

107TH CONGRESS
1ST SESSION

H. R. 1897

To amend the Public Health Service Act and the Internal Revenue Code to help solve the worsening shortage of registered nurses in hospitals and continuing care settings, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MAY 17, 2001

Mr. ENGEL (for himself, Mrs. BONO, and Mrs. MCCARTHY of New York) introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committee on Energy and Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To amend the Public Health Service Act and the Internal Revenue Code to help solve the worsening shortage of registered nurses in hospitals and continuing care settings, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Nurse of Tomorrow
3 Act of 2001”.

4 **SEC. 2. AMENDMENTS TO PUBLIC HEALTH SERVICE ACT.**

5 (a) NURSE RETENTION AND RECRUITMENT.—

6 (1) IN GENERAL.—Title VIII of the Public
7 Health Service Act (42 U.S.C. 296 et seq.) is
8 amended by inserting at the end the following:

9 **“PART H—NURSE RETENTION AND**

10 **RECRUITMENT**

11 **“SEC. 851. NURSE RECRUITMENT AND RETENTION GRANTS.**

12 “(a) IN GENERAL.—The Secretary may award grants
13 to hospitals, nursing facilities, home health agencies, and
14 hospices that are experiencing shortages in nursing per-
15 sonnel to meet the costs of—3.

16 “(1) providing skills training and career devel-
17 opment of nurses to encourage them to work in clin-
18 ical specialty areas experiencing shortages;

19 “(2) providing grants to encourage nurses to
20 upgrade their skills to enable them to work in clin-
21 ical specialty areas experiencing shortages;

22 “(3) providing tuition reimbursement for nurses
23 who pursue study towards a bachelors degree, mas-
24 ters degree, or PHD in nursing or for other health
25 care workers who pursue associate degrees in nurs-
26 ing;

1 “(4) providing grants to support externships
2 and internships for student nurses;

3 “(5) providing grants to train nurses who have
4 not been practicing nursing for a period of at least
5 five years and who make a commitment to work for
6 a multiyear period; and

7 “(6) creating other nurse retention and recruit-
8 ment strategies the Secretary deems appropriate.

9 “(b) PREFERENCE.—In awarding grants under this
10 section, the Secretary shall give preference to applicants
11 in financial need as demonstrated by low or negative oper-
12 ating margins.”.

13 (2) AUTHORIZATION OF APPROPRIATIONS.—
14 Section 841 of the Public Health Service Act (42
15 U.S.C. 297q) is amended by adding at the end the
16 following:

17 “(f) PART H.—For the purposes of carrying out part
18 H, there are authorized to be appropriated \$100,000,000
19 for fiscal year 2002, and such sums as may be necessary
20 for each of the fiscal years 2003 through 2006.”.

21 (b) STRENGTHENING CAPACITY FOR BASIC NURSE
22 EDUCATION AND PRACTICE.—

23 (1) IN GENERAL.—Part D of title VIII of the
24 Public Health Service Act (42 U.S.C. 296p et seq.)

1 is amended by inserting at the end the following sec-
2 tions:

3 **“SEC. 832. BASIC NURSE EDUCATION EXPANSION GRANTS.**

4 “(a) IN GENERAL.—The Secretary may award grants
5 to and enter into contracts with schools of nursing, includ-
6 ing single-purpose degree or certificate granting institu-
7 tions for nursing affiliated with hospitals for the purpose
8 of expanding the number of students provided basic nurse
9 education at such schools.

10 “(b) PREFERENCE.—In awarding grants under this
11 section, the Secretary shall give preference to applicants
12 that—

13 “(1) have demonstrated the ability to recruit
14 and create a diverse student body;

15 “(2) provide remedial education to help stu-
16 dents with diverse needs and backgrounds to master
17 the language, reading, math, and computer skills
18 necessary to attain a license;

19 “(3) provide the Secretary with a plan to re-
20 cruit nurse aides, licensed practical nurses, and
21 other health care workers;

22 “(4) provide the Secretary with a plan to build
23 technologically modern classrooms and laboratories
24 to enable students to learn the latest technologies,
25 including medical error reduction technologies; and

1 “(5) provide the Secretary with a detailed plan
2 to substantially expand the number of students en-
3 rolled in the school over a four-year period.

4 **“SEC. 833. NURSE EDUCATION ENCOURAGEMENT GRANTS.**

5 “The Secretary may award grants to State depart-
6 ments of health, State departments of education, collegiate
7 schools of nursing, associate degree schools of nursing, di-
8 ploma schools of nursing, hospital, home health, hospice,
9 or nursing facility or other professional associations, hos-
10 pitals, or nursing facilities to enable such entities to work
11 with local school districts to develop programs to encour-
12 age secondary school students to choose nursing as a pro-
13 fession.”.

