

en the educational programs so as to produce better prepared nurses. In many cases, particularly in hospital-based schools, the deficits are passed along to patients through higher fees for hospital care.

Under this proposed formula grant, each school would receive \$15,000, and the remaining funds appropriated would then be distributed in the same manner as proposed for the health professions schools—75 percent on the basis of enrollment and 25 percent on the basis of the number of graduates. In the distribution of funds on the basis of the enrollment, the schools would receive twice the per capita amount for enrollment in excess of the average enrollment during the 5-year base period.

Third, the present special project grant authorization would be somewhat broadened with respect to the purposes for which grants may be made, and eligibility for these grants would be extended to cover institutions in addition to nursing schools. Planning groups are now studying local needs and resources for nursing education, yet their progress toward developing formal and continuing education programs to meet their requirements for nursing services is deterred by lack of support.

The broadened authority would permit grants to be made to institutions or agencies which do not have programs of nurse education but which could plan or develop such programs or could make major contributions to the improvement of programs of nurse education, as well as permitting, in this period of transition in nursing education, grants to junior colleges and colleges which are planning and developing arrangements with diploma programs.

It would also assist the hospital schools with ongoing planning and phasing processes so that this period of transition in nursing education would be orderly. Graduations from associate degree and baccalaureate programs are increasing and will continue to increase as more and more students select academically based preparation. Graduations from diploma programs, which are the predominant producers of practicing professional nurses, must also increase to insure production of the number of nurses needed. Hospitals will continue to provide the setting where students learn and practice patient care.

Student aid

Fourth, the student aid provisions of the act would be strengthened in several important respects. The present limited authority for "opportunity grants" for nursing education would be replaced with a broad program of scholarship grants patterned after the scholarship program for students in health professions schools, with a maximum scholarship of \$1,500. Coupled with the loan program, the scholarships would allow institutions greater flexibility in meeting individual students' financial requirements and provide more realistic support to meet educational costs.

In addition, the student loan provisions would be amended to increase the maximum loan to individual students from \$1,000 to \$1,500; to postpone loan repayments during periods of service with VISTA or the Peace Corps; and to liberalize the loan cancellation or "forgiveness" provisions by increasing the annual cancellation rate for service as a professional nurse in publicly owned hospitals in substantially populated, nurse-shortage areas, and by eliminating the present 50-