

January 17, 1991

To: Officials of Schools Participating in the Health Professions and Nursing Student Assistance Programs

Subject: Policy Memorandum Number Fourteen

This memorandum provides information on application and award cycles for student assistance programs for Fiscal Year 1991 (academic year 1991-1992). This memorandum also provides information on recent legislative changes which established two new student assistance programs.

Application and Award Cycles for 1991-92

In order to make fiscal year 1991 funds available to health professions and nursing programs in a more timely manner, we have tentatively scheduled application and award periods earlier than in previous years.

The application and award periods for each student assistance program will be as follows:

<u>Program</u>	<u>Application Cycle</u>		<u>Award - Period</u>
	<u>Send</u>	<u>Return</u>	
Exceptional Financial Need Scholarships (EFN)	Feb 1	Mar 1	April
Financial Assistance for Disadvantaged Health Professions Students (FADHPS)	Feb 1	Mar 1	April
Nursing Student Loans (NSL)	May 1	June 3	July
Health Professions Student Loans (HPSL)	May 3	June 3	July
Scholarships for the Undergraduate Education of Professional Nurses (SUEPN)	May 10	June 10	July
Scholarships for Disadvantaged Students (SDS)	June 7	July 5	Sept
Loans for Disadvantaged Students (LDS)	June 7	July 5	Sept

Disadvantaged Minority Health Improvement Act of 1990

Public Law (P.L.) 101-527# the Disadvantaged Minority Health Improvement Act of 1990, enacted November 6, 1990, created two new programs of financial assistance for disadvantaged health professions and nursing students. The Department will be implementing these programs as the Loans for Disadvantaged Students (LDS) program and the Scholarships for Disadvantaged Students (SDS) program. The fiscal year 1991 budget includes \$2.9 million for the LDS program and \$8.2 million for the SDS program. Further information about these programs is provided below.

Loans for Disadvantaged Students (LDS) Program

The LDS program is authorized by a new section 740(c) of the Public Health Service (PHS) Act which falls within the existing legislative authority (sections 740-747 of the PHS Act) for the Health Professions Student Loan (HPSL) program. As such, this program is a set-aside of funds under the HPSL program, and is governed by relevant requirements associated with the HPSL program, including school eligibility, student eligibility, institutional contributions and terms of the loans. The LDS program also has additional requirements regarding school and student eligibility which are set forth in section 740(c) of the PHS Act and are summarized below.

Funds returned to the Department as excess cash are available only for schools that entered the HPSL program between July 1, 1972 - September 30, 1985.

New program enacted as part of the Disadvantaged Minority Health Improvement Act of 1990.

Student eligibility: To qualify for the LDS program, a student must meet the HPSL student eligibility requirements and must be from a disadvantaged background, as defined by the Secretary. Further guidance on determining whether a student is from a disadvantaged background, for purposes of this program, will be provided at a later date.

School eligibility: To qualify for participation in the LDS program, a school must meet the HPSL school eligibility requirements and must be doing the following:

- (1) Carrying out a program for recruiting and retaining students from disadvantaged backgrounds including racial and ethnic minorities; and
- (2) Carrying out a program for recruiting and retaining minority faculty.

The school must also agree to do the following additional activities by not later than 1 year after the date on which the first Federal capital contribution is made to the school under the LDS program:

- (1) Ensure that adequate instruction regarding minority health issues is provided for in the curricula of the school;
- (2) Enter into arrangements with 1 or more health clinics providing services to a significant number of individuals who are from disadvantaged backgrounds, including members of minority groups, for the purpose of providing students of the school with experience in providing clinical services to such individuals;
- (3) Enter into arrangements with 1 or more public or nonprofit private secondary educational institutions and undergraduate institutions of higher education, for the purpose of carrying out programs regarding: (a) The educational preparation of disadvantaged students, including minority students, to enter the health professions; and (b) the recruitment of disadvantaged students, including minority students, into the health professions; and
- (4) Establish a mentor program for assisting disadvantaged students, including minority students, regarding the completion of the educational requirements for degrees from the school.

Finally, the school must agree to continue carrying out all of the above activities throughout the period during which the LDS fund is in operation.

Funding levels: Section 742(c)(1) of the PHS Act authorizes \$15 million for the LDS program for each of fiscal years 1991 through 1993. However, as indicated above, the fiscal year 1991 budget includes an appropriation of only \$2.9 million for this program.

Special consideration: Section 742(c)(2) requires that in awarding funds for purposes of this program, the Secretary shall give special consideration to health professions schools that have enrollments of under-represented minorities above the national average for health professions schools.

