

## Supporting Statement for the Nursing Education Loan Repayment Program

### A. JUSTIFICATION

#### 1. CIRCUMSTANCES OF INFORMATION COLLECTION

This is a request for revision of Office of Management and Budget (OMB) approval of the application and monitoring forms for the Nursing Education Loan Repayment Program (NELRP). The NELRP was originally authorized by 42 USC 297b(h) (section 836(h) of the Public Health Service Act), as amended by Public Law 100-607, November 4, 1988. The NELRP is currently authorized by 42 USC 297n (section 846 of the Public Health Service Act) as amended by Public Law 107-205, August 1, 2002. The application forms were formerly approved under OMB No. 0915-0140, which will expire 11/30/2007.

Under the NELRP, registered nurses are offered the opportunity to enter into a contractual agreement with the Secretary of the Department of Health and Human Services (DHHS) to receive loan repayment of up to 85 percent of their qualifying educational loan balances as follows: 30 percent each year for the first two years and 25 percent for the third year. In exchange, nurses agree to serve full-time as a registered nurse for a minimum of two years, with an option for a third year at a health care facility with a critical shortage of nurses (a “critical shortage facility”). The NELRP statute requires that a funding preference be given to eligible applicants with greatest financial need. Applicants whose total qualifying loans are 40 percent or greater than their annualized salary will meet the greatest financial need funding preference.

The following data collection instruments are required to determine whether applicants meet the NELRP’s eligibility requirements, qualify for the statutory funding preference, have submitted a complete application with all required supplemental forms and applicable supporting documentation, and to make payments via automatic deposit:

1. On-line Application
2. Loan Information and Verification Form

3. Initial Employment Verification Form
4. 6- Month Employment Verification Form
5. Direct Deposit Sign-Up Form
6. Checklist
7. Pre-Award Script

## 2. PURPOSE AND USE OF INFORMATION

### (a) Application

Applicants are required to submit an application that provides data regarding the applicant's identity and contact information, qualifying nursing education, qualifying nursing educational loans, nursing licensure, current employment, and other eligibility criteria. This information is necessary to determine whether the applicant meets the NELRP's eligibility and funding preference requirements, as outlined in the Application Guidance.

Individuals applying to the NELRP are required to submit the application electronically. A web-based version of the application has been in use since fiscal year 2002.

The application has been slightly revised to make it more user-friendly by providing a more intuitive layout and clearer instructions. The changes are as follows:

- The NELRP Home Page has been added to give an overview of the purpose of the program and to list basic eligibility requirements.
- The Registration Screen lists the types of information the applicant will need prior to starting the application process. Also, an account security question and answer have been added as an additional way of protecting the applicant's information maintained in the Nursing Information System.
- Part II now collects the applicant's date of birth. The

date of birth is needed when verifying the applicants' loan information with the lenders' automatic phone systems.

- Part III has been revised slightly to add a check box for nurses that transferred schools during their nursing education. In addition, a comments box has been added to give the applicant the opportunity to clarify or comment on his/her school information.
- Part IV now collects the fax number for each lender. The fax number is occasionally needed when verifying loans.
- Part V now asks if the nurse is currently renewing his/her license. This information is helpful in evaluating those nurses that have licenses that expire during the application review.
- Part VI has been modified to request the facility's phone number in place of the phone number for personnel, and we are now asking for the nurse to provide us with the number of hours a week he/she works, which replaces the question, "Are you employed at least 32 hours per week?"
- Part VII now collects comments or feedback on areas of improvement in the on-line application process.

(b) Loan Information and Verification Form

This one-page form collects information regarding the applicant's nursing education loans to determine whether the loans qualify for loan repayment. The NELRP reviews the submitted loan information and verifies the type and status of the loans to be considered for repayment. This form was revised slightly from the previously approved version to ask if the loans were consolidated. This information is needed when cross checking dates of loans with school dates.

(c) Employment Verification Forms

There are 2 versions of the one-page form. An initial form is provided with the on-line application and is used to determine whether an applicant meets the NELRP's eligibility requirements. If an applicant receives a NELRP award, a similar version of the form is used for semiannual (6-Month) monitoring to determine whether the individual is in compliance with the service obligation requirements.

