

to authorize grants for a wide variety of programs and to include grants to any public and nonprofit private agency which can contribute toward improvements in nursing programs and which can encourage the coordination of efforts between programs.

Section 806 would also be amended to provide direct assistance to all schools of nursing. Each school would receive a lump sum annual payment of \$15,000 and in addition would receive an annual payment based on the relative enrollment of students and graduates. This assistance, however, is uncertain as to amount and related to unspecified amounts to be appropriated. We believe that particularly in respect to the diploma schools of nursing it is most essential that they be assured a minimum amount per student. Such a need was recognized in Congressman Rooney's bill, H.R. 13096. As previously pointed out the collegiate and associate degree programs are in the main tied to the public educational system and, therefore, have financial assurances which are not available to the diploma schools. Without such specific assurances we greatly fear we will continue to see a closing of these diploma schools.

Therefore, we would urge that this section of the bill be amended so that in addition to the \$15,000 lump sum payment to all schools, a per student annual payment of a minimum of \$500 be specified for diploma schools of nursing.

Part C—Student aid

Section 823(b)(3) would increase the rate of forgiveness from 10 percent to 15 percent a year where a nurse following graduation works in prescribed circumstances. However, we believe the language of the bill inadvertently limits the eligible services to a "public" hospital, whereas the basic provision includes public and privately owned nonprofit hospitals.

We recommend that the language of the bill be amended to include private nonprofit as well as public hospitals.

This section of the bill should serve as a strong incentive to students; and in relationship to the likely income to be paid a student following graduation, we believe the forgiveness is fully justified.

Section 222(e) of the bill would amend section 825 of the Public Health Service Act to provide for the allocation of appropriations among the schools rather than among the States. Further, it provides that the allocations shall be on the basis of the full-time enrollment in the school of nursing rather than on the basis of the number of high school graduates. The amendment provides a much more realistic method for the allocation of funds.

Section 222(h) of the bill would add a new section 829 to the bill and would permit the transfer of up to 20 percent of funds from the loan program to the scholarship programs. A later provision of the bill also provides for a similar transfer of funds from the scholarship program to the loan program. We believe these provisions will permit desirable flexibility in the program.

Part D—Scholarship grants to schools of nursing

Section 223(a) amends part D of the Public Health Service Act to provide for scholarship grants to schools of nursing. We note that the provisions have been amended so as to pattern the program after the scholarship provisions of the health professions section of the bill. The