

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 49

Session of
2005

INTRODUCED BY PETRONE, SOLOBAY, COHEN, LEACH, GOODMAN, BROWNE, PETRARCA, LEDERER, JAMES, HARPER, DALLY, TIGUE, PISTELLA, TANGRETTI, BISHOP, STURLA, REICHLEY, CRAHALLA, GRUCELA, McGEEHAN, LaGROTTA, McCALL, BELARDI, WATSON, HERMAN, HENNESSEY, KOTIK, McILHATTAN, FRANKEL, YUDICHAK, GEORGE, READSHAW, CORRIGAN, BEBKO-JONES, STABACK, LEVDANSKY, WILT, MUSTIO, THOMAS, DeLUCA, GERGELY, MELIO, CAPPELLI, MANN, REED, WALKO, CURRY, CAUSER, KIRKLAND, LESCOVITZ, COSTA, SAINATO, TURZAI, DiGIROLAMO, PRESTON, SHANER, MANDERINO, CASORIO, CALTAGIRONE, PALLONE, WHEATLEY, BUNT, MCGILL, HUTCHINSON, FICHTER, BELFANTI, FABRIZIO, DALEY, FREEMAN, EACHUS, WASHINGTON, JOSEPHS, BENNINGHOFF, MARKOSEK, MAHER, GOOD, MYERS, MUNDY, KAUFFMAN, NAILOR, AND SAMUELSON,
JANUARY 25, 2005

AS AMENDED ON THIRD CONSIDERATION, HOUSE OF REPRESENTATIVES,
JUNE 7, 2005

AN ACT

1 Providing for Commonwealth support for a Mental Health and
2 Mental Retardation Staff Member Loan Forgiveness Program and
3 an Alcohol and Drug Addiction Counselor Loan Forgiveness
4 Program for Commonwealth residents who graduate from
5 institutions of higher education and who apply their degrees
6 to careers as mental health and mental retardation staff
7 members in this Commonwealth.

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

10 Section 1. Short title.

11 This act shall be known and may be cited as the Mental Health
12 and Mental Retardation Staff Member and Alcohol and Drug
13 Addiction Counselor Loan Forgiveness Programs Act.

14 Section 2. Findings and declaration of purpose.

1 The General Assembly finds and declares that:

2 (1) Community-based mental health, mental retardation
3 and alcohol and drug addiction treatment services offer
4 lifelong supports and opportunities for a meaningful quality
5 of life, in fulfillment of Federal and State laws.

6 (2) Treatment of alcohol and other drug addiction is a
7 crucial investment in our health care, in the stability of
8 our families and in protecting the public safety.

9 (3) A qualified and stable work force is the key to
10 quality community mental health and mental retardation
11 services and to quality alcohol and drug addiction counseling
12 services.

13 (4) The pool of qualified staff members has diminished.

14 (5) The number of college students planning to enter the
15 mental health and mental retardation or the alcohol and drug
16 addiction counseling professions appears to be inadequate to
17 meet the need for staff members in this Commonwealth.

18 (6) Demand from industry and other opportunities attract
19 potential staff members away from these professions.

20 (7) Payment of a portion of student loans for mental
21 health and mental retardation staff members or alcohol and
22 drug addiction counselors serves the important public purpose
23 of encouraging new staff members to pursue careers in this
24 Commonwealth.

25 Section 3. Definitions.

26 The following words and phrases when used in this act shall
27 have the meanings given to them in this section unless the
28 context clearly indicates otherwise:

29 "Agency." The Pennsylvania Higher Education Assistance
30 Agency.

1 "Counselor." A counselor assistant, counselor or clinical
2 supervisor.

3 "Licensed alcohol and drug addiction treatment facility." An
4 alcohol or drug addiction treatment facility licensed by the
5 Department of Health to provide addiction treatment services.

6 "Qualified alcohol and drug addiction loan forgiveness
7 applicant." A person who meets all of the following criteria:

8 (1) Is a resident of this Commonwealth.

9 (2) Has successfully completed a two-year or four-year
10 academic degree or diploma OR GRADUATE LEVEL ACADEMIC DEGREE <—
11 OR DIPLOMA at an accredited college or university.

12 (3) Has been hired as a full-time counselor by a
13 licensed alcohol and drug addiction treatment facility.

14 (4) Has successfully completed the first six months of
15 full-time employment as a counselor at a licensed alcohol and
16 drug addiction treatment facility and remains in good
17 standing with the facility.

18 (5) Has borrowed through and has a current outstanding
19 balance with Guaranteed Stafford or Consolidation Loan
20 Programs administered by the Pennsylvania Higher Education
21 Assistance Agency.

22 "Qualified applicant." A qualified mental health and mental
23 retardation loan forgiveness applicant or a qualified alcohol
24 and drug addiction loan forgiveness applicant.

