

Health Resources and Services Administration Response to Comments from the American Association of Colleges of Nursing

The American Association of Colleges of Nursing (AACN) provided comment in response to the 60-day notice published in the *Federal Register* (72 FR 7658) regarding the Nurse Faculty Loan Program (NFLP) and the Annual Operating Report (AOR) form. The AACN provided a summary of comments from 20 of the AACN member schools and institutions. Some of the narrative that was provided consisted of general comments about the program itself and the benefits of the program in building faculty and sustaining students in nursing programs.

1. One comment on the AOR form suggested that more time should be allotted to complete the form due to the data collection involving more than one office and that an online system would be more efficient. The program consulted with several schools in order to determine the estimate of burden and to review the effort involved in completing the form. As a result, the program determined that 30 days beyond the end of the reporting period was sufficient for completing the AOR form. The application is available on the web, and schools apply to HRSA online through www.grants.hrsa.gov. Institutions that receive awards then administer the funds to eligible students through their financial aid offices. It is worth mentioning that directly prior to this comment, there were eight bullet points stating that the effort needed to complete the AOR form was not burdensome or difficult.
2. A comment suggested that it would be beneficial to know if schools have not expended their NFLP funds so that funds could be re-distributed to other schools that have applied. The program acknowledges the intent of this suggestion; however, this funding mechanism does not permit NFLP funds to be re-distributed. The mechanism for re-distributing NFLP funds not expended by other schools requires an HHS revolving account that is used to deposit and re-distribute funds. The establishment of an HHS revolving account was not included in the NFLP legislation; therefore, it was not feasible to recapture and re-distribute unexpended NFLP funds. The program is currently moving forward with an A19 request to amend the NFLP legislation to include establishment of the HHS revolving account for the purpose of recapturing and re-distributing NFLP funds.
3. One comment noted that it would be beneficial if the NFLP could outline what is reasonable deferment. The NFLP application does not reference the phrase “**reasonable**” deferment. The FY 2007 NFLP application does outline the NFLP options for deferment of loan repayment under Section VIII. NFLP specifies a period of deferment not to exceed three years; however, schools may determine less time for deferment of payment on a case-by-case basis.
4. The AACN letter suggested that the NFLP change the cycle of the reporting system to match other HHS programs and suggested that all reporting should be done at the same time. The program understands this issue, and recognizes that it would be more straightforward if all application, award, and reporting cycles operated on the same time

frame. The Department of Health and Human Services (HHS) has a great variety of programs, and there are quite a number of grant cycles for applications, awards, and reporting. Due to the nature of some of these programs, the institutions receiving awards, and the information that is required, different application and award cycles must be operated. The NFLP AOR operates on a fiscal year cycle and to change this cycle would not be feasible at this time regarding staffing and personnel for program operations involved in reviewing materials and award determinations. There is no single HHS cycle for grant applications or reporting requirements.

5. Several comments expressed concern as to the restriction of awards to full-time students only and not to part-time students. While this is a legitimate concern and HRSA acknowledges the importance of support for part-time students; this program operates under legislation which stipulates that funds awarded to schools are for loans to students enrolled full-time in eligible advanced degree nursing programs. Under this legislation, only full-time students are eligible to participate in the program.

6. Three comments suggested that the NFLP change the award notification to move such notification in advance of the start of the academic year. The NFLP is planning to implement an earlier award date for the FY 2008 award cycle. In the past, the schools were instructed to submit the AOR by July 30th each year (30 days after the June 30th year-end closing date). Since the AOR provides the NFLP loan fund balance and other significant data, the AOR data, specifically the loan fund balance reported, is used as part of the award criteria for determining the award to the school. The AORs submitted by the schools require review, data entry, and reconciliation which affect the timeframe for the award determination and notification to the applicant. The program is currently in the process of identifying an alternate source to capture the information critical to calculating the awards in order to process award notification earlier.