The Department is in the initial stages of implementing the LDS program to assure conformance with the congressional intent, as set forth in a House report accompanying the bill that became P.L. 101-527. Further guidance on the program, including how the Department will determine school compliance with the eligibility criteria, and how the Department will implement the special consideration, will be provided at a later date.

#### Scholarships for Disadvantaged Students (SDS) Program

The SDS program is authorized by a new section 760 of the PHS Act, under which the Secretary may make grants to eligible schools for the purpose of providing scholarships to eligible students. The requirements regarding school and student eligibility are summarized below.

Student eligibility: To qualify for the SDS program, a student must be from a disadvantaged background and must be enrolled (or accepted for enrollment) as a full-time student in an eligible school. Further guidance on determining whether a student is from a disadvantaged background for purpose of this program will be provided at a later date.

Use of grant funds: Funds awarded to a school under this program may be used as follows:

- (1) To award scholarships to eligible students enrolled in the school, to be expended only for tuition, other reasonable educational expenses and reasonable living expenses incurred while enrolled in the school as a full-time student. The amount of the scholarship may not, for any year of attendance, exceed the total amount required for the year for the expenses specified above; or
- (2) To provide financial assistance to undergraduates who have demonstrated a commitment to pursuing a career in the health professions, in order to facilitate the completion of the educational requirements for such careers, provided that the total amount used for this purpose may not exceed 25 percent of the funds awarded to the school under this program.

Funds awarded to a school under this program may not be used to carry out any of the activities listed below which the school must be doing, or must agree to do, to be eligible to participate in this program.

School eligibility: Grants under this program may be made available to health professions schools, defined for purposes of this program to include schools of medicine, nursing, osteopathic medicine, dentistry, pharmacy, podiatric medicine, optometry, veterinary medicine, public health, or allied health or schools offering graduate programs in clinical psychology. (Report language does direct that the first priority, particularly in the absence of full funding of this program, is to give preference to health professions programs training students to provide primary health care services, especially medicine, osteopathic medicine, nursing, and dentistry).

To qualify for funding, the school must be doing the following:

- (1) carrying out a program for recruiting and retaining students from disadvantaged backgrounds, including racial ethnic minorities; and
- (2) carrying out a program for recruiting and retaining minority faculty.

The school must also agree to do the following additional activities by not later than 1 year after the date on which the first grant is made to the school under the SDS program:

- (1) Ensure that adequate instruction regarding minority health issues is provided for in the curricula of the school;
- (2) Enter into arrangements with 1 or more health clinics providing services to a significant number of individuals who are from disadvantaged backgrounds, including members of minority groups, for the purpose of providing students of the school with experience in providing clinical services to such individuals;
- (3) Enter into arrangements with 1 or more public or nonprofit private secondary educational institutions and undergraduate institutions of higher education, for the purpose of carrying out programs regarding: (a) The educational preparation of disadvantaged students, including minority students, to enter the health professions; and (b) the recruitment of disadvantaged students, including minority students into the health professions; and
- (4) Establish a mentor program for assisting disadvantaged students, including minority students, regarding the completion of the educational requirements for degrees from the school.

Finally, the school must agree to continue carrying out all of the above activities throughout the period during which the school is receiving a grant under this program.

Funding levels: section 760(g) of the PHS Act authorizes \$17 million for this program for fiscal year 1991, and such sums as may be necessary for each of fiscal years 1992 and 1993. However, as indicated above, the fiscal year 1991 budget includes an appropriation of only \$8.2 million for this program. The Secretary is required, in making these grants, to make available 30 percent to schools agreeing to expand the grants only for scholarships for nurses.

Special consideration: Section 760(g)(2)(B) requires that in awarding funds for purposes of this program, the Secretary shall give special consideration to health professions schools that have enrollments of under-represented minorities above the national average for health professions schools.

The Department is in the initial stages of implementing this program to assure conformance with the congressional intent, as set forth in a House report accompanying the bill that became P.L. 101-527. Further guidance on the programs including possible funding preferences how the Department will determine school compliance with the eligibility criteria, how the Department will implement the special consideration, and funding procedures, will be provided at a later date.

We will be pleased to respond to any comments and questions regarding this memorandum. Please direct telephone inquiries to the Student and Institutional Support Branch at (301) 443- 4776, and address correspondence to room 8-34, Parklawn Building, 5600 Fishers Lane, Rockville, Maryland 20857.