

Supporting Statement Nurse Faculty Loan Program – Annual Operating Report Form

A. JUSTIFICATION

1. Circumstances of Information Collection

The Health Resources and Services Administration (HRSA) is requesting Office of Management and Budget (OMB) approval of the Nurse Faculty Loan Program (NFLP) Annual Operating Report (AOR) Form. This annual report has been in use without OMB approval since 2004. The report was a requirement for participating schools, and the program staff in the Bureau of Health Professions was unaware that such a report required OMB review and approval. In the course of reviewing Bureau projects in 2007, the new Bureau contact for the HRSA Reports Clearance Officer (RCO) learned of this violation and took steps to bring the program activity into compliance. The AOR form is used to collect NFLP loan fund activity data from schools receiving Federal funding to administer the NFLP. The information provided in the report is used to determine fiscal year awards made to participating NFLP schools.

Legislative Purpose

HRSA estimates that by 2020, the demand for nurses will exceed the supply by 1,016,900 million to meet the health care needs of our society (HRSA, *What is Behind HRSA's Projected Supply, Demand, and Shortage of Registered Nurses?*, 2006). The inability of schools of nursing to recruit and retain qualified nursing faculty has directly impacted the nursing shortage in the U.S. Without enough educators, nursing programs are forced to turn away qualified and interested candidates. The National League for Nursing's (NLN) 2006 Faculty Census Survey shows an increased vacancy rate. The estimated number of budgeted unfilled, full-time positions in 2006 is 1,390. This represents a 7.9 percent vacancy rate for baccalaureate and higher degree programs, an increase of 32 percent since 2002. There is a 5.6 percent vacancy rate for associate degree programs, an increase of 10 percent since 2002 (NLN, *Nurse Educators 2006*). In effect, a serious lack of institutional faculty capacity is limiting how many new nurses will emerge from the pipeline.

The Nurse Faculty Loan Program (NFLP) is authorized under the Public Health Service Act, Title VIII, Section 846A, as amended by the Nurse Reinvestment Act of 2002, Public Law 107-205, to increase the number of qualified nursing faculty. The Secretary of HHS, acting through the Administrator of the Health Resources and Services Administration (HRSA), makes an award to the School of Nursing to establish a distinct account for the NFLP fund. The school then makes loans to students enrolled full-time in eligible advanced degree nursing programs with an education component that will prepare them to teach. Following graduation from the nursing education program, loan recipients may cancel up to 85 percent of the loan in exchange for service as full-time nurse faculty at a school of nursing. Applications to this program were first accepted for the 2003-2004 academic year. In fiscal year 2006, the NFLP was allotted 4.6 million dollars by HRSA. Funding for this program is expected to continue under future appropriations.

Under the NFLP, HHS makes an award to the institution in the form of a Federal Capital Contribution (FCC). The institution uses the FCC to establish a distinct account called the NFLP fund. The School must contribute an Institutional Capital Contribution (ICC) in the NFLP fund equal to at least one-ninth (minimum) of the FCC award. The School has the option of contributing a larger share to the NFLP fund. The NFLP fund may only be used: (1) for the deposit of the FCC and ICC; (2) to make loans to continuing and new NFLP student borrowers enrolled full-time in a master's or doctoral nursing degree program; (3) for the deposit of collections of principal & interest on loans made from the NFLP fund; and (4) for the cost of collection of NFLP loans.

2. Purpose and Use of Information

The purpose of the AOR is to monitor and evaluate institutional performance. This report is the official reporting tool and is required by NFLP schools. The school must complete and submit the AOR annually, which covers the period from July 1st through June 30th each year.

The AOR is used to report loan fund cash receipts and loan fund disbursements for the specified reporting period. Unused accumulation of NFLP funds (cash balance) must be recorded each on the AOR. The unused accumulation is monitored annually. If a school is determined to have significant unused accumulation, future awards are adjusted.

