Scholarship awards are based on the cost of attendance at the initial school of record for all school year contracts executed during the FY 2011 application cycle. If a transfer is approved, the NSP will not cover any increase in tuition and/or fees for the new institution; the participant will be responsible for the difference.

**(2) Other Reasonable Costs (ORC)**

- a. The ORC is an additional, annual payment provided directly to each NSP participant to assist in the payment of books, clinical supplies/instruments, and uniforms.
- b. The ORC payment will be reduced proportionately for students who plan to attend less than a full school year (e.g., December graduates) and for part-time students.

**(3) Stipend Amount**

- a. During the 2011-2012 school year, the NSP will pay each full-time student a monthly amount of \$1,289.00 (before Federal taxes). A part-time student will receive a proportionately reduced stipend amount.
- b. The stipend amount may be stopped while a student is repeating coursework that has already been paid for by the NSP. See "Changes in Scholarship Payments" on page 14 for more information.
- c. Stipend payments will stop the month the nursing course work is completed or when the contract ends, whichever comes first.

Receipt of the stipend payment does not mean that the NSP participant is employed by the Federal Government or participates in any of the benefits available to Federal employees.

#### **NSP TAX INFORMATION**

All NSP payments made to NSP participants, including those made to schools on their behalf, are taxable.

Federal, state or local income taxes are not withheld from the tuition and fees. Participants are responsible for any Federal, State, and local taxes that may be owed on these amounts.

NSP withholds Federal income taxes owed on the stipend payments and ORC based on information provided on the W-4, Employee's Withholding Allowance Certificate, by the scholar. Any participant who wants additional funds deducted from the stipend amount to cover his or her tax liability on the tuition and fees portion of the scholarship award should indicate the additional amount to be deducted on the appropriate line on the W-4. State and/or local taxes are not withheld from stipend and ORC payments.

Each year, participants will receive a 1099-Micellaneous Income form for amounts paid for tuition and fees and a W-2-Wage and Tax Statement form for amounts paid for stipends and ORC.

NSP participants should consult their local tax authority regarding applicable federal, state or local taxes

#### **What if I have additional funding provided by an alternative source?**

(1) *Financial Aid Received Before Notice of Award.*

*Grants and Scholarships.* If tuition and fees for the school year have been paid by another source of financial aid (e.g. Pell Grant, state grants or other scholarships) before the student received notice of the NSP award, then the school may return payments to the funding source and submit an invoice to the NSP for payment.

*Loans.* If a new NSP participant has taken out a student loan to cover the cost of tuition and fees for their summer and/or fall 2011 semester(s) while waiting for notice of an NSP award, the student should supply an itemized invoice to the NSP showing the amount of tuition and fees paid for with that student loan. The NSP will pay that amount to the academic institution to cover the tuition costs covered by the loan. After the fall 2011 semester, the NSP will not pay tuition costs covered by any student loans.

(2) *Financial Aid Received After Notice of Award.* If a student receives financial aid to pay tuition and fees from sources other than NSP after he or she has received notice of the

NSP award, the school will be instructed not to submit an invoice to the NSP for costs that have already been covered by the other source of financial aid. If the other source of financial aid covers the full cost of tuition and fees, the school should submit documentation stating that it will not be seeking payment for the term. However, if a balance remains, then the school may submit an invoice for the balance remaining.

#### CHANGES IN SCHOLARSHIP PAYMENTS

##### **What situations impact the NSP's payment of tuition and/or stipend?**

- (1) **Changes in Enrollment Status.** A change in enrollment status can result in a reduction or discontinuation of benefits. A participant is required to promptly notify the NSP as soon as one of the events listed below is anticipated. If a change in enrollment status has already occurred, the participant must submit a letter from the school verifying the status change.
  - a. Repeat course work for which the NSP has already made payments. The NSP will continue payments for stipends and all other non-repeated course work, provided that the participant continues to meet the NSP requirements;
  - b. A change in the participant's graduation date;
  - c. A leave of absence approved by the school. All payments will be discontinued;
  - d. Withdrawal or dismissal from school. All payments will be discontinued;
  - e. A change from full-time student status to a less than full-time student status for a participant who signs a "Full-Time Student" Contract (a change from part-time student status to less than part-time student status for a participant who signs a "Part-Time Student" Contract). An exception may be made if the participant is in his or her last year of school. In such instances, a participant with a student status change may receive scholarship support as long as the participant maintains enrollment and good academic standing and does not change the graduation date.
  - f. Voluntary withdrawal from courses during an academic term; OR
  - g. A transfer to another school or program (See below).
  
- (2) **Changes in Schools/Programs.** Changes in schools or nursing programs are strongly discouraged once the applicant has been accepted into the NSP. Changes in schools/programs must be approved in advance by the NSP to ensure continued eligibility for funding and will be considered only for exceptional circumstances. Scholarship awards are based on the cost of attendance at the initial school of record for all school year contracts executed during the FY 2011 application cycle. If a transfer is approved, the NSP will not cover any increase in tuition and/or fees for the new institution; the participant will be responsible for the difference.

(3) **Delinquent Federal and State Debt.** Under the Treasury Offset Program, the U.S.

Treasury Department is authorized to offset a student's NSP payments if the student is delinquent on a Federal debt. In addition, the Treasury Department is authorized to offset Nursing Scholarship payments for application to the student's State debts, including delinquent child support payments.

(4) **NSP Overpayments.** NSP payments received by a participant, including payments made to a school on the participant's behalf, during the periods while the participant is on an approved leave of absence, is repeating course work, or is otherwise ineligible to receive payments are considered overpayments. Overpayments may also occur due to administrative error. A participant receiving an overpayment should immediately contact the NSP and follow up in writing to make arrangement to promptly return all overpayments to avoid interest accrual and debt collection procedures.

Debt collection procedures include sending delinquent overpayments to a debt collection agency, reporting the overpayments to credit reporting agencies, offsetting Federal and/or State payments due to the participant (e.g., IRS income tax refund) to collect the overpayments, recovery through Administrative Wage Garnishment, and/or referral of the overpayments to the Department of Justice for enforced collection. For participants who receive subsequent funding under the NSP and who previously received any overpayments which have not been repaid, the overpayments will be collected through administrative offset. The NSP will withhold scholarship funds payable to, or on behalf of, the participant (including stipends, ORC, and, if necessary, tuition payments) until the overpayment owed is paid in full. Administrative offset is not a repayment option for NSP participants who wish to terminate a contract.

