

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1121 Session of
2005

INTRODUCED BY GOODMAN, ALLEN, BARRAR, BEBKO-JONES, BELARDI,
BIANCUCCI, BISHOP, BOYD, BROWNE, BUNT, CALTAGIRONE, CAWLEY,
CORRIGAN, COSTA, CREIGHTON, CURRY, DONATUCCI, FABRIZIO,
FICHTER, FREEMAN, GEORGE, GERGELY, GRUCELA, HARRIS,
HENNESSEY, HERSHEY, HUTCHINSON, JOSEPHS, KIRKLAND, LEACH,
LEDERER, MANN, MCGEEHAN, NAILOR, PETRARCA, PISTELLA,
READSHAW, REICHLEY, ROBERTS, SCAVELLO, SHANER, SOLOBAY,
STABACK, TANGRETTI, THOMAS, TIGUE, TURZAI, WALKO, WATSON,
WOJNAROSKI, YOUNGBLOOD AND YUDICHAK, MARCH 29, 2005

REFERRED TO COMMITTEE ON EDUCATION, MARCH 29, 2005

AN ACT

1 Amending the act of March 10, 1949 (P.L.30, No.14), entitled "An
2 act relating to the public school system, including certain
3 provisions applicable as well to private and parochial
4 schools; amending, revising, consolidating and changing the
5 laws relating thereto," establishing a nursing loan
6 forgiveness program for persons employed in the nursing
7 profession at veterans' homes and veterans' centers operated
8 by the Department of Military and Veterans Affairs.

9 The General Assembly of the Commonwealth of Pennsylvania
10 hereby enacts as follows:

11 Section 1. The act of March 10, 1949 (P.L.30, No.14), known
12 as the Public School Code of 1949, is amended by adding an
13 article to read:

ARTICLE XXII-B

LOAN FORGIVENESS PROGRAM FOR NURSES

(a) General Provisions.

17 Section 2201-B. Scope.

1 This article deals with loan forgiveness for nurses.

2 Section 2202-B. Purpose.

3 The purpose of this article is to provide an incentive to
4 Pennsylvania nurses and Pennsylvania students who pursue higher
5 education and training in nursing programs to seek and accept
6 full-time employment at veterans' homes and veterans' centers
7 operated by the Department of Military and Veterans Affairs.

8 Section 2203-B. Definitions.

9 The following words and phrases when used in this article
10 shall have the meanings given to them in this section unless the
11 context clearly indicates otherwise:

12 "Agency." The Pennsylvania Higher Education Assistance
13 Agency.

14 "Approved course of study." A program or curriculum offered
15 by a postsecondary educational institution that provides
16 instruction in nursing and has been approved by the State Board
17 of Nursing.

18 "Approved educational institution." A postsecondary
19 educational institution located in this Commonwealth that is
20 authorized to provide approved courses of study and diplomas or
21 certificates approved by the Pennsylvania Higher Education
22 Assistance Agency as an institution in which students may enroll
23 to participate in the Pennsylvania Veterans Home Nurse Loan
24 Forgiveness Program.

25 "Board." The State Board of Nursing of the Commonwealth.

26 "Department." The Department of Military and Veterans
27 Affairs of the Commonwealth.

28 "Licensed practical nurse." An individual licensed under the
29 laws of this Commonwealth to practice practical nursing.

30 "Nurse." A licensed practical or registered nurse.

1 "Program." The Pennsylvania Veterans Home Nurse Loan
2 Forgiveness Program established in section 2212-B(a).

3 "Registered nurse." An individual licensed under the laws of
4 this Commonwealth to practice professional nursing.

5 "Student." An individual domiciled in this Commonwealth who
6 attends or is about to attend a postsecondary educational
7 institution located in this Commonwealth.

8 "Veterans' home or veterans' center." A long-term care
9 facility including domiciliary/personal care units and nursing
10 care units operated by the Department of Military and Veterans
11 Affairs for Pennsylvania veterans who served their nation.

12 "Work requirement." Postgraduate, full-time employment in
13 direct patient care with a veterans' home or veterans' center
14 operated by the Department of Military and Veterans Affairs in
15 an occupation related to an approved course of study under this
16 article. The term does not include a paid student internship, a
17 paid fellowship, volunteer service or employment before
18 graduation.

19 (b) Program.

20 Section 2211-B. Pennsylvania Veterans Home Nurse Loan
21 Forgiveness Program.

22 The agency shall establish and administer the Pennsylvania
23 Veterans Nurse Loan Forgiveness Program as set forth in sections
24 2212-B and 2213-B to provide financial assistance to individuals
25 who acquire the required degree or diploma in nursing and to
26 recruit these individuals to practice their professions in
27 veterans' homes and veterans' centers operated by the
28 department.

29 Section 2212-B. Loan repayment assistance.

30 (a) Establishment of program.--The Pennsylvania Veterans

Home Nurse Loan Forgiveness Program is established. The program shall be for repayment of student loans for nurses providing direct patient care in veterans' homes and veterans' centers operated by the department and shall be administered by the agency.

(b) Repayment assistance.--The agency may provide assistance for the repayment of an agency-administered student loan for education at an institution of higher learning received by a nurse. Repayment assistance may not be made for a loan that is in default at the time of the application or for an agency-administered loan being repaid through any other loan repayment assistance program. Repayment shall be made by the agency to the lending institution on behalf of the loan recipient.