In addition to the semi-annual employment verification, the 6-Month Verification of Employment Form will also be sent to determine whether the nurse continues to work at the facility following contract completion. This process is essential, since a critical performance measure for the NELRP is to increase the percentage of nurses retained in service in critical shortage facilities. Employers of those awardees that have completed their contracts will receive the employment verification form each year for up to three years following the completion of the recipients' contract. Employers whose NELRP awardees have left the facility will indicate on the form the date that the employment was terminated. Others will confirm the awardees' continued employment at the facility. This will allow us to determine the annual NELRP retention rate, that is, the percentage of nurses that remain in critical shortage facilities after their service commitment expires. The data relating to the retention of nurses over time is critical to evaluating program performance and its long term impact on preserving access to care for the underserved beyond the period of service commitment.

Both forms collect information from the applicant's or participant's employer to determine whether the individual is working full-time at a critical shortage facility and has a current nursing license. Both forms also collect information regarding the facility's ownership status to facilitate congressional reporting requirements, as well as eligibility. In addition, the initial form verifies the applicant's gross salary and whether he/she has an existing service obligation to the facility. The semiannual form

collects information regarding the number of leave hours, etc. that the participant was away from the service site, which is needed to determine whether he/she is in compliance with the NELRP's full-time service requirement with respect to allowable absences from the site. In addition, both forms have been revised to request the nurse's work schedule. This information is needed in order to convert the number of hours he/she is away from the work site into weeks. Participants in the NELRP are not allowed to be away from their work site for more than 7 weeks per contract year.

(d) Direct Deposit Sign-Up Form

This one-page form collects information from an applicant's financial institution regarding the applicant's account, which is required by the Treasury Department to transmit NELRP payments by electronic funds transfer, in accordance with the Debt Collection Improvement Act of 1996. The form that was previously required by Division of Financial Operations (DFO) has been replaced with a standard form 1199A.

(e) Checklist

Applicants are required to provide a Checklist indicating that all required supplemental forms and supporting documentation have been submitted. As indicated in the Checklist, supporting documentation is required for any consolidated/refinanced loans and Perkins Loans that are not subject to cancellation. Applicants are required to submit documentation of the facility's status to determine their funding preference. If applicants are employed by a professional group, they must provide a written statement from the group indicating that they will work exclusively at the designated critical shortage facility for the duration of any NELRP service obligation incurred. The supporting documentation described above is not available through other means. The checklist has been revised this year to require the applicant to provide proof of licensure, nursing degree(s), and school transcripts for his/her nursing education.

(f) Pre-Award Script

The Pre-Award Script is new to this package. The NELRP places a call to each potential awardee prior to making awards. Applicant award verification is significant to the program because it (1) confirms that the applicant is still eligible for and interested in receiving an award, (2) provides assurance that the applicant is fully conscious of the commitment that they are making to the program, and (3) helps the program to better plan the allocation of funds.

**3. USE OF IMPROVED INFORMATION TECHNOLOGY**

The Nursing Education Loan Repayment Program application is an online form. The application instructions and forms are available on the NELRP web site at <http://bhpr.hrsa.gov/nursing/loanrepay.htm>

**4. EFFORTS TO IDENTIFY DUPLICATION**

The information collected is specific to the applicant and unique to this program. No other source of this information is known to exist for completion of the application and semiannual monitoring forms.

**5. INVOLVEMENT OF SMALL ENTITIES**

The employment verification form(s) are completed by the applicants' and participants' employers, some of which may be small entities. The information requested on those forms has been held to the minimum required for the intended use; therefore, this activity does not have a significant impact on small entities.

**6. CONSEQUENCES IF INFORMATION COLLECTED LESS FREQUENTLY**

This program has a yearly application cycle. If not selected, the applicant may reapply in the next yearly cycle. The selection process for NELRP

awards necessitates the collection of information required to determine an applicant's eligibility and funding preference. In the absence of this information collection, the NELRP could not make any awards. In addition, the monitoring process for compliance with contractual requirements necessitates a semiannual employment verification. The consequence of less frequent monitoring is payout of government funds to participants who should not receive them.