(5) **Resumption of Benefits.** To resume benefits discontinued under existing scholarship contracts, NSP participants must submit documentation from their school official confirming that they are now eligible to receive scholarship support (e.g., not repeating course work, returned from a leave of absence, resumed full-time student status, etc.). Requests for the resumption of scholarship benefits should be sent to the NSP. They will be considered on a case-by-case basis by the NSP to determine the participant's eligibility to receive continuing funds. For participants who have not repaid overpayments previously received, the resumption of scholarship benefits will be subject to the administrative offset described in the "NSP Overpayments" Section above. For participants whose benefits were discontinued due to their withdrawal or dismissal from school or due to their transfer to an ineligible program or school, benefits will not be resumed.

- (6) **Veteran Benefits.** Educational benefits from the Department of Veterans Affairs (G.I. Bill) generally continue along with NSP funds, if awarded, since Veteran benefits were earned by prior active duty in a uniformed service. However, Scholarship benefits may be reduced for participants receiving funding under the Post 9/11 G.I. Bill.

Questions or concerns regarding changes in scholarship payments should be directed to the Call Center at 1-800-221-9393.

#### SERVICE REQUIREMENTS AND ELIGIBLE SITES UNDER NSP

##### **What are the service requirements after graduation?**

- (1) **Obtain a license.** Prior to commencing service at a Critical Shortage Facility (CSF), NSP participants must be permanently licensed within 6 months of graduation to practice as a registered nurse (or if appropriate, as an advanced practice nurse) in the State where they will be serving.
- a. Credit towards fulfillment of the scholarship service commitment will not be given in the absence of a current, unencumbered permanent license in the State of service.
  - b. In addition, advanced practice nurses are expected to pass a national certification examination for their specialty (that is administered by a nationally recognized certifying body) prior to commencing service.
  - c. Service credit will NOT be given until the NSP has received documentation that all licensure and certification requirements have been met. Documents should be sent to:

ATTN: Division of Nursing and Public Health, Nursing Scholarship Program  
Monitoring and Transition Team  
Fax: 1-855-444-6032

- d. Responsibility for obtaining the required State license (and national certification exam, if applicable) prior to the service start date rests with the NSP participant.
- e. NSP participants are expected to take the appropriate licensure/certification exams at the earliest possible date.
- f. If the participant is unsuccessful in obtaining a license or passing the certification exam(s) within 6 months of his or her graduation date, the participant should immediately contact the NSP in writing at the address above to request a suspension. See the “Breaching the Contract, Suspension and Waiver” section in this Guidance.



(2) **Obtain a Position at a Critical Shortage Facility**

NSP participants will have up to 6 months from their date of graduation to (1) obtain a nursing license and (2) accept an offer of employment from an NSP-approved facility. Participants will have up to 3 months following the date of the acceptance of such job offer to commence full-time (or if approved by the Secretary, part-time) clinical services at the facility.

Participants should contact the NSP prior to accepting employment to assure facility/position eligibility. The NSP reserves the right to grant final approval of all service locations in order to ensure a participant's compliance with statutory requirements related to the service obligation (See "What are the types of sites where I can fulfill my service obligation?" on page 19). Once employment begins, participants are required to submit an initial Employment Verification Form and a 6-Month Employment Verification Form thereafter until the service obligation is completed (See below).

Participants may be recommended for default of their service obligation for failure to (1) accept an offer of employment from an NSP-approved facility within 6 months of their date of graduation or (2) commence full-time (or if approved by the Secretary, part-time) clinical services at the facility within 3 months following the date of the acceptance of the job offer. Participants who default on their NSP service obligation incur the damages described in the "Breaching the Contract, Suspension, and Waiver" section on page 21.

(3) **Perform Full-Time or Part-Time Clinical Service**

Participants may satisfy their service obligations on either a full-time or, with written approval from the Secretary or his/her designee, a part-time basis.

- a. Full-Time clinical practice is defined as a minimum of 32 hours per week for a minimum of 45 weeks per year. At least 26 hours per week must be spent providing clinical services, or direct patient care, to patients. The remaining 6 hours may be spent on administrative or other non-clinical activities.
- b. Part-Time clinical practice is defined as a minimum of 16 hours per week and up to a maximum of 31 hours per week, for a minimum of 45 weeks per year.
  - i. Participants wishing to serve part-time **must first** obtain approval from the Secretary or his/her designee and must extend their service obligation so that the aggregate amount of service performed will equal the amount of a full-time service obligation.
  - ii. At least 80% of the hours each week must be spent providing clinical services, or direct patient care, to patients. For example, a nurse scheduled to work 20 hours per week must spend at least 16 hours per week providing clinical services.

c. Absences

- i. No more than 7 weeks per service year can be spent away from the approved NSP site for vacation, holidays, continuing professional education, illness, or any other reason.
- ii. For absences of greater than 7 weeks in a service year, the participant must request a suspension of the NSP service obligation. See “Breaching the Contract, Suspension and Waiver” on page 21.
- iii. There is no guarantee that a request for a suspension will be approved. If a suspension is approved, the participant’s service obligation end date will be extended accordingly.

(4) **Verify Service.** Every NSP participant must submit a service verification form from their employer for each 6 months of service.

- a. The NSP will send a service verification form to each NSP participant. The form must be completed and signed by the participant and an appropriate official at the approved service site.
- b. By signing this form, the site will be certifying the participant’s compliance or noncompliance with the full-time or part-time clinical practice requirement during that 6-month period.
- c. The form will also record the participant’s time spent away from the practice site during that 6-month period.
- d. Participants who fail to complete and submit their 6-month service obligation verification forms on time may jeopardize receiving service credit.

Service Verification Forms should be submitted to the following:

ATTN: Division of Program Operations

Nursing Scholarship Program

Fax: 1-855-444-6032

**Can I leave my NSP-approved critical shortage facility prior to completion of service?**

The NSP expects that a participant will fulfill his or her obligation at the NSP-approved critical shortage facility; however, the NSP does understand that circumstances may arise that require a participant to leave the initial facility and complete service at another NSP-approved critical shortage facility. If a participant feels he or she can no longer continue working at the approved facility, the participant should contact the NSP immediately in writing. All transfers must be approved by the NSP. A transfer request should be submitted before the participant leaves his or her site. Leaving the assigned site without prior written approval may result in a default recommendation.