14 (2) AUTHORIZATION OF APPROPRIATIONS.—

15 Section 841 of the Public Health Service Act (42
16 U.S.C. 297q), as amended by subsection (a)(2) of
17 this section, is amended—

18 (A) in subsection (a), by striking “parts B,
19 C, and D” and inserting the following: “parts
20 B and C and section 831 of part D”; and

21 (B) by adding at the end the following sub-
22 section:

23 “(g) CERTAIN PROGRAMS UNDER PART D.—For the
24 purpose of carrying out sections 832 and 833 of part D,
25 there are authorized to be appropriated \$100,000,000 for

1 fiscal year 2002, and such sums as may be necessary for
2 each of the fiscal years 2003 through 2006.”.

3 (c) LOAN REPAYMENT PROGRAM.—Section 846(g) of
4 the Public Health Service Act (42 U.S.C. 297n(g)) is
5 amended by striking “there are authorized” and all that
6 follows and inserting the following: “there is authorized
7 to be appropriated \$5,000,000 for each of the fiscal years
8 2002 through 2006.”.

9 **SEC. 3. AMENDMENT TO INTERNAL REVENUE CODE OF**
10 **1986.**

11 (a) REFUNDABLE CREDIT FOR CERTAIN NURSES.—

12 (1) IN GENERAL.—Subpart C of part IV of sub-
13 chapter A of chapter 1 of the Internal Revenue Code
14 of 1986 (relating to refundable credits) is amended
15 by redesignating section 35 as section 36 and by in-
16 serting after section 34 the following new section:

17 **“SEC. 35. CERTAIN NURSES.**

18 “(a) IN GENERAL.—In the case of an individual who
19 is an eligible nurse at any time during the taxable year,
20 there shall be allowed as a credit against the tax imposed
21 by this subtitle the amount determined under subsection

22 (b).

23 “(b) AMOUNT OF CREDIT.—

1 “(1) IN GENERAL.—The amount of credit de-
2 termined under this subsection for a taxable year is
3 \$2,000.

4 “(2) PARTIAL YEARS.—In the case of an indi-
5 vidual who is an eligible nurse for less than an en-
6 tire taxable year, the amount of credit determined
7 under this subsection is the amount which bears the
8 same ratio to \$2,000 as the number of days during
9 the taxable year that the individual is such a nurse
10 bears to 365.

11 “(c) ELIGIBLE NURSE.—For purposes of this sec-
12 tion, the term ‘eligible nurse’ means any individual who
13 is employed as a nurse at—

14 “(1) a hospital;

15 “(2) a skilled nursing facility (as defined in sec-
16 tion 1819(a) of the Social Security Act);

17 “(3) a nursing facility (as defined in section
18 1919(a) of the Social Security Act);

19 “(4) a home health agency (as defined in sec-
20 tion 1861 of the Social Security Act); or

21 “(5) a hospice program (as defined in section
22 1861 of the Social Security Act).”.

23 (2) CONFORMING AMENDMENTS.—

24 (A) Paragraph (2) of section 1324(b) of
25 title 31, United States Code, is amended by in-

1 serting before the period “, or from section 35
2 of such Code”.

3 (B) The table of sections for subpart C of
4 part IV of subchapter A of chapter 1 of such
5 Code is amended by striking the last item and
6 inserting the following new items:

 “Sec. 35. Certain nurses.

 “Sec. 36. Overpayments of tax.”.

7 (3) EFFECTIVE DATE.—The amendments made
8 by this subsection shall apply to taxable years begin-
9 ning after December 31, 2001.

10 (b) EXCLUSION FROM GROSS INCOME OF AMOUNTS
11 RECEIVED UNDER NURSE LOAN REPAYMENT PRO-
12 GRAM.—

13 (1) IN GENERAL.—Section 117 of the Internal
14 Revenue Code of 1986 is amended by adding at the
15 end the following new subsection:

16 “(e) CERTAIN NURSE LOAN PAYMENTS UNDER PUB-
17 LIC HEALTH SERVICE ACT.—Gross income shall not in-
18 clude any amount received under section 846 of the Public
19 Health Service Act.”

20 (2) EFFECTIVE DATE.—The amendment made
21 by paragraph (1) shall apply to amounts received by
22 an individual in taxable years beginning after De-
23 cember 31, 2001.

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