25 "Qualified mental health and mental retardation loan
26 forgiveness applicant." A person who meets all of the following
27 criteria:

28 (1) Is a resident of this Commonwealth.

29 (2) Has successfully completed a two-year or four-year
30 academic degree or diploma OR GRADUATE LEVEL ACADEMIC DEGREE <—

1 OR DIPLOMA at an accredited college or university.

2 (3) Has been hired as a full-time staff member by a
3 county mental health or mental retardation service agency
4 within this Commonwealth through a merit or civil service
5 system approved by the Secretary of Public Welfare or by a
6 private provider that is under contract with either a county
7 to provide mental health or mental retardation services or
8 the Department of Public Welfare to provide behavioral health
9 rehabilitation services to individuals with developmental
10 disabilities.

11 (4) Has successfully completed the first six months of
12 full-time employment as a staff member at a county mental
13 health or mental retardation service agency or a private
14 provider under contract with either a county or the
15 Department of Public Welfare and remains in good standing
16 with the service agency or private provider.

17 (5) Performs staff duties at a county mental health or
18 mental retardation service agency within this Commonwealth or
19 at a private provider within this Commonwealth that is under
20 contract with either a county to provide mental health or
21 mental retardation services or the Department of Public
22 Welfare to provide behavioral health rehabilitation services
23 to individuals with developmental disabilities.

24 (6) Has borrowed through and has a current outstanding
25 balance with the agency-administered Guaranteed Stafford or
26 Consolidation Loan Programs administered by the Pennsylvania
27 Higher Education Assistance Agency.

28 "Staff member." A caseworker, direct support professional,
29 therapist, program coordinator or director.

30 Section 4. Mental Health and Mental Retardation Staff Member

1 Loan Forgiveness Program.

2 (a) Components.--Components shall be as follows:

3 (1) A qualified applicant who is selected for the Mental
4 Health and Mental Retardation Staff Member Loan Forgiveness
5 Program in accordance with this act shall be eligible for
6 payment by the agency of a portion of the debt incurred by
7 the applicant through the agency-administered Guaranteed
8 Stafford or Consolidation Loan Programs for the education
9 necessary to be a mental health or mental retardation staff
10 member in this Commonwealth if the qualified applicant enters
11 into a contract with the agency that requires the qualified
12 recipient to remain employed as a full-time mental health or
13 mental retardation staff member in this Commonwealth for a
14 period of two consecutive years.

15 (2) The agency may forgive a proportional part of the
16 applicant's loan so that the loan may be entirely forgiven
17 over four years of full-time staff work. No more than \$5,000
18 shall be forgiven in any year, and no more than \$20,000 shall
19 be forgiven for any applicant.

20 (3) Payments shall be made in accordance with the
21 procedures established by the agency.

22 (4) The contract entered into with the agency pursuant
23 to paragraph (1) shall be considered a contract with the
24 Commonwealth and shall include the following terms:

25 (i) The recipient shall agree to be employed by a
26 county mental health or mental retardation service agency
27 located within this Commonwealth or by a private provider
28 of mental health or mental retardation services.

29 (ii) The recipient shall permit the agency to
30 determine compliance with the work requirement and all

1 other terms of the contract.

2 (iii) Upon the recipient's death or total or
3 permanent disability, the agency shall nullify the
4 service obligation of the recipient.

5 (iv) If the recipient is convicted of or pleads
6 guilty or no contest to a felony, the agency shall have
7 the authority to terminate the recipient's service in the
8 program and demand repayment of the amount of the loan as
9 of the date of the conviction.

10 (v) Loan recipients who fail to begin or complete
11 the obligations contracted for shall pay to the agency
12 the amount of the loan received under the terms of the
13 contract pursuant to this section. Providing false
14 information or misrepresentation on an application or
15 verification of service shall be deemed a default.
16 Determination as to the time of the default shall be made
17 by the agency.

18 (b) Limitations.--A loan forgiveness award shall not be made
19 for a loan that is in default at the time of the application.
20 Loan forgiveness provided under the provisions of this act shall
21 not be awarded to a recipient of another Commonwealth-provided
22 loan forgiveness program concurrently.

23 Section 5. Alcohol and Drug Addiction Counselor Loan
24 Forgiveness Program.

25 (a) Components.--Components shall be as follows:

26 (1) A qualified applicant who is selected for the
27 Alcohol and Drug Addiction Counselor Loan Forgiveness Program
28 in accordance with this act shall be eligible for payment by
29 the agency of a portion of the debt incurred by the applicant
30 through the agency-administered Guaranteed Stafford or

1 Consolidation Loan Programs for the education necessary to be
2 an alcohol and drug addiction counselor in this Commonwealth
3 if the qualified applicant enters into a contract with the
4 agency that requires the qualified recipient to remain
5 employed as a full-time alcohol and drug addiction counselor
6 in this Commonwealth for a period of two consecutive years.