### **What are the types of sites where I can fulfill my service obligation?**

By statute, NSP participants are required to serve for a minimum of 2 years at a health care facility with a critical shortage of nurses (Critical Shortage Facility). NSP participants must provide full-time (or if approved by the Secretary, part-time) clinical service in a public or private non-profit facility with a critical shortage of nurses located in a U.S. State, the District of Columbia, or U.S. Territory. Please note that the designation and definition of a Critical Shortage Facility (CSF) is subject to change. A facility deemed to be a CSF today may not be a CSF in the future. When NSP participants are ready to begin their service obligation, they will be required to serve at what is deemed to be a CSF at that time. NSP participants who must relocate to accept a position in a different geographic area will not receive a relocation incentive or reimbursement.

Currently, Critical Shortage Facilities include the following types:

- (1) **Disproportionate Share Hospital (DSH).** A nonprofit hospital that has a disproportionately large share of low-income patients and receives an augmented payment from the State under Medicaid or a payment adjustment from Medicare. Hospital-based outpatient services are included under this definition. For more information, please visit:  
[http://www.cms.hhs.gov/AcuteInpatientPPS/05\\_dsh.asp#TopOfPage](http://www.cms.hhs.gov/AcuteInpatientPPS/05_dsh.asp#TopOfPage).
- (2) **Nursing Home.** A public or private nonprofit institution (or a distinct part of an institution), certified under section 1919(a) of the Social Security Act, that is primarily engaged in providing, on a regular basis, health related care and service to individuals who because of their mental or physical condition require care and service (above the level of room and board) that can be made available to them only through institutional facilities, and is not primarily for the care and treatment of mental diseases. For more information, please visit:  
<http://www.medicare.gov/Nursing/Overview.asp>.
- (3) **State or Local Public Health and/or Human Services Department.** The State, county, parish, or district entity in a State that is responsible for providing population-focused health services which include health promotion, disease prevention, and intervention services provided in clinics or other health care facilities that are operated by the Department.
- (4) **Federally-Designated Health Center.** A nonprofit entity that is receiving a grant, or funding from a grant, under section 330 of the Public Health Service Act, as amended, to provide primary health services and other related services to a population that is medically underserved. Federally-designated health centers include Community Health Centers, Migrant Health Centers, Health Care for the Homeless Health Centers, and Public Housing Primary Care Health Centers. For more information, please visit:  
<http://findahealthcenter.hrsa.gov>.
- (5) **Federally-Designated Health Center Look-Alike.** A nonprofit entity that is certified by the Secretary as meeting the requirements for receiving a grant under section 330 of

the Public Health Service Act, but is not a grantee. For more information, please visit: <http://bphc.hrsa.gov/policy/pin0321.htm>.

- (6) **Native Hawaiian Health Center.** An entity: (a) which is organized under the laws of the State of Hawaii; (b) which provides or arranges for health care services through practitioners licensed by the State of Hawaii, where licensure requirements are applicable; (c) which is a public or nonprofit private entity; and (d) in which Native Hawaiian health practitioners significantly participate in the planning, management, monitoring, and evaluation of health services. For more information, please see the Native Hawaiian Health Care Act of 1988 (Public Law 100-579), as amended by Public Law 102-396, and <http://healthfinder.gov/orgs/HR3600.htm>.
- (7) **Indian Health Service Health Center.** A nonprofit health care facility (whether operated directly by the Indian Health Service or by a tribe or tribal organization, contractor or grantee under the Indian Self-Determination Act, as described in 42 Code of Federal Regulations (CFR) Part 136, Subparts C and H, or by an urban Indian organization receiving funds under Title V of the Indian Health Care Improvement Act) that is physically separated from a hospital, and which provides clinical treatment services on an outpatient basis to person of Indian or Alaskan Native descent as described in 42 CFR Section 136.12. For more information, please visit: <http://www.ihs.gov>.
- (8) **Rural Health Clinic.** A public or private nonprofit entity that the Centers for Medicare and Medicaid Services has certified as a rural health clinic under section 1861(aa) (2) of the Social Security Act. A rural health clinic provides outpatient services to a non-urban area with an insufficient number of health care practitioners. For more information, please visit: <http://www.cms.hhs.gov/center/rural.asp>.
- (9) **Critical Access Hospital (CAH).** A nonprofit facility that is (a) located in a State that has established with the Centers for Medicare and Medicaid Services (CMS) a Medicare rural hospital flexibility program; (b) designated by the State as a CAH; (c) certified by the CMS as a CAH; and (d) in compliance with all applicable CAH conditions of participation. For more information, please visit: [http://www.cms.hhs.gov/Certificationandcompliance/04\\_CAHs.asp](http://www.cms.hhs.gov/Certificationandcompliance/04_CAHs.asp).
- (10) **Skilled Nursing Facility (SNF).** A public or private nonprofit institution (or a distinct part of an institution), certified under section 1819(a) of the Social Security Act, that is primarily engaged in providing skilled nursing care and related services to residents requiring medical, rehabilitation, or nursing care and is not primarily for the care and treatment of mental diseases. For more information, please visit: <http://www.cms.hhs.gov/center/snf.asp>.
- (11) **Non-Federal, Non-Disproportionate Share Hospital.** Any public or private nonprofit institution in a State that is primarily engaged in providing care, by or under the supervision of physicians, to inpatients: (a) diagnostic and therapeutic services for medical diagnosis, treatment, and care of injured, disabled, or sick persons, of (b) rehabilitation of injured, disabled, or sick persons. Hospital-based outpatient services are included under this definition.

- (12) **Ambulatory Surgical Center.** A nonprofit entity in a State that provides surgical services to individuals on an outpatient basis and is not owned or operated by a hospital.
- (13) **Home Health Agency.** A public agency or private nonprofit organization, certified under section 1861(o) of the Social Security Act that is primarily engaged in providing skilled nursing care and other therapeutic services. For more information, please visit: <http://www.cms.hhs.gov/center/hha.asp>.
- (14) **Hospice Program.** A public agency or private nonprofit organization, certified under section 1861(dd)(2) of the Social Security Act, that provides 24-hour care and treatment services (as needed) to terminally ill individuals and bereavement counseling for their immediate family members. This care is provided in individuals' homes, on an outpatient basis, and on a short-term inpatient basis, directly or under arrangements made by the agency or organization.
- (15) **Federal Hospital.** Any Federal institution in a State that is primarily engaged in providing, by or under the supervision of physicians, to inpatients: (a) diagnostic and therapeutic services for medical diagnosis, treatment, and care of injured, disabled, or sick persons; or (b) rehabilitation of injured, disabled, or sick persons. Hospital-based outpatient services are included under this definition.