(c) Eligibility for program.--Consideration for loan repayment assistance shall be as follows:

(1) The applicant must be an individual who:

(i) has completed an approved course of study;

(ii) has been licensed by the board as a licensed practical nurse or a registered nurse; and

(iii) is employed full time as a nurse in the provision of direct patient care in a veterans' home or veterans' center operated by the department.

(2) An applicant who is qualified under paragraph (1) must agree to practice in a veterans' home or veterans' center as a nurse for not less than three years.

(d) Amount of loan forgiveness.--The amount of loan forgiveness shall be as follows:

(1) Licensed practical nurse.--A licensed practical nurse who is eligible under subsection (c) shall be eligible to receive up to \$3,000 in loan repayments based on the

following repayment schedule:

(i) Year one, 30%.

(ii) Year two, 35%.

(iii) Year three, 35%.

(2) Registered nurse.--A registered nurse who is eligible under subsection (c) shall be eligible to receive up to \$20,000 in loan repayments based on the following repayment schedule:

(i) Year one, 25%.

(ii) Year two, 25%.

(iii) Year three, 25%.

(iv) Year four, 25%.

Section 2213-B. Administration of program.

(a) Contracts.--A recipient of loan repayment assistance shall enter into a contract with the agency which shall be considered a contract with the Commonwealth. The contract shall include, but not be limited to, the following terms and conditions:

(1) The applicant shall agree to practice not less than three full years in a veterans' home or veterans' center at a repayment assistance schedule as provided in section 2212-B(d).

(2) The applicant shall agree to practice on a full-time basis.

(3) The nurse shall permit the agency to monitor compliance with the work requirement.

(4) The agency shall certify compliance with the terms of the contract for purposes of receipt by the nurse of loan repayment awards for years subsequent to the initial year of the loan.

1 (5) The contract shall be renewable on an annual basis
2 upon certification by the agency that the nurse has complied
3 with the terms of the contract.

4 (6) Upon the recipient's death or total or permanent
5 disability, the agency shall nullify the work requirement of
6 the recipient.

7 (7) If the board has determined that the recipient has
8 committed an act of gross negligence or that the recipient's
9 license to practice is suspended or revoked the agency shall
10 have the authority to terminate the recipient's service in
11 the program and demand repayment of the assistance rendered
12 to date.

13 (8) Loan recipients who fail to begin or complete the
14 obligations contracted for shall reimburse to the
15 Commonwealth all amounts received under this article and
16 interest thereon as determined by the agency. Falsification
17 or misrepresentation on an application or in verification of
18 service shall be construed to be a default. Determination as
19 to the time of breach of contract shall be made by the
20 agency. Both the recipient and the agency shall make every
21 effort to resolve conflicts in order to prevent a breach of
22 contract.

23 (b) Contract enforcement.--The agency shall have the
24 authority to seek garnishment of wages for the collection of
25 damages provided for in subsection (a)(8).

26 (c) Ineligibility.--The agency may deny loan forgiveness to
27 a student who is convicted under section 8.2 of the act of
28 January 25, 1966 (1965 P.L.1546, No.541), referred to as the
29 Higher Education Scholarship Law.

30 (d) Fraud.--Any person who knowingly or intentionally

procures, obtains or aids another to procure or obtain loan forgiveness under this article through fraudulent means shall be disqualified from participation and shall be liable to the agency for an amount equal to three times the amount obtained.

(e) Verification.--The agency shall monitor and verify a student's fulfillment of all requirements under this article.

(f) Tax.--Loan forgiveness repayments received by a student shall not be considered taxable income for purposes of Article III of the act of March 4, 1971 (P.L.6, No.2), known as the Tax Reform Code of 1971.

(c) Miscellaneous Provisions.

Section 2231-B. Annual report.

(a) Development of report.--The agency shall publish a report by September 1, 2005, and every year thereafter for the immediately preceding fiscal year. The report shall include information regarding the operation of the program established under this article, including:

(1) The number of applications received for the Pennsylvania Veterans Home Nurse Loan Forgiveness Program.

(2) The number and amount of program contracts executed and contracts renewed for licensed practical nurses and registered nurses.

(3) The number of defaulted loan forgiveness program contracts, reported by cause.

(4) The number of nurses participating in the program, reported by type of institution attended, including four-year educational institutions, community colleges, independent two-year colleges, private licensed schools, hospital-based courses of study and certificate programs and by the location of the veterans' home or the veterans' center where employed.

1 (5) The number and type of enforcement actions taken by
2 the agency.

3 (b) Submission.--The annual report shall be submitted to the
4 Governor, the chairman and minority chairman of the
5 Appropriations Committee of the Senate, the chairman and
6 minority chairman of the Appropriations Committee of the House
7 of Representatives, the chairman and minority chairman of the
8 Education Committee of the Senate and the chairman and minority
9 chairman of the Education Committee of the House of
10 Representatives.

11 Section 2232-B. Appeals.

12 The provisions of this article shall be subject to 22 Pa.
13 Code Ch. 121 (relating to student financial aid).

14 Section 2233-B. Regulations.

15 The agency shall adopt regulations and procedures necessary
16 to carry out the purposes of this article.

17 Section 2234-B. Funding.

18 Loan forgiveness repayments shall be made to the extent that
19 funds are appropriated by the General Assembly for this article.

20 Section 2. This act shall take effect immediately.