7. **CONSISTENCY WITH THE GUIDELINES IN 5 CFR 1320.5(d)(2)**

This information collection fully complies with 5 CFR 1320.5(d)(2).

8. **CONSULTATION OUTSIDE THE AGENCY**

The notice required in 5 CFR 1320.8(d) was published in the *Federal Register* on June 15, 2007 (Vol. 72, No. 115, p. 33234). No comments were received. This program has consulted the following applicants to obtain constructive feedback to improve the clarity of the application, improve efficiency, and minimize the collection burden. The comments on clarity of the application and forms were positive. The applicants found the application instructions and materials to be clear and straight forward. There were no suggestions for improvement. The Estimate of Annualized Hour Burden is reflected in the chart on Page 10. Applicants contacted included:

1. Rebecca Lafavor  
Home Health Skilled Nurse  
Medical Center One  
Bismarck, ND  
701-323-8417
  
2. Ben Siapco  
CRNA  
Valley Medical Center  
Renton, WA  
253-797-4910

3. Donna Blankenship  
Floor Charge Nurse  
Raleigh General Hospital  
Beckley, WV  
304-732-8411

4. Amy VanHoveln  
RN – Diabetes Educator  
All Saints Health Care  
Racine, WI  
262-886-0354

**9. REMUNERATION OF RESPONDENTS**

Respondents will not be remunerated.

**10. ASSURANCE OF CONFIDENTIALITY**

Data collected on the individual NELRP application and semiannual monitoring forms constitutes a system of records under the Privacy Act of 1974. The applicable Privacy Act system is the “Public Health Service and National Health Service Corps Scholarship/Loan Repayment Participants Records System, HHS/HRSA/BPHC, 09-15-0037.” This system was most recently published in the Federal Register on March 8, 1993 (58 FR 12968). A Privacy Act Notification Statement is included in the NELRP Application Kit.

**11. QUESTIONS OF A SENSITIVE NATURE**

The applicant’s social security number is required for purposes of reporting the amount of loan repayments received by an individual to the Internal Revenue Service. It is also required by the Debt Collection Act of 1982, to permit collection of claims resulting from a participant’s breach of the NELRP contract.

The applicant’s annual gross salary and outstanding educational loan balances are required to determine whether the applicant meets the statutory funding



preference. The loan information is also needed to determine whether the loans are eligible for repayment. The Right to Financial Privacy Act (RFPA), Public Law 95-630, regulates the Federal Government's access to the financial records of individuals maintained by a financial institution. The Loan Information and Verification Form complies with the RFPA requirements for customer authorization for disclosure of financial records.

The applicant's banking information is necessary to electronically transmit loan repayments to the individual's financial institution, as required by the Debt Collection Improvement Act of 1996 and 31 CFR Parts 208 and 210.

The NELRP obtains a Credit Bureau Report (CBR) as part of the application review process. The CBR is cross-referenced with the information on the Loan Information and Verification Form, and also used to verify whether the applicant has a Federal judgment lien. The Privacy Act Notification Statement in the Application Kit advises applicants that a CBR will be obtained.

**12. ESTIMATES OF ANNUALIZED HOUR BURDEN ARE AS FOLLOWS FOR APPLICANTS:**

| Form/Regulatory Requirement              | Number of Respondents | Response per Respondents | Total Responses | Hours per Response | Total Burden Hours | Wage Rate | Total Burden Cost |
|--|-----------------------|--------------------------|-----------------|--------------------|--------------------|-----------|-------------------|
| NELRP Application                        | 5,000                 | 1                        | 5,000           | 1.5                | 7,500              | \$35      | 262,500           |
| Application Checklist                    | 5,000                 | 1                        | 5,000           | .5                 | 2,500              | \$35      | 87,500            |
| Loan Verification Form                   | 5,000                 | 3                        | 15,000          | 1                  | 15,000             | \$35      | 525,000           |
| Applicant Employee Verification Form     | 5,000                 | 1                        | 5,000           | .5                 | 2,500              | \$35      | 87,500            |
| Direct Deposit Sign-Up Form <sup>1</sup> | 5,000                 | 1                        | 5,000           | .17                | 850                | \$35      | 29,750            |
| Pre-Award Script                         | 600                   | 1                        | 600             | .25                | 150                | \$35      | 5,250             |
| <b>TOTAL</b>                             | <b>5,000</b>          |                          | <b>35,600</b>   |                    | <b>28,500</b>      |           | <b>998,000</b>    |

<sup>1</sup> The October 24, 2007 *Federal Register* notice cited 1 hour of burden for the Payment Information Form. Since the publication of the notice, the Division of Financial Operations replaced the existing form with a standard Direct Deposit Sign-up Form with an estimated burden of .17 hour thus resulting in a reduction of 4150 in estimated burden hours.