Ineligible facilities include, but are not limited to:

- (1) Free-standing clinics that do not qualify as a facility above;
- (2) Renal dialysis centers;
- (3) Private practice offices;
- (4) Assisted living facilities;
- (5) Clinics in prisons and correctional facilities; and
- (6) Private for-profit facilities.

#### BREACHING THE CONTRACT, SUSPENSION AND WAIVER

##### **What is a breach of the NSP Contract?**

A participant is in breach of the NSP contract if he or she:

- (1) Fails to maintain an acceptable level of academic standing in the nursing program;
- (2) Is dismissed from the nursing program for disciplinary reasons;
- (3) Voluntarily terminates the nursing program; or
- (4) Fails to provide health services in an NSP service site for the applicable period of time as specified in his or her NSP contract.

##### **What happens if I breach the NSP Contract?**

The participant will be liable to the Federal Government to repay all funds paid to the participant, or on the participant's behalf, under the NSP and pay interest on such amounts at the maximum legal prevailing rate from the date of default. The amount owed, including interest, must be paid within 3 years of the date of the participant's default.

## **What happens if a debt incurred by a breach of contract is not paid?**

Failure to repay the NSP debt within 3 years will result in delinquency and has the following consequences:

- (1) **The debt will be reported to credit reporting agencies.** During the three-year repayment period, the debt will be reported to credit reporting agencies as “current.” If the debt becomes past due, it will be reported as “delinquent.”
- (2) **The debt will be referred to a debt collection agency and the Department of Justice.** Any NSP debt past due for 45 days may be referred to a debt collection agency. If the debt collection agency is unsuccessful in receiving payment in full, the debt may be referred to the U.S. Department of Justice for enforced collection.
- (3) **Administrative offset.** Federal and/or State payments due to the participant (e.g., an income tax refund) may be offset by the U.S. Department of Treasury to repay a delinquent NSP debt. Also, recovery through Administrative Wage Garnishment may be enforced to repay a delinquent NSP debt.
- (4) **Medicare/Medicaid Exclusion.** Delinquent defaulters who are unwilling to enter into, or stay in compliance with, an agreement to repay their scholarship debt can be excluded from participation in Medicare, Medicaid and other Federal Health care programs.

## **How do I obtain a waiver or suspension of my obligation?**

Requests for waivers and suspensions are processed and reviewed by the Office of Legal and Compliance (OLC). Suspensions are granted if compliance with a service obligation by the participant is temporarily impossible or would temporarily involve an extreme hardship such that enforcement of the obligation would be unconscionable. A waiver of a service obligation may be granted by the OLC when compliance by the participant is permanently impossible, or would cause permanent extreme hardship to the individual and would be against equity and good conscience to enforce.

Compliance would be considered impossible if the OLC determines that the participant suffers from a physical or mental disability resulting in his/her inability to perform the commitment incurred. To determine whether performance of the obligation would impose an extreme hardship and be against equity and good conscience, the OLC will consider: (1) the participant’s present financial resources and obligation; (2) the participant’s estimated future financial resources and obligation; and (3) the extent to which the participant has problems of a personal nature, such as physical or mental disability, or terminal illness in the immediate family, which so intrude on the participant’s present and future ability to perform as to raise a presumption that the individual would be unable to perform the obligation incurred.

Scholarship participants seeking a waiver (for a permanent situation) or suspension (for a temporary situation) of the service obligation must submit a written request to the following:

ATTN: Division of Program Operations

Nursing Scholarship Program

Fax: 1-855-444-6032

**The request must state the underlying circumstances and be supported by appropriate documentation.**

## **HOW TO APPLY**

### **APPLICATION AND PROGRAM GUIDANCE**

Please read the Application and Program Guidance in its entirety before proceeding with the online application. This Guidance explains in detail the contractual obligations of NSP participants and the Secretary of Health and Human Services or his/her designee. Be sure you have a complete understanding of the obligation to serve for a minimum of 2 years at a critical shortage facility and the financial consequences of failing to perform that obligation.

Applicants may want to keep a copy of the application package for their records.

### **APPLICATION DEADLINE**

The online application must be submitted by 5:00 p.m. E.T. on June 1, 2011. All supporting documents must be uploaded (preferred method) or faxed by June 1, 2011. Applicants are strongly encouraged to upload all required supporting documents, which will expedite the review and award process.

A complete application package consists of:

- (1) Submitting a complete online NSP application through <https://programportal.hrsa.gov/nsp/>;
- (2) Uploading or faxing all required supporting documentation;

AND if applicable,

- (3) Uploading or faxing a letter on official letterhead from the entity to which the applicant's existing service obligation is owed, indicating there is no potential conflict in fulfilling the service commitment to the NSP and that the NSP service commitment will be served first.

The following supporting documents are required of each applicant:

- Completed Authorization to Release Information;
- Proof of U.S. Citizenship, U.S. national or Lawful Permanent Resident (e.g. copy of birth certificate, certificate of citizenship, passport, or naturalization certificate);
- Completed Verification of Acceptance/Good Standing Report;
- Copy of Student Aid Report;
- Completed Academic Recommendation Letter;
- Completed Non-Academic Recommendation Letter;
- Completed Essay Questions; and
- Copy of Unofficial Transcript(s).



It is strongly recommended that applicants SCAN AND UPLOAD all supporting documents instead of faxing them to expedite the review and award process. Please do not fax AND upload supporting documents. Doing so may result in a delay in processing your application.

Applicants are responsible for submitting a complete application package. Application packages will be initially reviewed to determine completeness. Application packages deemed incomplete (e.g. missing, illegible, or incomplete application materials) as of the June 1, 2011 deadline will not be considered for funding. It is required that the information in your online application match your supporting documents. Erroneous information could result in your application receiving an inaccurate ranking and not being considered for funding.

### **Supporting Documentation**

All supporting documentation must be uploaded or faxed by June 1, 2011.

*(1) Authorization to Release Information Form*

This form authorizes the Department of Health and Human Services (DHHS), and/or its contractors, to release information that identifies the applicant for purposes of coordinating financial aid at schools and checking whether the applicant appears on the Excluded Parties List System. It also authorizes the applicant's school and future service entity to release information to DHHS and/or its contractors.

*(2) Documentation of Status as a U.S. Citizen, U.S. National, or Lawful Permanent Resident*

Applicants must provide proof of U.S. citizenship or status as a U.S. National or Lawful Permanent Resident (e.g., a copy of a birth certificate, certificate of citizenship or naturalization, U.S. Passport ID page, or Green Card).