7 (2) The agency may forgive a proportional part of the
8 applicant's loan so that the loan may be entirely forgiven
9 over four years of full-time staff work. No more than \$5,000
10 shall be forgiven in any year, and no more than \$20,000 shall
11 be forgiven for any applicant.

12 (3) Payments shall be made in accordance with the
13 procedures established by the agency.

14 (4) The contract entered into with the agency pursuant
15 to paragraph (1) shall be considered a contract with the
16 Commonwealth and shall include the following terms:

17 (i) The recipient shall agree to be employed by a
18 licensed alcohol and drug addiction treatment facility
19 located within this Commonwealth.

20 (ii) The recipient shall permit the agency to
21 determine compliance with the work requirement and all
22 other terms of the contract.

23 (iii) Upon the recipient's death or total or
24 permanent disability, the agency shall nullify the
25 service obligation of the recipient.

26 (iv) If the recipient is convicted of or pleads
27 guilty or no contest to a felony, the agency shall have
28 the authority to terminate the recipient's service in the
29 program and demand repayment of the amount of the loan as
30 of the date of the conviction.

(v) Loan recipients who fail to begin or complete the obligations contracted for shall pay to the agency the amount of the loan received under the terms of the contract pursuant to this section. Providing false information or misrepresentation on an application or verification of service shall be deemed a default. Determination as to the time of the default shall be made by the agency.

(b) Limitation.--A loan forgiveness award under this act shall not be made for a loan that is in default at the time of the application. Loan forgiveness provided under the provisions of this act shall not be concurrently awarded to a recipient of another Commonwealth-provided loan forgiveness program.

Section 6. Tax applicability.

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

Section 7. Annual report.

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

(1) The number and amount of mental health and mental retardation staff member and alcohol and drug addiction counselor contracts executed and renewed for mental health and mental retardation staff member loan forgiveness applicants and alcohol and drug addiction counselor loan forgiveness applicants.

(2) The number of defaulted mental health and mental

retardation staff member and alcohol and drug addiction counselor contracts, reported by cause.

(3) The number of full-time staff employees of mental health and mental retardation service agencies, the number of full-time staff employees of private providers and the number of full-time staff employees of licensed alcohol and drug addiction facilities participating in the program, reported by type of institution attended, including four-year educational institutions, community colleges and independent two-year colleges.

(4) The number and type of enforcement actions taken by the agency.

(b) Submission.--The annual report shall be submitted to the Governor, the chair and minority chair of the Appropriations Committee of the Senate, the chair and minority chair of the Appropriations Committee of the House of Representatives, the chair and minority chair of the Education Committee of the Senate, the chair and minority chair of the Education Committee of the House of Representatives, the chair and minority chair of the Public Health and Welfare Committee of the Senate and the chair and minority chair of the Health and Human Services Committee of the House of Representatives.

Section 8. Appeals.

The provision of this act shall be subject to 22 Pa. Code Ch. 121 (relating to student financial aid).

Section 9. Loan forgiveness awards.

Recipients of loan forgiveness awards under this act shall be those mental health and mental retardation staff members or alcohol and drug addiction counselors who are working in and who have received a satisfactory rating from either a county office

1 of mental health or mental retardation service within this
2 Commonwealth, a private provider within this Commonwealth under
3 contract with a county or the Department of Public Welfare or a
4 licensed alcohol and drug addiction treatment facility. Mental
5 health or mental retardation staff members or alcohol and drug
6 addiction counselors shall be required to submit such
7 documentation of eligibility as the agency may require including
8 documentation to indicate full-time employment, as full-time
9 employment is defined by a county office, a private provider or
10 a licensed alcohol or drug addiction treatment facility. The
11 documentation shall be presented to the agency in the form of a
12 letter from the applicant's employer stating that the applicant
13 is employed by the mental health or mental retardation service
14 provider or a licensed alcohol and drug addiction facility and
15 that the applicant performs the applicant's duties in a
16 satisfactory manner.

17 Section 10. Funding.

18 Loan forgiveness awards under this act may be made to the
19 extent that funds are appropriated by the General Assembly and
20 are sufficient to cover the administration of the program. In
21 the event that funding is insufficient to fully fund
22 administration and all eligible applicants, priority shall be
23 given to renewal applicants. Thereafter, the agency shall
24 utilize a random lottery system for determining which applicants
25 receive loan forgiveness awards.

26 Section 11. Responsibility of agency.

27 The agency shall administer the Mental Health and Mental
28 Retardation Staff Member and Alcohol and Drug Addiction
29 Counselor Loan Forgiveness Programs established by this act and
30 shall adopt such regulations, policies, procedures and forms as

1 are necessary and not inconsistent with the provisions of this
2 act.

3 Section 12. Effective date.

4 This act shall take effect in 60 days.