

## 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," providing for student loan  
6 forgiveness.

7 This act may be referred to as the Skill Up Pennsylvania Act.

8 The General Assembly of the Commonwealth of Pennsylvania

9 hereby enacts as follows:

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

13 ARTICLE XX-L

14 STUDENT LOAN FORGIVENESS PROGRAM

15 Section 2001-L. Definitions.

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

19 "Benefit recipient." An eligible individual who receives an

1 education benefit under the program.

2 "Department." The Department of Education of the  
3 Commonwealth.

4 "Education benefit." The amount of student loan forgiveness  
5 received by a benefit recipient.

6 "Eligible individual." An individual who:

7 (1) Is a resident of this Commonwealth.

8 (2) Holds an undergraduate degree from an institution of  
9 higher education.

10 (3) Currently has student loans.

11 (4) Meets income eligibility criteria established in  
12 section 2002-L(c).

13 "Institution of higher education." Includes any of the  
14 following:

15 (1) A community college operating under Article XIX-A.

16 (2) A university within the State System of Higher  
17 Education established under Article XX-A.

18 (3) An institution designated as "State-related" by the  
19 Commonwealth.

20 (4) The Thaddeus Stevens College of Technology, the  
21 Pennsylvania College of Technology or any other postsecondary  
22 school, including a career and technical college, vocational  
23 school, trade school or other similar institution, which  
24 awards academic degrees or professional certifications.

25 "Program." The Student Loan Forgiveness Program established  
26 under section 2002-L.

27 "Secretary." The Secretary of Education of the Commonwealth.  
28 Section 2002-L. Student Loan Forgiveness Program.

29 (a) Establishment.--The Student Loan Forgiveness Program is  
30 established.

1 (b) Administration.--The department shall administer the  
2 program for the purpose of providing education benefits for  
3 benefit recipients.

4 (c) Loan forgiveness.--The department shall provide  
5 education benefits for the purposes of forgiving a portion of  
6 the benefit recipient's student loans, based on the following  
7 schedule:

8 (1) \$5,000 for benefit recipients with an annual gross  
9 income of less than \$50,000.

10 (2) \$4,000 for benefit recipients with an annual gross  
11 income of at least \$50,000 but less than \$60,000.

12 (3) \$3,000 for benefit recipients with an annual gross  
13 income of at least \$60,000 but less than \$65,000.

14 (4) \$2,000 for benefit recipients with an annual gross  
15 income of at least \$65,000 but less than \$70,000.

16 (5) \$1,000 for benefit recipients with an annual gross  
17 income of at least \$70,000 but less than \$75,000.

18 (d) Death or disability.--Upon the benefit recipient's death  
19 or total or permanent disability, the department shall not be  
20 required to provide an education benefit under the program.

21 (e) Termination due to felony.--The department may terminate  
22 an education benefit and demand repayment of the education  
23 benefit if the benefit recipient is convicted of or pleads  
24 guilty or no contest to a felony.

25 Section 2003-L. Tax applicability.

26 Education benefits received under this article shall not be  
27 considered taxable income for purposes of Article II of the act  
28 of March 4, 1971 (P.L.6, No.2), known as the Tax Reform Code of  
29 1971.

30 Section 2004-L. Annual reporting.

1 (a) General requirement.--By September 1, 2022, and each  
2 September 1 thereafter, the department shall prepare a report  
3 regarding the operation of the program for the immediately  
4 preceding fiscal year.

5 (b) Contents.--A report under this section shall include  
6 information regarding the operation of the program, including:

7 (1) The number and amount of education benefits provided  
8 in each income category.

9 (2) The number of benefit recipients participating in  
10 the program in each income category.

11 (3) The number and type of enforcement actions taken by  
12 the department regarding the implementation of the program.

13 (c) Submittal.--The department shall submit a report under  
14 this section to the following:

15 (1) The Governor.

16 (2) The chairperson and minority chairperson of the  
17 Appropriations Committee of the Senate.

18 (3) The chairperson and minority chairperson of the  
19 Appropriations Committee of the House of Representatives.

20 (4) The chairperson and minority chairperson of the  
21 Education Committee of the Senate.

22 (5) The chairperson and minority chairperson of the  
23 Education Committee of the House of Representatives.

24 Section 2005-L. Funding for program.

25 (a) Appropriation.--The sum of \$100,000,000 is appropriated  
26 to the department from money received by the Commonwealth under  
27 the American Rescue Plan Act of 2021 (Public Law 117-2, 135  
28 Stat. 4), for the purpose of providing education benefits to  
29 benefit recipients.

30 (b) Sufficiency of money.--Education benefits under this

1 article shall be made only to the extent that money is  
2 appropriated for the program and is sufficient to cover the  
3 administration of the program.

4 (c) Entitlement not established.--Student loan forgiveness  
5 under this article shall not constitute an entitlement derived  
6 from the Commonwealth or a claim on any money of the  
7 Commonwealth.

8 Section 2006-L. Rules and regulations.

9 The department shall adopt or promulgate any necessary rules  
10 or regulations to administer this article.

11 Section 2. This act shall take effect in 90 days.