*(3) Completed Verification of Acceptance/Good Standing Report*

The NSP uses the Verification of Acceptance/Good Standing Report to confirm the student's enrollment and status, the start date for the 2011-2012 academic year, expected date of graduation, grade point average, institution's name and address, and the official contact person for the school of nursing.

*(4) Completed Academic Recommendation Letter*

Applicants must obtain a recommendation letter from an academic official such as a department chair, faculty advisor, or a faculty member of their current academic nursing program (or most recent academic program if the applicant has not begun the nursing program).

The academic official's recommendation letter must contain the student's first initial and last name and the last four digits of the social security number. The recommender must describe his or her relationship and length of time acquainted with the applicant. The recommendation letter should address the three discussion points found in the instructions in "School Year 2011-2012 Application: Supporting Documents." The letter must be on the institution's letterhead and must have the evaluator's name printed, title, address, and signature.

(5) *Completed Non-Academic Recommendation Letter*

The non-academic letter is used to assess the applicant's compatibility to serve populations of greatest need. The evaluator must complete the letter on official letterhead if representing an organization.

The non-academic recommendation letter must contain the student's first initial and last name and the last four digits of the social security number. The evaluator must describe his or her relationship and length of time acquainted with the applicant. The letter should address the discussion points found in the instructions in "School Year 2011-2012 Application: Supporting Documents."

(6) *Completed Essay Questions*

The applicant must provide typed responses to the three essay questions listed below, one page per essay. Each response must be limited to 2,500 characters or less (approximately ½ page). The applicant must provide the first initial and last name and the last four digits of the social security number at the top of each document.

**Essay 1:** How will you contribute to the mission of the Nursing Scholarship Program in providing care to underserved communities?

**Essay 2:** What experiences have you had or activities have you participated in that have prepared you to work with underserved populations?

**Essay 3:** Please discuss your commitment to pursue a career in nursing.

(7) *Unofficial Transcripts*

Applicants must submit an unofficial transcript from their current school or, if not attending school, from their last school attended.

## Application Status

- (1) The deadline for submitting an online application and supporting documentation is 5:00pm, EST, June 1, 2011.
- (2) Applicants will receive a receipt of submission notice once the application has been successfully submitted online. Status and confirmation of receipt will be provided for uploaded and faxed documents. Due to the high volume of applications, please allow at least 30 days for NSP to provide status and confirmation information for faxed documents.
- (3) The application review process will take approximately three to four months. Applicants selected for an NSP award will be notified by email. Applicants may opt to accept or decline the NSP award. In order to be awarded, applicants selected for an award must sign the NSP contract, complete the online banking form for direct deposit, and complete the W-4 form.

Awards are subject to the availability of funds. Applicants selected for an award will receive notice no later than August 31, 2011. Applicants not selected for an award will be notified no later than September 30, 2011.

Given the high volume of applications, applicants are **strongly encouraged** to upload all supporting documents at the time of the online application submission to expedite processing of their application.

Direct Questions to:

[Callcenter@hrsa.gov](mailto:Callcenter@hrsa.gov) or Toll Free: 1-800-221-9393 (TTY: 1-877-897-9910)

Hours of Operation: 9:00 a.m. to 5:30 p.m. E.T.

Monday through Friday, except Federal holidays

Website: <http://www.hrsa.gov/loanscholarships/scholarships/nursing>

## DEFINITIONS

- (1) ADMINISTRATIVE OFFSET** – Administrative offset is the withholding of funds payable by the United States to, or held by the United States for, a person to satisfy a debt. For NSP participants who received overpayments which have not been repaid, the NSP will withhold scholarship funds payable to, or on behalf of, the participant (including stipends, ORC, and, if necessary, tuition payments) until the overpayment owed is paid in full. Administrative offset is not a repayment option for NSP participants who wish to terminate a contract.
- (2) CONTRACT** – A written contract under Section 846(d) of the Public Health Service Act, as amended, for an academic year pursuant to which (1) the individual agrees to serve as a nurse for a period of not less than 2 years at a health care facility with a critical shortage of nurses and (2) the Federal government agrees to provide the individual with a scholarship, for attendance at a school of nursing during that academic year.
- (3) DEFAULT OF SERVICE OBLIGATION** – Failure for any reason to begin or complete a contractual service obligation.
- (4) ELIGIBLE REQUIRED FEES** – Eligible required fees that may be covered by the NSP include:

• Academic Support Services Fee	• Education Fee	• Matriculation Fee
• Administrative Fee	• Graduation Fee in last year of program	• Processing Fee
• Facility Fee	• Health Insurance (Must be required of all students regardless of source of funding)	• Recreation Fee
• Campus Life Fee	• Health Services Fee and Immunizations	• Student Activities Fee
• Computer Lab Fee	• Laboratory Fees	• Student Services Fee
• Curriculum Fee	• Library Fee	• Technology Fee
• Disability Insurance (Must be required of all students regardless of source of funding)	• Malpractice Insurance if it is mandatory that it be purchased through the school by all nursing students	• University Fee

- (5) EXCLUDED PARTIES LIST SYSTEM** - A world wide web site, [www.epls.gov](http://www.epls.gov), maintained by the General Services Administration for the purpose of disseminating information on parties that are excluded from receiving federal contracts, subcontracts, and federal

financial and non-financial assistance and benefits, pursuant to E.O. 12549, E.O. 12689, and implementing regulations.

**(6) EXPECTED FAMILY CONTRIBUTION** – The Expected Family Contribution (EFC) is the amount of money your family is expected to contribute to your college education for one year, as determined by the Department of Education in your Student Aid Report.

**(7) FULL-TIME CLINICAL PRACTICE** – Full-time practice is defined as the provision of nursing services for a minimum of 32 hours per week for a minimum of 45 weeks per year. At least 26 hours per week, of the minimum 32 hours per week, must be spent providing clinical services (direct patient care) to patients. No more than 7 weeks per service year can be spent away from the approved practice site for vacation, holidays, continuing education, illness, maternity, or any other reason. Absences of greater than 7 weeks in a 52-week service year will extend the service obligation end date or result in a breach of contract, as determined by the NSP.

**(8) FULL-TIME STUDENT** – A student will be considered full-time if the student meets the nursing school program's definition of a full-time student.

**(9) GOOD ACADEMIC STANDING** –The level at which a student retains eligibility to continue attending school under the school’s standards and practices.