Participating schools will complete and submit an electronic copy of the AOR annually to provide the Federal Government with current and cumulative information on: 1) the number and amount of loans made, 2) the number of NFLP recipients and graduates, 3) number and amount of loans cancelled, 4) the number and amount of loans in repayment or collection, 5) the number of NFLP graduates employed as nurse faculty, 6) NFLP loan fund receipts, disbursements, and related costs, and 7) the loan fund balance each year. The AOR is also used to report the borrower account status under multiple categories (enrollment, graduation, employment, cancellation, repayment, default, forbearance, etc). Schools are expected to review the cash balance in the NFLP fund on at least a semi-annual basis to determine whether the unused accumulation (loan fund balance), compared with projected levels of expenditures and collections, exceeds its needs. The unused accumulation reported each year on the AOR is used as part of the fiscal year award determination based upon funds committed for continuing NFLP recipients and support for new NFLP recipients.

3. Use of Improved Information Technology

The AOR is available for participating NFLP schools from the HRSA Web site as part of the online NFLP application. The application for institutional participation has a separate clearance using OMB approved Standard Forms.

4. Efforts to Identify Duplication

The information requested in the form is specific to participating schools and is unique to this program. The information requested is not available from any other source.

5. Involvement of Small Entities

The data collection does not involve small businesses or other small entities.

6. Consequences if Information is Collected Less Frequently

The process for making NFLP awards occurs annually, prior to the academic school year. In the absence of collecting these data, the review, selection and approval of funding for qualified schools cannot be carried out.

7. Consistency with the Guidelines in 5 CFR 1320.5(d)(2)

This information collection is consistent with 5 CFR 1320.5(d)(2).

8. Consultation Outside the Agency

The notice required by 5 CFR 1320.8(d) was published in the *Federal Register* on February 27, 2007 (Vol. 72, No. 38, pages 8758-8759). One set of comments was received from the American Association of Colleges and Nursing. The response summarized the comments from 20 member schools that participate in the Nurse Faculty Loan Program. Overall, the comments conveyed that the efforts to complete the AOR form were not burdensome and that the form is manageable. Comments also included a suggestion that the AOR submission due date be consistent with similar HHS programs. A copy of the comment is attached.

Consultation outside of the agency was conducted with the following NFLP schools:

1. Carrie Steere-Salazar
University of California, San Francisco
Telephone: (415) 476-4181
2. Dick Simmons
Accounting and Student Fiscal Services
University of Washington
Telephone: (206) 221-2610
3. Sharon Cameron
Campus Partners
Audit and Compliance Specialist
800) 458-4492 X2060
(Service agency for multiple NFLP schools)

9. Remuneration of Respondents

Respondents will not receive any remuneration.

10. Assurance of Confidentiality

This report does not collect personal information on individuals. Participating schools report aggregate numbers regarding loan funds.

11. Questions of a Sensitive Nature

The data collection does not request sensitive information from the applicant.

12. Estimates of Annualized Hour Burden

Estimates of respondent burden are as follows:

Form	Number Of Respondents	Responses Per Respondent	Total Responses	Hours Per Response	Total Burden Hours
Nurse Faculty Loan Program Annual Operating Report (AOR)	150	1	150	8 hours	1200 hours
Total Burden	150	1	150	8 hours	1200 hours

13. Estimates of Annualized Cost Burden to Respondents

There are no annualized costs to respondents for this report.

14. Estimates of Annualized Cost to the Government

The detailed review of the data collection is estimated at 15 minutes at an hourly rate of \$30. (Processing the AOR forms: 150 participant schools x 0.30 hour x \$30/hour = \$1,350)

15. Changes in Burden

This is a new activity.

16. Time Schedule, Publication, and Analysis Plan

Clearance is being requested for the maximum allowable time of 3 years. The deadline for submission of the application is expected to be the first week February each year. The awards are finalized by September 30th of each year. The information will be used for determination of awards to applicants and for analysis of program activity.

17. Exemption for Display of Expiration Date

The expiration date will be displayed. No exemption is being requested.

18. Certifications

This information fully complies with the guidelines set forth in 5 CFR 1320.9. The required certifications are included in the package.