ESTIMATES OF ANNUALIZED HOUR BURDEN ARE AS FOLLOWS FOR PARTICIPANTS:

| Participant Semi-Annual Employment Verification Form | Number of Respondents | Response per Respondents | Total Responses | Hours per Response. | Total Burden Hours | Wage Rate | To |
|--|-----------------------|--------------------------|-----------------|---------------------|--------------------|-----------|----|
| Total  | 1,300                 | 2                        | 2,600           | .5                  | 1,300              | \$35      | 4  |

Basis for estimates:

The estimates of annualized hour burden are based on previous responses as well as four fiscal year 2006 applicants who were interviewed by phone. The interviews were consistent with time estimates and the feedback was positive.

Applicants: Based on previous years, the number of applicants is estimated to average 5,000 per year for the next 3 years. Each applicant must complete an application only once. The application consists of general information (name, address, school attended, degree(s) obtained, employment, etc.); one page of information for each Lending Institution for educational loans to be considered (average of 3 forms per applicant), plus any necessary supporting documentation; one page of information regarding the applicant's employment, plus any required supporting documentation; one page of information regarding the applicant's banking information; and a checklist.

Lenders: Approximately 5,000 applications with at least one to three loans each will be submitted. Approximately 10% of all loans submitted are verified through the lending institution. Approximately half of these are verified through the lending institutions automated access system. This figure is based on the applications likely to be funded due to the funds available for the NELRP program.

**13. ESTIMATES OF ANNUALIZED COST BURDEN TO RESPONDENTS**

There are no capital or startup costs to the respondents. All equipment and software are internally maintained at the NELRP as part of its normal business practice. The operation and maintenance costs to applicants consist of \$1 for making additional copies as necessary of the Loan Information and Verification Form and copying original loan documentation if their loans have been consolidated, and \$3.00 for mailing costs, which equals an estimated annualized cost burden of \$20,000. There will be no operation or maintenance costs to lenders; all information is maintained for usual business purposes.

**14. ESTIMATES OF ANNUALIZED COST TO GOVERNMENT**

The estimated cost to review the NELRP Program application forms is \$837,294. In FY 2007 the NELRP was managed by 6 staff persons and 1 manager (\$629,455), and contracted administrative support (\$207,839).

**15. CHANGES IN BURDEN**

Currently, there are 54,000 burden hours in the OMB Inventory. We are requesting a new total of 29,800 hours, a decrease of 24,200 hours. There has been a decrease in the number of applicants applying to the program. The reason for this decrease could be because we now indicate in the application guidance that funds are exhausted before we are able to fund all eligible Preference 1

applicants. We also list the debt to salary ratio we were able to fund down to in previous years.

In addition, there is a program adjustment in the number of responses in this submission because each form is being submitted in ICRAS separately rather than as one large application package. This results in a large increase in the total number of responses (29,000) as each form is submitted as a single entity.

**16. TIME SCHEDULE, PUBLICATION AND ANALYSIS PLANS**

The Nurse Reinvestment Act requires annual reports to Congress regarding participant demographics, service sites, default information, etc. These reports provide statistical tables as well as analysis of trends and evaluation of the program.

**17. EXEMPTION FOR DISPLAY OF EXPIRATION DATE**

The expiration date will be displayed.

**18. EXCEPTIONS TO CERTIFICATION FOR PRA SUBMISSIONS**

This information collection fully complies with 5 CFR 1320.9. The certifications are included in the package.

## **ATTACHMENTS**

Nursing Education Loan Repayment Program Application  
Guidance, Application Forms, Employment Verification Form,  
and Pre-Award Script