**(10) GRADUATE NURSING PROGRAM** – Any department, division, or other administrative unit in a college or university which provides primarily or exclusively a program of education in professional nursing and related subjects leading to a graduate degree in nursing, or to an equivalent degree, and including advanced training related to such program of education provided by such school, but only if such program, or such unit, college or university is accredited.

**(11) INELIGIBLE FEES** –Ineligible Fees include:

• Accident Insurance	• Educational Associations	• Personal Laundry
• Attorney Fee	• Financial Aid Trust Funds	• Post Office Box Rental
• Automobiles and Related Expenses	• ID Maintenance	• Refundable Property Deposit
• Books (books are covered by the Other Reasonable Cost payment)	• Late Charges	• Room and Board Expenses

• Certification Boards	• Life Insurance	• Student Association and Union Fee
• Class Dues	• NCLEX Review	• Study Abroad Fees
• Counseling Fees	• Parking Fee	• Testing Fee
• Dental Insurance	• Penalty Fee	• Transportation Fee

**(12) INITIAL SCHOOL OF RECORD** - The school attended at the time the initial contract is executed.

**(13) LEAVE OF ABSENCE** – A period of approved absence from a course of study granted to a student by his or her nursing school for medical, personal, and other reasons. The leave of absence is usually granted for a period of 1 year or less. When a leave of absence is expected, a participant is required to notify the NSP immediately, in writing, and submit a letter from the school approving the leave of absence and indicating the start and end dates for the period of the absence. Payment of all benefits is discontinued when a participant is on an approved leave of absence, and may be resumed when the student returns to the course of study for which the scholarship was awarded.

**(14) LOCATED IN A STATE, THE DISTRICT OF COLUMBIA, OR A TERRITORY** – Includes the 50 States, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Marianas, the U.S. Virgin Islands, the Territory of Guam, the Territory of American Samoa, the Republic of Palau, the Republic of the Marshall Islands, and the Federated States of Micronesia.

**(15) PART-TIME CLINICAL PRACTICE** – Part-time practice is defined as provision of nursing services for a minimum of 16 hours per week (up to a maximum of 31 hours per week), for a minimum of 45 weeks per year. At least 80% of the hours each week must be spent providing clinical services (direct patient care) to patients. No more than 7 weeks per service year can be spent away from the approved practice site for vacation, holidays, continuing education, illness, maternity, or any other reason. Absences of greater than 7 weeks in a 52-week service year will extend the service obligation end date or result in a breach of contract, as determined by the NSP.

**(16) PART-TIME STUDENT** – A less than full-time student will be considered part-time if the student is enrolled on at least a half-time basis (i.e., the student is taking a sufficient

number of credit hours to meet or exceed 50% of the credit hours required by the nursing school program to be a full-time student).

**(17) SCHOOL YEAR** - All NSP scholarship contracts are for a specific year. Under the NSP, all school years run from July 1 through June 30. If for example, a student is in a full-time 24-month program that begins on August 3, 2011, and he/she signs contracts for 2 school years, the student will receive stipend, ORC and tuition payments from July 1, 2011 through June 30, 2013. Funding for the extra months of the program beyond June 30, 2013, would require a request for a third year of scholarship funding, and if granted, obligates the participant to 3 years of full-time service. If a student is in a 24-month program that begins on May 3, 2009, and he/she signs contracts for 2 school years, the student will receive a stipend, ORC and tuition payments from July 1, 2009, through June 30, 2011, or the month the participant completes the required classes for graduation, whichever comes first.

**(18) SUSPENSION** – A temporary status. A suspension of the service or payment obligation will be granted if compliance with the obligation by the participant (1) is temporarily impossible or (2) would involve a temporary extreme hardship such that enforcement of the obligation would be unconscionable. All requests for a suspension must be submitted, in writing, to the Division of Program Operations and be supported by full medical and/or financial documentation.

**(19) THE SECRETARY** – The Secretary of Health and Human Services, and any other officer or employee of the U.S. Department of Health and Human Services to whom the authority to administer the NSP has been delegated.

**(20) UNDERGRADUATE NURSING PROGRAM** – Any school of nursing program where graduates will be authorized to sit for the National Council Licensure Examination–Registered Nurse (NCLEX-RN) (i.e., where students will receive a Diploma, Associate, or Baccalaureate degree). See Section 801 of the Public Health Service Act for a full and complete definition of these terms. The educational programs in the school of nursing must be accredited by a national nursing accrediting agency or state approval agency recognized by the Secretary of the U.S. Department of Education.

**(21) UNENCUMBERED LICENSE** – A license is unencumbered if it is not revoked, suspended, or made probationary or conditional by a licensing or registering authority in the applicable jurisdiction as the result of disciplinary action.

**(22) WAIVER** – A permanent status. A waiver of the service or payment obligation will only be granted if compliance with the obligation by the participant (1) is permanently impossible or (2) would involve a permanent extreme hardship such that enforcement of the obligation would be unconscionable. All requests for a waiver must be submitted in writing to the Division of Program Operations and be supported by full medical and financial documentation.



## FREQUENTLY ASKED QUESTIONS

**1. How do I apply to the Nursing Scholarship Program?**

The application deadline for the 2011-2012 academic year is 5 pm EST, June 1, 2011. Those interested in applying to the Nursing Scholarship Program should read the Application & Program Guidance. To apply for the Nursing Scholarship Program, complete the online application and submit the required Supporting Documentation. Please read the “How to Apply Section” for instructions on completing the application and the supporting documentation.

**2. What if I change my mind about going into nursing after I have accepted the Nursing Scholarship?**

Accepting a Nursing Scholarship is a serious commitment to serve as a registered nurse in a facility with a critical shortage of nurses. If you accept the scholarship and change your mind about nursing before you have completed nursing school or your service commitment, you have breached your contract with the U.S. Government and must pay back all monies paid to you directly and to the school on your behalf, with interest. The amount owed, including interest, must be paid within 3 years of the date of your default.

For more information, see “Breaching the Contract, Suspension, and Waiver.”

**3. What is an eligible health facility where Nursing Scholarship Program participants can fulfill the service obligation?**

The NSP does not place participants at a specific facility to fulfill their service obligation to the program. However, participants must serve at an eligible nonprofit health care facility with a critical shortage of nurses. Currently, participants may choose to serve at any nonprofit facility, in any U.S. State, District of Columbia or U.S. territory that is one of the following:

Disproportionate Share Hospital; Nursing Home; State or Local Public Health and/or Human Services Department; Federally-Designated Health Center; Federally-Designated Health Center Look-Alike; Native Hawaiian Health Center; Indian Health Service Health Center; Rural Health Clinic; Critical Access Hospital; Skilled Nursing Facility; Non-Federal, Non-Disproportionate Share Hospital; Ambulatory Surgical Center; Home Health Agency; Hospice Program; Federal Hospital

For the purposes of the NSP, all of these types of facilities have critical shortages of nurses and are eligible health facilities where NSP participants can fulfill their minimum two-year service obligations. Please note that the designation and definition of a Critical Shortage Facility (CSF) is subject to change. A facility deemed to be a CSF today may not be a CSF in the future. When NSP participants are ready to begin their service obligation, they will be required to serve at what is deemed to be a CSF at that time. NSP participants who must relocate to accept a position in a different geographic area will not receive a relocation incentive or reimbursement. NSP participants are responsible for finding their own

employment site and confirming its eligibility with the Program. The NSP reserves the right of final approval to ensure a participant's compliance with statutory requirements related to the service obligation.

For more information, see "Service Requirements and Eligible Sites under NSP?"

**4. Are there any sites where I could be employed as a nurse that would not fulfill the Nursing Scholarship service obligation?**

Ineligible facilities include, but are not limited to:

Renal Dialysis Centers; Private Practice Offices; Assisted Living Facilities; Clinics in Prisons and Correctional Facilities; Private For-Profit Facilities; and Free Standing Clinics that do not qualify as one of the facilities listed in the Application and Program Guidance under "Service Requirements and Eligible Sites under NSP."

For more information, see "Service Requirements and Eligible Sites Under NSP."

**5. What type of nursing degree program must I be accepted or enrolled in to apply for to the Nursing Scholarship Program?**

NSP participants may be enrolled or accepted for enrollment in an accredited associate, collegiate (baccalaureate or graduate level), or diploma school of nursing. See Section 801 of the Public Health Service Act for a full and complete definition of these terms. The educational programs in the school of nursing must be accredited by a national nursing accrediting agency or state approval agency recognized by the Secretary of the U.S. Department of Education. First preference for funding is given to students who have a zero expected family contribution and are enrolled or accepted for enrollment in undergraduate programs as full-time students.

Students enrolled in LPN programs, bridge programs, self-paced study programs, dual degree programs and RN to BSN programs are not eligible to apply.

For information on Nursing Scholarship Program eligibility requirements, see "Eligibility Requirements."

**6. How many hours must I work at a health care facility with a critical shortage of nurses to be considered full-time?**

Full-time employment is considered to be no less than 32 hours of nursing services per week for a minimum of 45 weeks per year. At least 26 hours of the minimum 32 hours per week must be spent providing clinical services (direct patient care) to patients.

Only with approval from the Secretary may a participant complete the service obligation on a part-time basis. Participants wishing to serve part-time must obtain prior approval from the NSP and must extend the service obligation to equal the full-time commitment.

For more information, see “Understanding the Contract and Length of the Service Commitment.”

**7. When does the Nursing Scholarship service obligation begin?**

Nursing participants have up to 6 months from the date of graduation to (1) obtain a nursing license and (2) accept an offer of employment from an NSP approved facility.

Participants have up to 3 months following the day of their acceptance of such job offer to commence full-time (or if approved part-time) clinical services at a critical shortage facility.

For more information, see “Service Requirements and Eligible Sites Under NSP.”

**8. How much is the Nursing Scholarship Program monthly stipend and when is the payment made?**

For the 2011-2012 academic year the monthly stipend will be \$1,289. The stipend is disbursed by the end of each month; payments are not considered late until the 15th of the following month. The first stipend payment is issued in November and includes a lump sum payment for all months of the Fall term (July through October).

For more information, see “Tuition, Required Fees, Other Reasonable Costs, and Stipend.”

**9. Is the entire Nursing Scholarship taxable?**

All Nursing Scholarship Program payments made to and on behalf of the participant (tuition, fees, other reasonable costs, and stipend) are considered taxable income.

For more information, see “Tuition, Required Fees, Other Reasonable Costs, and Stipend.”

**10. If I am selected to receive a Nursing Scholarship, when will I receive tuition payment?**

Payment of tuition and fees are made directly to the school on the participant’s behalf. The Notice of Award Letter issued by the NSP to the participant serves as authorization to the school to bill the Nursing Scholarship Program directly for tuition and required fees.

It is the participant’s responsibility to take the Notice of Award Letter to appropriate school officials. It takes approximately 6 weeks from date of receipt of the invoice by the Nursing Scholarship Program for the school to receive payment. For more information, see “Tuition, Required Fees, Other Reasonable Costs, and Stipend.”

**11. If I am selected to receive a Nursing Scholarship, will the program cover tuition and fees if my program started prior to July 1, 2011?**

Yes, the Nursing Scholarship Program will pay tuition and required fees for summer sessions when (1) summer school is an academic term normally required by the school for all students in the same program and (2) the summer session is in progress during the participant’s contract period.

For more information, see “Tuition, Required Fees, Other Reasonable Costs, and Stipend.”

**12. How are Nursing Scholarship stipend and other reasonable cost payments issued?**

Nursing Scholarship stipend and other reasonable cost payments are transferred electronically to each participant's financial institution through direct deposit. Direct deposit is mandatory.

For more information, see "Tuition, Required Fees, Other Reasonable Costs, and Stipend."

**13. What happens if tuition has been paid by another source of financial aid before the participant receives notice of the Nursing Scholarship?**

Tuition and fees are paid directly to the educational institution that the scholarship participant is attending.

If tuition and fees for the initial Summer and/or Fall term of the academic year have been paid by another scholarship or a grant (e.g. Pell Grant, state grants or other scholarships), pending notice of an NSP award, the school may return payments to the source of funding and then submit an invoice to the NSP for payment.

If a scholarship participant has taken out a student loan to cover the cost of tuition and fees for their summer and/or fall semester(s) while waiting for notice of an NSP award, the student should supply an itemized invoice to the NSP showing the amount of tuition and fees paid for with the student loan. The NSP will then pay that amount to the academic institution.

For more information, see "Tuition, Required Fees, Other Reasonable Costs, and Stipend."

**14. Does the Nursing Scholarship cover additional books or materials a participant is required to purchase during the school year?**

During the fall of the school year, the Nursing Scholarship Program makes a single "other reasonable cost" payment to the participant. This payment is to assist with covering "other reasonable cost" expenses for books, clinical supplies/instruments, and uniforms during that school year. If additional expenses for books and other materials arise, those expenses are not covered by the Nursing Scholarship Program. The participant is responsible for paying those expenses.

**15. Is health insurance coverage included in the fees paid for by the Nursing Scholarship Program?**

If health insurance is required and purchase through the school is mandatory, the cost is included in the fees paid by the Nursing Scholarship Program to the school. Insurance for family members is not covered.

If the required insurance is purchased through any other source, then the school will not be allowed to submit the costs for the insurance fee.

**16. Can the rules change after an individual selected to receive the Nursing Scholarship has accepted the scholarship?**

NSP participants may be subject to changes in the statute, regulations, and/or policies of the Nursing Scholarship Program that occur after they have received their awards.

**17. What happens if a Nursing Scholarship Program participant takes a leave of absence and/or repeats course work while attending the nursing program?**

The Nursing Scholarship Program will discontinue the payment of all benefits during a leave of absence approved by the school (for personal, medical or other reasons). If the participant is repeating course work for which the NSP has already paid, the NSP will not pay for that repeated course work but will maintain payments for stipends and all other non-repeated course work provided that the participant continues to meet the NSP requirements.

For more information, see "Changes in Scholarship Payment."

**18. What happens if the Nursing Scholarship Program runs out of money or is discontinued?**

When a scholarship is awarded, funds are obligated (set aside) for the number of school years of support requested by the participant and agreed to by the Secretary of the U.S. Department of Health and Human Services, as indicated by the signed contract(s).

If the participant did not sign contracts through the date of graduation, he/she will be given priority for continued funding when the existing scholarship support ends. Continuation funding will be subject to the availability of future funding and the continued existence of the NSP.

For more information, see "Understanding the Contract and Length of the Service Commitment."

**19. When can an NSP participant start applying for positions to fulfill the service commitment?**

Participants have up to six months from the date of graduation to obtain a nursing license and accept an offer of employment from an NSP-approved Critical Shortage Facility.

Participants have up to three months following the day of their acceptance of such a job offer to commence full-time (or, if approved, part-time) work providing clinical services at the Critical Shortage Facility.

**20. Who pays the salary of an NSP participant fulfilling the service commitment?**

The health care facility that employs the NSP participant pays the participant's salary. Each NSP participant negotiates his/her own salary and benefits packages with the critical shortage facility where he/she is employed after graduation. There is no "typical" salary. Salaries vary by employing facility and location.

**21. What is the Expected Family Contribution (EFC) and what if mine needs to be updated?**

The EFC (Expected Family Contribution) is part of the Student Aid Report (SAR) that you receive when you complete the Free Application for Federal Student Aid (FAFSA).

The EFC measures a student's expected family contribution in terms of the ability to pay for educational costs. It is used to determine eligibility for Federal student aid. The Nursing Scholarship Program has a funding preference for applicants of greatest financial need, defined as qualified applicants with an EFC of zero.

The Nursing Scholarship Program uses the EFC listed on the Student Aid Report. If your EFC has changed due to special circumstances, the Student Aid Report must be corrected. Call 1-800-433-3243 to speak with the Federal Student Aid Information Center about your situation and obtain help updating your FAFSA. If your EFC changes before an NSP award is made, the NSP will reconsider your application based on this change.

**22. What does the Nursing Scholarship Program mean when it says participants must make "at least a two-year service commitment"?**

Individuals who receive the Nursing Scholarship are required to serve, at a minimum, a two-year full-time service obligation (or its part-time equivalent). NSP participants who receive less than 2 years of scholarship support will still owe the equivalent of 2 years of full-time service. The service obligation is extended by one year for each full-time year of Nursing Scholarship support received beyond two years.

For more information, see "Understanding the Contract and Length of the Service Commitment."

The Nursing Scholarship Program hopes that participants will remain at their service sites and continue serving those in need even after the service commitment is fulfilled.

Participants who have satisfactorily completed their service commitment and are working at eligible public or nonprofit private facilities may apply to the Nursing Education Loan Repayment program to obtain funds to repay a portion of the outstanding balance on qualifying education loans.

**23. What are the computer requirements for the online portion of the Nursing Scholarship Program application?**

The NSP recommends the following browsers when completing the online application: Internet Explorer 8, Firefox, Chrome 6, or Safari 5.

**24. Are students accepted for enrollment or enrolled in bridge/dual degree programs eligible for the Nursing Scholarship Program?**

Students enrolled in bridge programs (also called dual degree programs) are not eligible to apply to the Nursing Scholarship Program. Bridge programs include all dual degree

programs in which a nursing student is enrolled in a combined associates/bachelors program or combined bachelors/masters program.

For complete eligibility information, see "Eligibility Requirements."

**25. Where do I send my Nursing Scholarship Program supporting documentation?**

Please upload your NSP supporting documents to the NSP Online Application: <https://programportal.hrsa.gov/nsp/> or fax them to the attention of "DNPH, Nursing Scholarship Program" Fax: 855-444-6032.

It is strongly recommended that applicants upload all supporting documents instead of faxing them to expedite the review and award process. Please do not fax AND upload the same supporting documents. Doing so may result in a delay in processing your application.

Materials must be received by the application deadline (5:00 p.m., June 1, 2011).

**26. How may I check the status of my Nursing Scholarship Application?**

Applicants will receive a receipt of submission notice once the application has been successfully submitted online. Status and confirmation of receipt will be provided for uploaded and faxed documents. Due to the high volume of applications, please allow at least 30 days for NSP to provide status and confirmation information for faxed documents. Individuals selected for awards will be notified by e-mail no later than August 31, 2011. Individuals not selected for an NSP award will be notified by e-mail no later than September 30, 2011.

**27. Can a Nursing Scholarship Program participant transfer schools and still receive NSP support?**

Transferring to another school or changing programs is strongly discouraged once the applicant has been accepted into the NSP. Transferring to another school or changing programs must be approved in advance to ensure continued eligibility for funding and will be considered only for exceptional circumstances.

**28. Can I make changes to my banking information after it has been submitted?**

No, only the HRSA staff can enter any relevant changes to the online banking information once it has been submitted and a "Receipt of Submission" is received by the applicant. However, applicants can request a change to their banking information by completing the Banking Update Form, and faxing the completed form to the appropriate program staff to 1-855-444-6032.

Please note: Only those applicants being awarded NSP scholarships will be requested to submit banking information.